Earnings Conference Call and Webcast

1st Quarter 2017 Financial Results

April 28, 2017

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

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Q1'17 Highlights

Solid performance while strengthening our underlying market position

- **Financial Performance**
  - Organic Sales* growth 4.4%, 1.5pp lower than the LVP**
  - Operating Margin* 8.4%, 40bps better than expected
  - EPS* $1.65 and Operating cash flow $149M
- **Capital Structure**
  - $51M returned to shareholders through dividends
  - RoCE* ~20%, RoE* ~14%, Leverage ratio* 0.4 times
- **Company Transformation**
  - Improving net operating leverage through better footprint utilization
  - Investments for growth to support strong order in-take:
    - RD&E, net of 7.4% will evolve towards the high-end of our range of 6.5 to 7.0% for FY'17
    - Minimizing "Bricks and Mortar" Capital investments
    - Zenuity JV** with VCC** commenced operations on April 18, 2017

Organic Sales* growth and Operating Margin* are both better than our Q1'17 guidance

(*) 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),
(**) Global Light Vehicle Production (LVP) according to IHS @ April 17, 2017, Volvo Car Corporation (VCC), Joint Venture (JV).

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Zenuity

Commenced operations April 18, 2017

Joint Venture with VCC*

- **HO* in Gothenburg**
  - Satellite facilities in Detroit and Munich
- **Software only focused on Level 1-5 algorithms**
  - Background IP* is either licensed or contributed to the JV*
  - Revenue is expected to be generated during 2019 without any “lead to market’ restrictions
  - Target product launches
    - 2019 ADAS* (Level 1 to 3)
    - 2021 AD* (Level 4 to 5)
- **Associates**
  - Initial contribution from ALV ~100 and Volvo ~100
  - ~400 additional associates through of 2018

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- **Equalization payment for 50/50 JV**
  - Cash contribution $110M during Q2’17
- **Financial Impact**
  - Commence Equity Method reporting Q2’17
  - RD&E ~$5M benefit per quarter starting Q2’17
  - ~15bps Operating Margin benefit included in the earlier FY’17 indication
  - $15M net cost (after tax) for 2017 per quarter starting Q2’17 reported in the Income Statement as Equity Method Investments
  - Exclusive sales channel to all OEM’s* (except VCC) with expected revenue generation to ALV during 2019

RD&E, net impact was included in the earlier indication for the FY’17 adjusted Operating Margin

(*) Intellectual Property (IP), Joint Venture (JV), Volvo Car Corporation (VCC), Zenuity Head-office (HO), Advanced Driver Assistance (ADAS), Autonomous Driving (AD), Original Equipment Manufacturer’s (OEM’s).

Q1’17 Business Outlook

Strong order intake continues

- **Strong order intake from 2015-16 continues into 2017**
  - New programs awarded in 2015 start to launch in 2017
  - ~1,000 additional engineers hired through Q1’17 ahead of schedule
  - RD&E % of sales for PAS* reaching peak levels in Q3’17
  - Maintain flexibility and adapt to market fluctuations with flawless execution of launches
- **Near-term program timing including:**
  - Phase-out of incumbent Brake Control business and certain GPS* programs
  - New program timing on certain radar contracts and lower order in-take in previous years due to a change in our vision strategy in 2014
  - Lower growth in RCS* and BS* due to new program phase-in timing
- **Mercedes S-Class launch**
  - 77GHz Radar, ADAS ECU* and Mono/Stereo Vision with ALV algorithms
- **Active Safety System awarded by VCC***
  - Including Mono Vision with Autoliv algorithms, Radar and ADAS ECU* launches in 2019
- **NCAP* in China and India along with AEB* sensor fusion**
  - Will have a positive impact on future CPV*

End of Decade Sales target remains at more than $12B where of Passive Safety is expected to be more than $9B

(*) Passive Safety (PAS), Volvo Car Corporation (VCC), New Car Assessment Program (NCAP), Content per Vehicle (CPV), Automated Emergency Braking (AEB), Advanced Driver Assistance System Electronic Control Unit (ADAS ECU), Restraint Controls and Sensing (RCS), Brake Systems (BS), Global Positioning Systems (GPS).

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Q1’17 Product Volumes

Strong volume growth in high value-added Seatbelts

Autoliv Quantities Delivered (Millions unless specified)	**Q1’17**	**CY* vs. PY* (%)**
Seatbelts	38.9	2
▪ Pre-tensioners (of which)	18.8	8
▪ Active Seatbelts (of which)	1.2	16
Frontal Airbags	13.4	5
▪ Knee Airbags (of which)	1.5	9
Side Airbags	25.6	4
▪ Chest (Thorax)	14.1	8
▪ Head (Curtain)	11.5	0
Steering Wheels	4.7	3
Restraint Control Units	5.1	6
Active Safety Sensors	2.6	(3)
Brake Systems Units**	0.5	n/a
LVP* (Triad)	**10.6**	**3.9**
LVP* (Global)	**23.6**	**5.9**

Unit Volume growth slightly below global LVP* in most product areas

(*) Light Vehicle Production (LVP) according to IHS @ April 17, 2017, TRIAD (Western Europe, North America, Japan), Current Year (CY), Prior Year (PY),
(**) Includes acquisitions.

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Key Launches during 2017

Passive Safety and Electronics

Honda Accord | Tesla Model 3 | VW Polo / Gol | Honda Odyssey

Volvo XC60 | E-Class Coupe/Cab. | Jeep Compass | Nissan Micra | S-Class

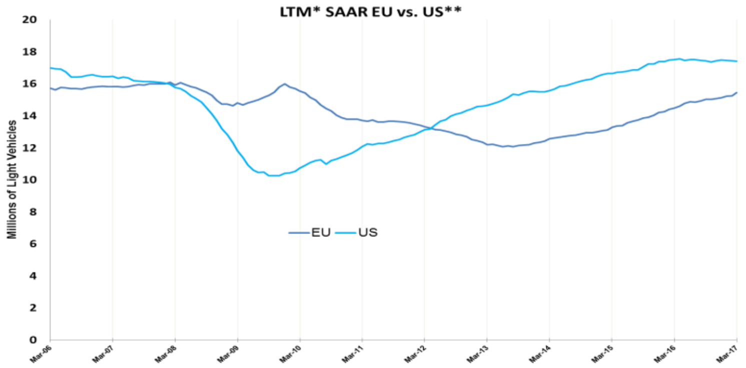
Combined these models represent around 6% of Autoliv annual Sales

Overall Market Conditions

Increased uncertainty in the macro environment due to renewed auto-cycle concerns

- **Asia**
  - China LVP* remains erratic while inventories** increased during Q1’17
  - Q2’17 LVP is expected to increase YoY* in China ~3%, Japan ~10%, RoA ~1% of which India ~8%
- **Americas**
  - US SAAR** is relatively flat on a LTM* basis while inventories increased to 72 days or ~4.1M vehicles during Q1’17 and Consumer confidence remains strong
  - North America LVP is expected to decline ~0.5% YoY for Q2’17
  - South America LVP continues to recover, LVP is expected to increase ~5% YoY for Q2’17
- **Europe**
  - EU27** LTM vehicle registrations are approaching “pre-crisis” levels
  - LVP is expected to decline ~3% YoY in Q2’17 whereof WEU* is expected to decline ~5% and EEU* increase ~1%

FY 2017 LVP*		
Region	**Vehicles** (Millions)	**YoY Chg.**
China	26.6	+2%
Japan	8.9	+4%
RoA	12.8	+3%
North America	16.4	(2)%
South America	2.9	+8%
Europe	22.0	+2%
Global	**92.0**	**+2.0%**



In Q2’17 the global LVP* is expected to increase ~1% YoY* and decline sequentially by ~5% from Q1’17

(*) Light Vehicle Production (LVP) according to IHS @ April 17, 2017, Year over Year (YoY), Western Europe (WEU), Eastern Europe (EEU), Last Twelve Months (LTM),
(**) Source: ACEA, Ward’s Auto, CAAM.

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Q1 Financial Overview

Record sales and gross profit for a 1st quarter

(US $ Millions unless specified)	2017		2016	
Sales	$2,608		$2,430	
Gross Profit	$543	20.8%	$501	20.6%
Operating Income*	$220	8.4%	$222	9.1%
EPS* (assuming dilution)	$1.65		$1.66	
RoCE*	20%		23%	
RoE*	14%		16%	
Operating cash flow	$149		$201	
Dividend per share	$0.58		$0.56	
LVP** (Global annual run rate)	94.4M		89.2M	

Sales and Operating Margin* better than expected

(*) 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), (**) Light Vehicle Production (LVP) according to IHS @ April 17, 2017.

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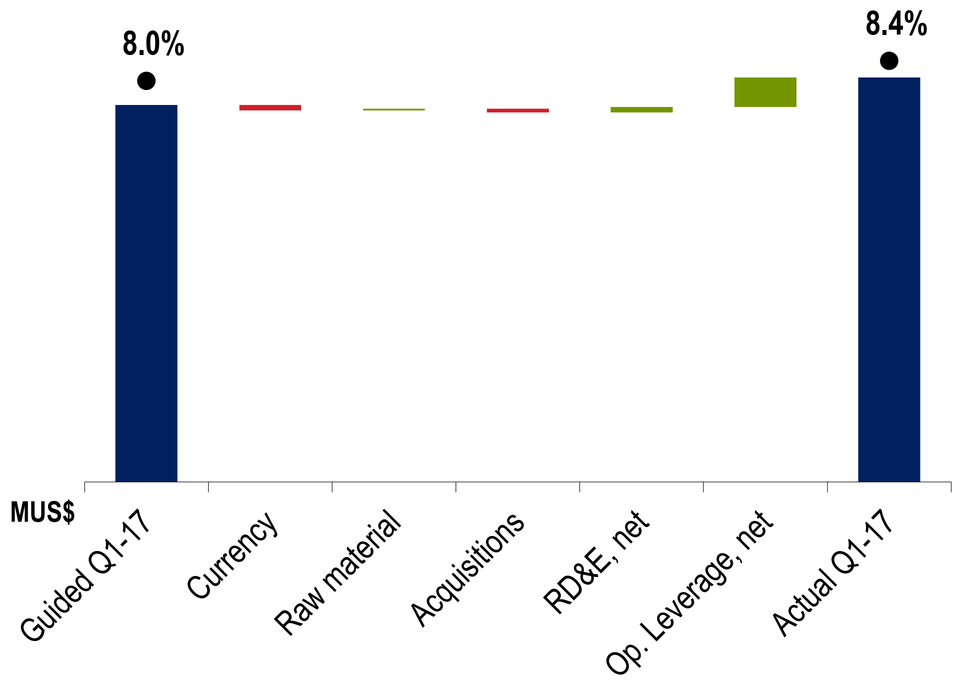
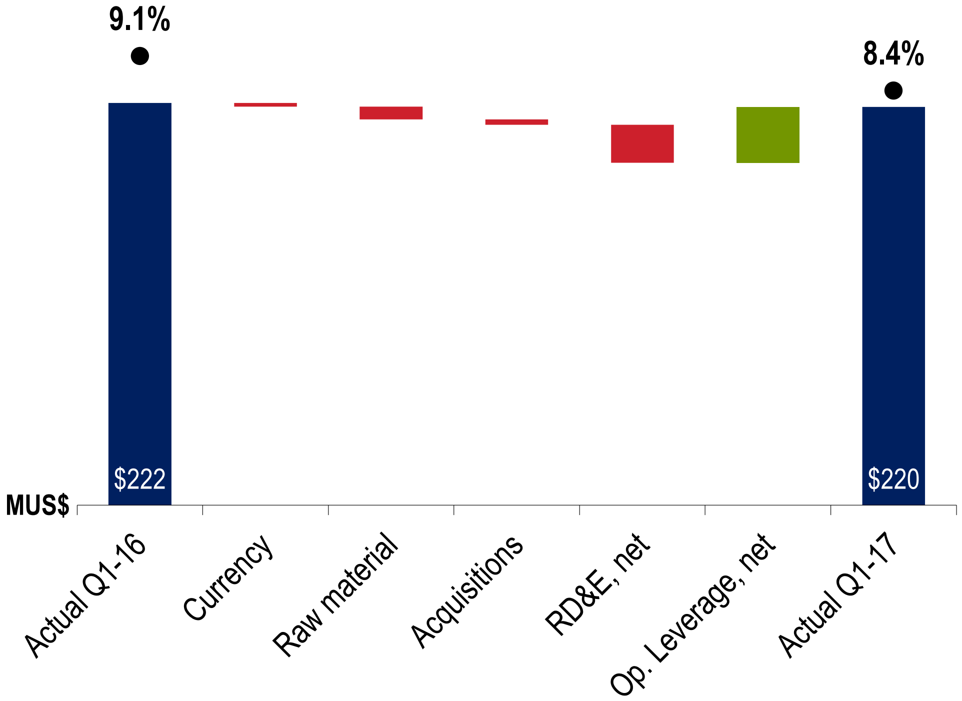
Operating Income* and Margin* Bridge

Q1’17 vs. Guidance and Prior Year

Q1’17 vs. Guidance (40 bps higher)



Q1’17 vs. Prior Year (70 bps lower)



Operating Margin* 8.4% includes ~80 bps increase in RD&E, net and ~50 bps of negative acquisition effects vs. Prior Year

(*) 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)	Q1'17	Q1'16	LTM**	2016	2015	2014	2013	2012
Net Income	142	134	570	562	458	469	490	486
Depreciation & Amortization	115	85	413	383	319	305	286	273
Other, net	(26)	3	(28)	1	0	42	43	10
Change in operating WC *	(82)	(21)	(138)	(78)	(26)	(103)	19	(80)
Operating cash flow	**149**	**201**	**817**	**868**	**751**	**713**	**838**	**689**
Capital Expenditures, net	(121)	(91)	(529)	(499)	(450)	(453)	(379)	(360)
Free cash flow **	**28**	**110**	**288**	**369**	**301**	**260**	**459**	**329**
Acquisitions, net	0	(227)	0	(227)	(128)	1	(2)	3
Dividends paid	(51)	(49)	(205)	(203)	(196)	(195)	(191)	(178)
Shares repurchased	0	0	0	0	(104)	(616)	(148)	0

Acquisitions, CapEx for growth and Shareholder returns ~$0.7B over the LTM

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

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Q1 Segment Reporting

Electronics Segment Sales growth ~28% including acquisitions

	Organic Sales* Growth (%)	Sales (US$ Millions)		Operating Margin (%)		CapEx (%)		D&A (%)		Headcount	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Passive Safety * **	**4.7**	**2,040**	**1,989**	**10.0**	**9.6**	**5.0**	**3.7**	**3.6**	**3.4**	**63,262**	**60,153**
▪ Airbags (incl. Steering Wheels)	4.1										
▪ Seatbelts	6.0										
Electronics * **	**2.9**	**583**	**456**	**2.3**	**2.6**	**4.7**	**3.6**	**6.7**	**3.2**	**6,933**	**6,124**
▪ Restraint Control & Sensing	2.6										
▪ Active Safety	3.4										
▪ Brake Systems	n/a										
Autoliv	**4.4**	**2,608**	**2,430**	**8.3**	**8.4**	**5.0**	**3.8**	**4.4**	**3.5**	**70,580**	**66,633**
LVP ** (Global)	**5.9**										

Passive Safety Segment maintaining double digit margin despite elevated RD&E net to support strong order in-take

(*) Non-US GAAP measure, (**) Light Vehicle Production (LVP) according to IHS @ April 17, 2017,
(***) Segment reporting, organic growth refers to net sales for the segments and external sales for product groups.

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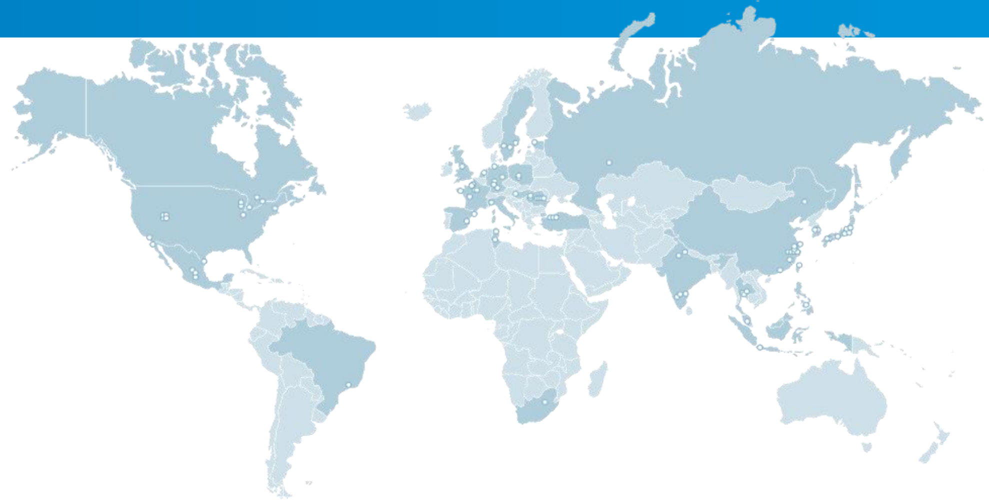
Looking Ahead

Q2’17 Guidance



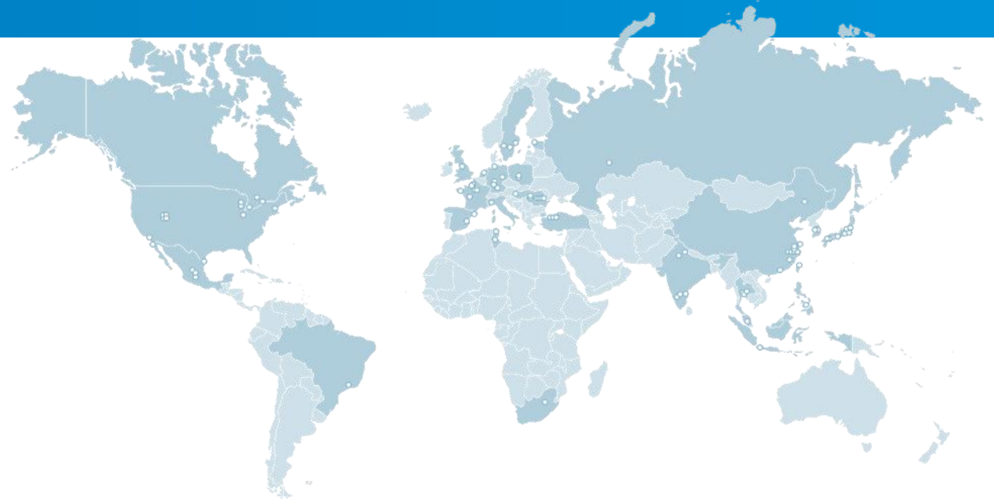
- **Sales**
  - **Organic Sales* growth ~2% YoY****
    - Mainly related to strong growth in China, Japan, India and South America
  - **Sequential consolidated sales decrease of ~2%**
    - Better than the expected sequential LVP** decline of ~5%
- **Operating Margin* ~8.5%**
  - **YoY**
    - Positive effects from Organic Sales growth and currencies are more than offset by negative impact from commodity costs, planned higher RD&E net and costs related to the ramp-up of capacity and new technologies for growth
  - **Sequential**
    - In-line with Q1’17 despite lower consolidated sales

Q2’17 Operating Margin negatively impacted by investments for growth in RD&E net

(*) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters, (**) Year over Year (YoY), Light Vehicle Production (LVP) according to IHS @ April 17, 2017.

Looking Ahead

FY’17 Indication



- **Sales**
  - **Organic Sales* growth ~4% YoY****
    - Mainly related to strong growth in Europe, China, Japan, India, South America and Active Safety partially offset by lower inflator replacement sales
  - **Acquisition effect ~1% YoY**
  - **Currency translation effect ~(2)% YoY**
    - Primarily due to the continued strong US$
- **Operating Margin* ~ 8.5%**
  - **YoY**
    - Positive effects from organic sales growth and currencies are more than offset by the negative impact of commodity costs, planned higher RD&E, net and costs related to the ramp-up of capacity and new technologies for growth and the impact from acquisitions

FY’17 early Indication remains unchanged due to increased uncertainty in the macro environment and higher than expected commodity costs

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

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Financial Outlook

2017

	Q2'17	FY'17
Sales		
Organic*	~2%	~4%
Acquisitions	-	~1%
Fx**	~(3)%	~(2)%
Consolidated Sales, net	**~(1)%**	**~3%**
Operating Margin*	**~8.5%**	**~8.5%**

Exchange rates**	Q2'17	FY'17
EUR / US$	1.0653	1.0652
US$ / JPY	109.08	110.29
US$ / KRW	1129	1134
US$ / MXN	18.59	18.98
US$ / CNY	6.88	6.89

Strong Organic Sales* growth and Operating Margin* for FY'17 despite a significant step-up in RD&E net to support future growth

(*) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters, (**) Mid-April 2017 exchange rates.


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