

Post Q4'13 Results

Nordea Lunchpresentation

February 7, 2014



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Safe Harbor Statement *

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(*) Non-US GAAP reconciliations are disclosed in our 8-K/10-K/10-Q filings available at www.sec.gov or www.autoliv.com

FY 2013 Recap

- Organic sales offset by currencies and margin challenges

■ Growth

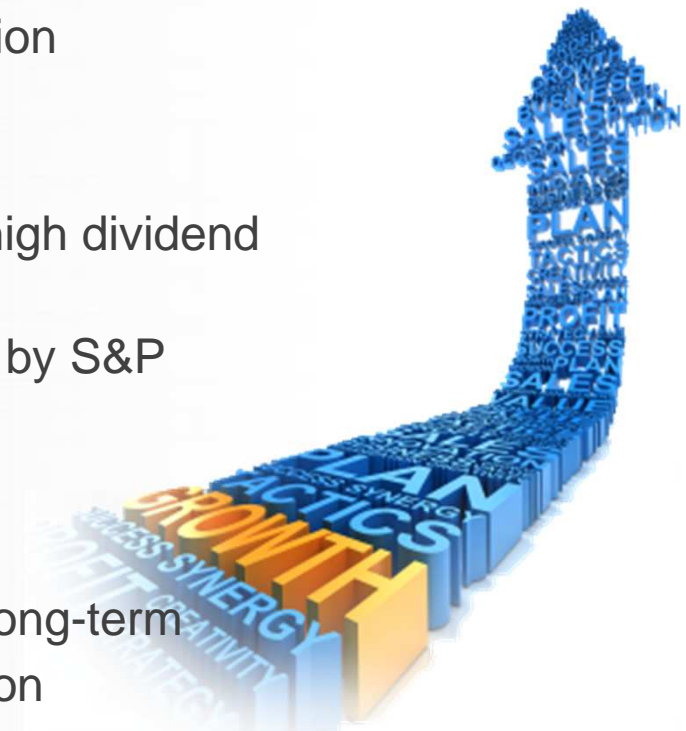
- Record sales on organic* sales growth of 7% mostly driven by China ~26% and Active Safety ~ 57%
- Solid financial performance and cash flow generation

■ Capital structure

- Share repurchase re-initiated, announced record high dividend for Q1'14 and returned ~ \$340M to shareholders
- Long-term credit rating upgraded to A- from BBB+ by S&P

■ Transformation

- Addressing margin challenges
- Aligning capacity footprint with the market for the long-term
- Expansion in growth markets and vertical integration



🎯 Target Active Safety to reach our long-term margin range of 8-9% within 2 to 3 years

(*) Non US GAAP measure

Strong Performing Models in China

- Q4'13

Honda CR-V



Chevrolet Cruze



GreatWall Haval H6



Nissan Teana



VW Lavida/Bora



Ford Kuga



Nissan Qashqai



Wuling HongGuang



Nissan Sylphy



🚗 Estimated 2013 market share in China is ~ 37% for airbags and seatbelts combined

Enhancing Market Position

- Units delivered exceed LVP in most product areas

Autoliv Quantities Delivered (Millions unless specified)	FY'13	FY vs. PY
Seatbelts	143.2	3%
• Pretensioners (of which)	56.1	2%
• Active Seatbelts (of which)	2.1	35%
Frontal airbags	43.5	16%
• Knee airbags (of which)	4.4	74%
Side airbags	78.3	9%
• Chest (Thorax)	42.2	13%
• Head (Curtain)	36.1	4%
Steering Wheels	14.2	11%
Electronic Control Units	15.2	12%
Active Safety Units	3.2	99%
LVP* TRIAD	37.6	1%
LVP* GLOBAL	82.6	3.5%

🎯 Estimated Passive Safety market share ~ 37% in 2013

(*) Light Vehicle Production, Source IHS January 16, 2014, TRIAD (WEU, North America, Japan).

Q4 Highlights

- Record sales drive solid financial performance

■ Sales and EBIT* better than expected

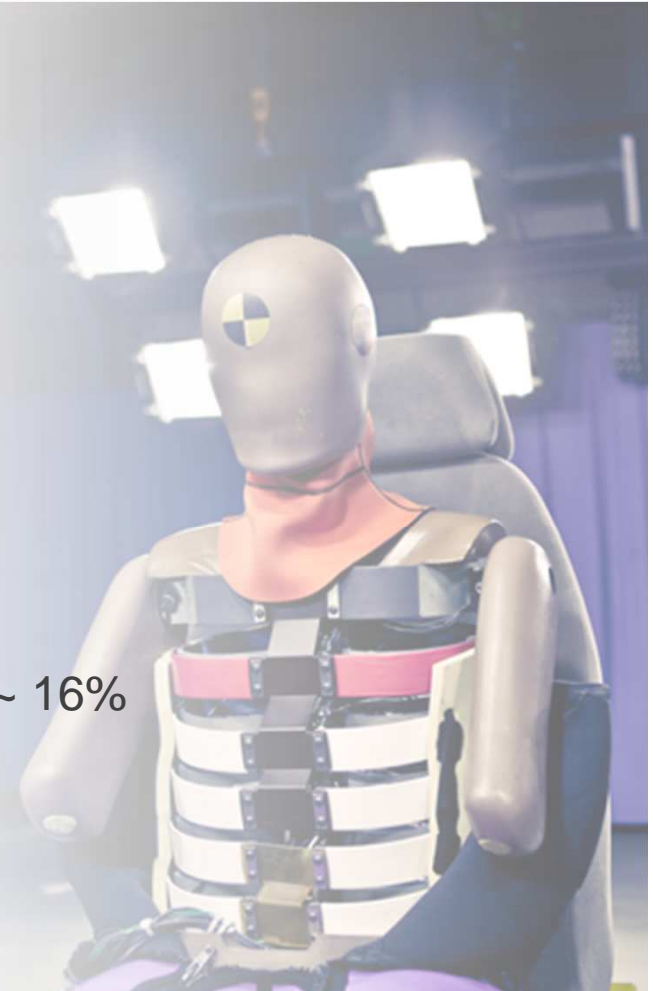
- Organic* sales growth ~ 15%, ~ 6 pp better
- Double digit EBIT* margin 10%, ~ 1 pp better

■ EPS* \$1.70

- YoY improvement driven by higher operating profit

■ Capital Structure

- Operating cash flow* ~ \$0.3B, RoCE* ~ 27%, RoE* ~ 16%
- Repurchased ~ 1.6M shares for ~ \$150M
- Announced cash dividend increase for Q1'14



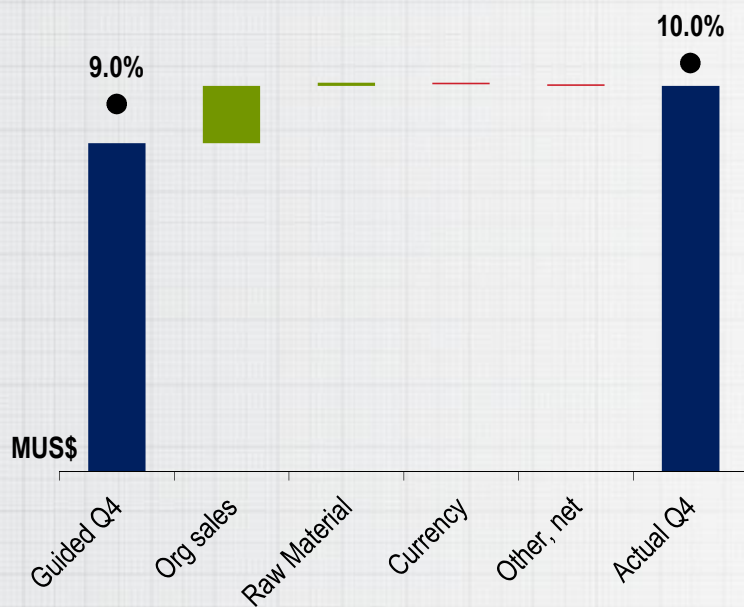
🟡 Exceeded guidance for both organic* sales growth and EBIT* margin

(*) Non US GAAP, Earnings Before Interest and Taxes, Earnings per share, Return on Capital Employed and Return on Equity excludes costs for capacity alignments, antitrust investigations and valuation allowance for deferred tax assets

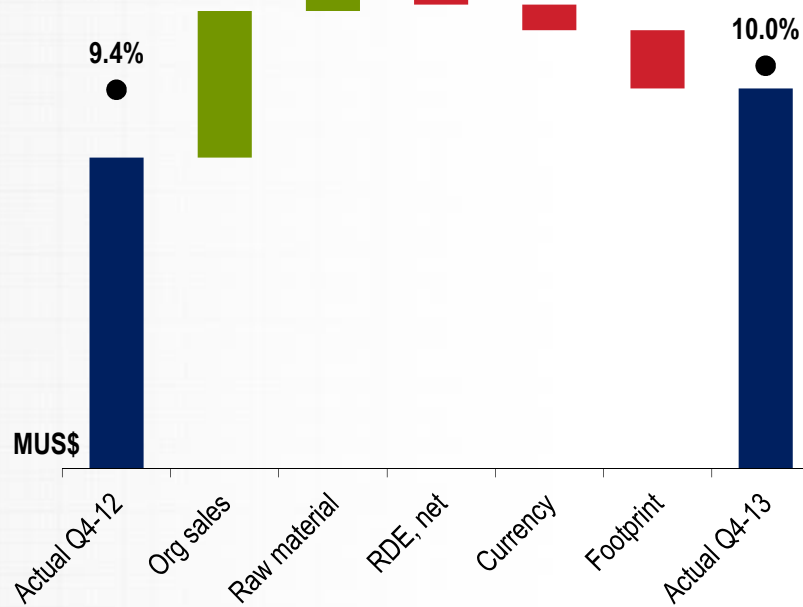
Q4 2013

- EBIT* Bridge vs. Guidance and Prior Year

Q4 vs. Guidance 100 bps better



Q4 vs. Prior Year 60 bps better



EBIT Margin* 10%

(*) Non US GAAP Earnings Before Interest and Taxes excludes costs for capacity alignments, antitrust investigations and valuation allowance for deferred tax assets

FY13 Financial Overview

- Solid financial performance

(US\$ Mil's unless specified)	FY13	FY12
Sales	\$8,803	\$8,267
Gross Profit	\$1,705 19.4%	\$1,646 19.9%
EBIT *	\$808 9.2%	\$803 9.7%
EPS * (assuming dilution)	\$5.82	\$5.82
RoCE *	23%	24%
RoE *	14%	15%
Operating Cash flow*	\$838	\$689
DPS **	\$2.00	\$1.89
GLVP *** (annual run rate)	~ 82.6M	~ 79.7M

Record Sales

(*) Non US GAAP, Earnings Before Interest and Taxes, Earnings per share, Return on Capital Employed and Return on Equity excludes costs for capacity alignments, antitrust investigations and valuation allowance for deferred tax assets (**) Dividend per share paid (***) IHS Global Light Vehicle Production @ January 16, 2014.

Cash Flow

- Investments for growth in CapEx and shareholder returns

(US \$ Mil's unless specified)

	Q4 2013	Q4 2012	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009
Net Income	101	140	490	486	627	596	13
Depreciation & Amortization	75	69	286	273	268	282	314
Other, net	5	(4)	43	10	38	57	(41)
Change in operating WC *	118	36	19	(80)	(175)	(11)	207
Operating cash flow	299	241	838	689	758	924	493
Capital Expenditures, net	(112)	(99)	(379)	(360)	(357)	(224)	(130)
Free cash flow **	187	142	459	329	401	700	363
Dividend payment	48	48	191	178	154	58	15
Share repurchase	148	0	148	0	0	0	0

Returned ~ \$340M to our shareholders in 2013 through dividends and share repurchases

(*) Non US GAAP measure, (**) Before acquisitions, Non US GAAP and restated for ASC 810-10-45

Capacity Alignment Program

(US\$ Mil's unless otherwise specified)	FY12	Q1'13	Q2'13	Q3'13	Q4'13	FY13
Cost (gross)	\$79	\$3	\$3	\$1	\$33	\$40
Cash outlay	-	\$5	\$4	\$5	\$6	\$20
Savings **	-	~ \$3	~ \$3	~ \$3	~ \$3	~ \$12
Balance Sheet *	\$75	\$70	\$70	\$68	\$94	\$94

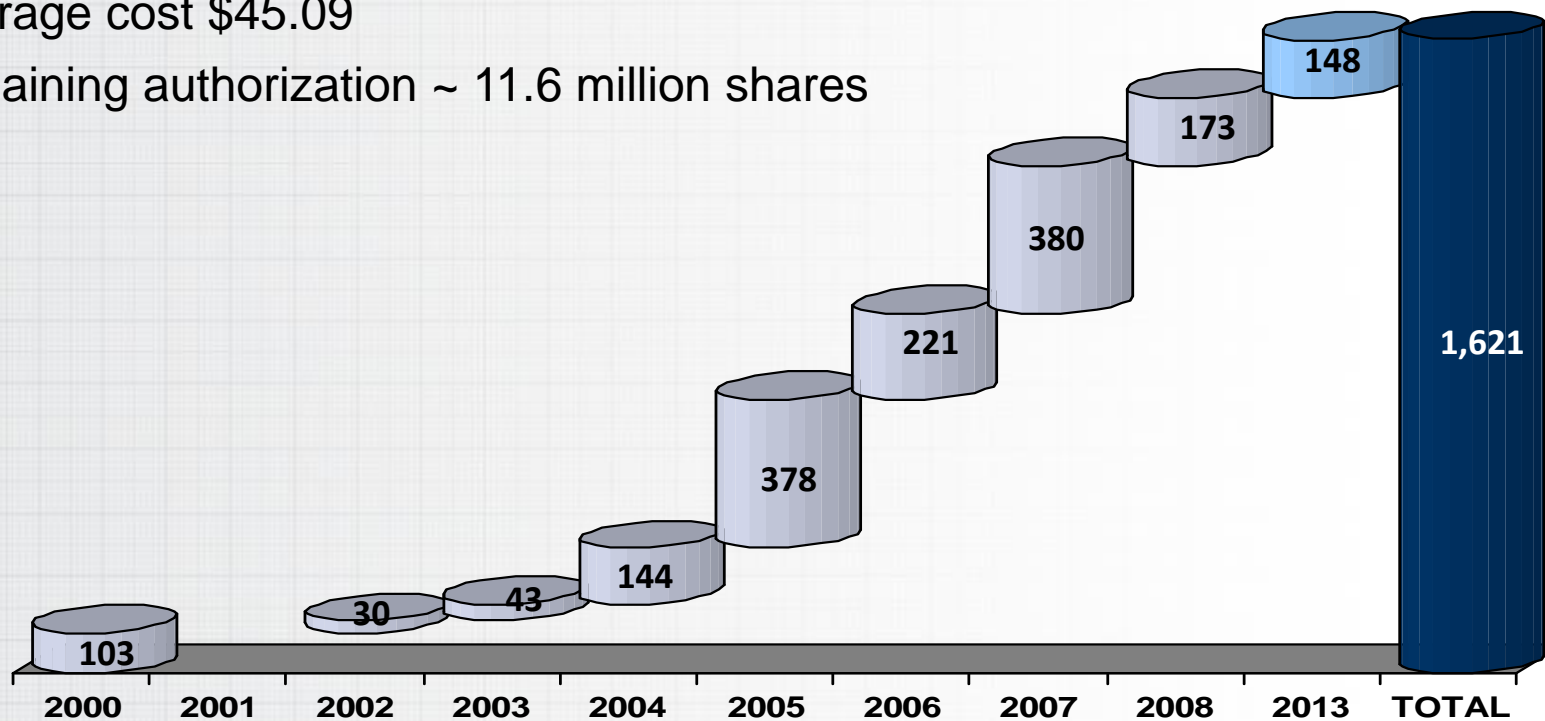
📌 Estimate cost and cash outlay in the range of \$20 to \$40M in 2014

(*) Employee Related, (**) 2 to 3 year payback from when the cash outlay is made

Share Repurchase Program*

- Re-initiated in October 2013

- 35.9 million shares
- average cost \$45.09
- remaining authorization ~ 11.6 million shares



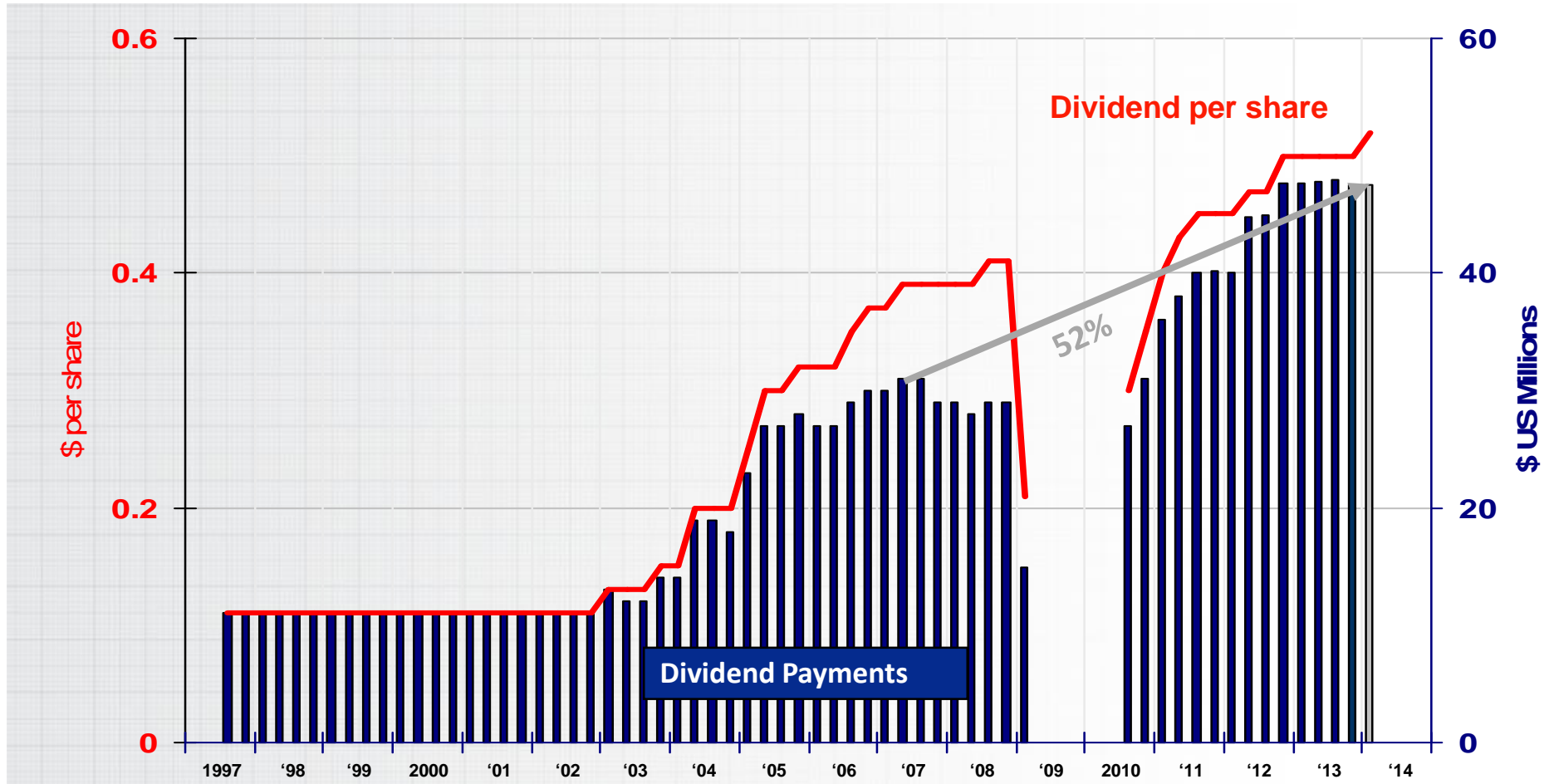
Cost / share	2000	2001	2002	2003	2004	2005	2006	2007	2008	2013	TOTAL
	\$22.68	0	\$19.57	\$20.97	\$41.97	\$44.86	\$55.69	\$57.35	\$46.77	\$90.39	\$45.09

⚠ Limited “open window” each quarter to repurchase shares

(*) MUS\$ except where specified

Dividend Trend

- Per share and cash payments*



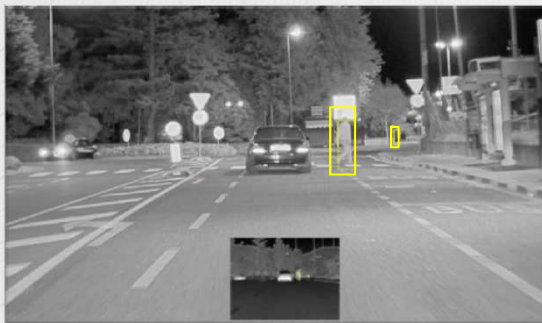
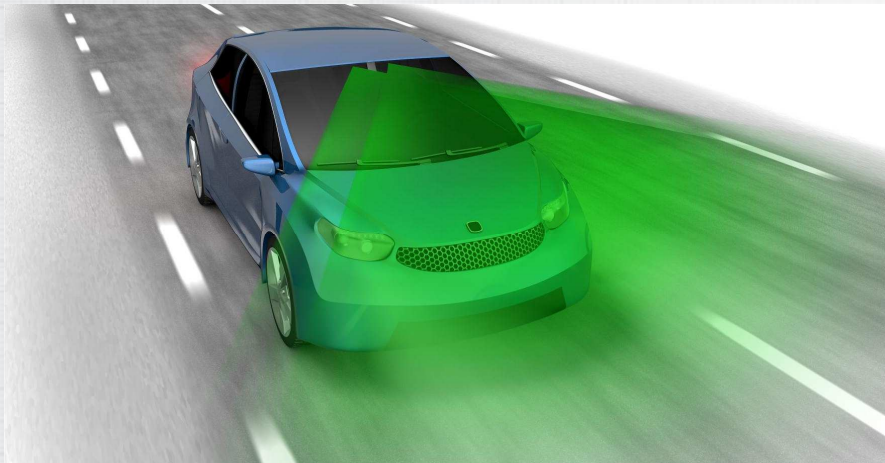
🎯 Annualized dividend \$2.08 per share

(*) Estimated dividend payment for Q1 2014 based on share count at the end of the 4th quarter 2013

Leading thru Innovation

- Another strong year of new product introductions

INNOVATIONS 2013



🚗 Improving automotive safety for both vehicle occupants and vulnerable road users

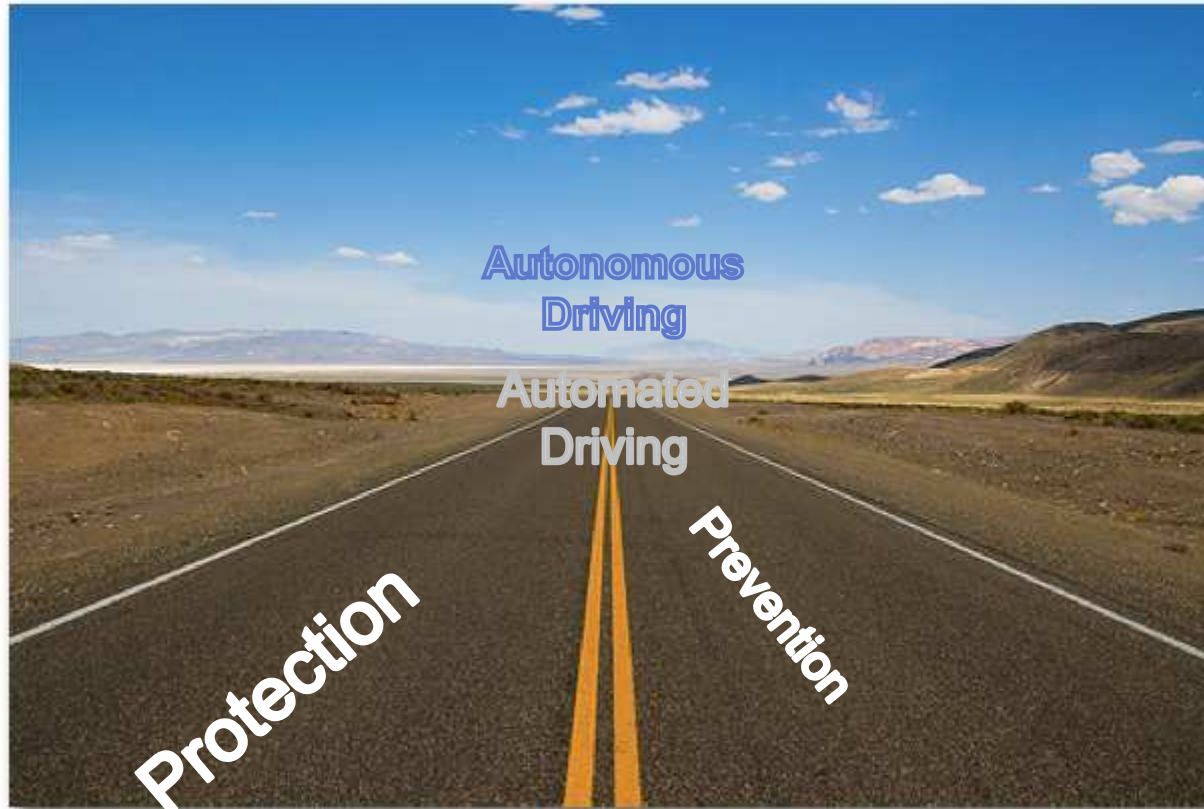
Cause of Traffic Accidents

Traffic Deaths: 1.3 million

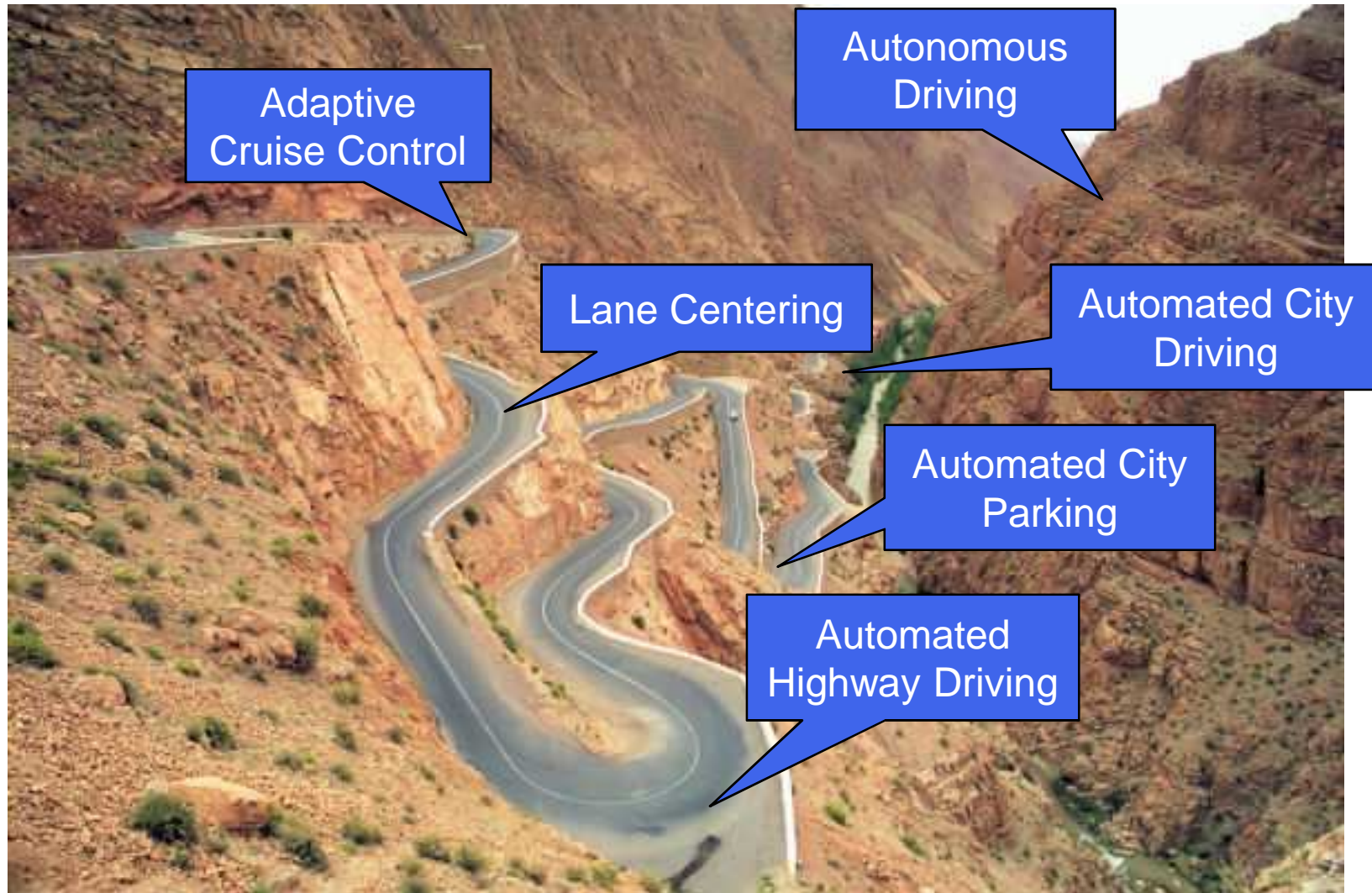


Automated Driving Can Save Millions of lives

The Road Towards Saving More Lives



The Road to Autonomous Driving



Market Conditions

- Early look at 2014 light vehicle production

■ Asia

- Strong growth to continue in China setting new records
- Japan is expected to decline for the full year after a strong Q1
- RoA combined is expected to have moderate growth

■ Americas

- Steady US SAAR, inventories remain stable
- Growth is slowing in both North and South America

■ Europe

- EU27 LTM* registrations slowly recovering, inventories improving
- Still no real signs of an economic recovery or cyclical rebound
- Expected to improve slightly

📌 Expect new record light vehicle production in 2014

(*) Last twelve months

Key Model Launches - FY2014

Ford F-Series



Great Wall Haval H8



Chrysler 200C



VW Passat



Hyundai Sonata



Haima Auto M3



KIA Sorento



Geely Emgrand EC7



Acura TLX



🚗 China will continue to show strong growth in 2014

Looking Ahead

- Q1 2014

■ Sales

- **YoY organic* sales increase ~ 7%**
 - mainly due to China, Active Safety and Japan
- **Sequential organic* sales decline ~ 3%**
 - seasonal effect of China and Korea

■ EBIT* Margin ~ 8%

- **YoY**
 - RD&E net and ramping-up capacity for growth and vertical integration more than offset the benefit from organic* sales and commodity costs
- **Sequential**
 - higher RD&E net and lower organic* sales



🚦 Strong organic* sales growth continues

(*) Non US GAAP measure, Earnings Before Interest and Taxes excludes costs for capacity alignments and antitrust investigations

Looking Ahead

- FY 2014 indication

■ Sales

- YoY organic* sales increase ~ 5%

➤ mainly related to Active Safety, China and the Americas

■ EBIT* Margin ~ 9%

- YoY

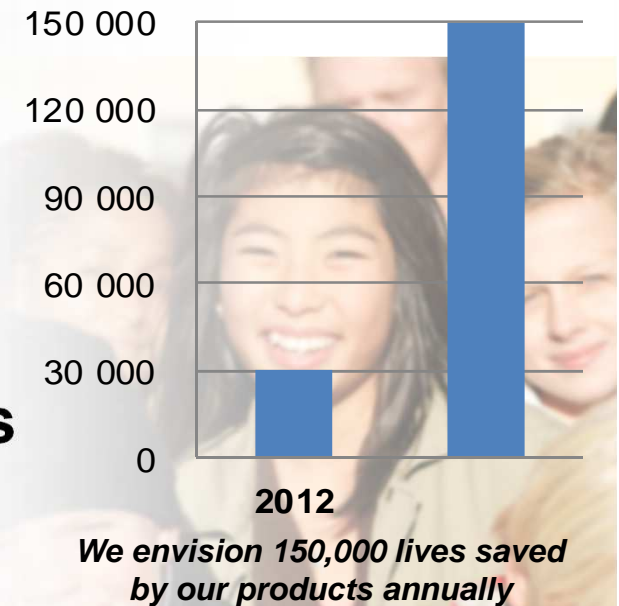
➤ RD&E net and ramping-up capacity for growth and vertical integration offset the benefit from organic* sales, decreasing margin challenges and commodity costs

🚗 Organic* sales growth is expected to be at least in-line with our market in 2014

(*) Non US GAAP measure, Earnings Before Interest and Taxes excludes costs for capacity alignments and antitrust investigations

Autoliv in Summary

- **Solid performance in 2013**
- **2014 will be a transition year to address our margin challenges**
- **Executing on our key strategies towards long-term targets**
- **Positioning our company to capitalize on the long-term industry trends**



Thank you!



Autoliv

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