



Autoliv Update

Danske Bank – Navigating the Nordics

Jan Carlson – Chairman, President & CEO
June 1, 2016



Copyright Autoliv Inc., All Rights Reserved

Safe Harbor Statement*

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, including without limitation, management's examination of historical operating trends and data, as well as estimates of future sales, operating margin, cash flow, effective tax rate or other future operating performance or financial results, are based upon our current expectations, various assumptions and 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," "will," "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; fluctuations 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 or 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; our ability to be awarded new business; product liability, warranty and recall claims and investigations and other litigation and customer reactions thereto; higher expenses for our pension and other postretirement benefits including higher funding requirements for our pension plans; work stoppages or other labor issues; possible adverse results of pending or future litigation; our ability to protect our intellectual property rights or infringement claims; 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. The Company undertakes no obligation to update publicly or revise any forward-looking statements in light of new information or future events. 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 or revise any forward-looking statements in light of new information or future events.

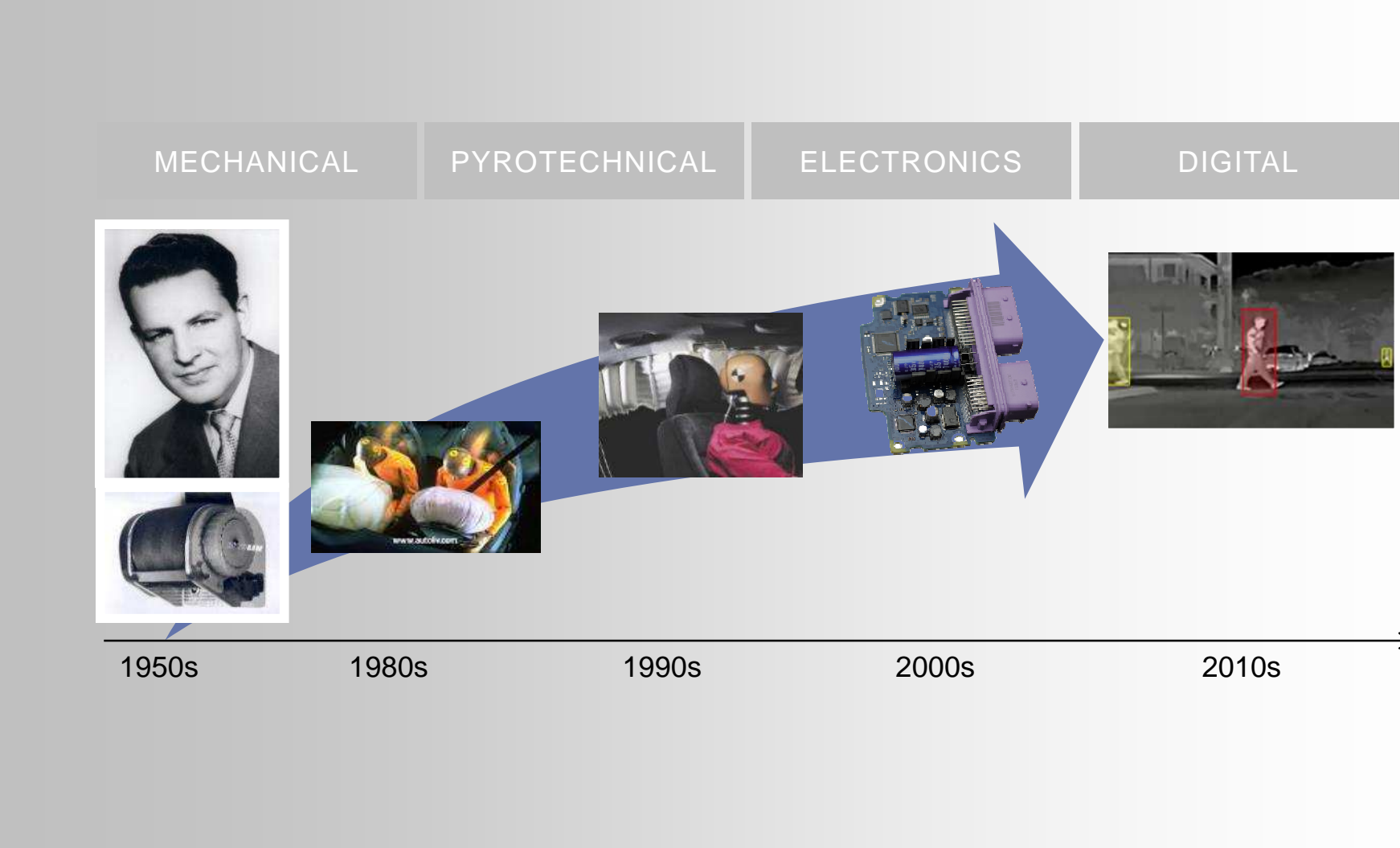
(* Non-US GAAP reconciliations are disclosed in our regulatory filings available at www.sec.gov or www.autoliv.com.

Saving Lives and Creating Value



Industry Pioneer with Strong Heritage

More than 60 years of innovation in Automotive Safety



Our Strategy to Stay Ahead

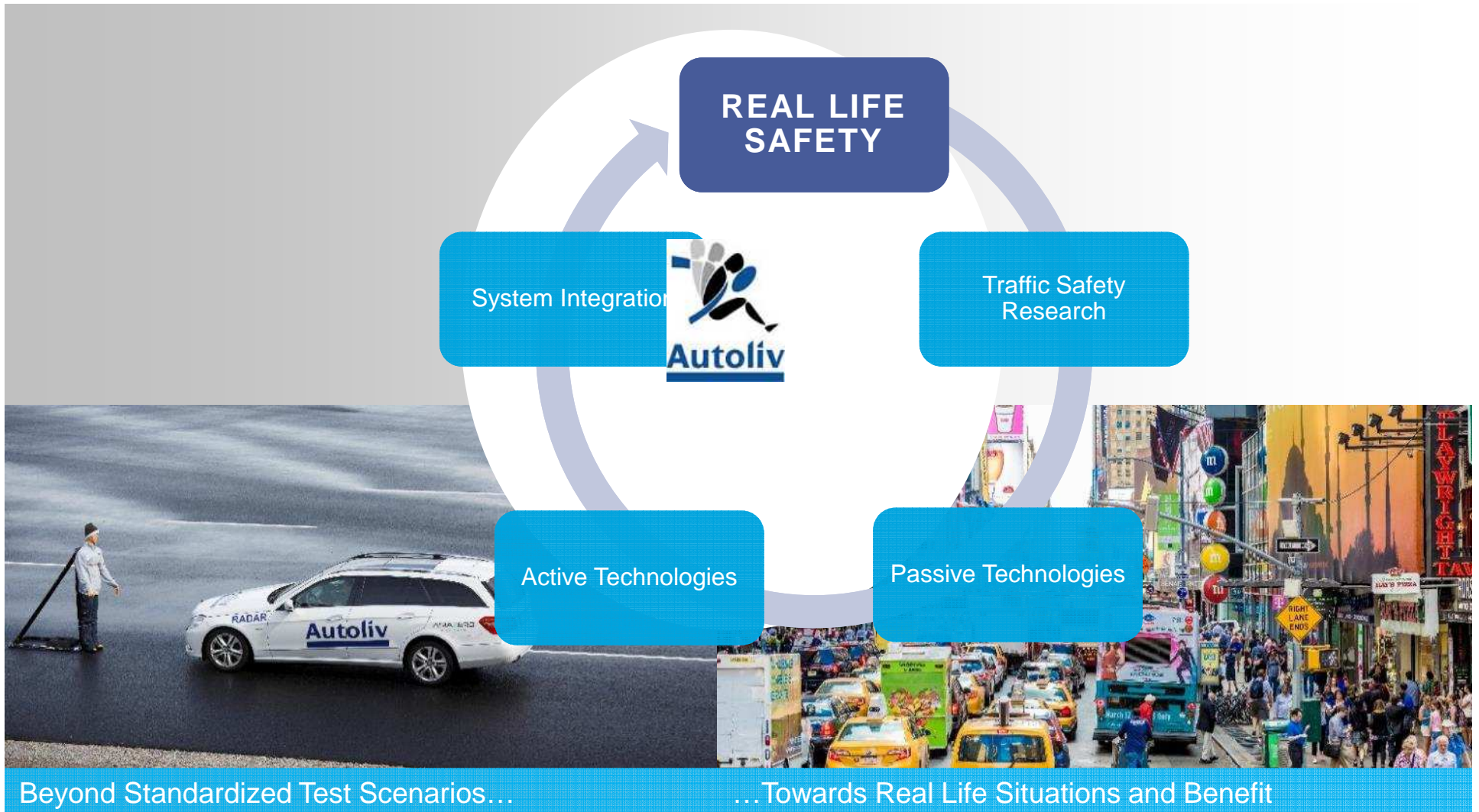
Quality is our first priority, in all we do



🚗 Q5 is about Quality in all dimensions and is our journey towards “Zero Defects”

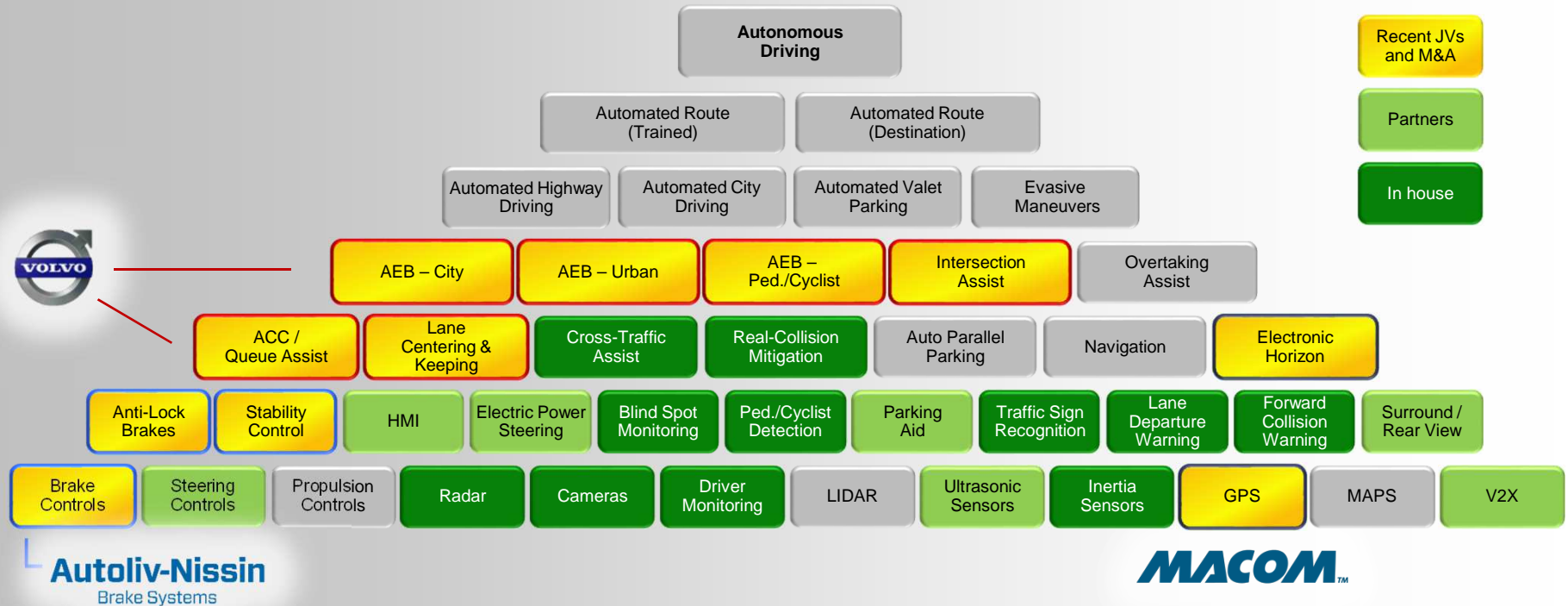
Real Life Safety

The Road to Saving More Lives



Towards Autonomous Driving the Real Life Safety way

Our current footprint within the pyramid



Long-term Targets

CMD – May 2013

Organic* sales growth at least in line with our market

...and faster than our market including acquisitions.

Operating margin* range 8-9% over the business cycles

...US GAAP excl. costs related to the antitrust matters.

EPS* growth faster than organic sales growth

...US GAAP excl. costs related to the antitrust matters.

Net Debt*/EBITDA around one times (Debt Limitation Policy)

...and within the range of .5 and 1.5 times.

Underlying Debt Policy is to remain “Strong Investment Grade”

() Non US GAAP, Net Debt adjusted to include Pension Liability*

End of Decade Targets

CMD – October 2015

- Changing industry landscape
- Focus on Quality and Real Life Safety is our way to stay ahead
- Strategic targets through end of decade:
 - Sales target is \$12B with an ambition to reach up to \$15B
 - Expand our presence in our new more than \$12B market
 - Grow EPS faster than our Sales growth rate
 - Investing in growth is our priority, excess Free Cash flow is returned to shareholders over time



Active Safety Update

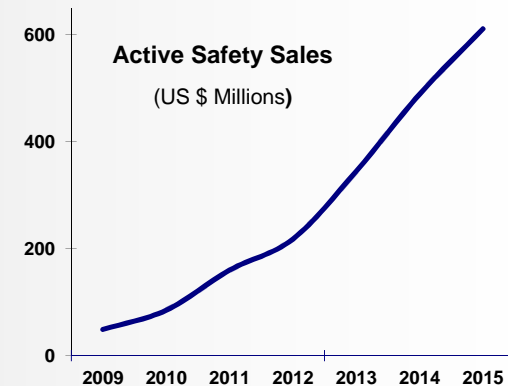
Expanding our portfolio for Real Life Safety

Recent Key Launches

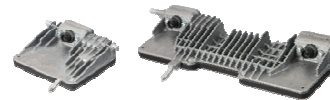
- Stereo and Mono Vision, Radar, ADAS ECU* - Mercedes E-Class
- Radar – Chevy Camaro and Malibu, Honda Elysion, Infiniti Q30, C-Class Coupé, Chrysler Pacifica
- Mono Vision – Mini Convertible
- Night Vision - Bentley Bentayga

CES demos

- Mono vision based AEB*,
- Mono vs. Stereo Vision real life braking,
- Radar based AEB,
- Rear cross traffic alert and braking,
- Night Vision (FIR*) with various scenarios,
- HMI* Zforce - intuitive steering wheel for Automated Driving,
- GPS* path following for manual or automated driving.



Mono and Stereo Vision



Radar (77GHz)



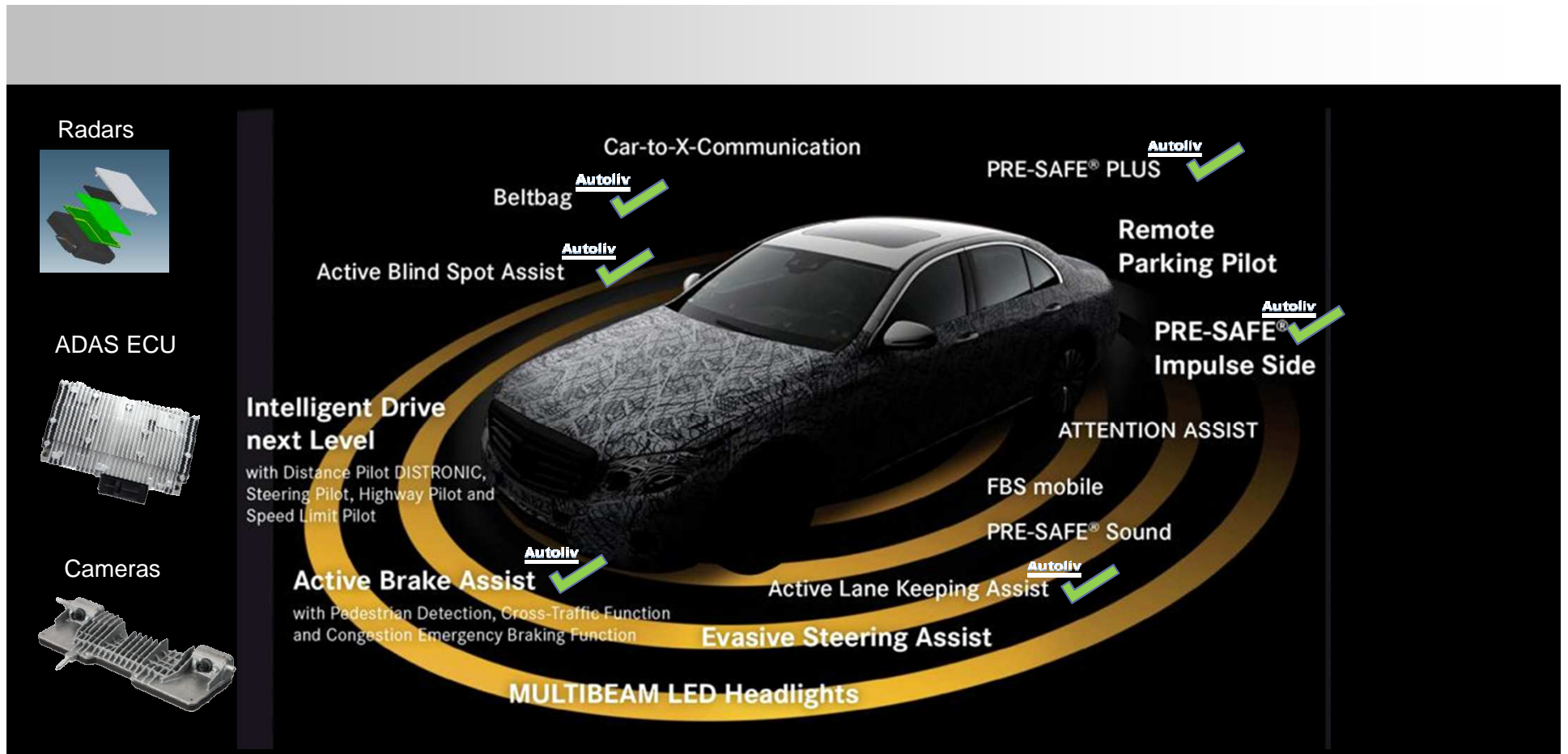
ADAS ECU



Adding building blocks towards autonomous driving

(*) Advanced Driver Assist Electronic Control Unit (ADAS ECU), Automated Emergency Braking (AEB), Far-Infrared (FIR), Human Machine Interface (HMI), Global Positioning Systems (GPS).

Autoliv on the New E-Class



Enhancing our Growth and System Capability

Autoliv and Nissin Kogyo form a Joint Venture

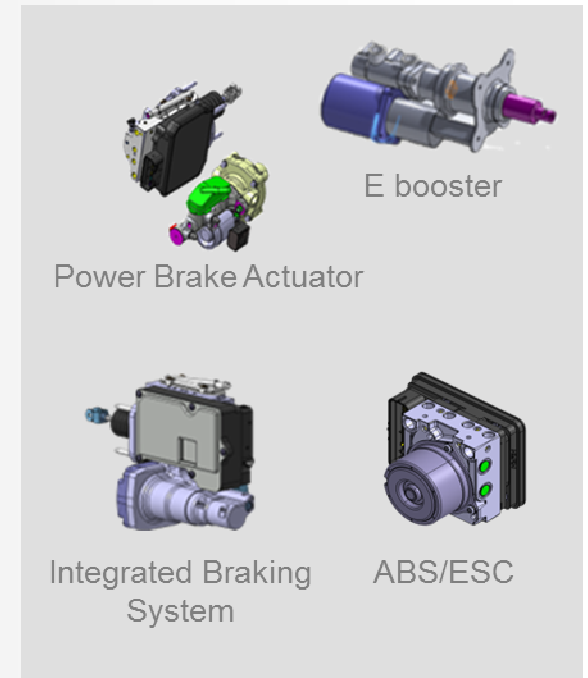
■ Overview

- Closed March 31, 2016
- Strengthens our product portfolio towards autonomous driving
 - technology and knowledge in brake control and brake apply
- Manufacturing footprint in Japan, China and US
 - includes a workforce ~1,800 associates
- Reported in the Electronics business segment
 - as a 3rd product category

■ Autoliv Financial Impact

- Purchase Price JPY 29.7 billion (~\$265M) for 51% ownership
 - subject to post-closing adjustments
- Consolidation 100% of the Balance Sheet and P&L
- Eliminate 49% of the net earnings (minority interest)
- Included in the FY'16 Indication (as of April 29, 2016)
 - Sales between \$400 to \$450M
 - Integration and Purchase accounting related costs combined \$20 to \$30M

Autoliv-Nissin Brake Systems



🔧 The ANBS JV provides additional building blocks towards Automated Driving

Overall Market Conditions – from April 29

Macro environment remains mixed

■ Asia

- China sales** recovery continues, LVP* increase ~8% for Q2'16 YoY
- Japan LVP increase ~5% for Q2'16 YoY
- RoA LVP increase ~1% for Q2'16 YoY

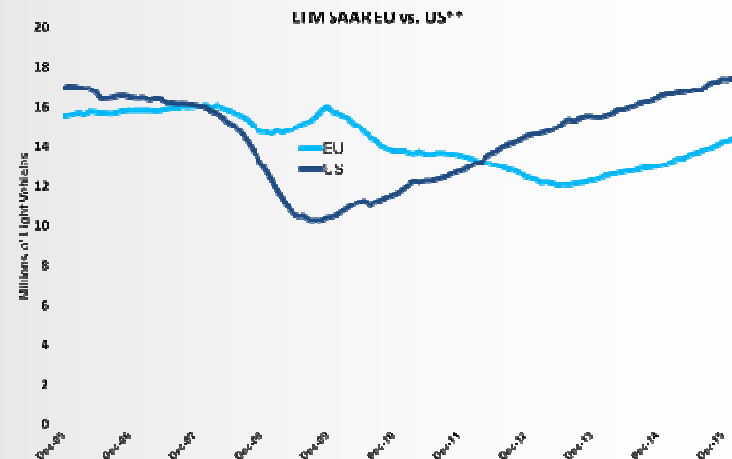
■ Americas

- Stable US SAAR** ~17M YTD, while overall inventories** remain ~65 days
- North America LVP increase ~4% for Q2'16 YoY
- South America still shows no sign of a recovery, LVP decline ~16% for Q2'16 YoY

■ Europe

- EU27** vehicle registrations continue to show a steady recovery
- LVP is expected to increase ~5% for Q2'16 YoY whereof EEU is expected to be roughly flat

FY'16 LVP *		
Region	Vehicles (Mil's)	YoY Chg.
China	24.1	+6%
Japan	8.7	+2%
RoA	12.5	+1%
North America	17.0	+4%
South America	2.6	(15)%
Europe	21.5	+3%
Global	88.6	+3.1%



📍 In Q2'16 the LVP* is expected to increase ~4% vs. prior year and sequentially by close to 1% from Q1'16

(*) Light Vehicle Production (LVP) according to IHS @ April 15, 2016, Year to Date (YTD), Year over Year (YoY), (**) Source: ACEA, Ward's Auto, CAAM.

Overall Market Conditions – update June 1

■ Asia

- China sales** recovery slower in April, LVP* increase ~6% for Q2'16 YoY
- Japan LVP decrease ~-1% for Q2'16 YoY
- RoA LVP increase ~2% for Q2'16 YoY

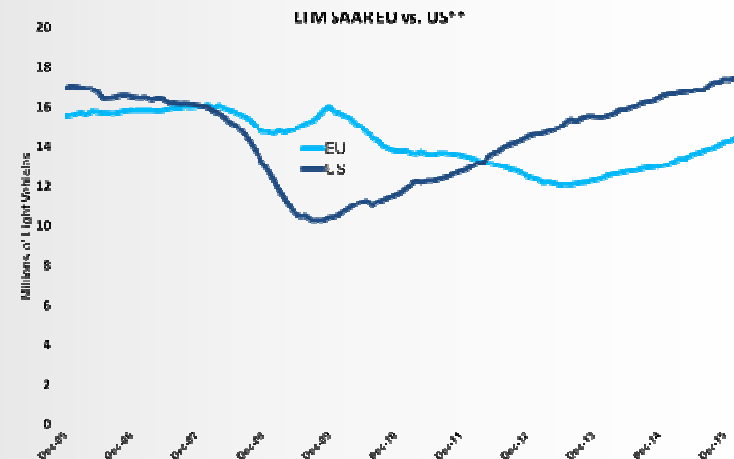
■ Americas

- Stable US SAAR** ~17M YTD, while overall inventories** was up to ~70 days in April
- North America LVP increase ~2% for Q2'16 YoY
- South America still shows no sign of a recovery, LVP decline ~15% for Q2'16 YoY

■ Europe

- EU27** vehicle registrations continue to show a steady recovery
- LVP is expected to increase ~6% for Q2'16 YoY

Q2'16 LVP *			
Region	YoY Apr 15	YoY May 16	Change
China	8%	6%	(2)pp
Japan	5%	(1)%	(6)pp
RoA	1%	2%	1pp
whereof South Korea	(4)%	(6)%	(2)pp
North America	4%	2%	(2)pp
South America	(16)%	(15)%	1pp
Europe	5%	6%	1pp
Global	4.0%	2.8%	(1.2)pp

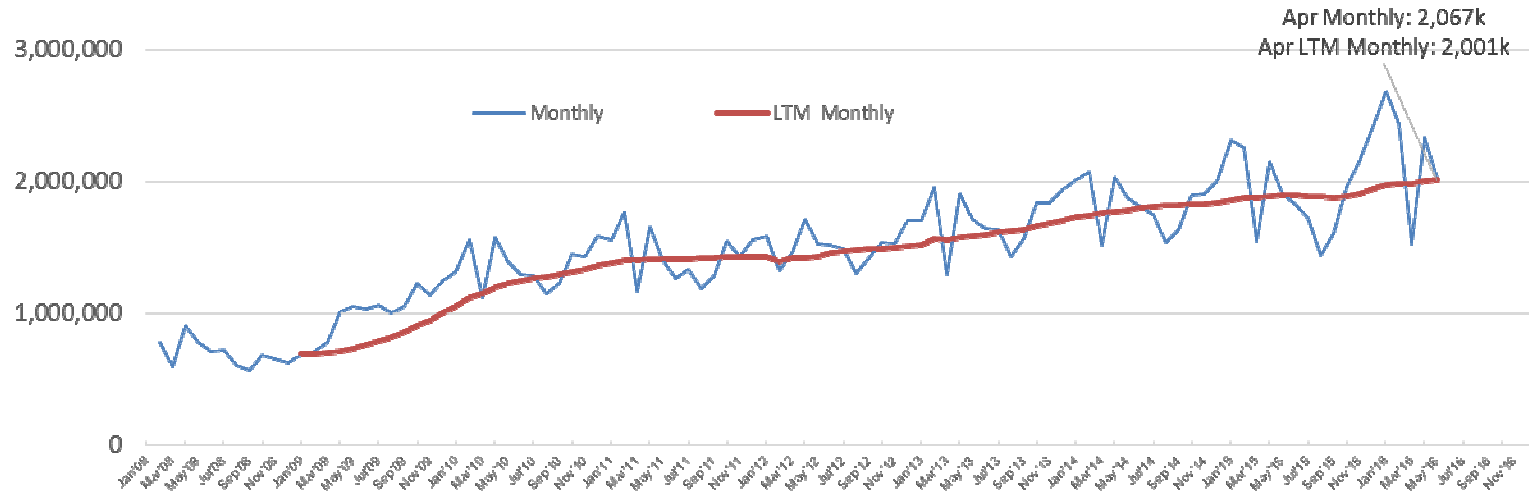


📍 In Q2'16 the LVP* is now expected to increase ~3% vs. prior year and to be sequentially flat from Q1'16

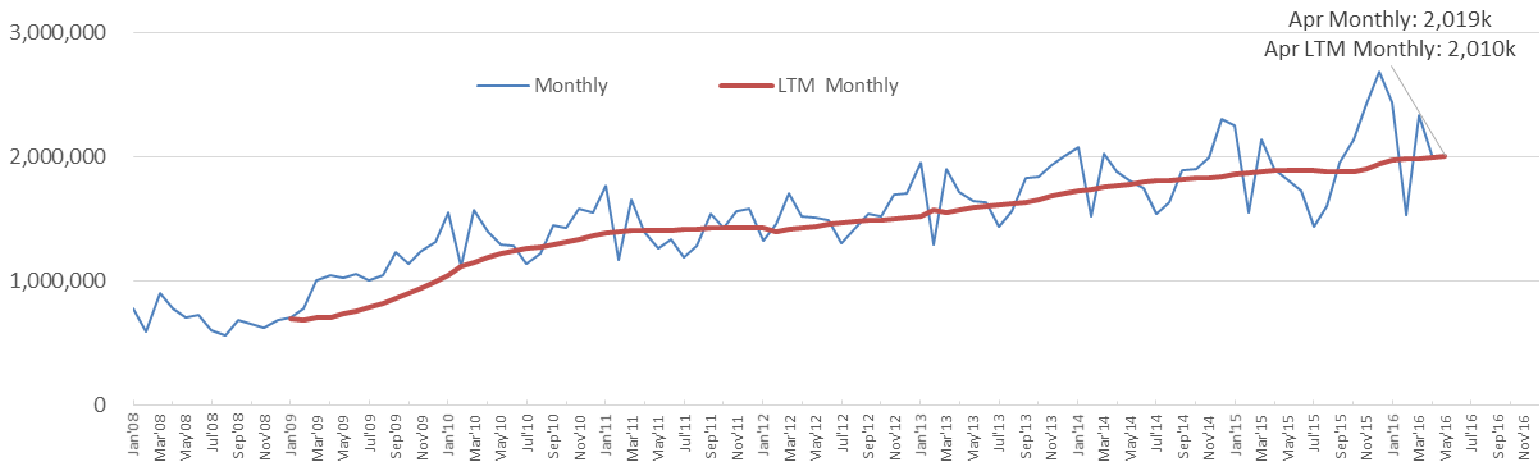
(*) Light Vehicle Production (LVP) according to IHS @ May 15, 2016, Year to Date (YTD), Year over Year (YoY), (**) Source: ACEA, Ward's Auto, CAAM.

LV Monthly Trend (2008 Jan- 2016 Apr)

China LV Production



China LV Sales

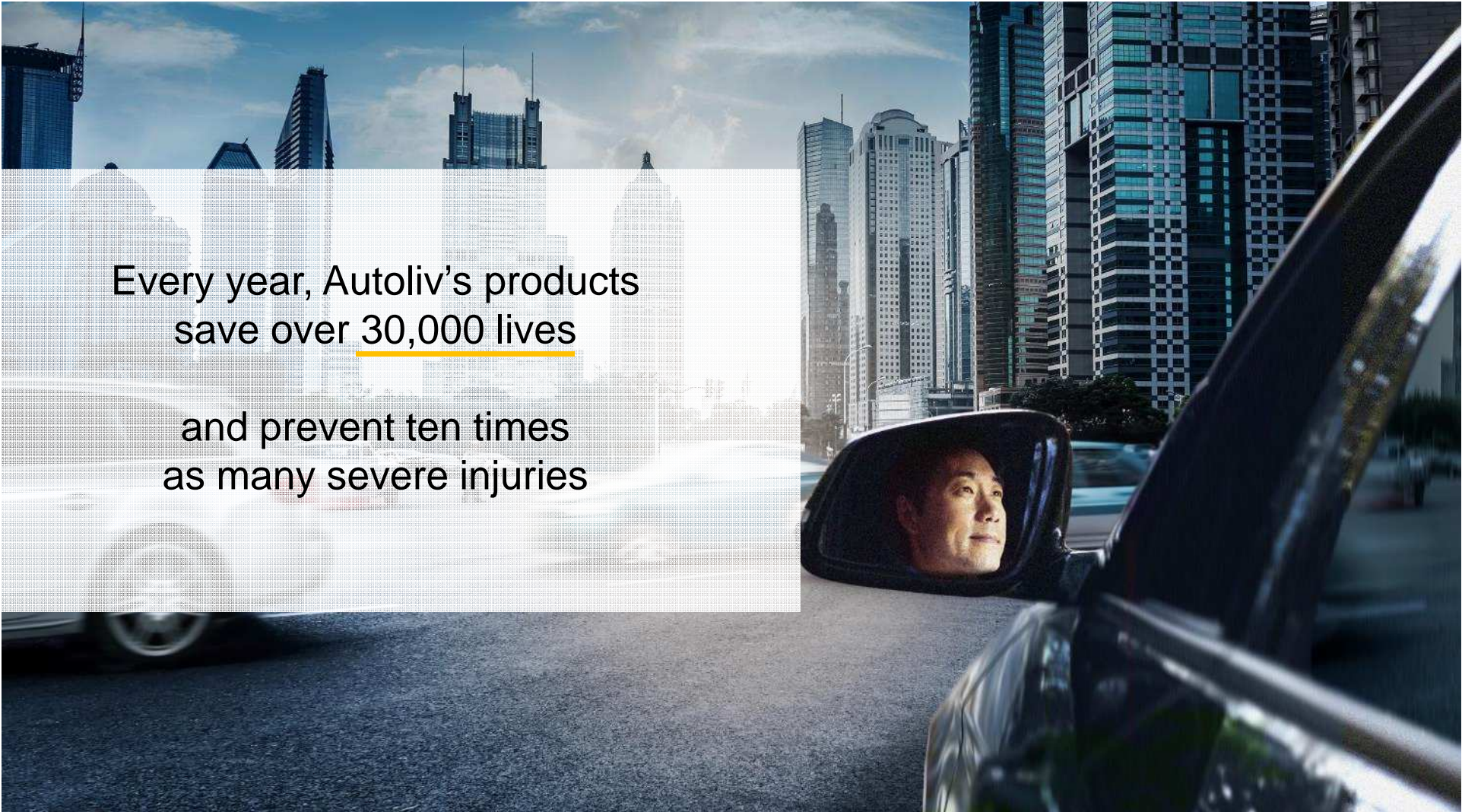


A Sound Investment

- Strong long-term sales growth
- Among industry leading margins and return on capital
- Strong balance sheet and free cash flow generation over the cycles
- Shareholder returns over time



Thank You!



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

and prevent ten times
as many severe injuries