

Strategic Direction and Targets

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President & CEO

Leading the Way
Capital Markets Day 2019

Autoliv

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This presentation contains statements that are not historical facts but rather forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include those that address activities, events or developments that Autoliv, Inc. or its management believes or anticipates may occur in the future. All forward-looking statements, are based upon our current expectations, various assumptions and/or data available from third parties. Our expectations and assumptions are expressed in good faith and we believe there is a reasonable basis for them. However, there can be no assurance that such forward-looking statements will materialize or prove to be correct as forward-looking statements are inherently subject to known and unknown risks, uncertainties and other factors which may cause actual future results, performance or achievements to differ materially from the future results, performance or achievements expressed in or implied by such forward-looking statements. In some cases, you can identify these statements by forward-looking words such as “estimates”, “expects”, “anticipates”, “projects”, “plans”, “intends”, “believes”, “may”, “likely”, “might”, “would”, “should”, “could”, or the negative of these terms and other comparable terminology, although not all forward-looking statements contain such words. Because these forward-looking statements involve risks and uncertainties, the outcome could differ materially from those set out in the forward-looking statements for a variety of reasons, including without limitation, changes in light vehicle production; fluctuation in vehicle production schedules for which the Company is a supplier, changes in general industry and market conditions or regional growth or decline; changes in and the successful execution of our capacity alignment, restructuring and cost reduction initiatives and the market reaction thereto; loss of business from increased competition; higher raw material, fuel and energy costs; changes in consumer and customer preferences for end products; customer losses; changes in regulatory conditions; customer bankruptcies, consolidations, or restructurings; divestiture of customer brands; unfavorable fluctuations in currencies or interest rates among the various jurisdictions in which we operate; component shortages; market acceptance of our new products; costs or difficulties related to the integration of any new or acquired businesses and technologies; continued uncertainty in pricing negotiations with customers; successful integration of acquisitions and operations of joint ventures; successful implementation of strategic partnerships and collaborations; our ability to be awarded new business; product liability, warranty and recall claims and investigations and other litigation and customer reactions thereto; (including the resolution of the Toyota recall); higher expenses for our pension and other postretirement benefits, including higher funding needs for our pension plans; work stoppages or other labor issues; possible adverse results of pending or future litigation or infringement claims; our ability to protect our intellectual property rights; negative impacts of antitrust investigations or other governmental investigations and associated litigation relating to the conduct of our business; tax assessments by governmental authorities and changes in our effective tax rate; dependence on key personnel; legislative or regulatory changes impacting or limiting our business; political conditions; dependence on and relationships with customers and suppliers; and other risks and uncertainties identified under the headings “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Reports and Quarterly Reports on Forms 10-K and 10-Q and any amendments thereto. For any forward-looking statements contained in this or any other document, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we assume no obligation to update publicly or revise any forward-looking statements in light of new information or future events, except as required by law.

() Non-US GAAP reconciliations are disclosed in our regulatory filings available at www.sec.gov or www.autoliv.com*



Welcome to Autoliv CMD 2019! Utah, USA

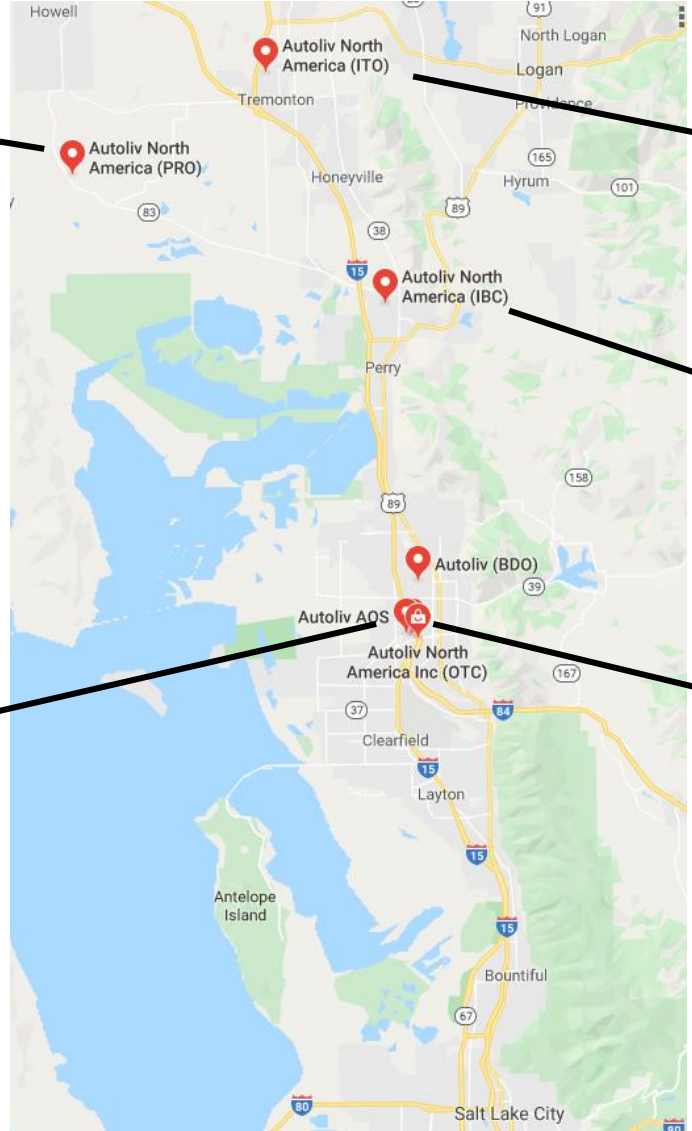

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Autoliv in Utah end-to-end Airbag production

1 Promontory
Inflator propellant



2 Tremonton
Initiator production




3 Brigham City
Inflator production



Ogden Tech Center

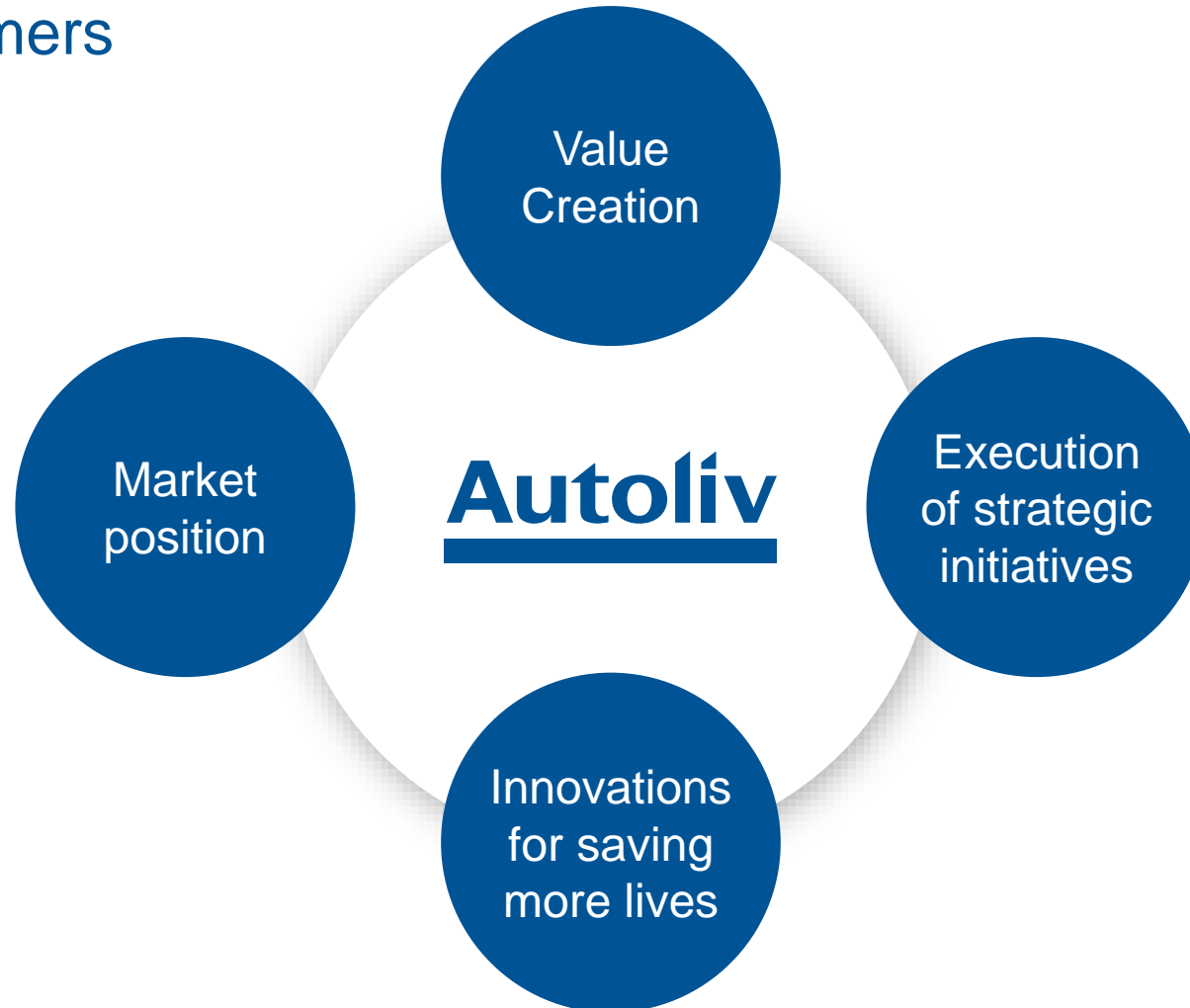


4 Ogden Airbag
Airbag assembly



Creating Long-Term Value for all Stakeholders

Shareholders, Society,
Employees, Customers



Creating Value for Shareholders

**Visible Near-Term
and Sustainable
Long-Term Growth**

**Profitability
Improvement and
Over-the-Cycle
Resilience**

**Cash Flow
Generation Focus for
Shareholder Returns**

**Strong Balance
Sheet and Prudent
Leverage Policy**

Autoliv Key Targets and Ambitions

Medium term

Organic growth vs. LVP
+3-4% per year

Medium Term

Cash conversion²
≥80%

Medium Term

Adj. Operating Margin¹
~12%

Medium Term

~1.0x Leverage Ratio³
(0.5-1.5x Range)

Long-Term

Grow at least in line with market
Adj. Operating Margin⁽¹⁾ ~13%

■ Targets ■ Ambitions

- (1) Non-US GAAP measure excludes costs related to Antitrust matters. The forward looking non-U.S. GAAP financial measures herein are provided on a non-U.S. GAAP basis. Autoliv has not provided a U.S. GAAP reconciliation of these measures because items that impact these measures, such as costs related to capacity alignments and antitrust matters, cannot be reasonably predicted or determined. As a result, such reconciliation is not available without unreasonable efforts and Autoliv is unable to determine the probable significance of the unavailable information.
- (2) Non-US GAAP measure. Operating cash flow less capex, net in relation to net income excluding anti-trust related costs and payments
- (3) Non-US GAAP measure. Leverage Ratio = Debt per the Policy/ LTM EBITDA; Debt per the Policy = Net Debt + Pension Liabilities



Growth Drivers

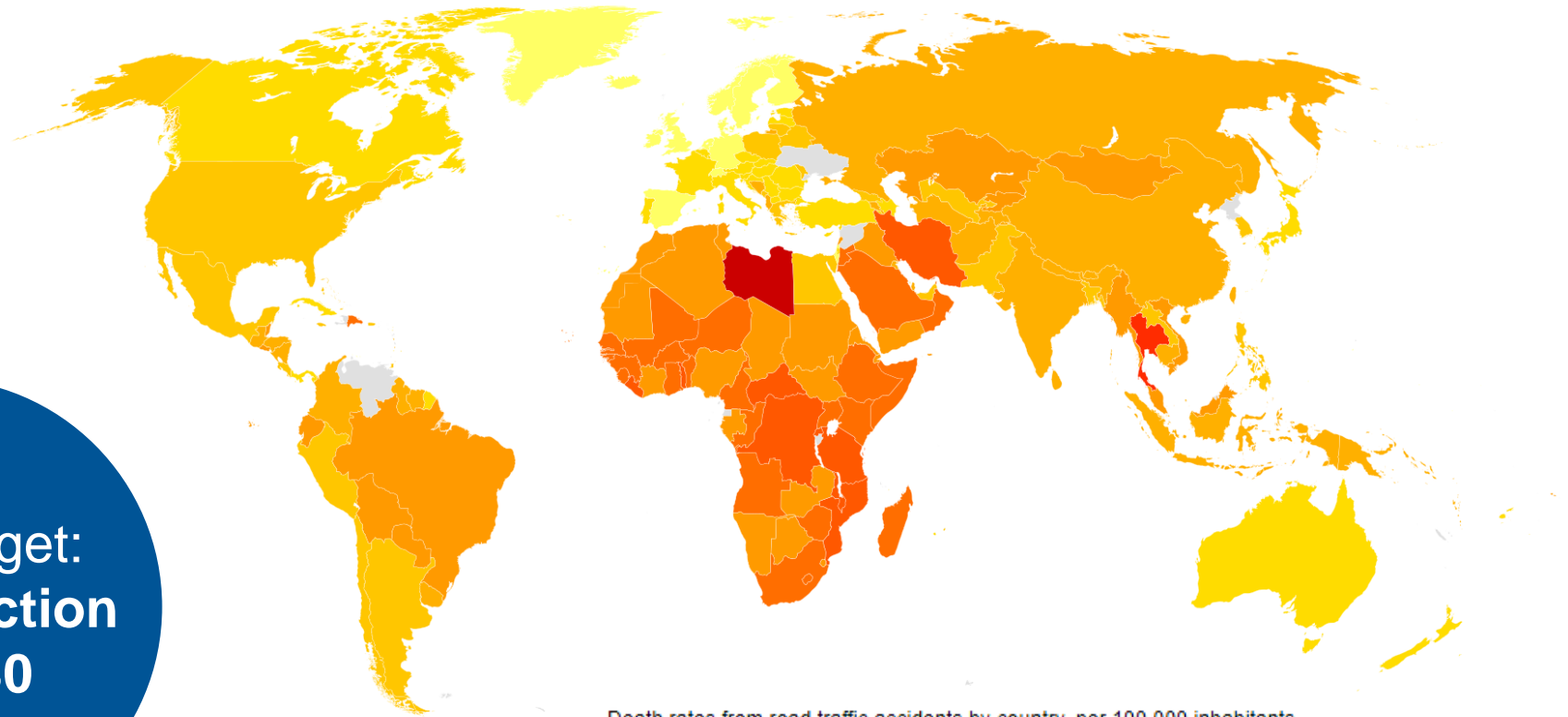
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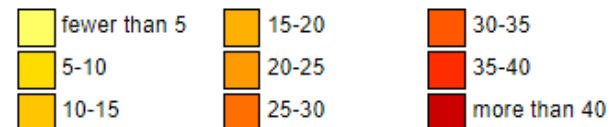
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1.35 million
traffic fatalities

WHO target:
50% reduction
by 2030



Death rates from road traffic accidents by country, per 100,000 inhabitants, world map (WHO 2013).^{[1][nb 1]}



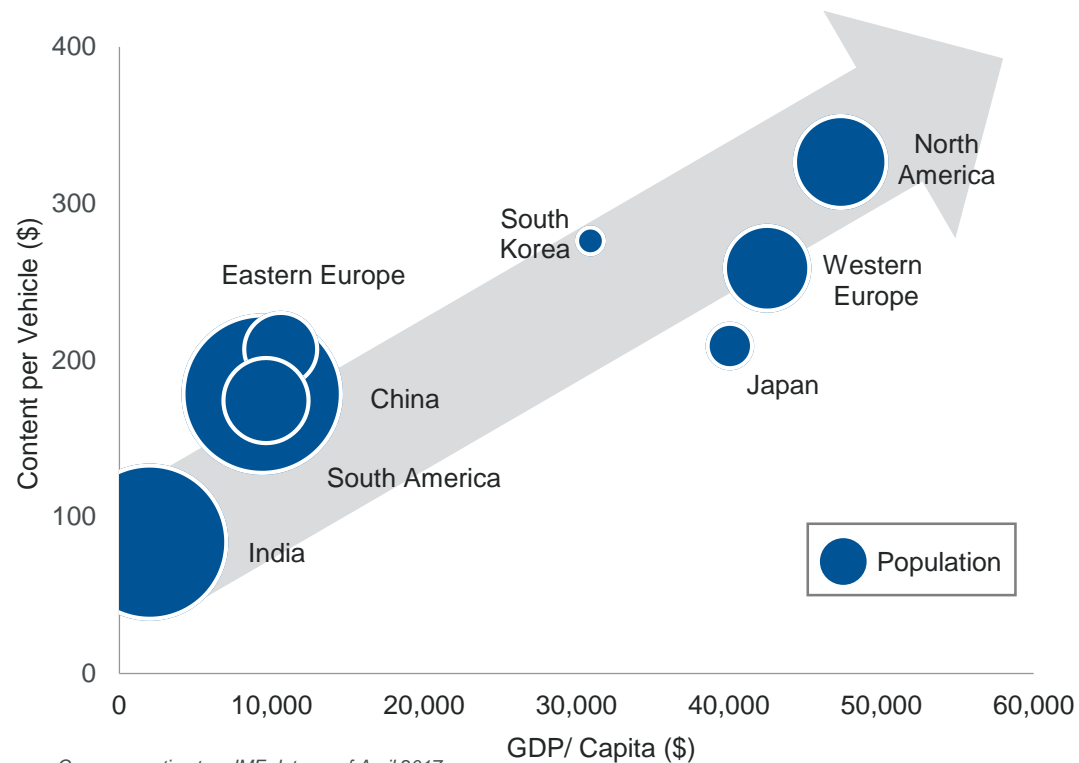
Source: WHO

Content per Vehicle Growth in low income countries

Passive Safety Penetration Correlates to GDP/ Capita

Increased standard of living leads to more spending on safety

Passive Safety Content per Vehicle⁽¹⁾ vs. Economic Development



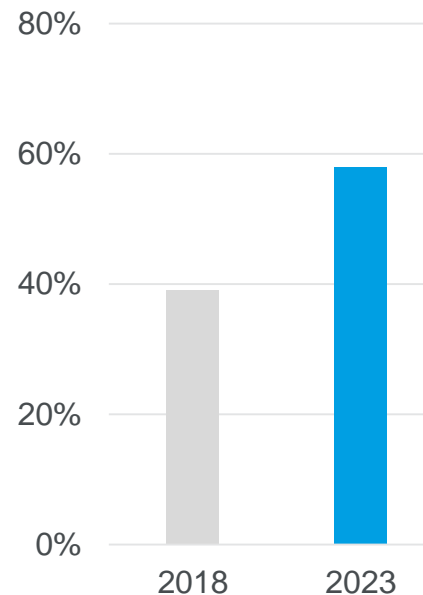
Sources: Company estimates, IMF data as of April 2017

(1) Company market estimates include seatbelts, airbags and steering wheels

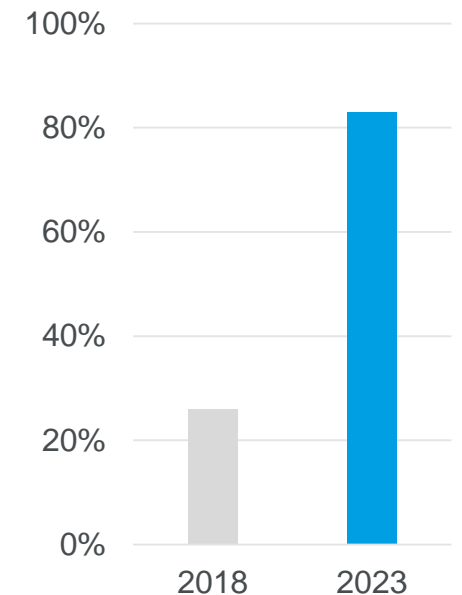
(2) Company estimates

Examples

Curtain Airbag penetration China²



Side Airbag penetration South America²



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Content per Vehicle Growth in high income countries

Fueled by NCAP ratings and government regulations

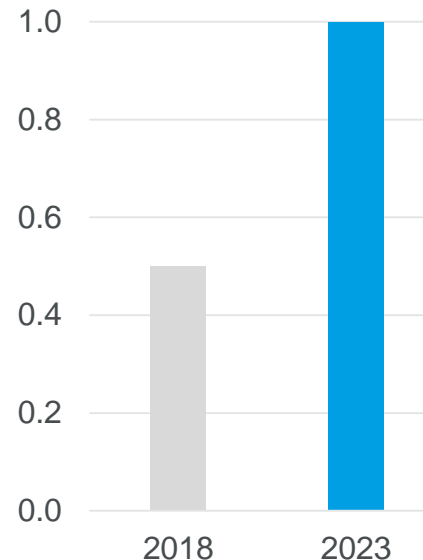
Important trends to reduced injury and death from traffic accidents

- Consumer demand for road safety
- More stringent safety rating & regulations
 - Continuous NCAP updates
 - Regulation updates
 - Crash test updates
- New vehicle configuration in the AD world
- New opportunities in EVs
- Protection for Vulnerable Road Users
- Personalized Restraint Systems

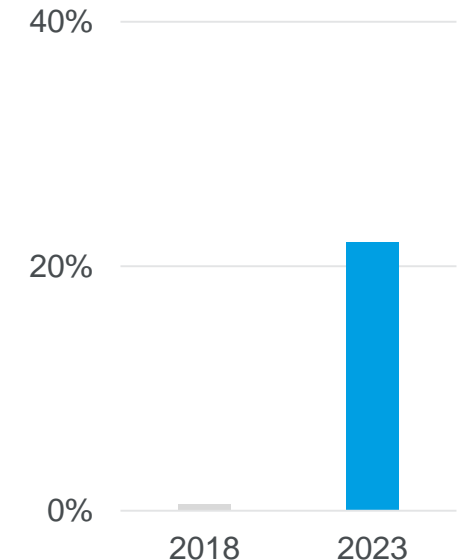


Examples

Knee Airbags per Vehicle North America¹

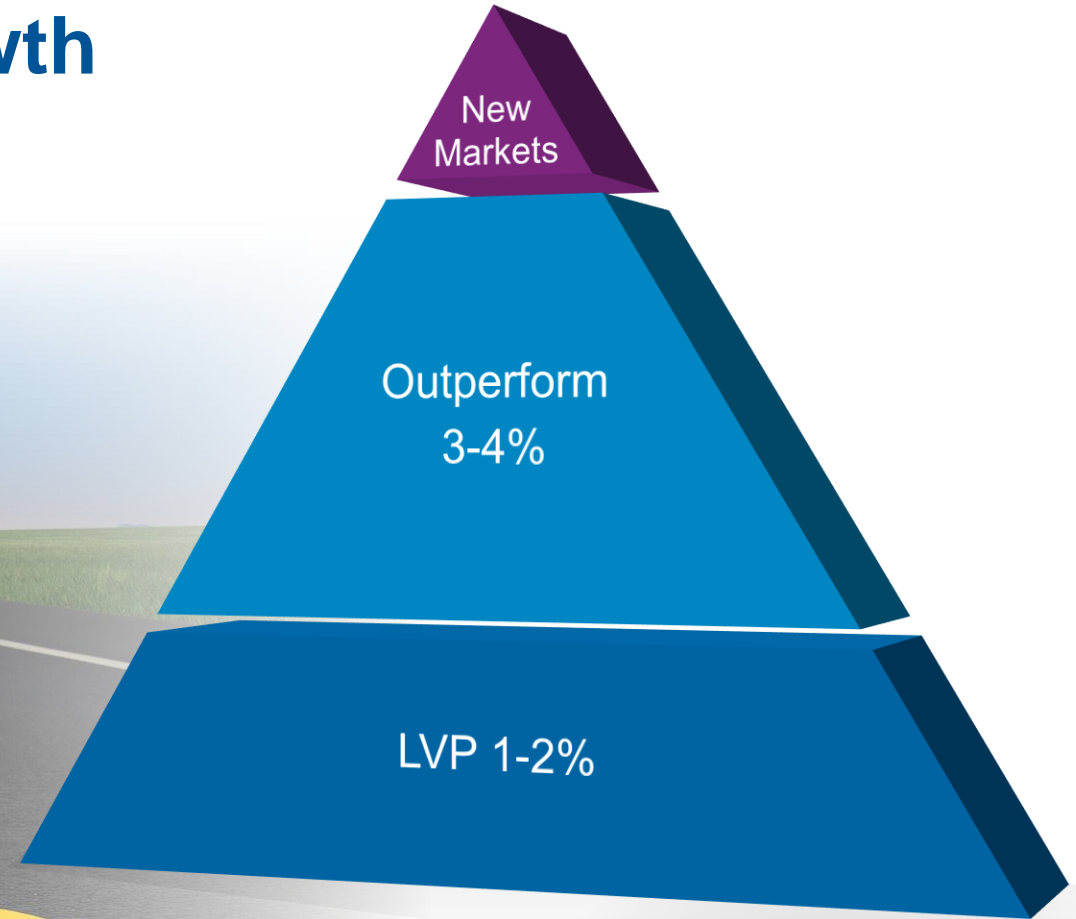


Front Center Airbag penetration W.Europe¹



(1) Company estimates

Medium-term organic sales growth LVP +3-4%



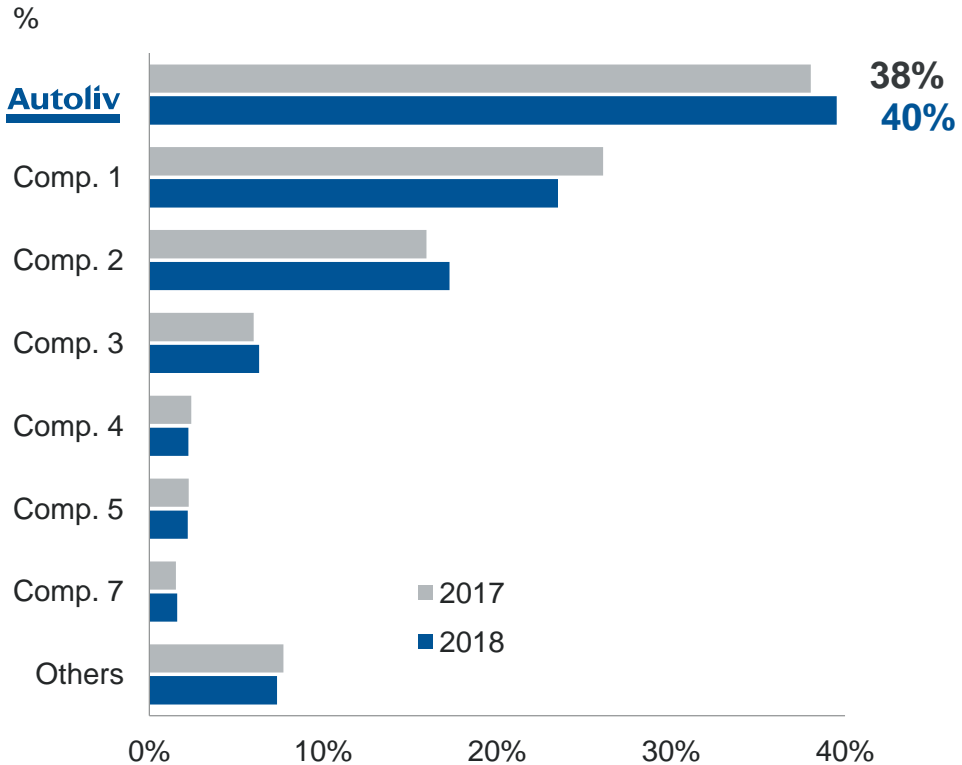
A hand is shown pointing upwards with the index finger, tracing a glowing blue line that curves upwards from the bottom left towards the top right. The background is dark blue with a bright light source at the top right, creating a lens flare effect.

Strong Market Position in All Dimensions

Strong starting point

Clear industry leader

Firm Industry Leader at 40%¹

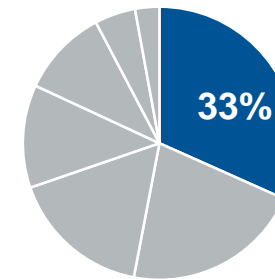


(1) Company estimates. Based on Autoliv's passive safety market definition including airbags, seatbelts and steering wheels

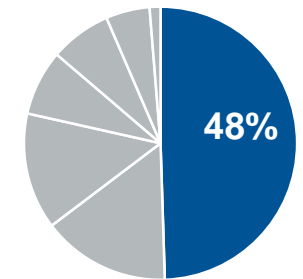
#1 Rankings Across Product Portfolio¹

2018A

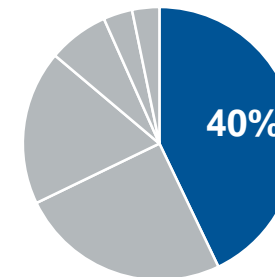
Frontal Airbags



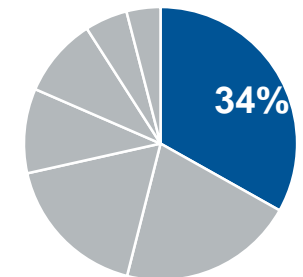
Side Airbags



Seatbelts



Steering Wheels



Our core methods supporting our growth



Autoliv Production System – Drives Operational Excellence



Quality – Zero defects by flawless execution

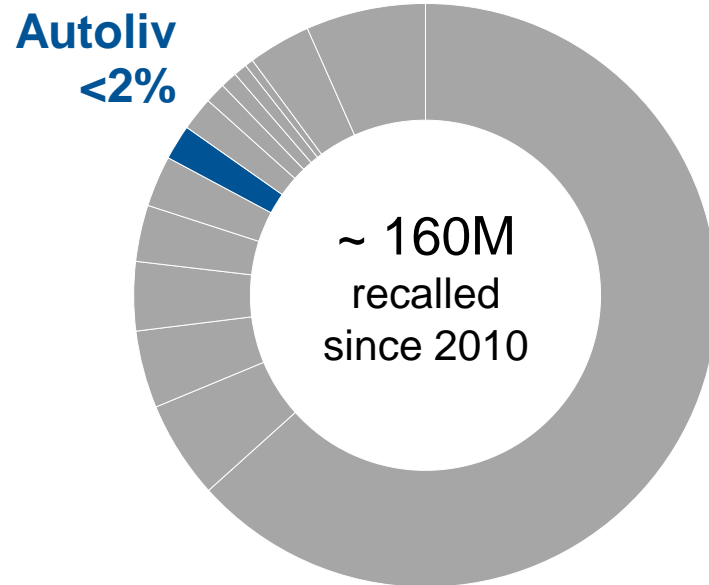


One Product One Process to improve cost effectiveness and robustness



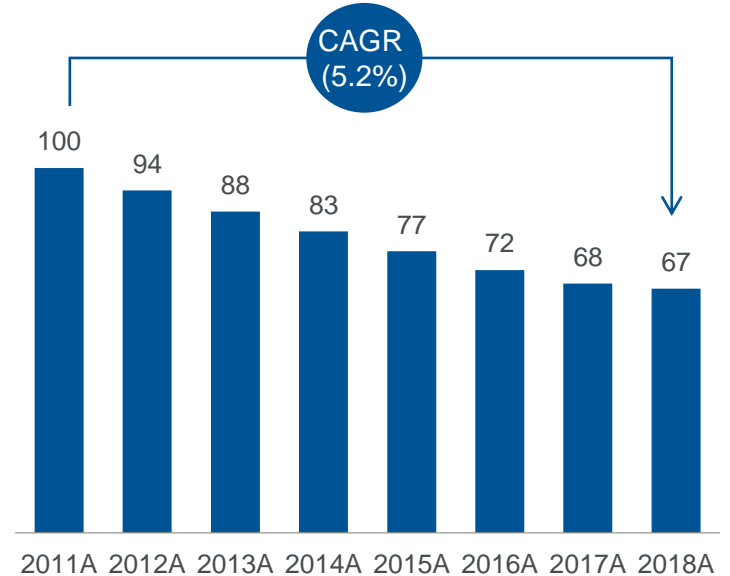
Innovation to lead industry in Real Life Safety

RECALLS¹



Productivity Improvement

Labor Minutes per Produced Unit, Index to 100

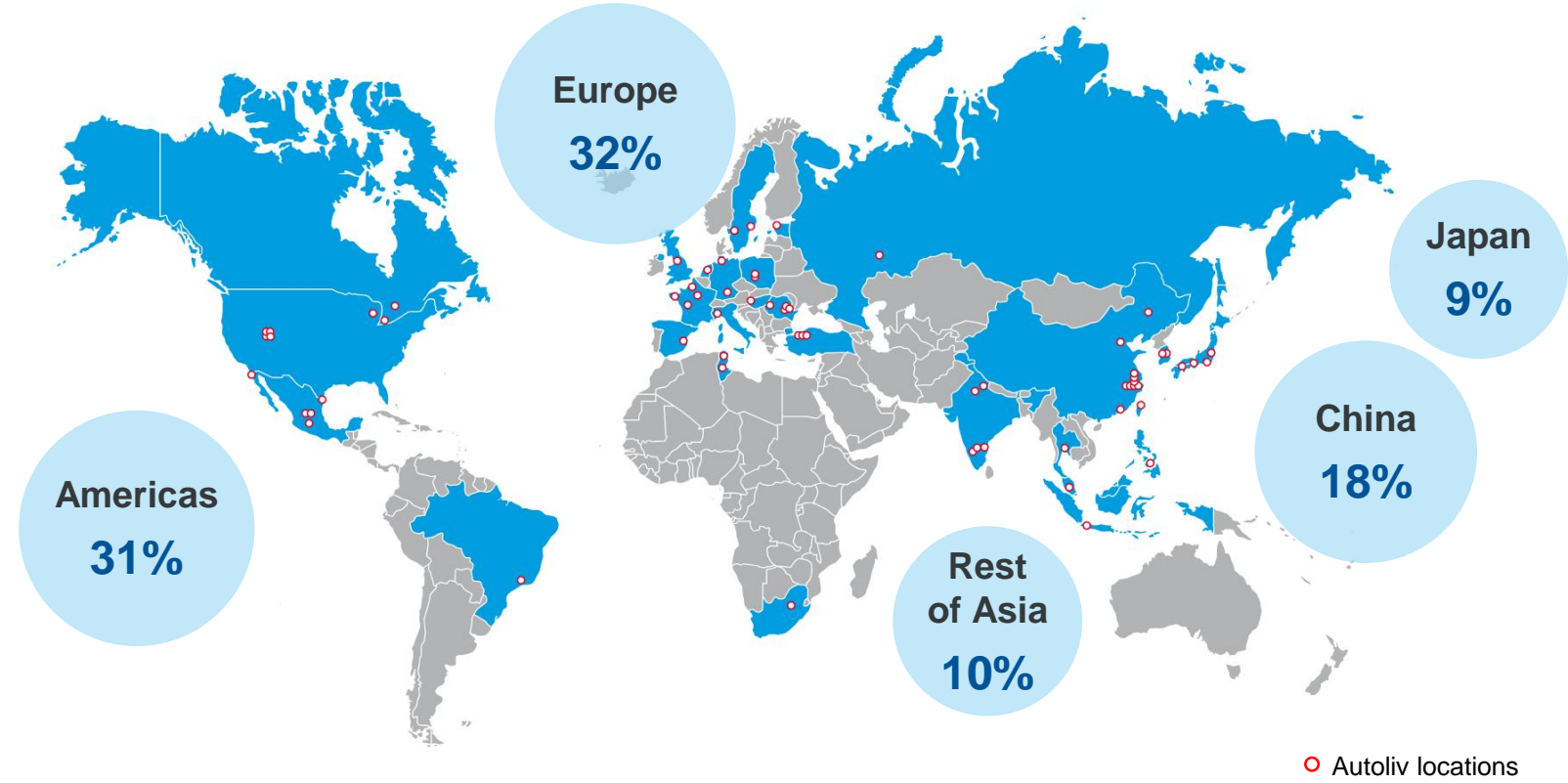


(1)Scope: Japan, Canada, US, China, South Korea, Australian, EU, UK, DE 2010 to October 2019. Includes Airbags, Steering wheels and Seatbelts.

Truly Global Footprint

Allowing Autoliv to Become Supplier-of-Choice on Global Platforms

Share of group sales 2018



27 Countries

Across All Key Automotive Regions

64 Facilities

In Close Proximity to OEMs

14 Tech Centers

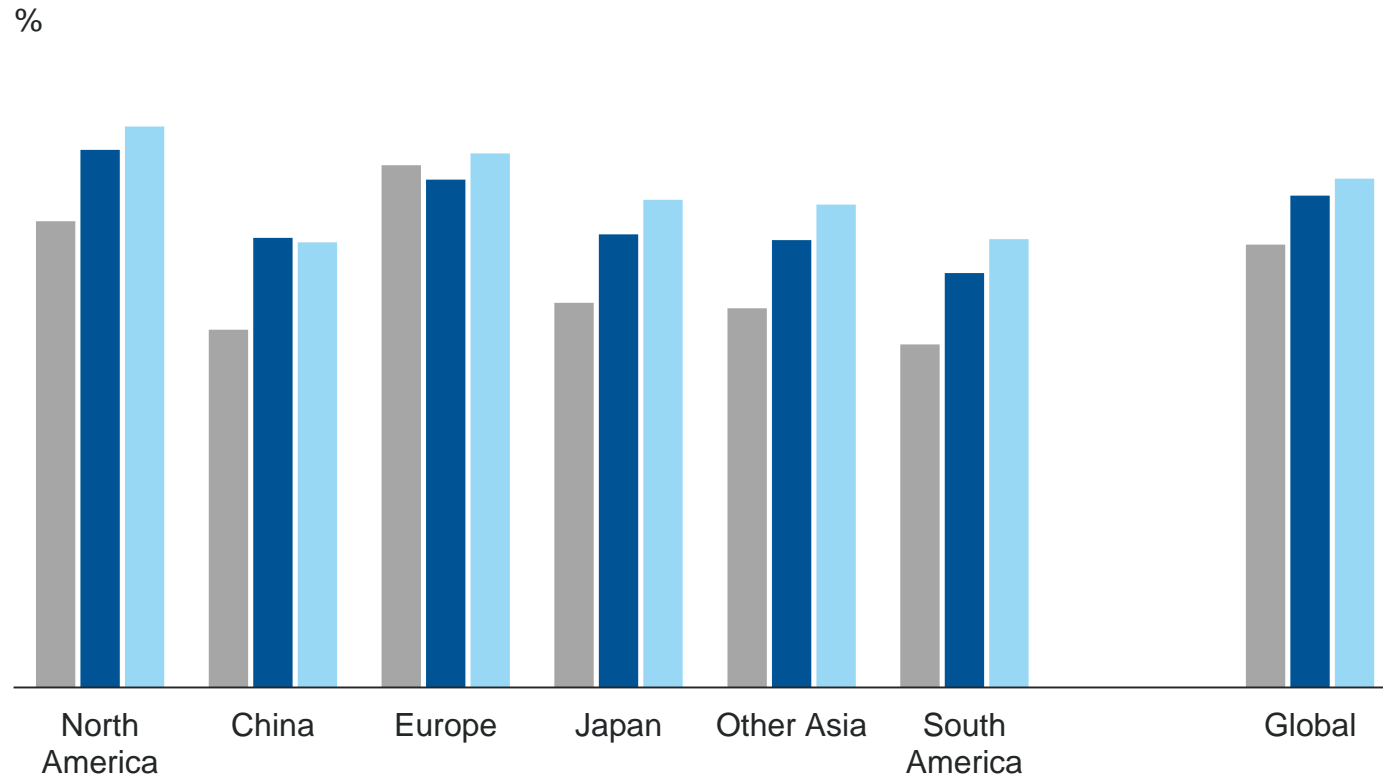
19 Crash Test Tracks

Enabling Crash Simulations Globally

Long-Term Customer Focus, Local Presence & Quality Pays Off

Strong & Improving Positions across the world

Market Share by Geography¹



(1) Company estimates

■ 2017A ■ 2020 ■ 2023



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Innovations for growth and saving more lives



Traditional



Electrical Vehicles



ADAS



New Markets

Strategic Initiatives in Operations



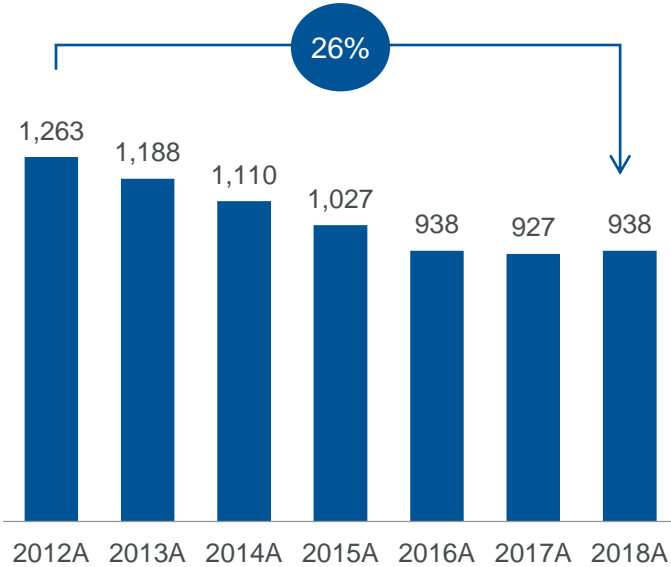
Optimized for efficiency



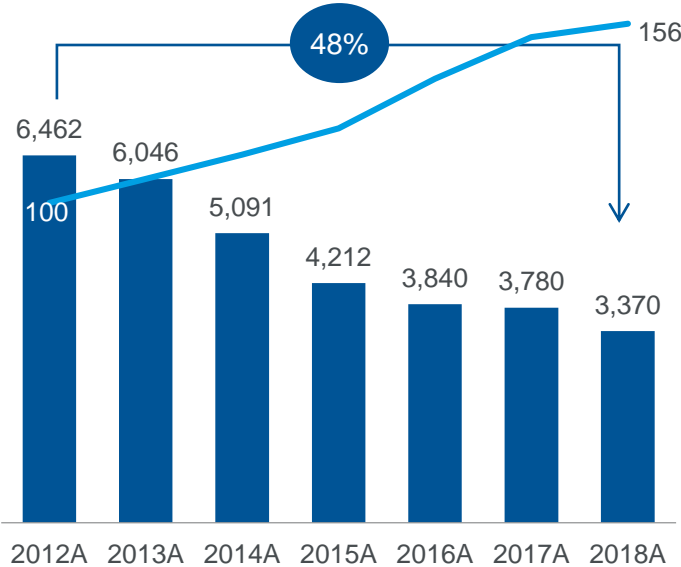
Direct Profitability Impact from Operational Excellence

Supplier Management Providing Direct Profitability Impact

Number of Suppliers



Reduction in Non-Conforming Materials vs. Increasing Number of Deliveries



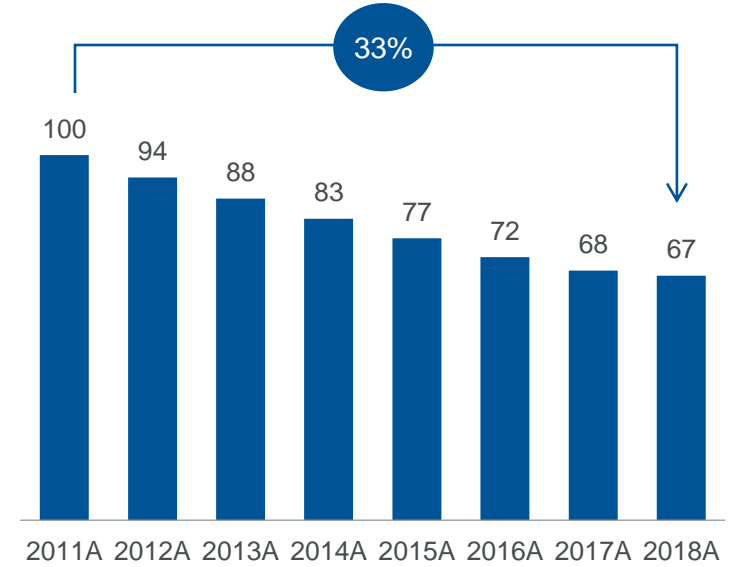
■ Number of Non-Conforming Materials — Number of Deliveries¹

(1) Indexed to 100 in 2012A

Best Practice Sharing Across Divisions Boosting Efficiency

Productivity Improvement

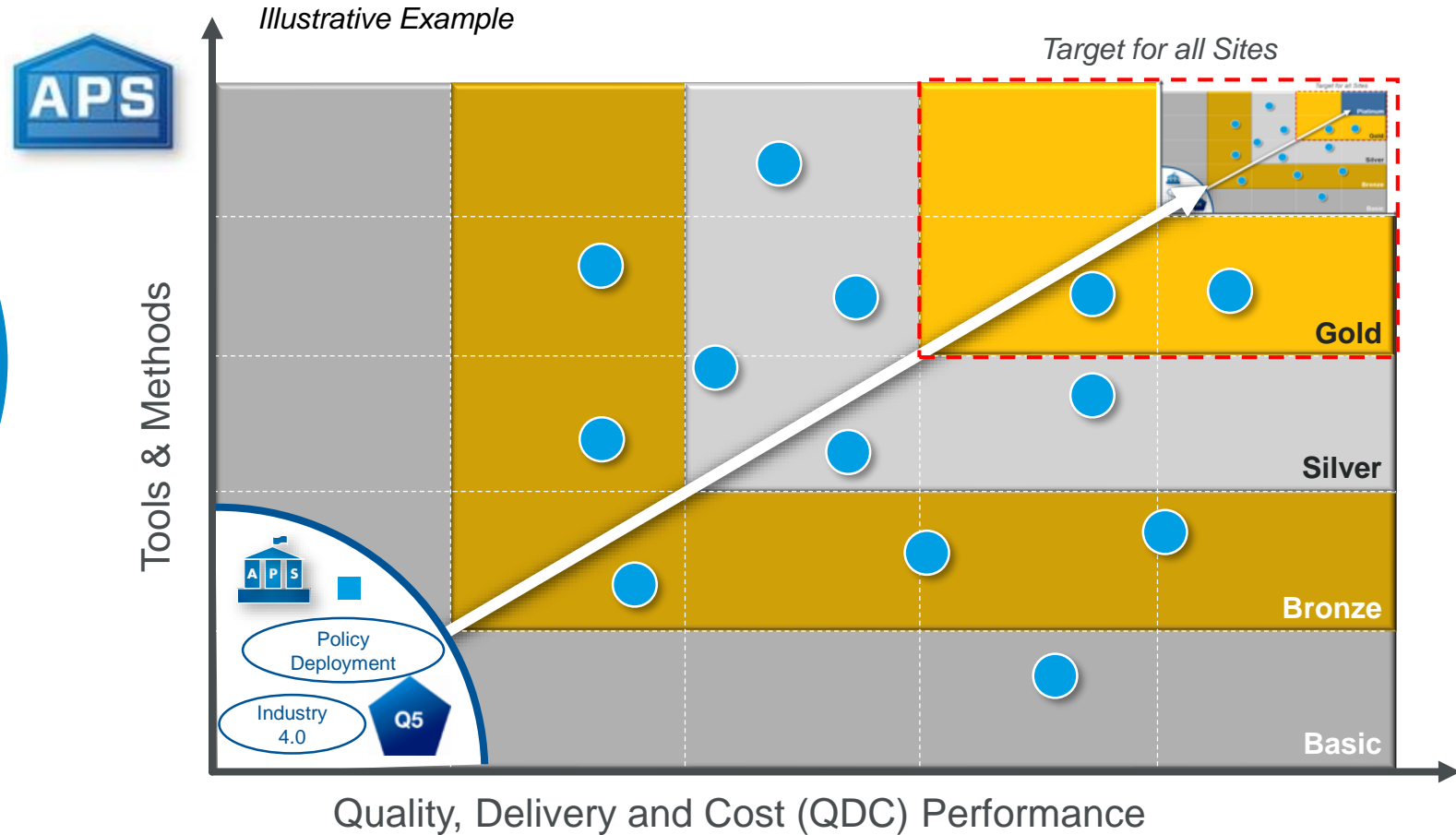
Labor Minutes per Produced Unit, Index to 100



We are Never Satisfied

Relentless Focus on Operational Excellence for Highest Reliability and Increasing Profitability

How to Achieve Sustainable Operational Excellence



Significant Benefits from 1P1P

Standardization of Designs and Processes sets the foundation for our onward journey



Example: Seatbelt webbing

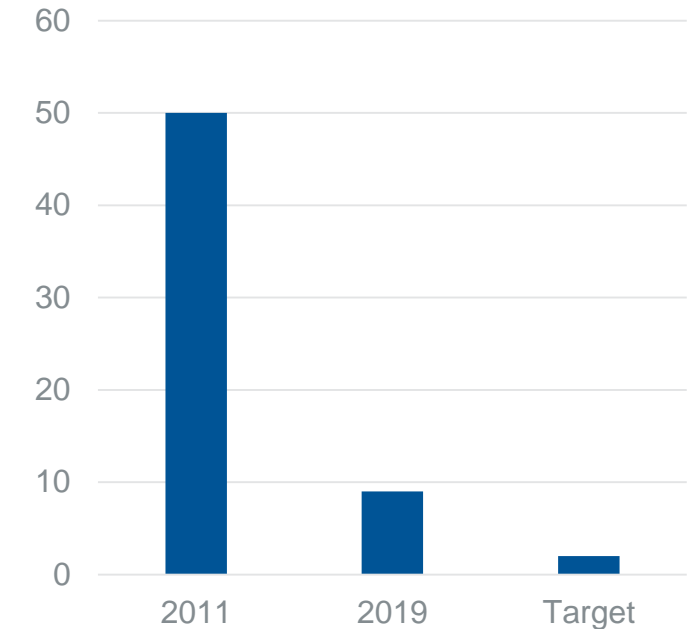


Annual Capacity:

- 620 million meters (385,250 miles)
- ~15 loops around the globe

Reduction of webbing types

Number of types



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Taking Autoliv Operations to the next level



Continuous Improvement



Tailormade Operational Excellence



Accelerators

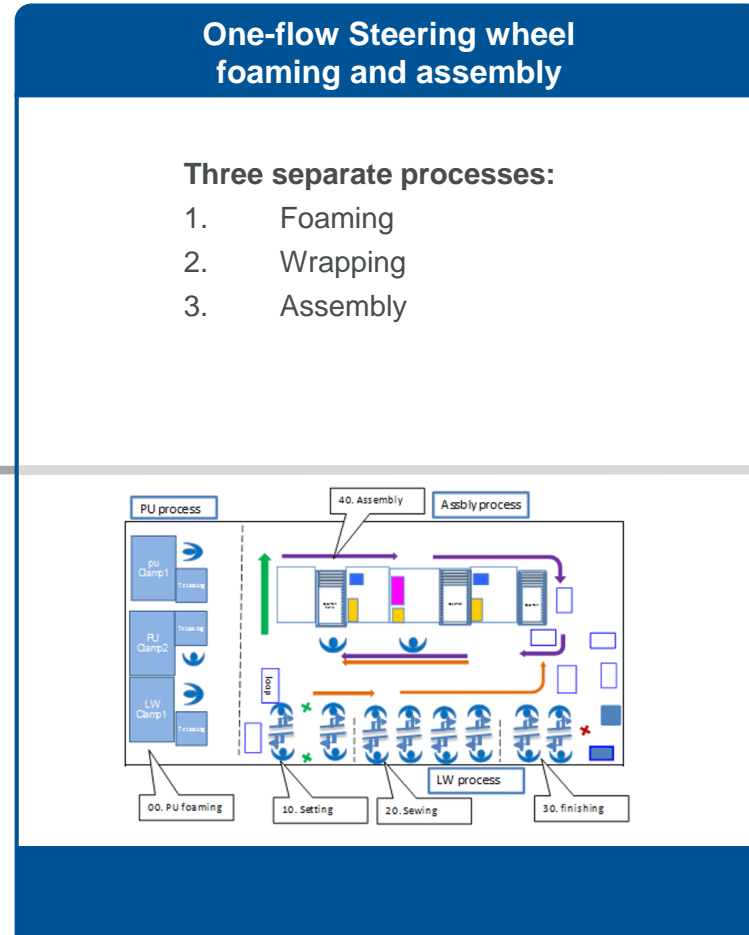
- Modularization & Design for manufacturing
- Automation
- Digitalization
- Footprint & Make vs Buy
- RD&E Effectiveness

Examples of accelerators implementation

Before



After



Example of initiatives you will experience during CMD

Autoliv production system



Optimizing floor space utilization

AOA

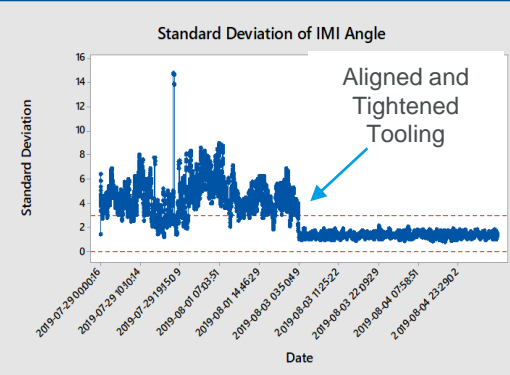
Automation



Auto Driver Airbag folding improves safety, accuracy and repeatability

AOA

Factory of the future



Auto SPC – Implementing real-time feedback and instantaneous controls

IBC

Factory of the future



AIV (Automated Vehicle) – Smart product flow to reduce manual conveyance time

ITO



The way forward

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The Autoliv Journey

Medium Term

Industry Transformer
Safety for Mobility
& Society
Business 4.0
throughout the
value chain

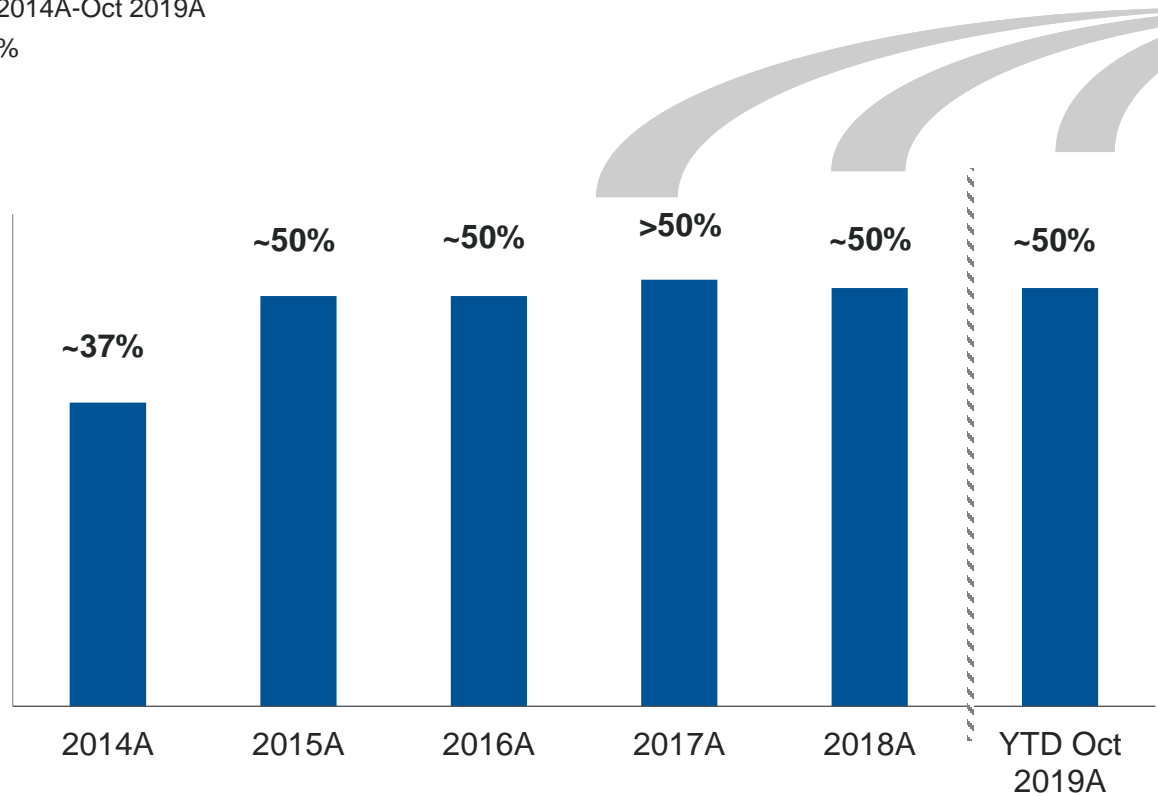
2019

Solid Industry Leader
Light Vehicle Safety
Manufacturing
Excellence

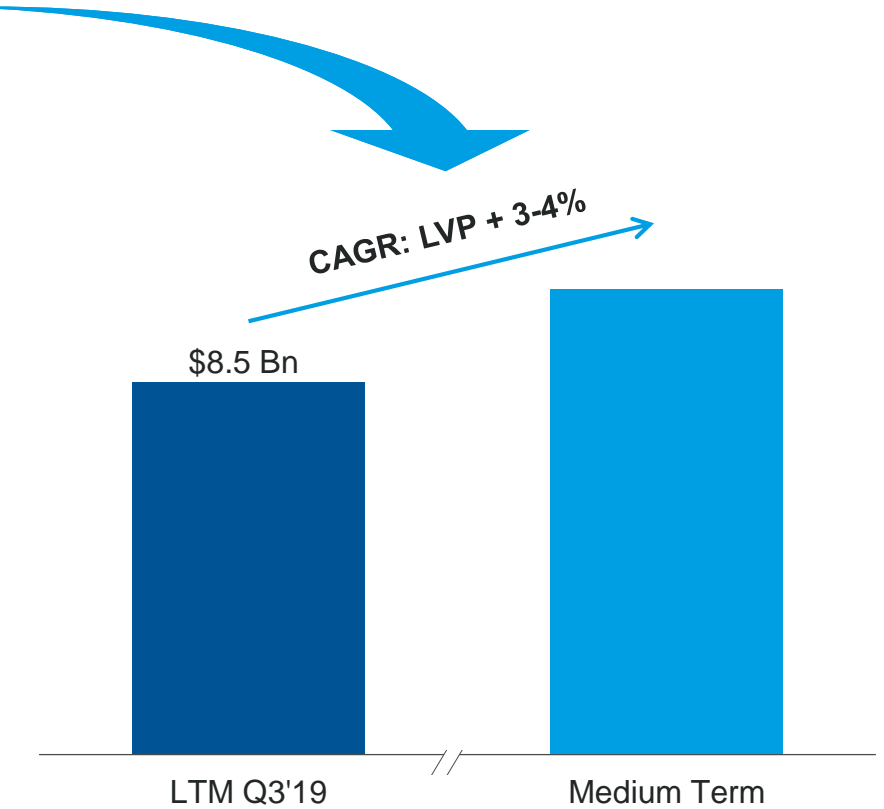
Continued strong order intake extends growth outperformance

Order Intake Share

2014A-Oct 2019A
%



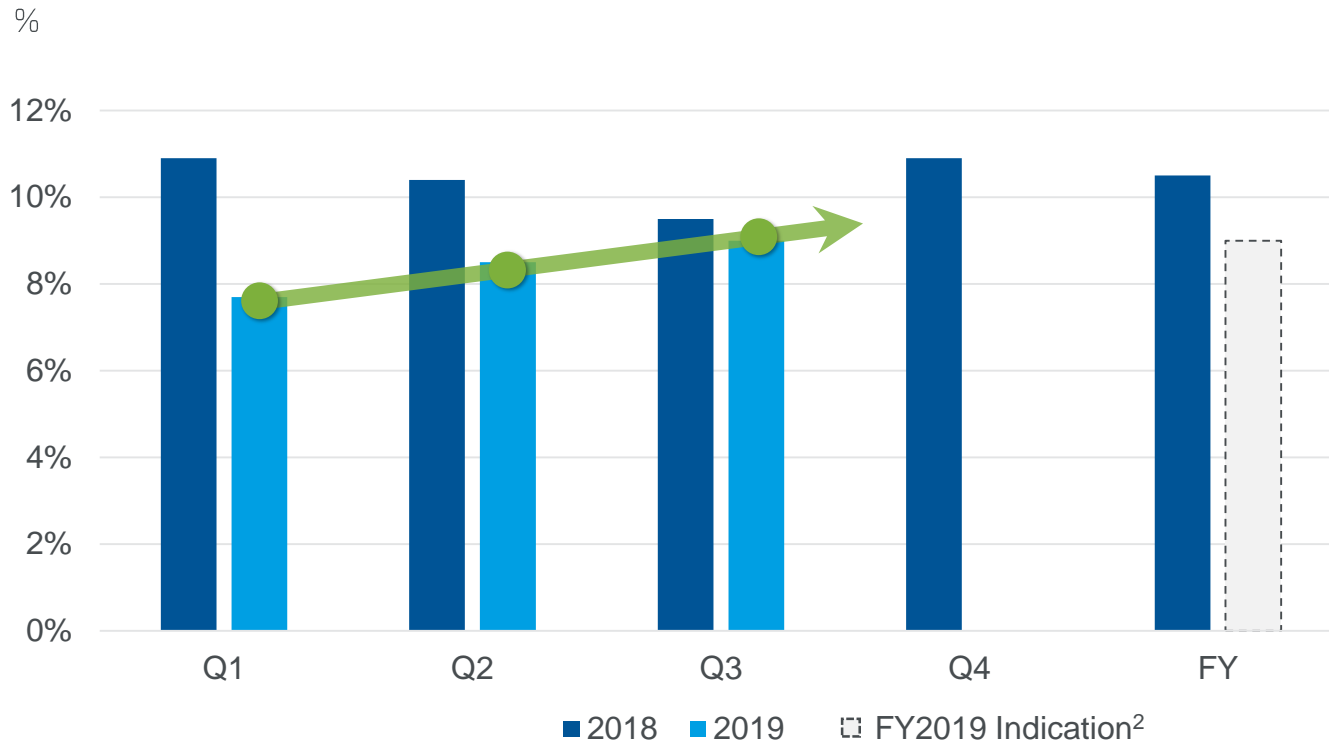
Medium term organic growth LVP +3-4%



Strong starting point

Positive trend in adjusted operating margin

Adjusted Operating Margin¹

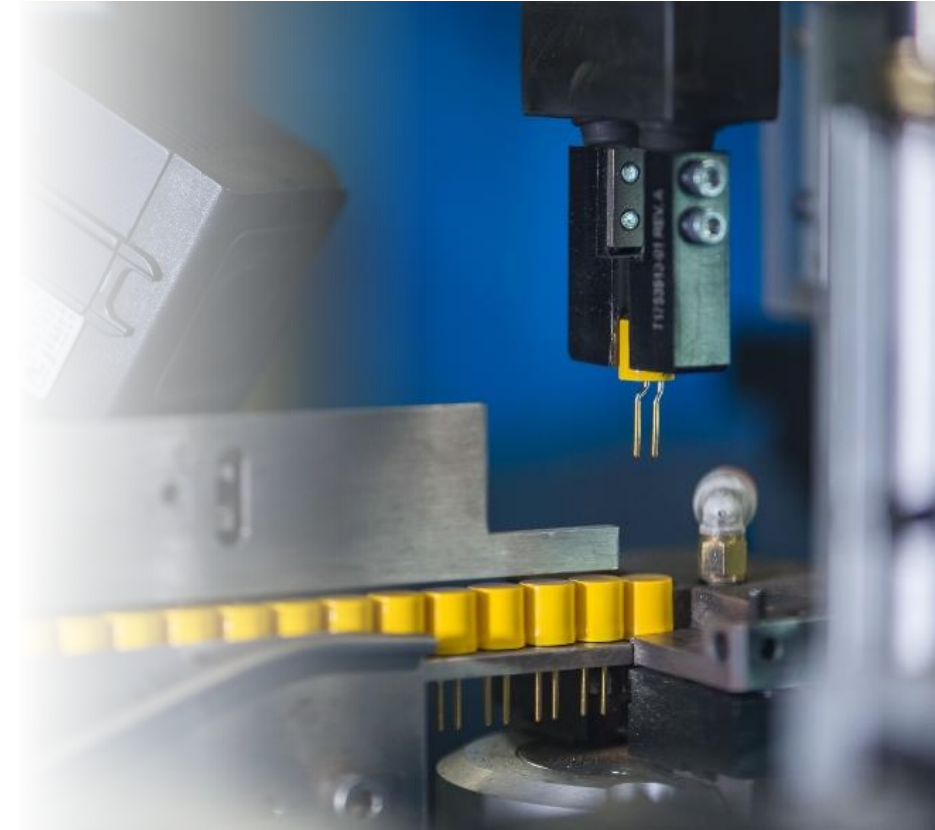


(1) Non-US GAAP measures exclude costs for capacity alignments, antitrust related matters and separation costs

(2) FY2019 indication from October 25, 2019

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Strong starting point

Year on Year improvement

Tailwinds 2020

- Raw materials
- Executing from strong order book
- Structural Efficiency Program
- Strategic initiatives
- Normalization of cost per launch
- LVP stabilization

Headwinds 2020

- Lower inflator replacement sales
- D&A increase
- Investment for factory of the future

Tailwinds greater than headwinds in 2020

**We are all-in on
taking Autoliv to
the next level**





Each year, Autoliv's
products save over
30,000 lives

autoliv.com

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