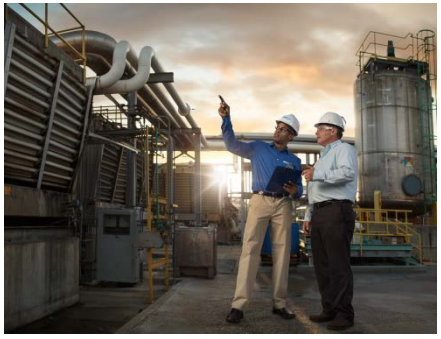
Fourth Quarter 2017 Teleconference Supplemental Data





Cautionary Statement

Forward-Looking Information Forward-Looking Information This communication contains forward looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements regarding our future financial and business performance and prospects, including forecasted 2018 first quarter and full year business and financial results, impact of new U.S. tax law, impact of divestiture, new business, gross margins, pricing, investments and business acquisitions. These statements are based on the current expectations of management of Ecolab Inc. ("the Company"). There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. These risks and uncertainties are set forth under Item 1A of our most recent Annual Report on Form 10-K and our other our public filings with the Securities and Exchange Commission (the "SEC") and include the vitality of the markets we serve, including the markets served by our Global Energy segment; the impact of economic factors such as the worldwide economy, capital flows, interest rates and foreign currency risk, including reduced sales and earnings in other countries resulting from the weakening of local currencies versus the U.S. dollar; our ability to execute key business initiatives, including upgrades to our information technology systems; potential information technology infrastructure failures and cybersecurity attacks; our ability to attract and retain high caliber management talent to lead our business; exposure to economic, political and legal risks related to our international operations including trade sanctions; our ability to develop competitive advantages through innovation and to commercialize digital solutions; the costs and effects of complying with laws and regulations relating to our operations; and other uncertainties or risks reported from time to time in our reports to the SEC. In light of these risks, uncertainties and factors, the forward-looking events discussed in this communication may not occur. We caution that undue reliance should not be placed on forward-looking statements, which speak only as of the date made. Ecolab does not undertake, and expressly disclaims, any duty to update any forward-looking statement except as required by law.

Non-GAAP Financial Information This communication includes Company information that does not conform to generally accepted accounting principles (GAAP). Management believes that a presentation of this information is meaningful to investors because it provides insight with respect to ongoing operating results of the Company and allows investors to better evaluate the financial results of the Company. These measures should not be viewed as an alternative to GAAP measures of performance. Furthermore, these measures may not be consistent with similar measures provided by other companies. Reconciliations of our non-GAAP measures included within this presentation are included in the "Non-GAAP Financial Measures" section of this presentation.

4Q 2017 Overview

- **Sales:**
  - Reported sales +9% and fixed currency sales +7%; acquisition adjusted fixed currency sales +6%.
  - New business growth, new product introductions, share gains and pricing drove acquisition adjusted fixed currency sales increases across all business segments.
- **Operating Income:**
  - Reported operating margin +60 bps; adjusted fixed currency operating margin -70 bps.
  - Reported operating income +13% with adjusted operating income +5%.
  - Pricing, volume growth and cost saving initiatives offset higher delivered product costs and investments in the business during the quarter.
- **Earnings:**
  - Reported diluted EPS $1.93, +56% versus last year; includes a $0.55 per share benefit from the new U.S. tax law. Adjusted diluted EPS $1.39, +11% versus last year.
  - Adjusted EPS growth also benefited from lower adjusted interest expense and our ongoing work to lower our tax rate.
- **Outlook:**
  - 2018: Adjusted diluted EPS $5.25 to $5.45, +12% to 16%. Includes an estimated $0.10 per share benefit from the US tax law and $0.03 per share reduction from the Equipment Care sale.
  - 1Q 2018: Adjusted diluted EPS of $0.85 to $0.93, +6% to 16%.

Please see Ecolab's news release dated February 20, 2018 for additional information, including additional discussion on use of Non-GAAP financial measures.

Improving Growth Trends

Growth (year-on-year)	2017			
	1Q	2Q	3Q	4Q
Reported sales	2%	4%	5%	9%
Fixed currency sales*	2%	5%	5%	7%
Adjusted net income*	2%	4%	7%	10%
Adjusted diluted EPS*	4%	5%	7%	11%

*See “Non-GAAP Financial Measures” section of this presentation for corresponding reconciliations.

4Q 2017 Results

	Fourth Quarter Ended December 31					
	Reported Public Currency Rates		%	Adjusted * Public Currency Rates		%
(unaudited) (millions, except per share)	**2017**	2016	Change	**2017**	2016	Change
Net sales	**$3,650.7**	$3,352.1	9 %	**$3,650.7**	$3,352.1	9 %
Operating income	**627.7**	556.9	13 %	**593.9**	564.8	5 %
Net income attributable to Ecolab	**565.9**	366.3	54 %	**406.7**	368.2	10 %
Diluted earnings per share	**$1.93**	$1.24	56 %	**$1.39**	$1.25	11 %

	Fixed Currency Rates *		%	Adjusted * Fixed Currency Rates		%
	2016	2016	Change	**2017**	2016	Change
Net sales	**$3,555.5**	$3,317.7	7 %	**$3,555.5**	$3,317.7	7 %
Operating income	**610.8**	551.7	11 %	**577.0**	559.6	3 %

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4Q 2017 Sales Growth Detail

Global Industrial	Fixed Rate % Change	Acq./Div. Adj. % Change
Food & Beverage	6%	6%
Water	7%	5%
Paper	5%	2%
Life Sciences	5%	5%
Textile Care	2%	2%
Total Global Industrial	6%	5%
Global Institutional		
Institutional	2%	2%
Specialty	7%	7%
Healthcare	48%	5% *
Total Global Institutional	8%	3%
Global Energy	11%	12%
Other		
Pest Elimination	9%	8%
Equipment Care	-64%	5%
Total Other	-7%	7%

Consolidated	% Change
Volume & mix	5%
Pricing	1%
Subtotal	6%
Acq./Div.	1%
Fixed currency growth	7%
Currency impact	2%
Total	9%

Amounts in the tables above may reflect rounding. Acq./Div. Adj. excludes the impact of acquisitions and divestitures and sales to our deconsolidated Venezuelan subsidiaries.
*Healthcare includes Anios sales in the comparable period last year.

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4Q 2017 Income Statement / Margins

($ millions, unaudited)	2017	% sales	2016	% sales	% change	Comments*
Gross Profit	**$1,700.0**	46.6%	$1,607.0	47.9%	6 %	Adjusted gross margins were 47.1% vs. 48.1% in 2016, a 100 bps decline from the year-ago level, driven by higher delivered product costs and the impact of growth within Global Energy (which on average has lower gross margin) that more than offset increased pricing and cost savings.
SG&A	**1,123.9**	30.8%	1,046.3	31.2%	7 %	The 40 bps improvement was driven by sales volume leverage and cost savings which more than offset investments in the business.
Operating Income (fixed FX)						
Global Industrial	**220.1**	17.0%	209.9	17.2%	5 %	2017 acquisition adjusted fixed currency margins were 17.1% vs. 17.2% in 2016. Margins decreased 10 bps as improved pricing, sales volume gains and cost savings were offset by higher delivered product costs.
Global Institutional	**259.6**	21.3%	252.7	22.5%	3 %	2017 acquisition adjusted fixed currency margins were 22.0% vs. 22.6% in 2016. Margins decreased 60 bps as pricing and sales volume gains were more than offset by innovation, new customer installation investments as well as higher delivered product costs.
Global Energy	**102.4**	12.0%	101.8	13.2%	1 %	2017 acquisition adjusted fixed currency margins were 12.0% vs. 13.0% in 2016. Margins decreased 100 bps as volume gains and the benefits from cost reduction actions were more than offset by higher delivered product costs and a rebuild of compensation reductions made in 2016.
Other	**38.4**	20.2%	37.0	18.2%	4 %	2017 acquisition adjusted fixed currency margins were 20.8% vs. 20.0%. The 80 bps increase reflected pricing and sales volume gains which more than offset increased field-related costs. The Equipment Care business was sold on November 1, 2017.
Subtotal at fixed FX	**620.5**	17.5%	601.4	18.1%	3 %	
Corporate Special Gains/(Ch.)	**33.8**		(7.9)			2017: Gains on the sale of Equipment Care were partially offset by fixed asset impairment and restructuring charges, 2016: Wage-hour litigation charges, offset by restructuring related gains
Corp. Expense	**(43.5)**		(41.8)			Nalco intangible amortization
Total Corporate Exp.	**(9.7)**		(49.7)			
FX	**16.9**		5.2			
Consolidated Op. Inc.	**$627.7**	17.2%	$556.9	16.6%	13 %	2017 adjusted fixed currency operating margin was 16.2%, a 70 bps decrease vs. the equivalent 2016 margin of 16.9%. The margin decline reflected pricing, volume growth and cost savings initiatives that were more than offset by higher delivered product costs and investments in the business during the quarter.

*See “Non-GAAP Financial Measures” section of this presentation for corresponding reconciliations.

4Q 2017 Balance Sheet / Cash Flow

Summary Balance Sheet

(millions, unaudited)	December 31 **2017**	2016	(millions, unaudited)	December 31 **2017**	2016
Cash and cash eq.	**$211.4**	$327.4	Short-term debt	**$564.4**	$541.3
Accounts receivable, net	**2,574.1**	2,341.2	Accounts payable	**1,177.1**	983.2
Inventories	**1,445.9**	1,319.4	Other current liabilities	**1,690.3**	1,494.9
Other current assets	**365.0**	291.4	Long-term debt	**6,758.3**	6,145.7
PP&E, net	**3,707.1**	3,365.0	Pension/Postretirement	**1,025.5**	1,019.2
Goodwill and intangibles	**11,184.7**	10,200.8	Other liabilities	**1,058.1**	1,175.0
Other assets	**474.2**	485.0	Total equity	**7,688.7**	6,970.9
Total assets	**$19,962.4**	$18,330.2	**Total liab. and equity**	**$19,962.4**	$18,330.2

Selected Cash Flow items

(millions, unaudited)	Twelve Months Ended December 31 **2017**	2016
Cash from op. activities	**$2,091.3**	$1,939.7
Depreciation	**585.7**	561.0
Amortization	**307.6**	289.7
Capital expenditures	**789.6**	707.4

Selected Balance Sheet measures

(unaudited)	December 31 **2017**	2016
Total Debt/Total Capital	**48.8%**	49.0%
Net Debt/Total Capital	**48.0%**	47.7%
Net Debt/EBITDA(*)	**2.4**	2.3
Net Debt/Adjusted EBITDA(*)	**2.4**	2.2

(*) EBITDA and Adjusted EBITDA are non-GAAP measures. EBITDA is defined as the sum of operating income, depreciation and amortization. Adjusted EBITDA is defined as the sum of adjusted operating income, depreciation and amortization. The inputs to EBITDA reflect the trailing twelve months of activity for the period presented. See “Non-GAAP Financial Measures” section of this presentation corresponding reconciliations.

2018 Focus

- Continue to build topline momentum
  - Further accelerate corporate account wins
  - Leverage digital platforms and improve speed to market
  - Reinvigorate Institutional
- Build gross margins: maintain pricing momentum to more than offset impact from delivered product cost increases
- Deliver on key investment programs
  - Product innovation
  - Customer digital solutions capabilities
  - Talent
- Execute on M&A strategy

Please see Ecolab's news release dated February 20, 2018 for additional information, including additional discussion on use of Non-GAAP financial measures.

Appendix

Non-GAAP Financial Measures

(unaudited) (millions, except percent)	Fourth Quarter Ended December 31		Twelve Months Ended December 31	
	2017	2016	**2017**	2016
Net sales				
Reported GAAP net sales	**$3,650.7**	$3,352.1	**$13,838.3**	$13,152.8
Effect of foreign currency translation	**(95.2)**	(34.4)	**(192.1)**	(148.0)
Non-GAAP fixed currency sales	**3,555.5**	3,317.7	**13,646.2**	13,004.8
Effect of acquisitions and divestitures	**(83.1)**	(41.0)	**(265.2)**	(102.3)
Non-GAAP acquisition adjusted fixed currency sales	**$3,472.4**	$3,276.7	**$13,381.0**	$12,902.5
Cost of Sales				
Reported GAAP cost of sales	**$1,950.7**	$1,745.1	**$7,405.1**	$6,898.9
Special (gains) and charges	**17.8**	4.1	**44.0**	66.0
Non-GAAP adjusted cost of sales	**$1,932.9**	$1,741.0	**$7,361.1**	$6,832.9
Gross Margin				
Reported gross margin	**46.6 %**	47.9 %	**46.5 %**	47.5 %
Non-GAAP adjusted gross margin	**47.1 %**	48.1 %	**46.8 %**	48.0 %
Operating income				
Reported GAAP operating income	**$627.7**	$556.9	**$2,019.8**	$1,915.0
Effect of foreign currency translation	**(16.9)**	(5.2)	**(32.9)**	(25.2)
Non-GAAP fixed currency operating income	**610.8**	551.7	**1,986.9**	1,889.8
Special (gains) and charges	**(33.8)**	7.9	**40.3**	105.5
Non-GAAP adjusted fixed currency operating income	**577.0**	559.6	**2,027.2**	1,995.3
Effect of acquisitions and divestitures	**(6.3)**	(5.3)	**(31.5)**	(17.6)
Non-GAAP acquisition adjusted fixed currency operating income	**$570.7**	$554.3	**$1,995.7**	$1,977.7
Operating Income Margin				
Reported GAAP operating income margin	**17.2 %**	16.6 %	**14.6 %**	14.6 %
Non-GAAP adjusted fixed currency operating income margin	**16.2 %**	16.9 %	**14.9 %**	15.3 %

Please see Ecolab's news release dated February 20, 2018 for additional information, including additional discussion on use of Non-GAAP financial measures.

Non-GAAP Financial Measures

(unaudited) (millions, except percent and per share)	Fourth Quarter Ended December 31		Twelve Months Ended December 31	
	2017	2016	**2017**	2016
Interest expense, net				
Reported GAAP interest expense, net	**$77.8**	$68.3	**$255.0**	$264.6
Special (gains) and charges, after tax	**21.9**	0.0	**21.9**	0.0
Non-GAAP adjusted interest expense, net	**$55.9**	$68.3	**$233.1**	$264.6
Net Income Attributable to Ecolab				
Reported GAAP net income attributable to Ecolab	**$565.9**	$366.3	**$1,508.4**	$1,229.6
Special (gains) and charges, after tax	**2.8**	1.6	**56.0**	62.4
Discrete tax net expense (benefit)	**(162.0)**	0.3	**(186.2)**	3.9
Non-GAAP adjusted net income attributable to Ecolab	**$406.7**	$368.2	**$1,378.2**	$1,295.9
Diluted Earnings per Share Attributable to Ecolab ("EPS")				
Reported GAAP diluted EPS	**$1.93**	$1.24	**$5.13**	$4.14
Special (gains) and charges, after tax	**0.01**	0.01	**0.19**	0.21
Discrete tax net expense (benefit)	**(0.55)**	0.00	**(0.63)**	0.01
Non-GAAP adjusted diluted EPS	**$1.39**	$1.25	**$4.69**	$4.37
Provision for Income Taxes				
Reported GAAP tax rate	**(4.0)%**	23.9 %	**13.7 %**	24.4 %
Special gains and charges	**(2.8)**	0.9	**(0.1)**	1.0
Discrete tax items	**30.1**	(0.1)	**10.2**	(0.2)
Non-GAAP adjusted tax rate	**23.3 %**	24.7 %	**23.8 %**	25.2 %
EBITDA (trailing twelve months ended)				
Net income including non-controlling interest	**$1,522.4**	$1,247.1		
Provision for income taxes	**242.4**	403.3		
Interest expense, net	**255.0**	264.6		
Depreciation	**585.7**	561.0		
Amortization	**307.6**	289.7		
EBITDA	**$2,913.1**	$2,765.7		
Special (gains) and charges impacting EBITDA	**40.3**	105.5		
Adjusted EBITDA	**$2,953.4**	$2,871.2		

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Non-GAAP Financial Measures

(millions)	Fourth Quarter Ended December 31					
	2017			2016		
	Fixed Currency	Impact of Acquisitions and Divestitures	Acquisition Adjusted	Fixed Currency	Impact of Acquisitions and Divestitures	Acquisition Adjusted
Net Sales						
Global Industrial	**$1,292.0**	**($17.3)**	**$1,274.7**	$1,218.8	($1.7)	$1,217.1
Global Institutional	**1,220.6**	**(63.7)**	**1,156.9**	1,125.1	(2.5)	1,122.6
Global Energy	**853.2**	**-**	**853.2**	770.2	(7.9)	762.3
Other	**189.7**	**(2.1)**	**187.6**	203.6	(28.9)	174.7
Subtotal at fixed currency rates	**3,555.5**	**(83.1)**	**3,472.4**	3,317.7	(41.0)	3,276.7
Currency impact	**95.2**			34.4		
Consolidated reported GAAP net sales	**$3,650.7**			$3,352.1		
Operating Income						
Global Industrial	**$220.1**	**($1.6)**	**$218.5**	$209.9	($0.8)	$209.1
Global Institutional	**259.6**	**(5.6)**	**254.0**	252.7	0.5	253.2
Global Energy	**102.4**	**0.3**	**102.7**	101.8	(2.9)	98.9
Other	**38.4**	**0.6**	**39.0**	37.0	(2.1)	34.9
Corporate	**(43.5)**	**-**	**(43.5)**	(41.8)	-	(41.8)
Adjusted at fixed currency rates	**577.0**	**(6.3)**	**570.7**	559.6	(5.3)	554.3
Special (gains) and charges	**(33.8)**			7.9		
Reported OI at fixed currency rates	**610.8**			551.7		
Currency impact	**16.9**			5.2		
Consolidated reported GAAP operating income	**$627.7**			$556.9		

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Non-GAAP Financial Measures

(millions)	Year Ended December 31 2017 Fixed Currency	2017 Impact of Acquisitions and Divestitures	2017 Acquisition Adjusted	2016 Fixed Currency	2016 Impact of Acquisitions and Divestitures	2016 Acquisition Adjusted
Net Sales						
Global Industrial	**$4,878.5**	**($46.7)**	**$4,831.8**	$4,687.2	($11.0)	$4,676.2
Global Institutional	**4,744.9**	**(207.4)**	**4,537.5**	4,440.1	(28.9)	4,411.2
Global Energy	**3,199.3**	**(9.0)**	**3,190.3**	3,075.8	(33.5)	3,042.3
Other	**823.5**	**(2.1)**	**821.4**	801.7	(28.9)	772.8
Subtotal at fixed currency rates	**13,646.2**	**(265.2)**	**13,381.0**	13,004.8	(102.3)	12,902.5
Currency impact	**192.1**			148.0		
Consolidated reported GAAP net sales	**$13,838.3**			$13,152.8		
Operating Income						
Global Industrial	**$722.0**	**($3.4)**	**$718.6**	$720.0	($2.5)	$717.5
Global Institutional	**985.7**	**(25.8)**	**959.9**	950.5	0.8	951.3
Global Energy	**338.5**	**(2.9)**	**335.6**	346.7	(13.8)	332.9
Other	**149.3**	**0.6**	**149.9**	145.2	(2.1)	143.1
Corporate	**(168.3)**	**-**	**(168.3)**	(167.1)	-	(167.1)
Adjusted at fixed currency rates	**2,027.2**	**(31.5)**	**1,995.7**	1,995.3	(17.6)	1,977.7
Special (gains) and charges	**40.3**			105.5		
Reported OI at fixed currency rates	**1,986.9**			1,889.8		
Currency impact	**32.9**			25.2		
Consolidated reported GAAP operating income	**$2,019.8**			$1,915.0		

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