



Saving More Lives

Non-Deal Roadshow

Post Q3'16 Earnings Release
NYC & Boston

Jan Carlson – Chairman, President & CEO
November 4 & 7, 2016



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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, statements regarding the expected consummation of the joint venture with Volvo Cars, 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," "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; 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 (including the ultimate resolution of the ongoing Toyota recall); 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 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.

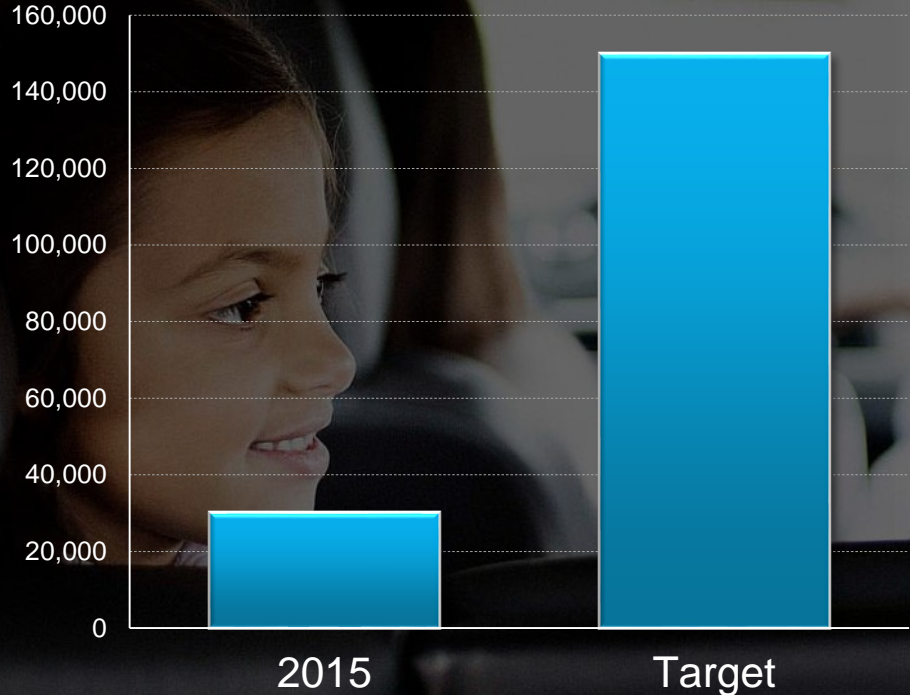
(*) Non-US GAAP reconciliations are disclosed in our regulatory filings available at www.sec.gov or www.autoliv.com.

Saving Lives and Creating Value



We Save More Lives while Creating Value

Human lives saved by our products
... additionally they prevent ten times as many severe injuries



Our Guiding Principles

OUR VISION

**Saving
More
Lives**

OUR MISSION

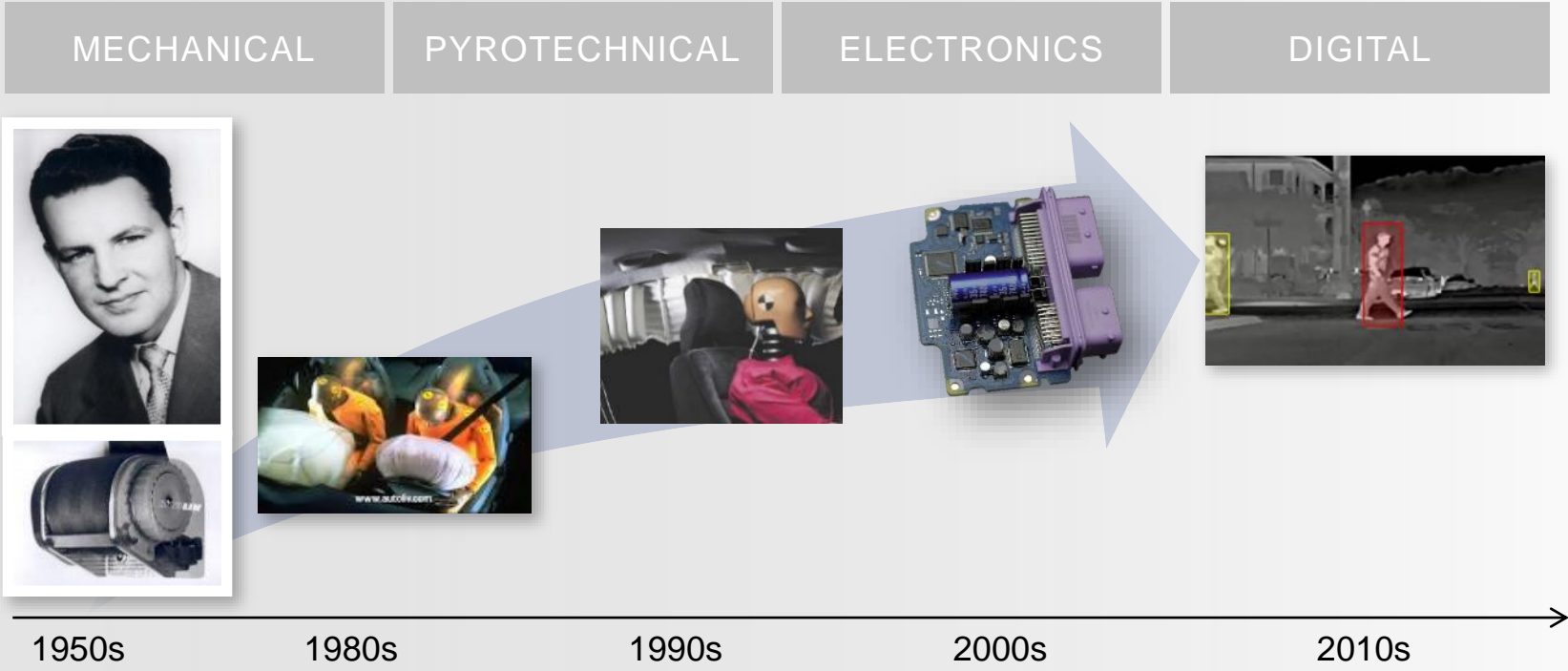
To be the
leading supplier
of Safety Systems
for the Future Car,
well integrated
with Autonomous
Driving

OUR VALUES

**One Autoliv
Transparent
Innovative
Agile**

Industry Pioneer with Strong Heritage

More than 60 years of innovation in Automotive Safety



Changing Industry Landscape

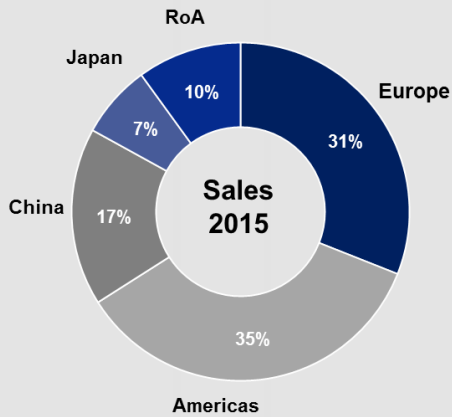
New technology change the way we drive and shape competition



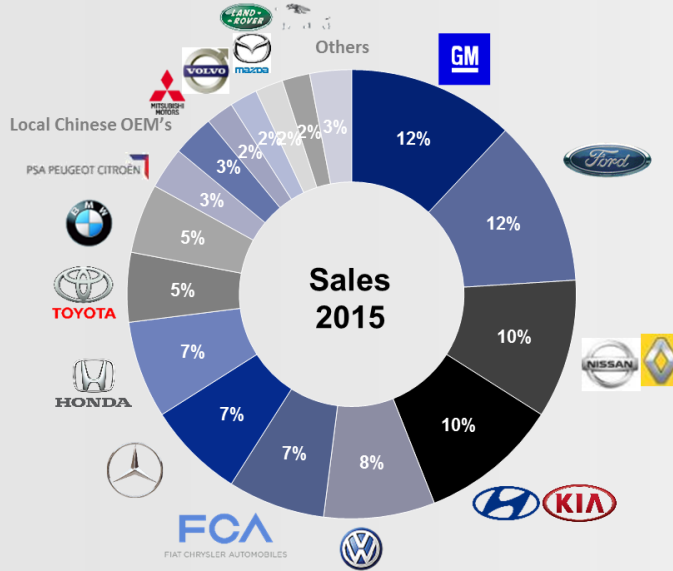
Autoliv Today*

A global leader in Automotive Safety with a well-balanced footprint

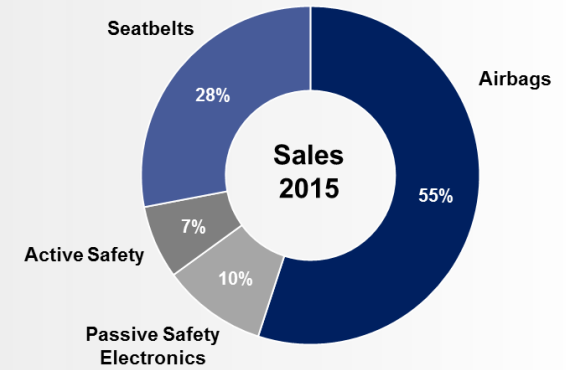
Global Footprint



Customers



Products



~67,000 ASSOCIATES WHERE OF
~6,000 IN R,D&E

~83 FACILITIES IN
27 COUNTRIES

SALES TO ALL
MAJOR VEHICLE
MANUFACTURERS

21 TECHNICAL
CENTERS 20 CRASH
TEST TRACKS

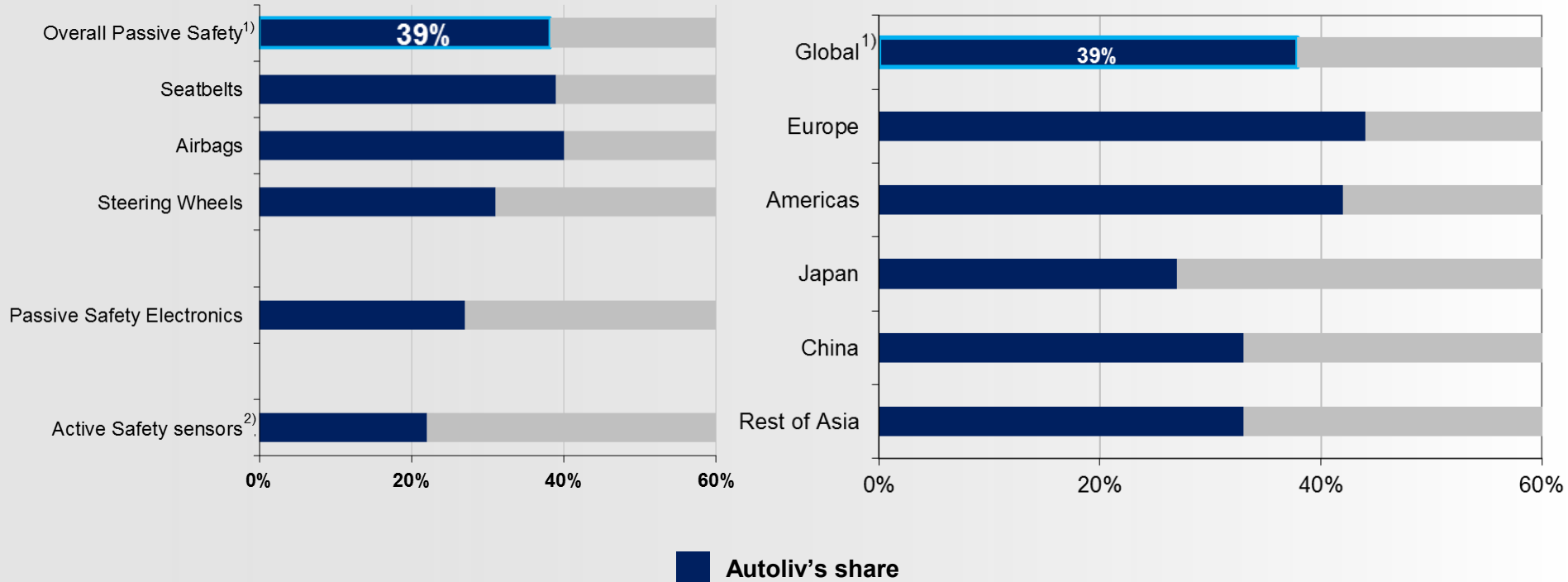
SALES AND
TECHNOLOGY
LEADER

🚗 S&P 500 company with sales of \$9.2B in 2015

(*) 2015

Market Shares 2015

Global Safety Market Share by Product



1) Airbag, steering wheel, seatbelt.

2) Radar, night vision, mono/stereo forward sensing

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”

Our Strategy to Stay Ahead

Relentless focus on Operational Excellence



Zero Defects by flawless execution



One Product One Process to improve cost effectiveness and robustness



Innovation to lead industry in Real Life Safety

Long-term Targets

Remain unchanged

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

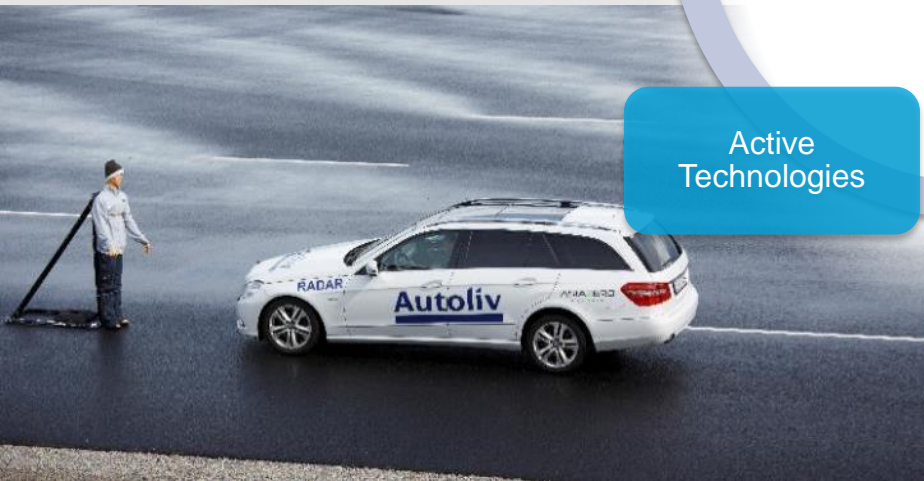
CMD – October 2015, updated as of Q3'16

- 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
 - ***Expect to surpass \$12B in 2019 based on Q2'16 driven by strong order intake in Passive Safety***
 - ***Expect to surpass \$1B in Active Safety one year later than originally targeted***
 - 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



Real Life Safety

The Road to Saving More Lives



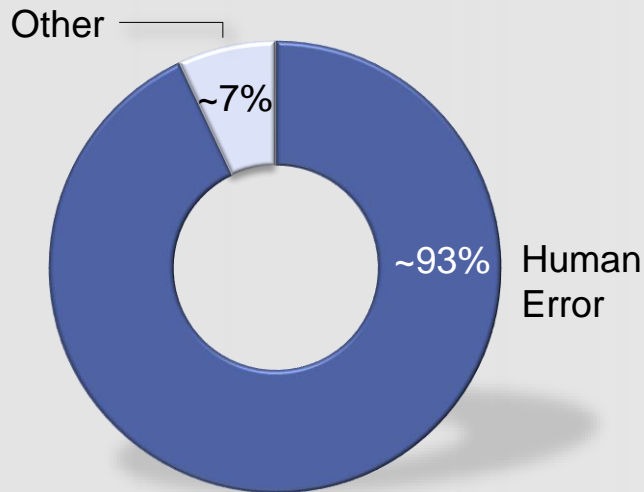
Beyond Standardized Test Scenarios...

...Towards Real Life Situations and Benefit

Eliminating human error by Autonomous Driving can prevent millions of crashes...

...while adding convenience

Traffic fatalities



Autonomous Driving:

- Prevents millions of crashes
- Reduces the severity of injuries and property damage

Additional Benefits:

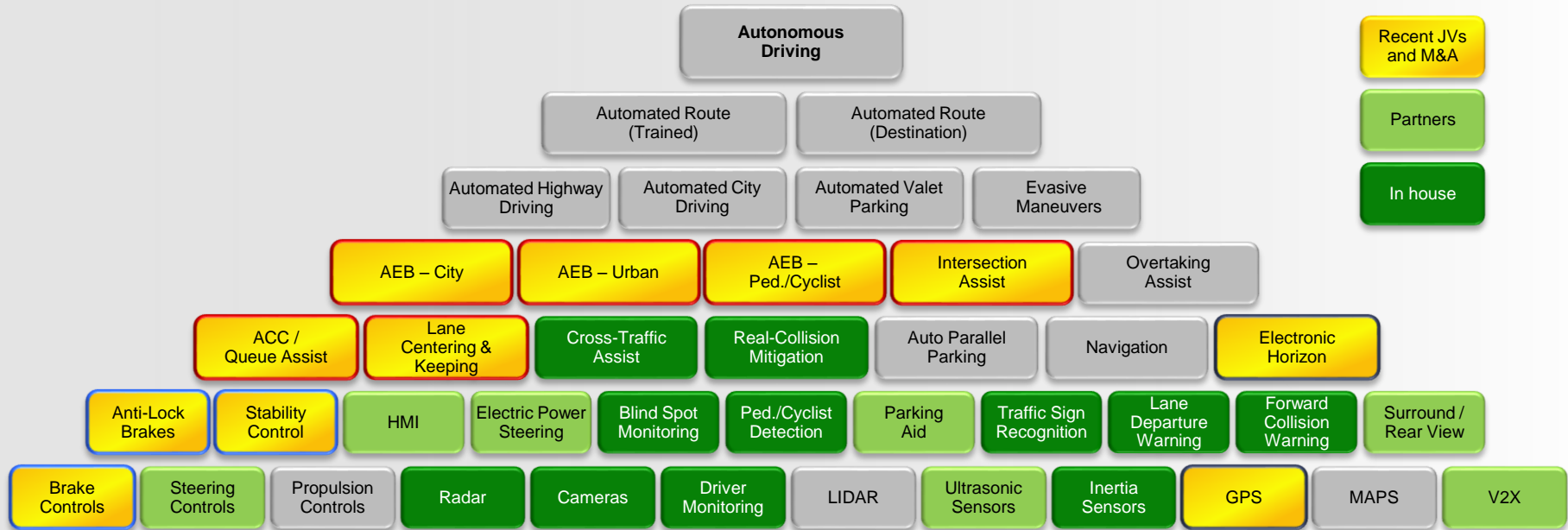
- Increases driver comfort and productivity
- Uses infrastructure more efficiently
- Improves mobility



Automated Driving Roadmap



The new Company brings the pieces of Active Safety development together



L

Building the Right Technology Portfolio

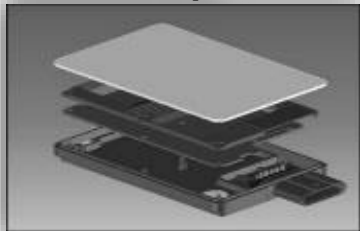
System

?



Narrowband (GM, Honda)

2014



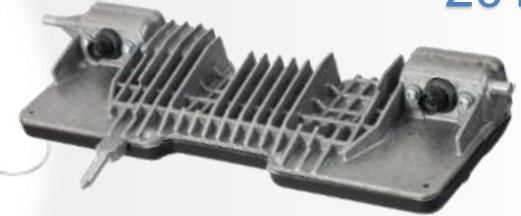
MVS (DAI)

2016



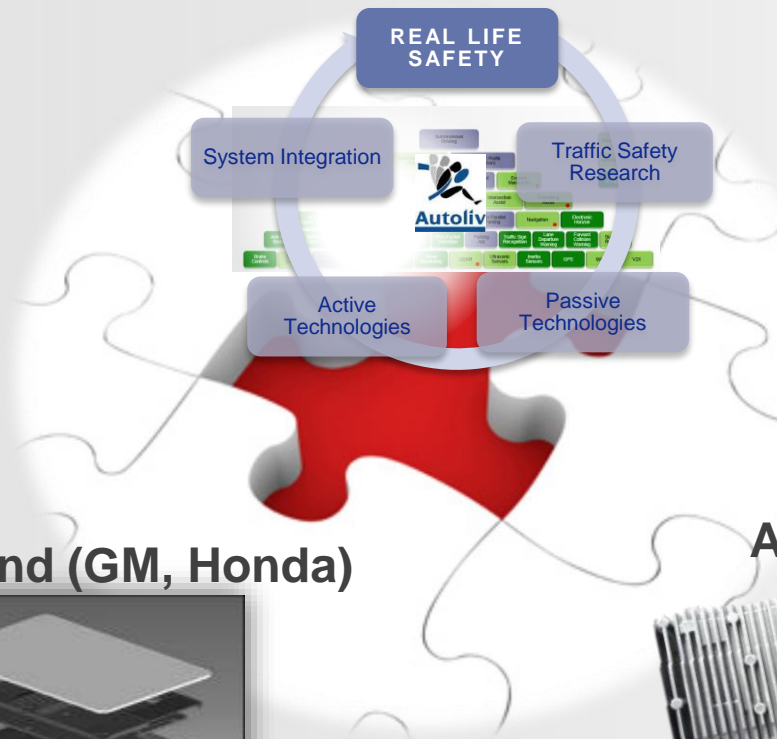
SVS (DAI)

2016



ADAS ECU (DAI - IDC4)

2016



JV Business Model

JV: Software Systems for
ADAS and HAD

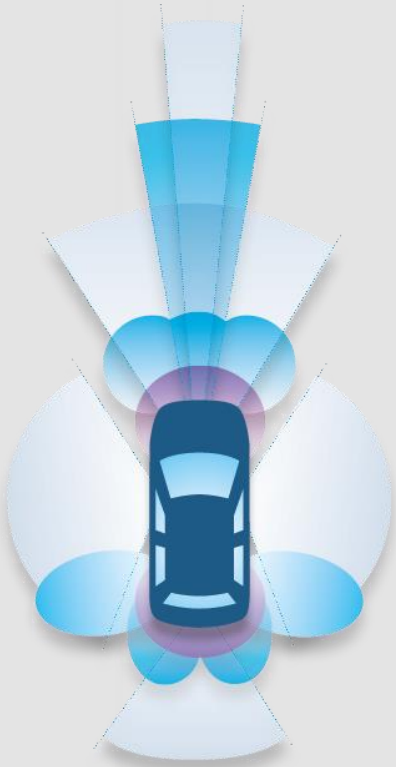
Autoliv: ADAS ECU's,
Sensors, sensor level
software

Autoliv
System integration and customer applications

ADAS/HAD Customer solution

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

The Joint Venture Scope



AUTOMATED DRIVING MODEL

1. Sensors to see the environment (Autoliv)
2. Role of the joint venture: Software to interpret and make decisions (Autoliv & Volvo Cars)
3. Actuators to execute decisions (Volvo Cars)

The JV will develop software solutions for automotive Advanced Driver Assistance Systems (ADAS) and Highly Automated Driving systems (HAD) aiming toward full autonomous driving.

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



Power Brake Actuator

E booster



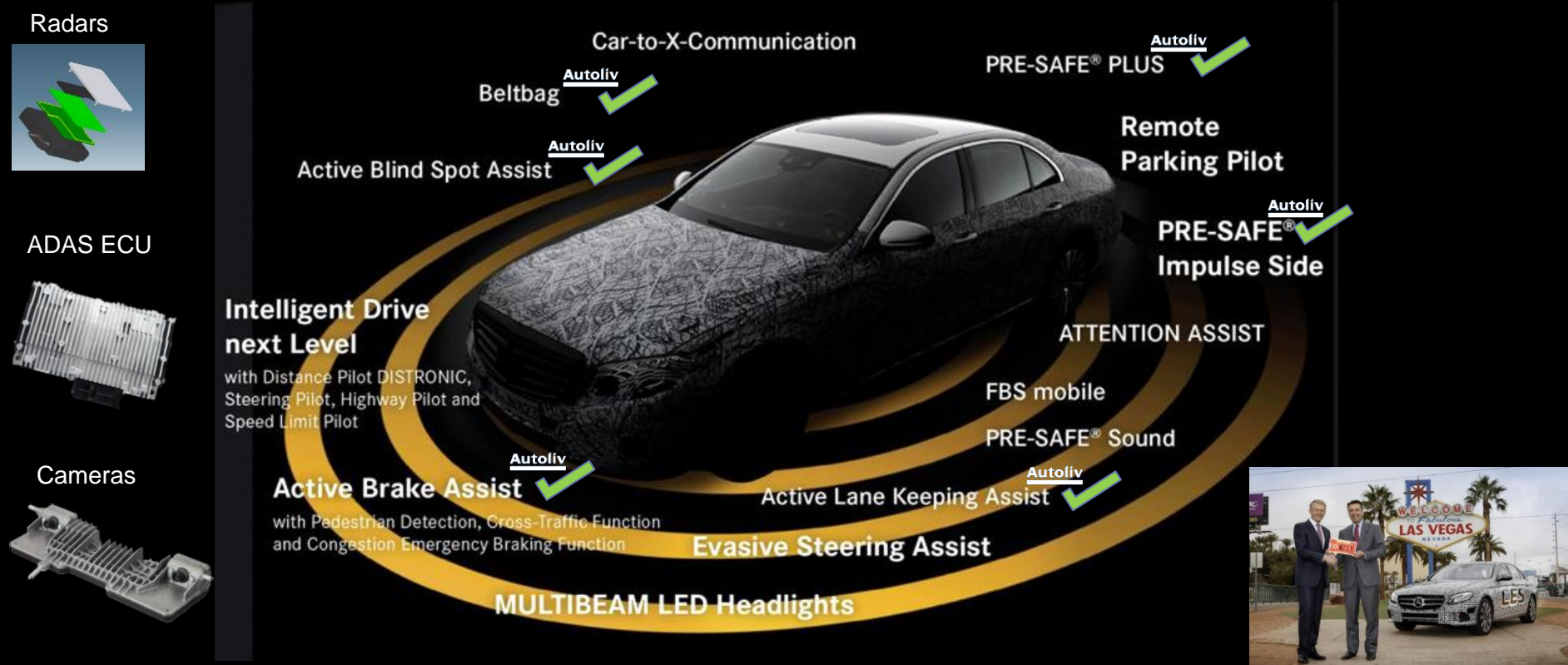
Integrated Braking System



ABS/ESC System

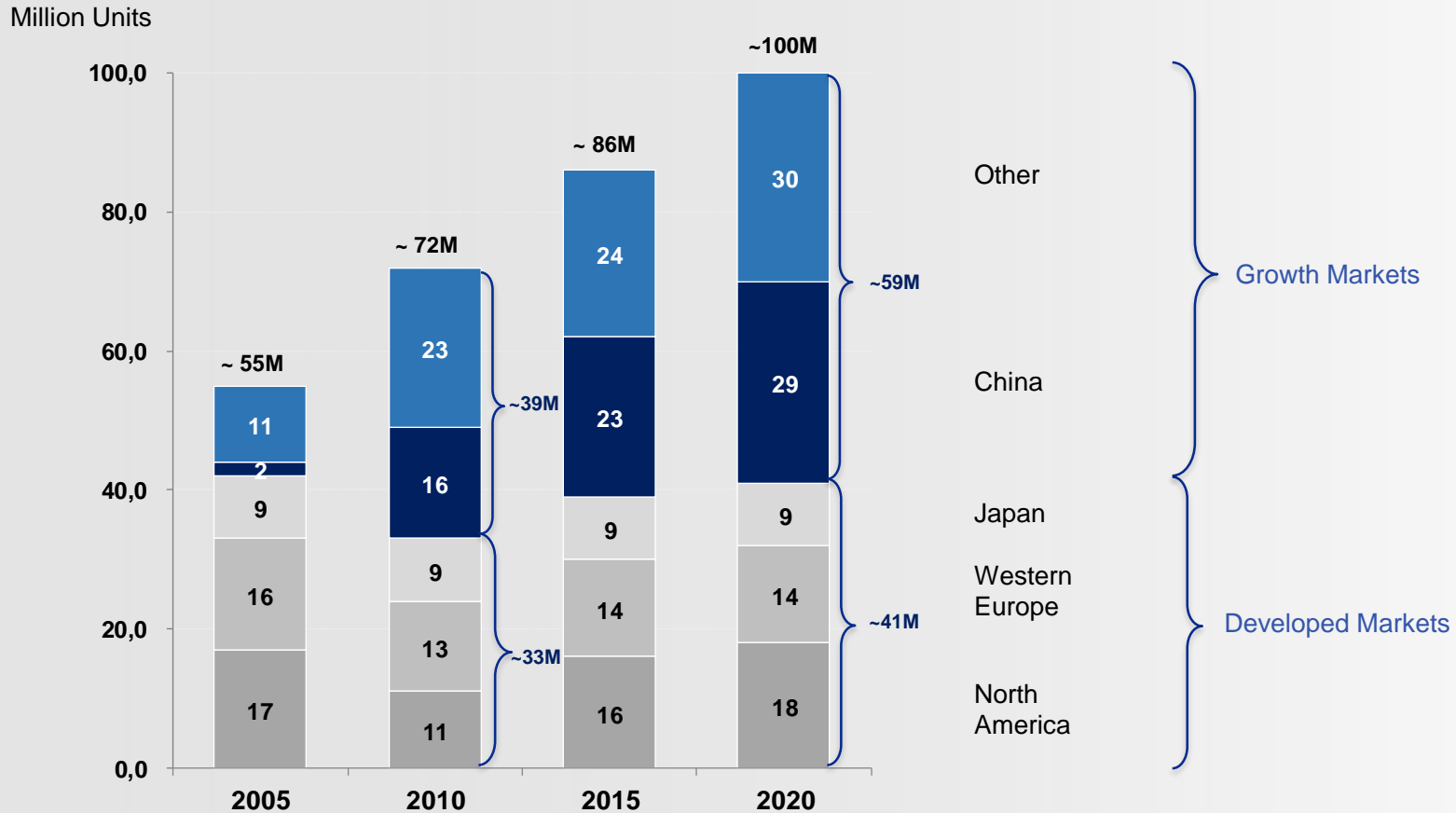
■ The ANBS JV provides additional building blocks towards Automated Driving

Autoliv on the New Mercedes E-Class



Light Vehicle Production Outlook

2005 thru 2020

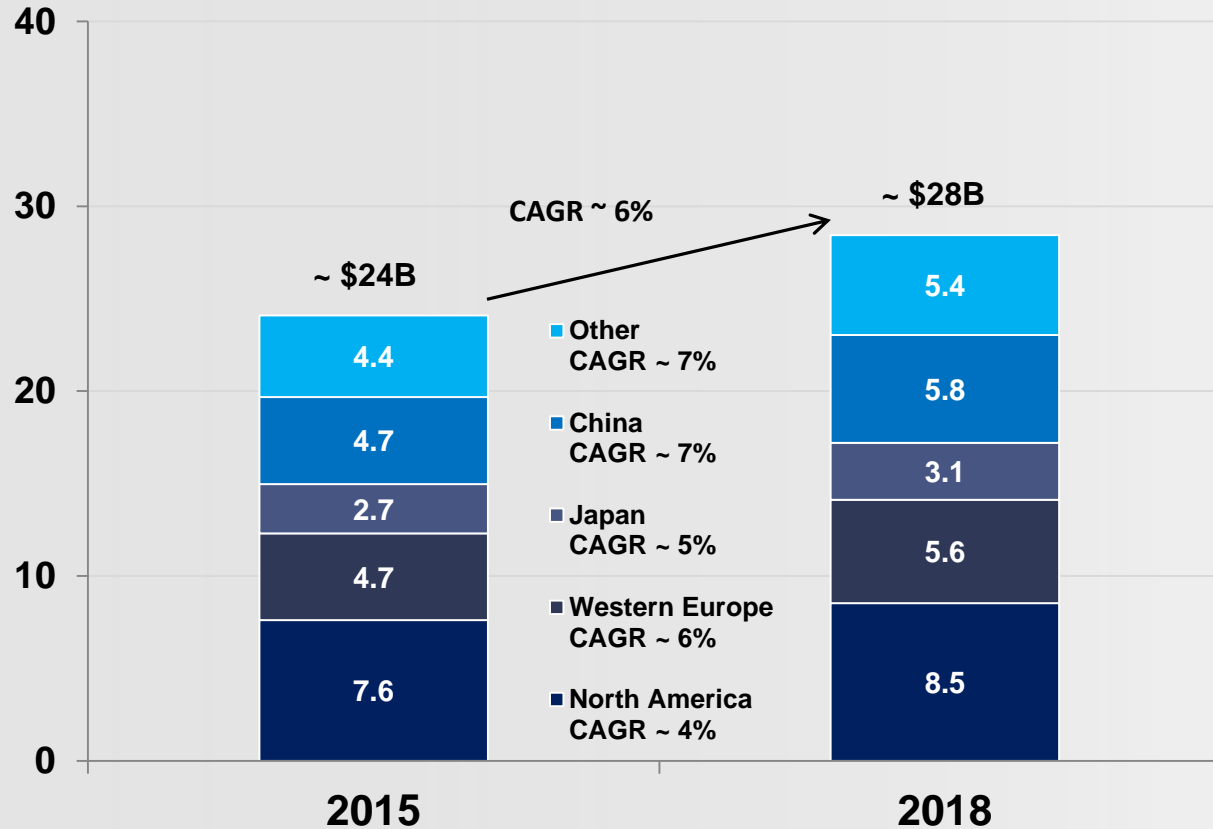


Source: IHS @ January 16, 2015

Growth Drivers by Region

Strong presence in growth markets *

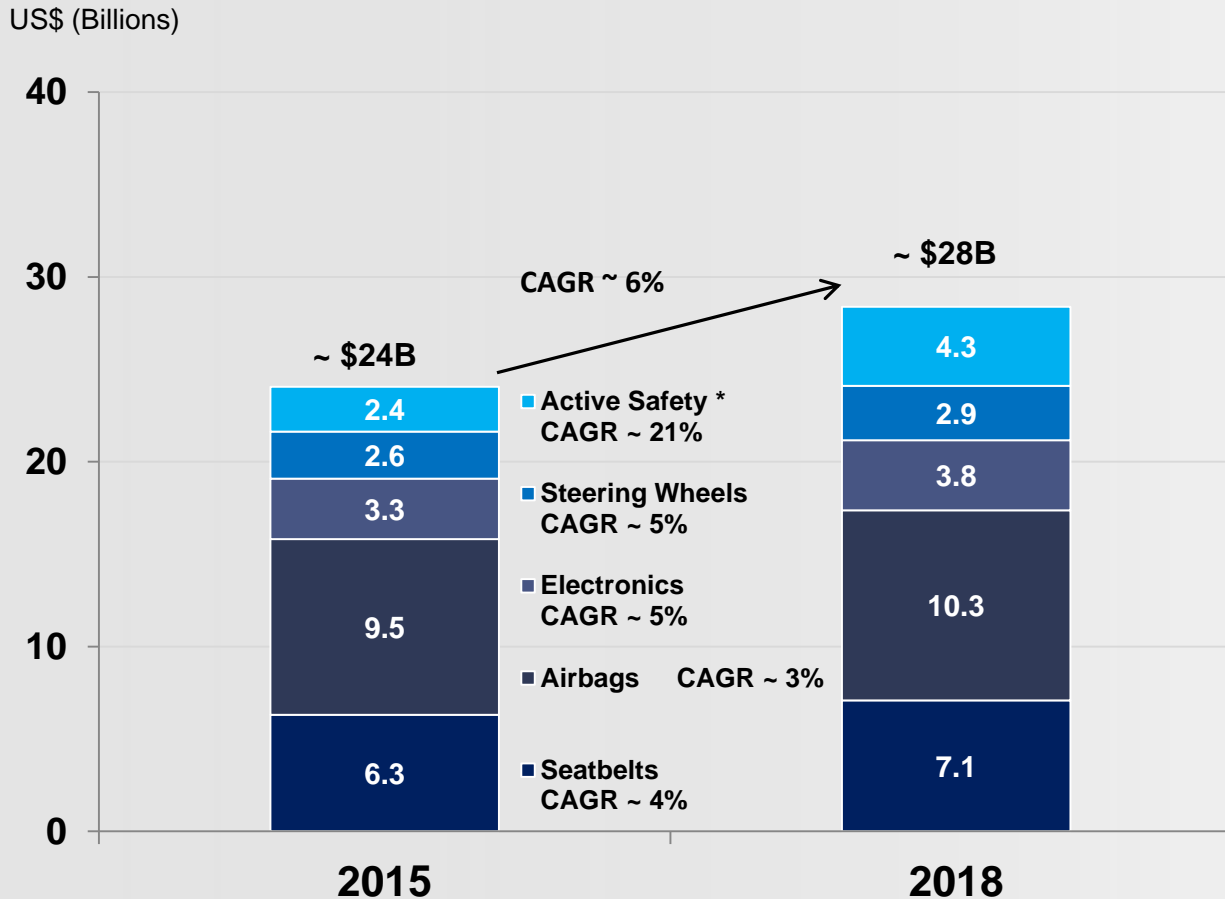
US\$ (Billions)



(*) Growth Markets (Eastern Europe, Asia excluding Japan, South America, Middle East/Africa). CAGR = Compound Annual Growth Rate

Growth Drivers by Product

Strong presence in product growth segments



(*) Includes radar, front-view camera, night driving assist. CAGR = Compound Annual Growth Rate

Q3'16 Highlights

Solid performance

■ Financial Performance

- Organic sales* growth ~6%, in-line with guidance
- Operating margin* 8.1%, better than expected
- EPS* \$1.63, ~7% better YoY**
- RoCE* ~18%, RoE* ~14%
- Operating cash flow \$271M

■ Capital Structure

- \$51M returned to shareholders through dividends

■ Electronics

- Signed LOI** to form a Joint Venture with Volvo Cars
- Segment sales growth ~45%
- Active Safety sales growth ~12%

🚗 Q3'16 total sales growth of close to 13%, including acquisitions

(*) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters, Earnings per share (EPS), Return on Capital Employed (RoCE), Return on Equity (RoE), (**) Year over Year (YoY), Letter of Intent (LOI).

Active Safety Update

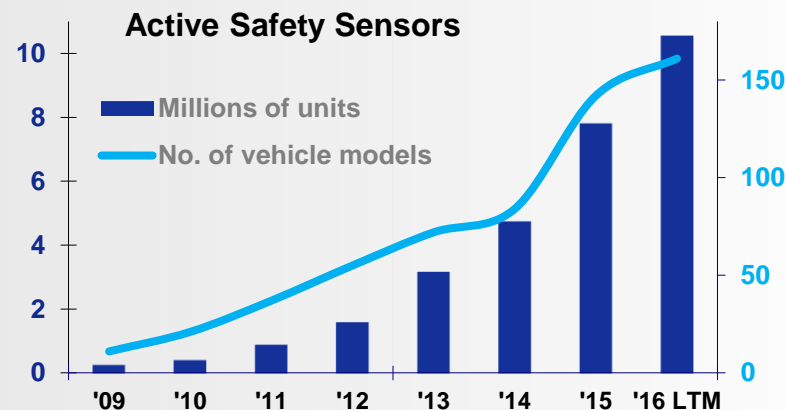
Lower organic sales* growth as indicated earlier

■ Factors affecting Organic Sales* Growth

- Phase-out of incumbent Brake Control programs
- Take rates on certain GPS programs ramping down sooner than expected
- Timing of programs phasing-out with new program launches on certain radar contracts
- Lower order intake earlier due to the change in our vision strategy from 2014

■ End of Decade Sales Target

- Now likely to be achieved about one year later, slightly later than previously anticipated



📌 Active Safety organic sales* growth ~24% for Q3'16 YTD

(*) Non-US GAAP measure.

Looking ahead

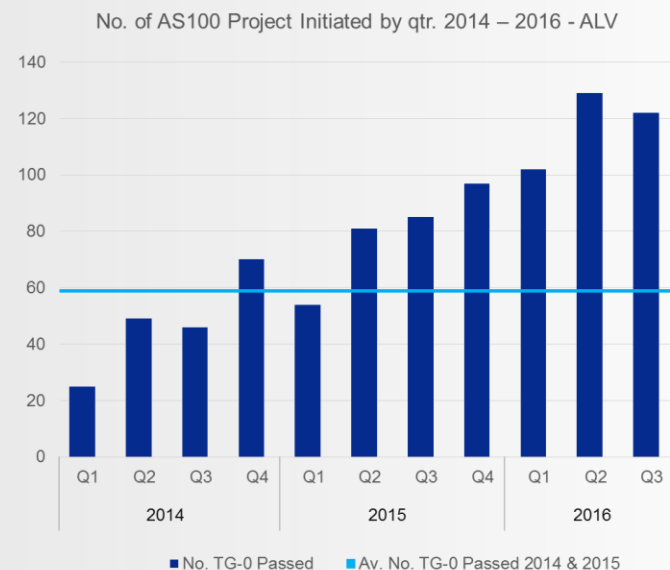
Strong order intake has continued throughout 2016

■ Growth

- Ramp-up of new business awards is accelerating in Passive Safety
- Further market opportunities are available
- Positive development to surpass our end of decade Sales target of \$12B for FY'19 which implies a Sales CAGR of more than 7% from 2015 to 2019

■ Company Transformation continues

- Additional engineering resources required in 2016 and 2017 to deliver on growth opportunities and support new projects
- ~60% increase YoY in the engineering projects initiated YTD through Q3'16
- Hiring plan is on track with roughly one-third of the 1,000 engineers onboard in Q3'16
- RD&E, net in the range of 6.5 to 7% of sales for 2016 and 2017



📌 YTD Q3'16 RD&E, net is 6.7% of sales

Unit Volume

Growth exceeds LVP* in most product areas

Autoliv Quantities Delivered (Millions unless specified)	Q3'16	vs. PY
Seatbelts	34.2	3%
• Pretensioners (of which)	16.1	6%
• Active Seatbelts (of which)	1.0	27%
Frontal Airbags	11.7	5%
• Knee Airbags (of which)	1.4	1%
Side Airbags	22.6	5%
• Chest (Thorax)	12.2	6%
• Head (Curtain)	10.4	4%
Steering Wheels	4.1	6%
Electronic Control Units	4.7	18%
Brake Control Units***	1.3	n/a
Active Safety Sensors**	2.5	18%
LVP* TRIAD	9.6	0.7%
LVP* GLOBAL	21.0	5.5%

🔑 Strong mix in high-value added seatbelts

(*) Light Vehicle Production (LVP) according to IHS @ October 17, 2016, TRIAD (WEU, North America, Japan), (**) Includes acquisitions, (***) Includes ANBS only.

Strong Performing Models

Contributing to our overall organic sales* growth in Q3'16



🚗 Q3'16 organic sales* growth ~6%, all of these models include our Electronics products except the Prius and Tipo

(*) Non-US GAAP measure.

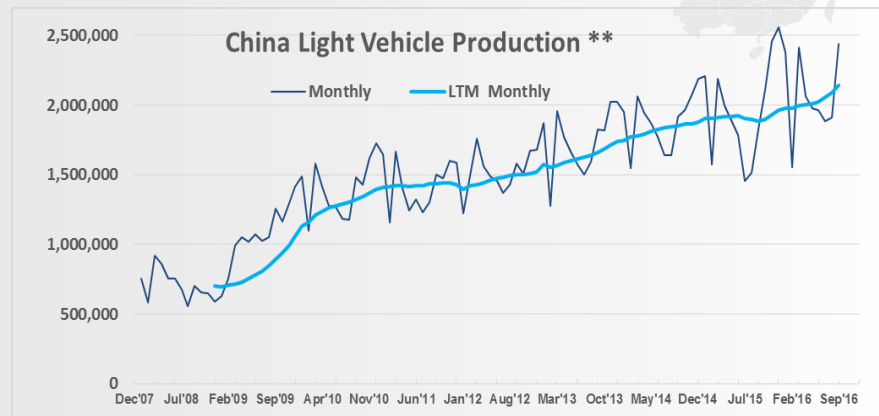
China Update

Light vehicle production remains volatile



■ Market

- Strong Q3'16 with an increase in LVP** and LV sales** ~24%, both following the low levels in Q3'15
- LV Inventories** continued to improve in Q3'16
- Monthly fluctuations remain volatile and difficult to forecast



■ Autoliv

- Strong organic sales* growth in Q3'16 of ~21% driven by several local Chinese and multiple global OEMs**
- Organic sales* growth is expected to out-perform LVP** for FY'16
- Stable market share
- China NCAP** update expected by mid-2017 with implementation commencing by mid-2018



🔍 Long-term growth prospects for China remain intact for increasing the safety content per vehicle

(*) Non US GAAP measure. (**) Light vehicle production (LVP) according to IHS @ October 17, 2016, Original Equipment Manufacturer's (OEMs), According to CAAM and CADA, New Car Assessment program (NCAP).

Overall Market Conditions

Macro environment remains mixed and uncertain

■ Asia

- China volume is strong despite LVP* decline of ~2% YoY* for Q4'16 (tough comps vs. last year)
- Japan and RoA show a slight decline in LVP* YoY* for Q4'16

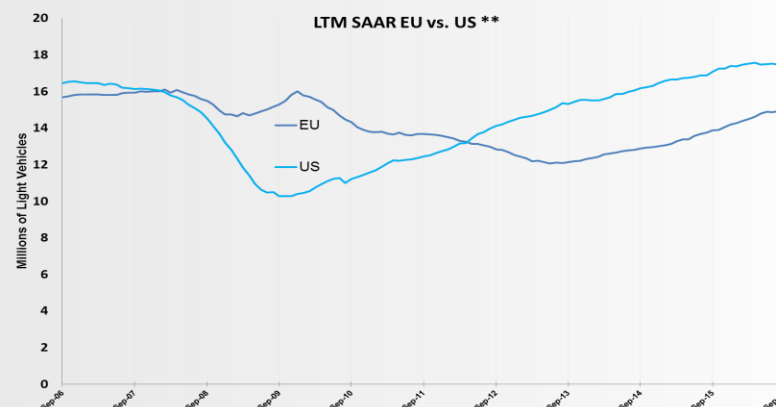
■ Americas

- US SAAR** LTM* plateau continues, with mixed inventories** ~65 days as of Sep.'16
- North America LVP* increase ~1% YoY* for Q4'16
- South America may be showing signs of stabilization, LVP* increase ~1% YoY* for Q4'16

■ Europe

- EU27** vehicle registrations, a continued steady recovery
- LVP* is expected to increase ~1% YoY* for Q4'16 whereof WEU* is expected to increase ~1%

FY'16 LVP*		
Region	Vehicles (Mil's)	YoY Chg.
China	24.5	+7%
Japan	8.5	(1)%
RoA	12.3	(0.5)%
North America	16.7	+2%
South America	2.7	(12)%
Europe	21.4	+2%
Global	88.3	+2.7%



🔴 In Q4'16 the LVP* is expected to increase ~1% vs. prior year and increase sequentially by ~8% from Q3'16

(*) Light Vehicle Production (LVP) according to IHS @ October 17, 2016, Last Twelve Months (LTM), Year over Year (YoY), Western Europe (WEU),

(**) Source: ACEA, Ward's Auto, CAAM

Q3 Financial Overview

Record sales and gross profit for a 3rd quarter

(US\$ Millions unless specified)

	2016	2015
Sales	\$2,461	\$2,185
Gross Profit	\$495 20.1%	\$440 20.1%
Operating Income*	\$199 8.1%	\$205 9.4%
EPS* (assuming dilution)	\$1.63	\$1.53
RoCE*	18%	22%
RoE*	14%	16%
Operating Cash flow	\$271	\$191
Dividend per share	\$0.58	\$0.56
GLVP** (annual run rate)	84.1M	79.7M

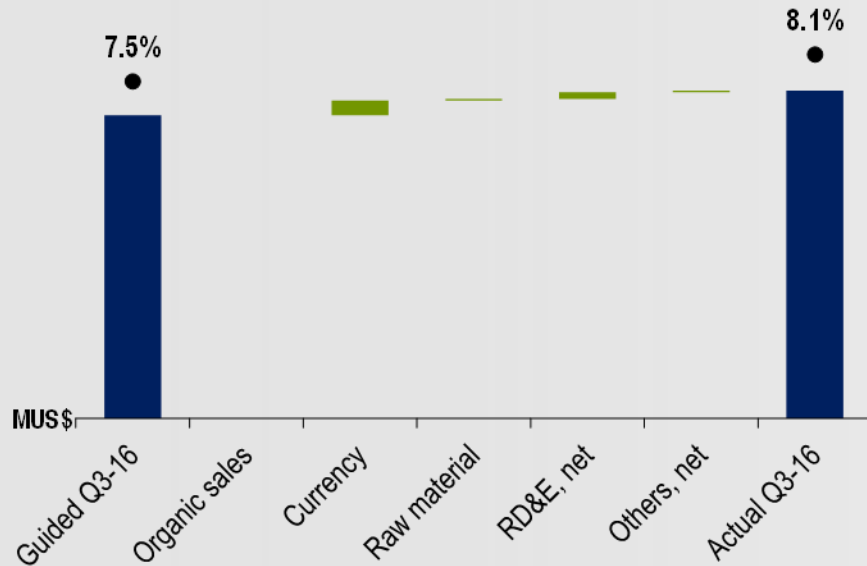
🔗 Acquisitions added \$144M to Sales during the 3rd quarter while the currency translation effect was nil

(*) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters, Earnings per share (EPS), Return on Capital Employed (RoCE) and Return on Equity (RoE), (**) Global Light Vehicle Production (GLVP) according to IHS @ October 17, 2016.

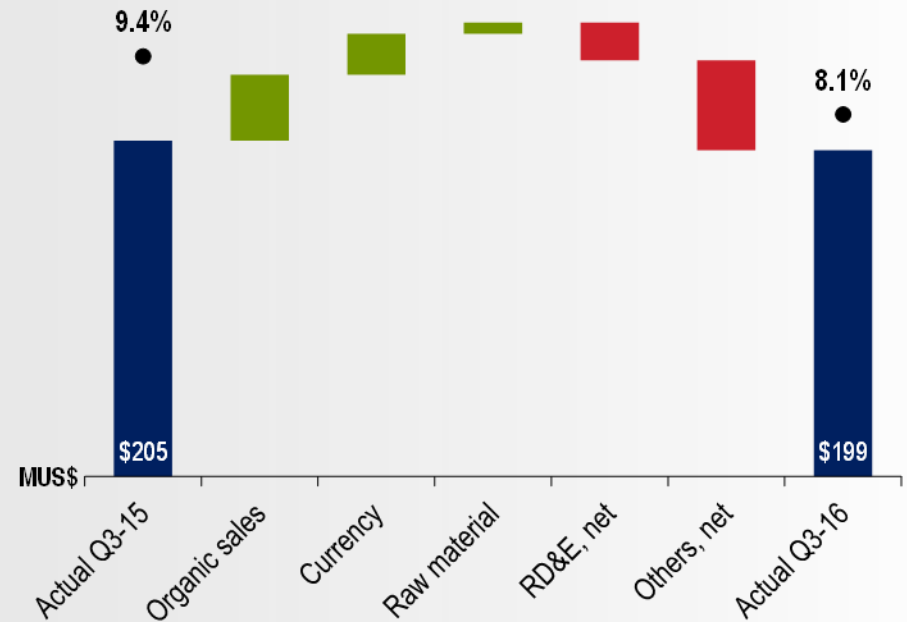
Operating Income and Margin* Bridge

Q3'16 vs. Guidance and Prior Year

Q3'16 vs. Guidance (60 bps better)



Q3'16 vs. Prior Year (130 bps lower)



Operating margin* of 8.1% includes ~90 bps increase in RD&E, net and ~70 bps of negative acquisition effects YoY

(*) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters.

Cash Flow

Investments for growth and shareholder returns

(US\$ Millions unless specified)

	Q3 2016	Q3 2015	LTM*	FY 2015	FY 2014	FY 2013	FY 2012
Net Income	136	99	603	458	469	490	486
Depreciation & Amortization	98	80	369	319	305	286	273
Other, net	13	2	31	0	42	43	10
Change in operating WC **	24	10	(107)	(26)	(103)	19	(80)
Operating cash flow	271	191	896	751	713	838	689
Capital Expenditures, net	(118)	(96)	(455)	(450)	(453)	(379)	(360)
Free cash flow ***	153	95	441	301	260	459	329
Acquisitions, net	0	0	228	142	(1)	2	(3)
Dividends paid	51	49	201	196	195	191	178
Shares repurchased	0	0	0	104	616	148	0

🔍 Acquisitions, CapEx for growth and Shareholder returns ~\$0.9B over the LTM*

(*) Last Twelve Months (LTM), (**) Non-US GAAP measure, (***) Non-US GAAP measure, before acquisitions, reconciliation to free cash flow is provided above.

Q3 Segment Reporting

Strong growth in all product areas

	Organic Sales* Growth (%)	<u>Operating Margin (%)</u>		<u>CapEx (%)</u>		<u>D&A (%)</u>	
		2016	2015	2016	2015	2016	2015
Passive Safety ***	5.8	10.0	8.1	5.1	4.7	3.6	3.7
Airbags	5.1						
Seatbelts	6.8						
Electronics ***	8.0	0.9	2.9	3.9	3.1	4.5	3.0
Passive Safety Electronics	8.0						
Active Safety Products	8.6						
Brake Control Systems	n/a						
Autoliv Group	6.1	7.8	7.2	4.8	4.4	4.0	3.7
GLVP **	5.5						

Passive Safety operating margin includes antitrust related settlements and capacity alignments

(*) Non-US GAAP measure, (**) Global Light Vehicle Production (GLVP) according to IHS @ October 17, 2016,

(***) Segment reporting, organic growth refers to net sales for the segments and external sales for product groups.

Looking Ahead

Q4'16 Guidance

■ Sales

- **YoY** organic sales* change ~0%**
 - Mainly related to working day effect from Q1'16 and lower inflator replacement volumes, strong underlying organic sales* growth of ~5% mainly due to Europe, Japan and RoA
- **YoY** acquisition effect ~6%**
- **Sequential consolidated sales increase ~8%**
 - Mainly due to the normal seasonal effects

■ Operating Margin* >9%

- **YoY****
 - Positive effects from underlying organic sales* and currencies are more than off-set by increased RD&E, net and costs related to the ramp-up of capacity and new technologies for growth along with integration costs and the impact from acquisitions
- **Sequential**
 - Higher consolidated sales net effect

🔍 RD&E, net 70 bps higher YoY**

(*) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters, (**) Year over Year (YoY).

Looking Ahead

FY'16 Guidance remains unchanged

■ Sales

- **YoY** organic sales* increase ~7%**
 - Mainly related to strong growth in Europe, China, Japan, North America and Active Safety
- **YoY** acquisition effect ~5%**
- **YoY** currency translation effect >(1)%**
 - Primarily due to the continued strong US\$

■ Operating Margin* >8.5%

- **YoY****
 - Positive effects from organic sales*, commodity costs and currencies are more than offset by RD&E, net and costs related to the ramp-up of capacity and new technologies for growth along with integration costs and the impact from acquisitions

📌 The FY'16 Guidance is for an operating margin* of more than 8.5% mainly due to increased RD&E, net for future growth

(*) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters, (**) Year over Year (YoY).

Financial Outlook

	Q4'16	FY'16
<u>Sales</u>		
Organic*	~0%	~7%
Acquisitions	~6%	~5%
Fx**	<(1)%	>(1)%
Consolidated Sales, net	>5%	>10%
Operating Margin*	>9%	>8.5%

Exchange rates**	<u>Q4'16</u>	<u>FY'16</u>
EUR / US\$	1.1007	1.1135
US\$ / JPY	103.88	106.82
US\$ / KRW	1135	1150
US\$ / MXN	19.05	18.50
US\$ / CNY	6.73	6.62

🔹 Strong organic sales* growth and operating margin* for FY'16 despite a significant step-up in investments for growth

(*) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters, (**) Mid-October 2016 exchange rates.

Thank You!

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

and prevent ten times
as many severe injuries