



Earnings Conference Call and Webcast 1st Quarter 2019 Financial Results

April 26, 2019

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

Q1'19 Key events

- **Our Q1 performance was in line with our expectations** despite the largest global light vehicle production drop in a decade
 - LVP was weaker than expected in all regions
 - The weakness in China continues
- **Continued growth for Autoliv despite the global LVP decline**
 - Organic sales* growth ~2%, almost 9 pp better than light vehicle production**
 - Execution on strong order book
 - Launch related costs improved in the quarter but remain on a higher level than normal
- **Adapting to declining LVP while simultaneously ramping-up new launches continues** to be a challenge near term
 - Ongoing actions to mitigate impact of lower light vehicle production
 - Managing a high level of product launches
- **Raw material headwinds persist**, mainly from steel and Nylon 6.6
- **Social unrest in the city of Matamoros** (Mexico) lead to production disturbances and additional costs in the quarter

(*) Non-US GAAP measures,

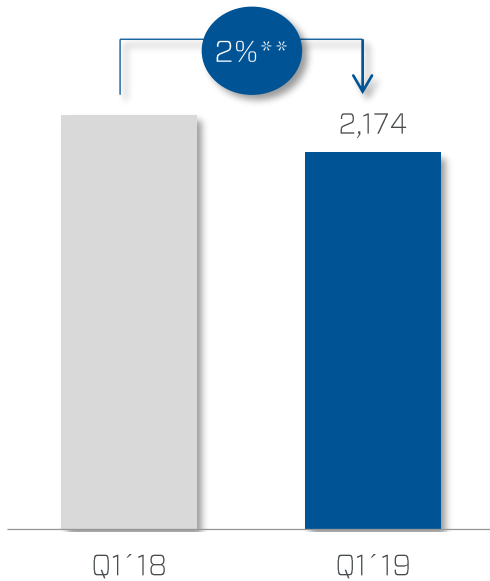
(**) Light Vehicle Production (LVP) according to IHS @ April 16, 2019.

Q1'19 Financial Highlights

Organic sales growth despite market declines

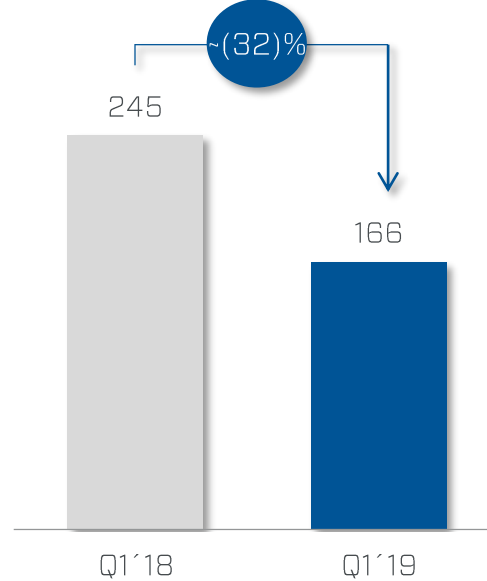
Consolidated Sales

\$ million



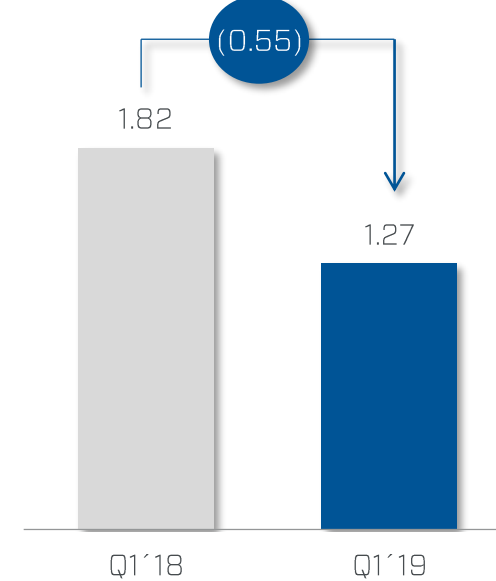
Adjusted Operating Income*

\$ million



Earnings per Share

\$



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

(**) Organic sales growth, non-US GAAP measure.

Market Conditions Q1'19

7% global LVP decline is the largest quarterly decline in a decade

■ China

- Chinese** light vehicle registrations fell by 12%, making it a nine-month long decline
- LVP* declined by 14%, which was almost 5 pp lower than expected in January by IHS

■ Americas

- US SAAR** declined slightly despite a strong March. Inventories increased by 260' to ~4.1 million units
- LVP* fell by 3%, North America down 3% while South America declined 5%. For the region this was more than 3 pp lower than expected in the beginning of the quarter

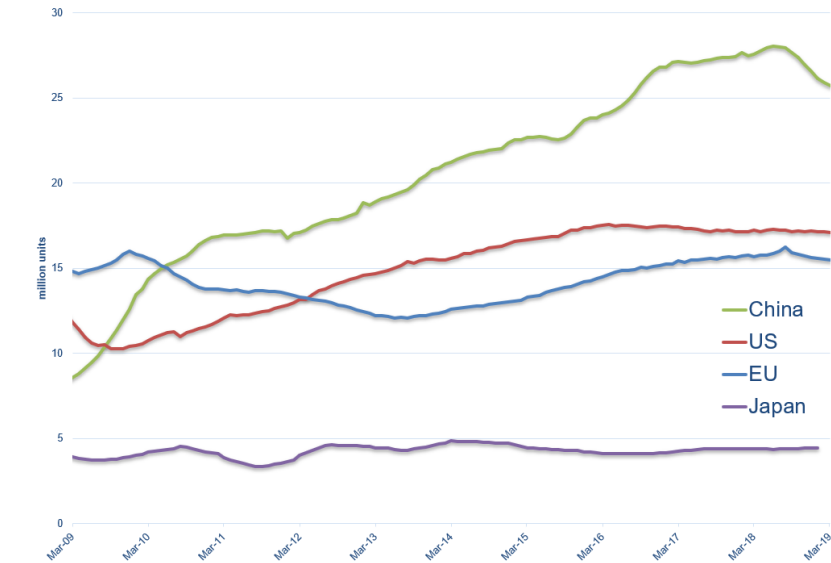
■ Europe

- EU28** light vehicle registrations fell by 3%, due to uncertainty among end-consumers on what drivetrain technology to choose
- LVP* in the important WEU* fell by ~7.0% , while production in EEU* decreased by 0.6%

■ Other

- In South America**, strong Brazil sales outweighed plummeting sales in Argentina and Uruguay
- LVP* in Japan** increased by 0.6%

10-year Light Vehicle Sales LTM**



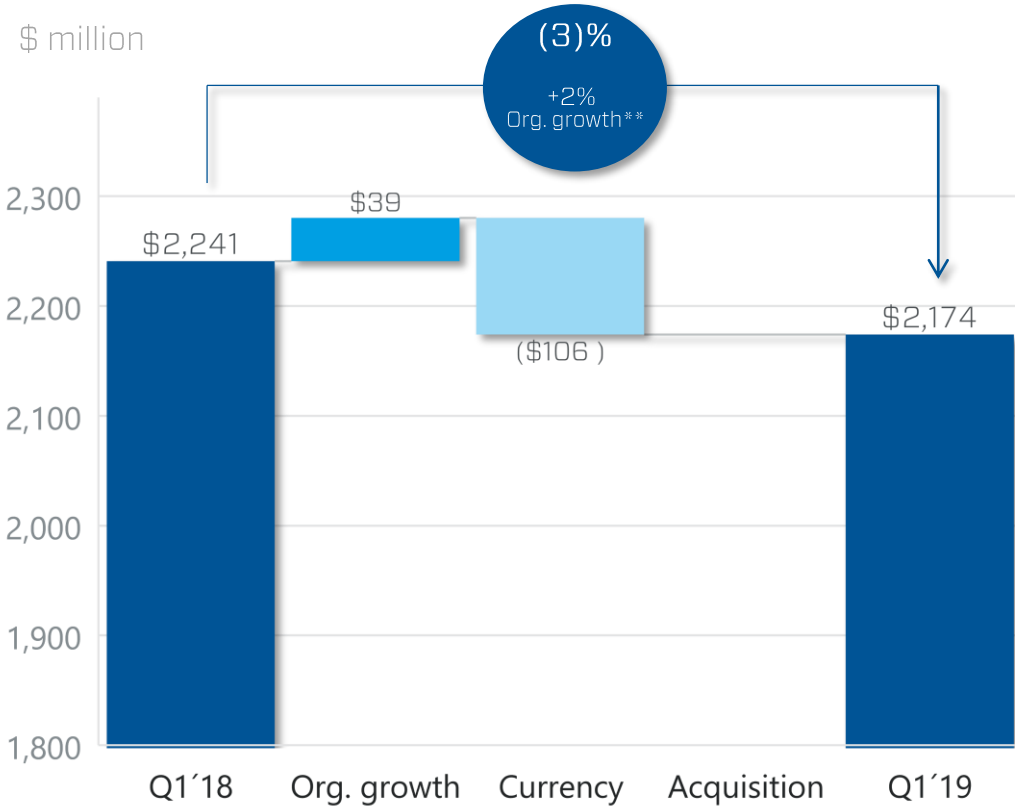
Q1'19 global LVP was 22.0 million units, ~1.6 million units lower YoY

(*) Light Vehicle Production (LVP) according to IHS @ April 16, 2019, Year over Year (YoY), Rest of Asia (RoA), Western Europe (WEU), Eastern Europe (EEU), Last Twelve Months (LTM),

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

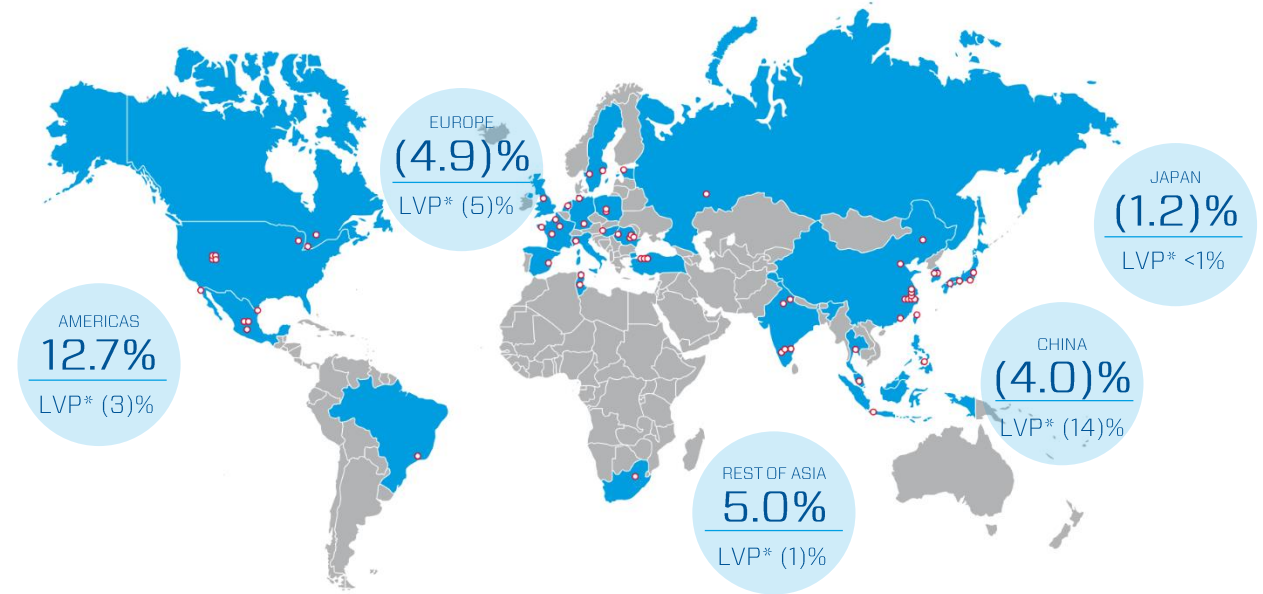
Q1'19 Sales Growth

Sales Bridge



(**) Non-US GAAP measure.

Regional Organic Growth**



(*) Light Vehicle Production (LVP) according to IHS @ April 16, 2019.

Q1'19 - Key Model Launches



Mazda 3/Axela



VW T-Cross



DS 3 Crossback



Toyota Corolla



Hyundai Sonata



Ram Truck Heavy Duty



VW Sagitar



Range Rover Evoque

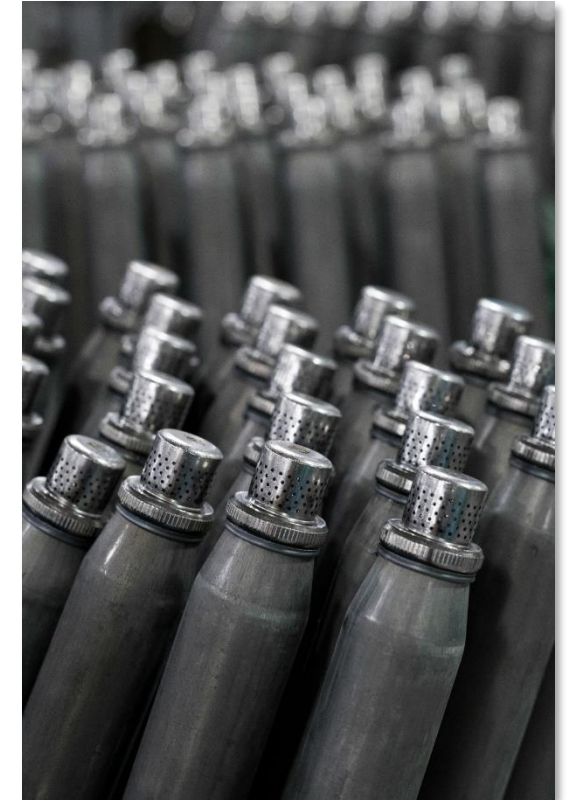


Porsche 911



Q1'19 Financial Overview

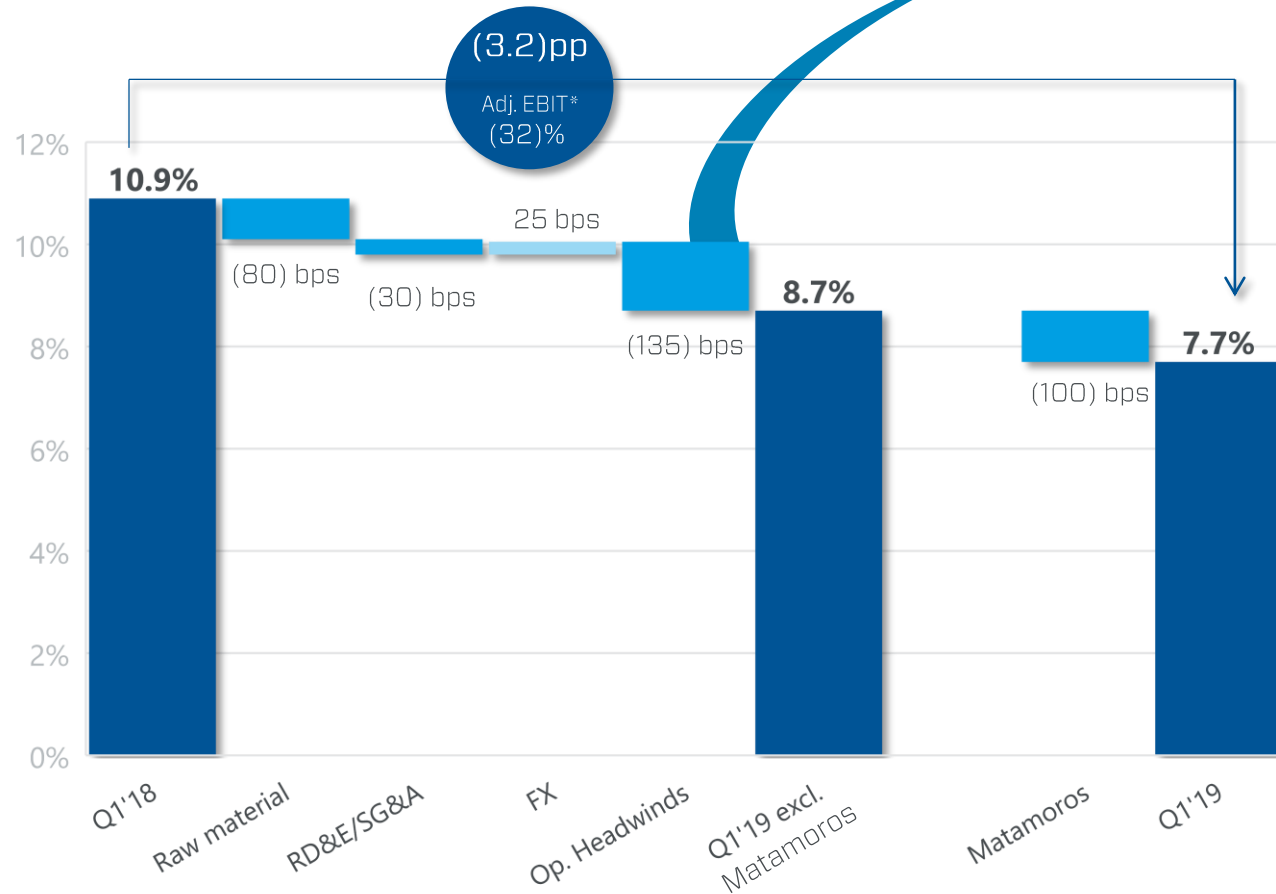
(US \$ Millions unless specified)	Q1'19		Q1'18	
Sales	\$2,174		\$2,241	
Gross Profit	\$379	17.4%	\$460	20.5%
Adj. Operating Income ¹	\$166	7.7%	\$245	10.9%
EPS (assuming dilution)	\$1.27		\$1.82	
RoCE ^{1,2}	19%		n/a	
RoE ^{1,2}	22%		n/a	
Operating cash flow	\$154		\$81	
Dividend per share	\$0.62		\$0.60	
Global LVP ³ (annual rate)	~88M		~94M	



(1) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters. (2) Return on Capital Employed (RoCE) and Return on Equity (RoE), (3) Light Vehicle Production (LVP) according to IHS @ April 16, 2019.

Adj. Operating Margin* Bridge

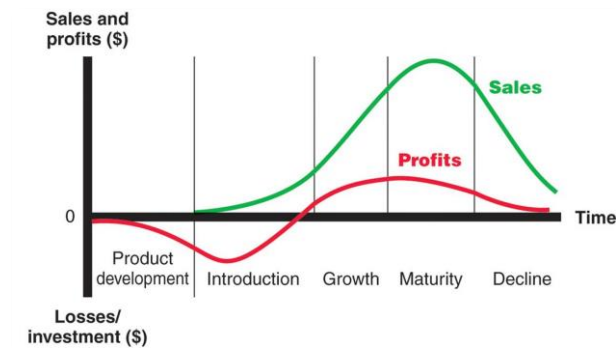
Q1'19 vs. Prior Year



Operational Headwinds of ~135 bps

- LVP decline has a disproportionate negative impact on mature platforms with normal operating leverage
- Combined with new launches with elevated launch cost and initially lower margin profile

Typical Product Life Cycle



Generic chart

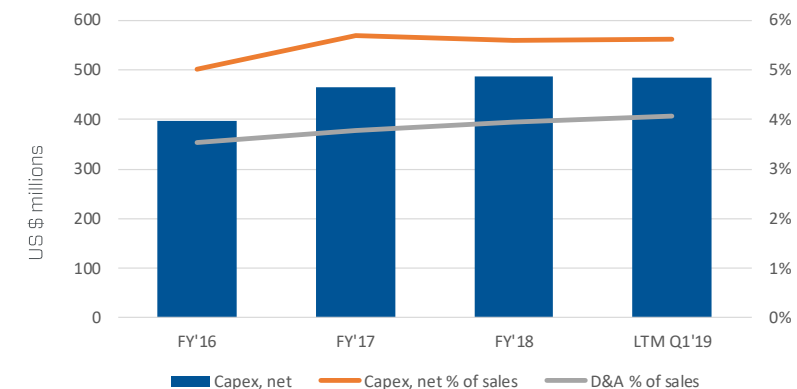
(*) Non-US GAAP measure excludes costs for capacity alignments and antitrust related matters.

Cash Flow Continuing Operations

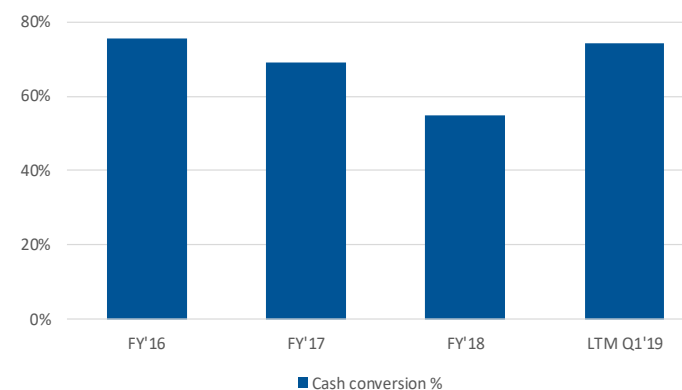
Investments for growth and shareholder returns

(US \$ Millions unless specified)	Q1'19	Q1'18*	LTM*	2018*	2017*	2016*
Net Income	112	159	331	378	588	560
Depreciation & Amortization	90	82	350	342	307	280
Other, net	(11)	25	200	236	(6)	27
Change in operating WC**	(37)	(185)	0	(148)	(19)	(45)
Operating cash flow	154	81	881	808	870	822
Capital Expenditures, net	(108)	(110)	(484)	(486)	(464)	(398)
Free cash flow**	46	(29)	397	322	406	424
Acquisitions, net***	0	0	0	0	0	0
Dividends paid	54	52	216	214	209	203
Shares repurchased	0	0	0	0	157	0

Capex and D&A



Cash Conversion



Free Cash Flow LTM of \$397M, indicate a ~75% Cash conversion on Net Income***

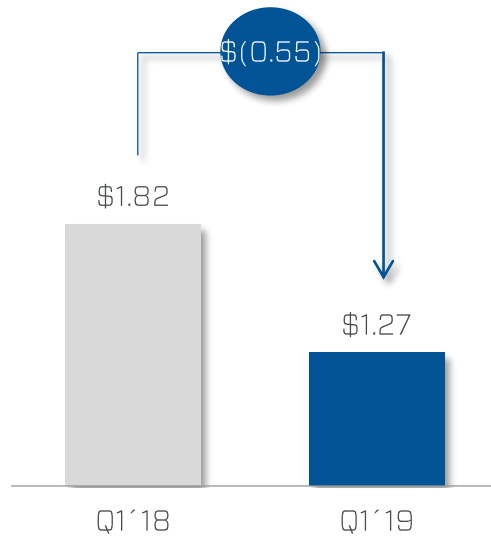
(*) Unaudited figures. Management estimate, (**) Non-US GAAP measure, before acquisitions, reconciliation of free cash flow is provided above, (***) Includes investments in affiliates, (****) Net income adjusted for EC antitrust accrual of \$203M.

EPS development

Q1'19 vs. same Quarter Prior Year

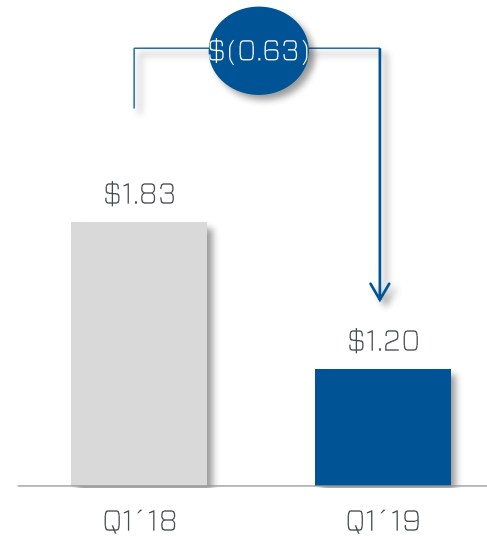
Earnings per Share

\$



Earnings per Share excluding items affecting comparability*

\$



The main negative items impacting EPS were

- ~ 65 cents from lower operating income
- ~ 5 cents from higher financial net

partly offset by

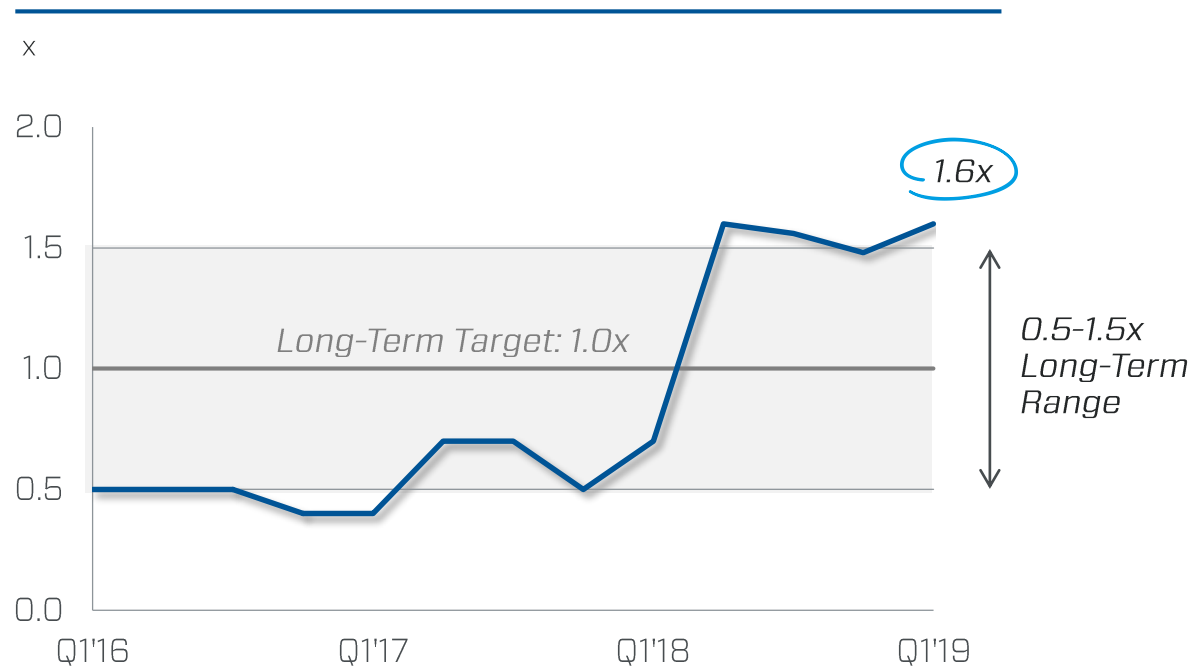
- ~ 8 cents from tax items
- ~ 8 cents for capacity alignments and antitrust related matters.

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

Strong Balance Sheet and Prudent Financial Policy

Committed to Maintain “Strong Investment Grade” Rating Supported by High FCF Conversion

Net Debt/ EBITDA*



- ✓ Our net debt was reduced by ~\$12m in the quarter
- ✓ Our EBITDA LTM decreased by ~\$70m from Q4'18
- ✓ Dividend paid of \$54m
- ✓ EC antitrust payment of \$203m expected to be paid in Q2

- Leverage ratio by year end 2019 to be well within range
- Focus unchanged
 - Prudent balance sheet
 - Shareholder friendly capital allocation
- Primary tools remain dividends and buybacks
- Long term target remains Net Debt/ EBITDA of 1.0x

(*) Autoliv Inc. group statistics, prior to spin; Non-US GAAP measure, Leverage Ratio and Net Debt includes Pension Liability.

Market Development

2019 Light Vehicle Production Outlook

- Very challenging first half year with YoY improvements projected for second half year
- Light Vehicle production in **North America** is expected to be slightly down for FY19
- Uncertainty in **Europe** continues with lower consumer confidence, Brexit and RDE testing from September. However, LVP is expected to stabilize with potential for growth in H2
- In **China**, without any further government driven stimulus, we see some downside risk to IHS LVP outlook for Q2. Encouraging signals pointing to a better second half of 2019.

IHS: 2019 Light Vehicle Production*				
Region	Q2'19	H2'19	FY'19	
	YoY Chg.	YoY Chg.	Millions Units	YoY Chg.
China	(3)%	9%	25.6	0%
Japan	0%	0%	9.1	0%
RoA*	0%	2%	13.1	1%
North America	(2)%	(2)%	15.5	(2)%
South America	5%	8%	3.5	4%
Europe	(7)%	2%	21.4	(2)%
Global	(3)%	4%	90.4	(1)%

FY19 global LVP forecasted at 90.4 million vehicles

(*) Light Vehicle Production (LVP) according to IHS @ April 16, 2019, Year over Year (YoY), Rest of Asia (RoA).

Financial Outlook 2019

	Full year indication
Organic sales growth*	~5%
FX	~(2)%
Consolidated sales, net	~3%
Adjusted Operating margin*	~10.5%
Tax rate	~28%
Operating Cash flow	Higher than 2018**
Capex % of sales	Lower than 2018**
R,D&E, net % of sales	Lower than 2018**
Leverage ratio by year end	Well within range

Exchange rates***	FY'19
EUR / US\$	1,1298
US\$ / JPY	110,94
US\$ / KRW	1136
US\$ / MXN	18,94
US\$ / CNY	6,72



(*) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters,
 (**) Compared to 2018 Continuing Operations,
 (***) Mid-April 2019 exchange rates.

Focus Areas for 2019

- Adapting to Geopolitical challenges – border crossing, tariffs, etc
- Effective ramp-up of recent launches
- Continue to reduce launch costs
- Improve product development efficiency
- Implemented hiring freeze
- Reduce temporary employees
- Managing raw material price increases
- Saving More Lives



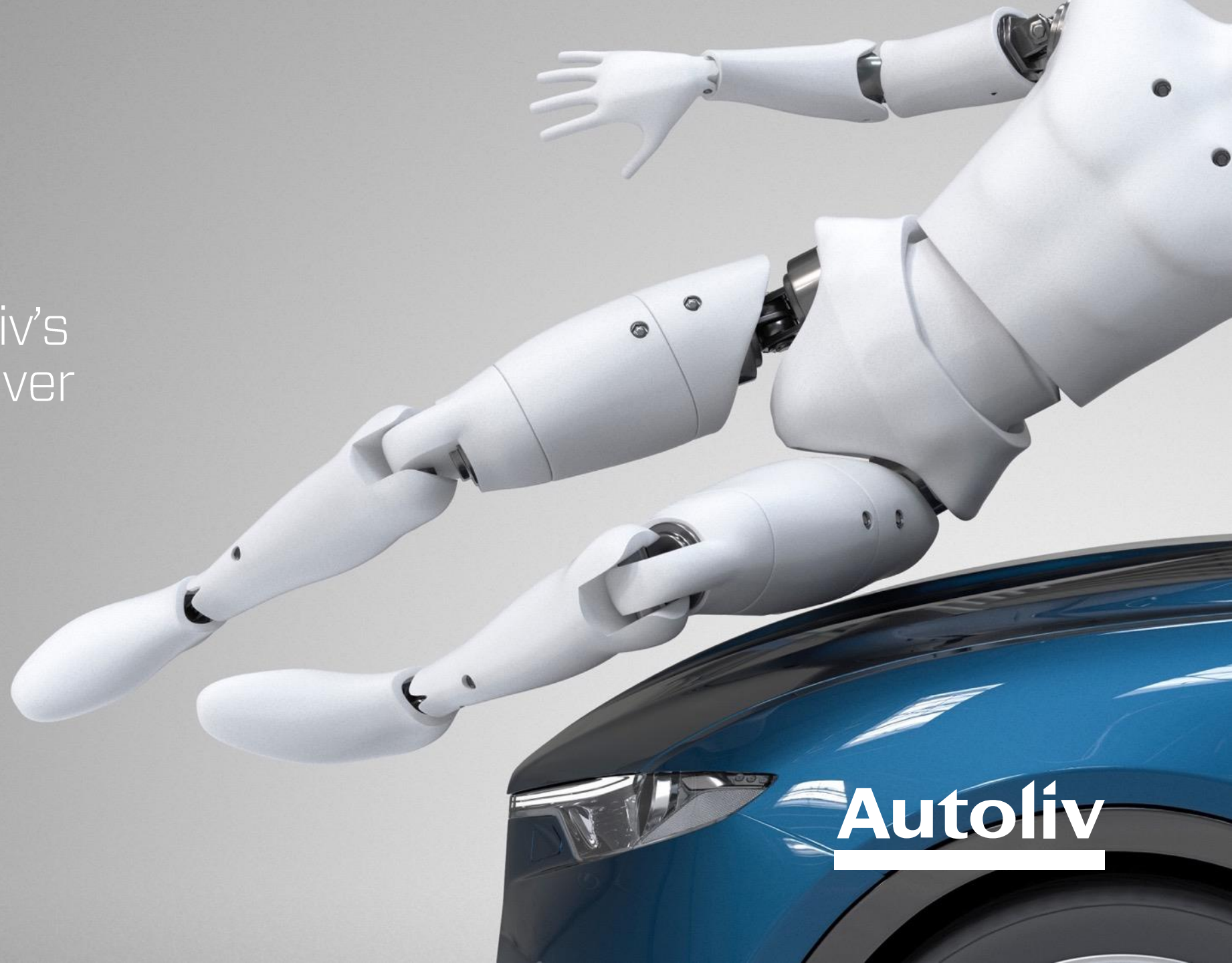
Welcome to Autoliv Capital Markets Day 2019

November 19 in Salt Lake Area, Utah



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

autoliv.com



Autoliv

Q1'19 Product Volumes

Strong volume growth in Steering Wheels and Frontal Airbags

Autoliv Quantities Delivered (Millions unless specified)	Q1'19	vs. PY** (%)
Seatbelts	37.0	(5)%
▪ Pretensioners (of which)	19.3	1%
▪ Active Seatbelts (of which)	1.4	2%
Frontal Airbags	14.3	3%
▪ Knee Airbags (of which)	1.3	(11)%
Side Airbags	25.0	(3)%
▪ Chest (Thorax)	13.7	(2)%
▪ Head (Curtain)	11.3	(4)%
Steering Wheels	5.2	4%
LVP* (Triad)	10.0	(3.5)%
LVP* (Global)	22.0	(6.8)%



(*) Light Vehicle Production (LVP) according to IHS @ April 16, 2019, TRIAD (Western Europe, North America, Japan), (**) Prior Year (PY).

Definition of Symbols



- Driver and/or Passenger airbags



- Seatbelts



- Side airbags



- Head/Inflatable Curtain airbags



- Knee airbag



- Pyrotechnical Safety Switch



- Pedestrian Airbag



- Steering Wheel