Earnings Conference Call and Webcast

4th Quarter 2016 Financial Results

February 2, 2017

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

Recap - 2016

Solid performance while improving overall market position

- **Growth and Margins**
  - Strong organic sales* growth 7.2%, ~2.5pp better than the LVP*
  - Active Safety organic* sales growth ~16%
  - Overall consolidated sales growth ~10% including acquisitions
  - Adjusted operating margin* 8.8% with an adjusted EPS $6.75
  - Closed ANBS JV** and signed definitive agreement to form “Zenuity” a software JV** with VCC**
- **Capital Structure**
  - Operating cash flow ~$0.87B, RoCE* ~21% and RoE* ~15%
  - Steady shareholder returns ~$200M, leverage ratio* 0.4 times
- **Company Transformation continues**
  - Expansion in growth markets including vertical integration in China and inflator replacements
  - Aligning our capacity footprint while expanding capabilities in Active Safety, both for the long-term
  - Strong order intake throughout 2016

A balanced approach to growth, margins and capital deployment for the long-term

(*) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters, Return on Capital Employed (RoCE), Return on Equity (RoE), Light Vehicle Production (LVP) according to IHS @ January 16, 2017, (**) Autoliv Nissin Brake Systems (ANBS), Joint Venture (JV), Volvo Car Corporation (VCC).

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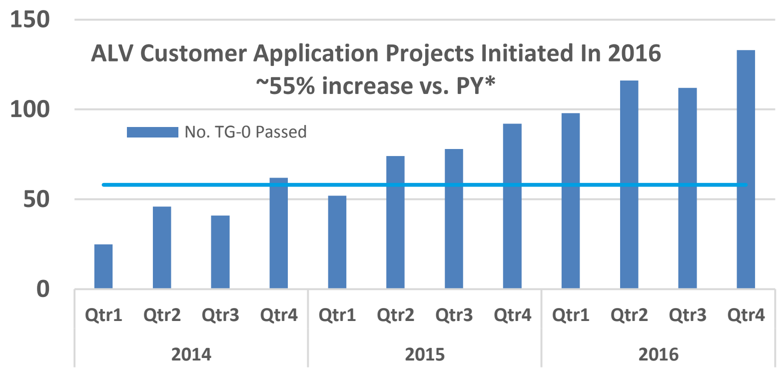
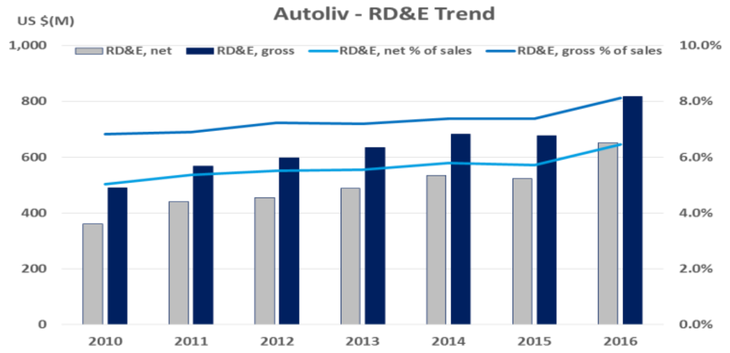
Recap - 2016

Strong order in-take continued contributing to long-term growth

- **Order Intake**
  - Record order in-take in PAS* for 2016 continued from 2015
  - Record order in-take in ELE* for 2016 with ~25% share in Active Safety
    - Active Safety awarded new vision business in 2016 with two new customers utilizing ALV developed algorithms
    - ANBS* awarded new Brake Control business with a D3* based OEM*
- **RD&E**
  - 1,000 additional engineers required to support new projects and deliver on growth opportunities
    - of which more than half are onboard as of Q4'16
  - RD&E, net for FY'17 is anticipated to be at the high end of the range of 6.5 to 7% of sales





Positive progress to surpass end of decade sales target of $12B for FY'19, implies more than 7% CAGR 2015 through 2019

(*) Passive Safety Segment (PAS), Electronics Segment (ELE) includes Passive Safety Electronics, Active Safety and Autoliv Nissin Brake Systems (ANBS), D3 (GM/Ford/FCA), Original Equipment Manufacturer (OEM), Prior Year (PY).

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Recap - 2016

Unit Volume growth exceeds global LVP* in most product areas

Autoliv Quantities Delivered (Millions unless specified)	**FY'16**	**FY vs. PY*** (%)
Seatbelts	148.7	2.1
▪ Pre-tensioners (of which)	69.3	8.8
▪ Active Seatbelts (of which)	3.7	15.6
Frontal Airbags	50.6	4.8
▪ Knee Airbags (of which)	5.7	1.8
Side Airbags	95.6	5.8
▪ Chest (Thorax)	51.7	6.6
▪ Head (Curtain)	43.9	4.8
Steering Wheels	17.7	5.4
Electronic Control Units	19.9	12.4
Brake Control Units**	2.8	n/a
Active Safety Sensors**	10.3	32.1
LVP* TRIAD	**39.9**	**2.0**
LVP* GLOBAL	**90.1**	**4.7**

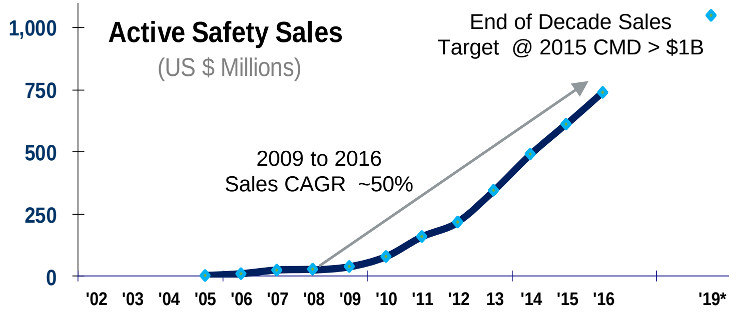
Strong volume growth in FY'16

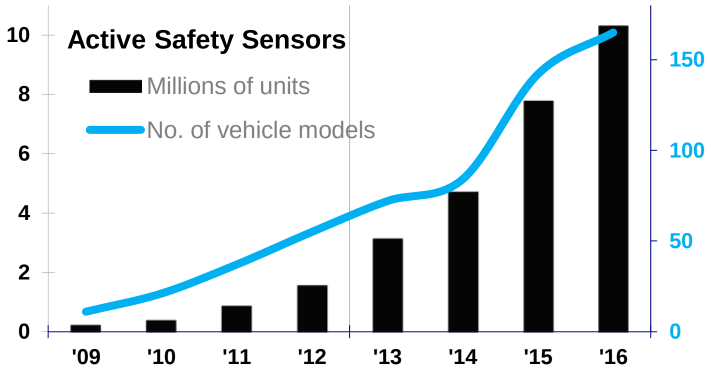
(*) Light Vehicle Production (LVP) according to IHS @ January 16, 2017, TRIAD (WEU, North America, Japan), Prior Year (PY), (**) Includes acquisitions.

Recap - 2016

Active Safety Update

- **Factors affecting our Organic Sales* Growth**
  - Program timing
    - Phase-out of incumbent Brake Control programs
    - Volumes ramping down earlier than expected on certain GPS models
    - Phase-in of new programs on certain radar contracts
    - Lower order intake earlier due to the change in our vision strategy in 2014
  - Strong underlying growth in vision and radar business combined
- **Sales Outlook**
  - End of decade sales target of more than $1B, now delayed by one year
  - Awarded new vision business with a premium EU* based customer utilizing Autoliv developed algorithms
  - During 2017 we anticipate that our core Vision and Radar products will grow slightly lower than the market





Active Safety organic sales* growth ~16% for FY'16, lower growth as indicated earlier

(*) Non-US GAAP measure, (**) Europe (EU).

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Looking ahead - 2017

Executing towards our end of decade targets

- **Growth and Margins**
  - Organic sales* growth ~4%, >2 times better than LVP**
  - Growth from Acquisitions ~1% (ANBS JV**)
  - Adjusted operating margin* ~8.5%
- **Capital Structure**
  - Operating cash flow >$0.8B, excluding any discrete items
  - Leverage ratio* within our long-term target range of 0.5 to 1.5 times
  - Strong balance sheet for an uncertain macro environment and M&A opportunities
- **Company Transformation continues**
  - Improve utilization of vertical integration investments, integration of acquisitions and implementation of capacity alignment
  - Investments for growth:
    - CapEx near the high-end of the range of 5 to 6% of sales and RD&E at the high-end of our range of 6.5 to 7% of sales
    - Exploring further strategic opportunities for growth

A balanced approach to growth, margins and capital deployment for the long-term

(*) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters, (**) Light Vehicle Production (LVP) according to IHS @ January 16, 2017 Autoliv Nissin Brake Systems Joint Venture (ANBS JV).

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Key Launches during 2017

Passive Safety and Electronics


Honda Accord


Tesla Model 3


VW Polo / Gol


Honda Odyssey


Volvo XC60


KIA Stinger


Genesis G70


Nissan Micra


VW Atlas

- Combined these models represent around 5% of Autoliv annual sales

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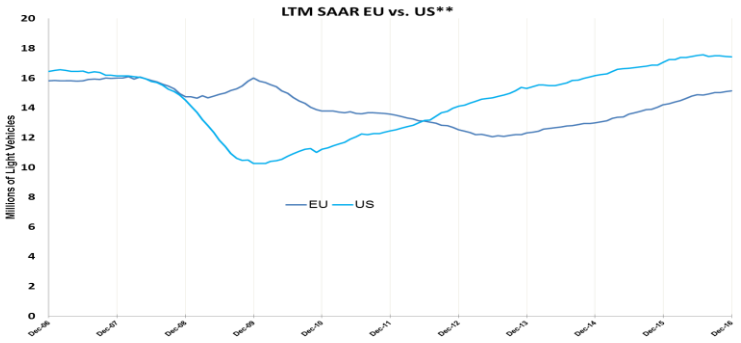
Overall Market Conditions

Macro environment remains mixed and uncertain

- **Asia**
  - China sales** recovery continues, LVP* increase ~3% YoY for Q1'17
  - Japan LVP increase >6% YoY for Q1'17
  - RoA LVP decline of ~2% YoY for Q1'17
- **Americas**
  - US SAAR** LTM flattening, inventories** dropped to 62 days or ~3.9M vehicles
  - North America LVP increase ~2% YoY for Q1'17
  - South America seems to be near a trough, LVP decline ~2% YoY for Q1'17
- **Europe**
  - EU27** vehicle registrations continue to show a steady recovery
  - LVP is expected to increase ~6% YoY for Q1'17 whereof WEU is expected to increase ~5% YoY

FY 2017 LVP*		
Region	**Vehicles** (Millions)	**YoY Chg.**
China	26.6	+3%
Japan	8.7	+2%
RoA	12.8	+3%
North America	16.4	(2)%
South America	2.8	+1%
Europe	21.8	+2%
Global	**91.5**	**+1.6%**



In Q1'17 the global LVP* is expected to increase ~3% YoY and decline sequentially by ~6% from Q4'16

(*) Light Vehicle Production (LVP) according to IHS @ January 16, 2017, Year over Year (YoY), Western Europe (WEU), (**) Source: ACEA, Ward's Auto, CAAM.

Q4’16 Highlights

Solid performance

- **Financial Performance**
  - Organic sales* growth ~1% (including 3 fewer days affect of 5pp) vs. LVP** increase ~7%
  - Operating margin* 9.3%
  - EPS* $1.71 and Operating cash flow $294M
- **Capital Structure**
  - $51M returned to shareholders through dividends
  - RoCE* ~23%, RoE* ~15%, Leverage ratio 0.4 times
- **Electronics**
  - Segment sales growth ~26% (including acquisitions)
  - ANBS** awarded new business with a D3** customer
  - Active Safety awarded new vision business with an EU based customer
  - Signed definitive agreement with VCC** to form a software JV** “Zenuity”

Slightly better than guided organic* sales growth and operating margin*

(*) 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), (**) Light Vehicle Production (LVP) according to IHS @ January 16, 2017, Autoliv Nissin Brake Systems (ANBS), D3 (GM/Ford/FCA), Volvo Car Corporation (VCC), Joint Venture (JV).

Q4'16 Strong Performing Models

Contributing to our overall organic sales* growth

- Q4'16 organic sales* growth ~1% (including 3 fewer days effect of ~5pp), all of these models include our Electronics products except the Fiat Tipo

(*) Non-US GAAP measure.

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Q4 Financial Overview

Record sales and gross profit

(US $ Millions unless specified)	2016		2015	
Sales	$2,604		$2,520	
Gross Profit	$534	20.5%	$521	20.7%
Operating Income*	$243	9.3%	$279	11.1%
EPS* (assuming dilution)	$1.71		$2.08	
RoCE*	23%		29%	
RoE*	15%		21%	
Operating cash flow	$294		$321	
Dividend per share	$0.58		$0.56	
GLVP** (annual run rate)	96.9M		90.4M	

- Discrete tax effects negatively impacted EPS during the quarter

(*) 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 @ January 16, 2017.

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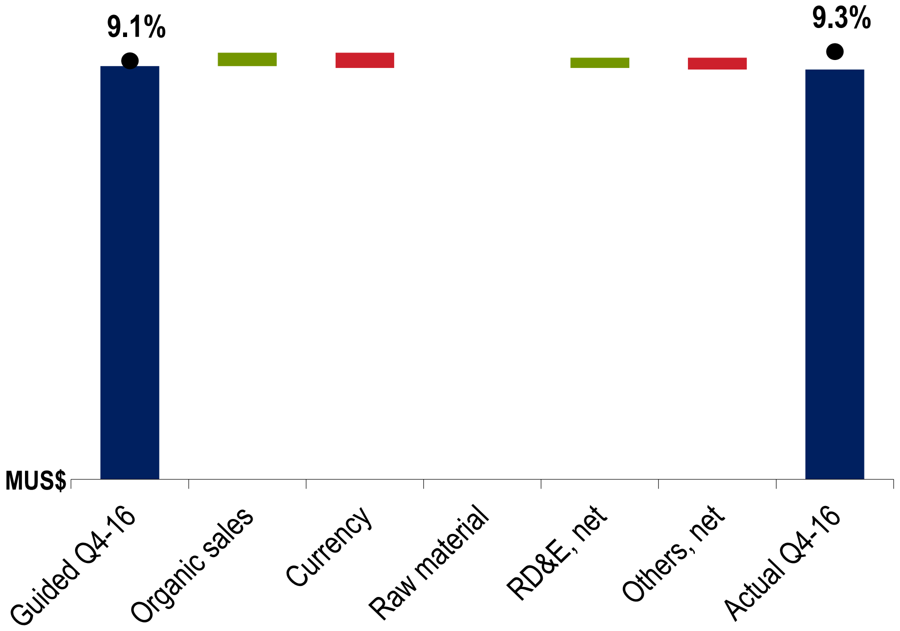
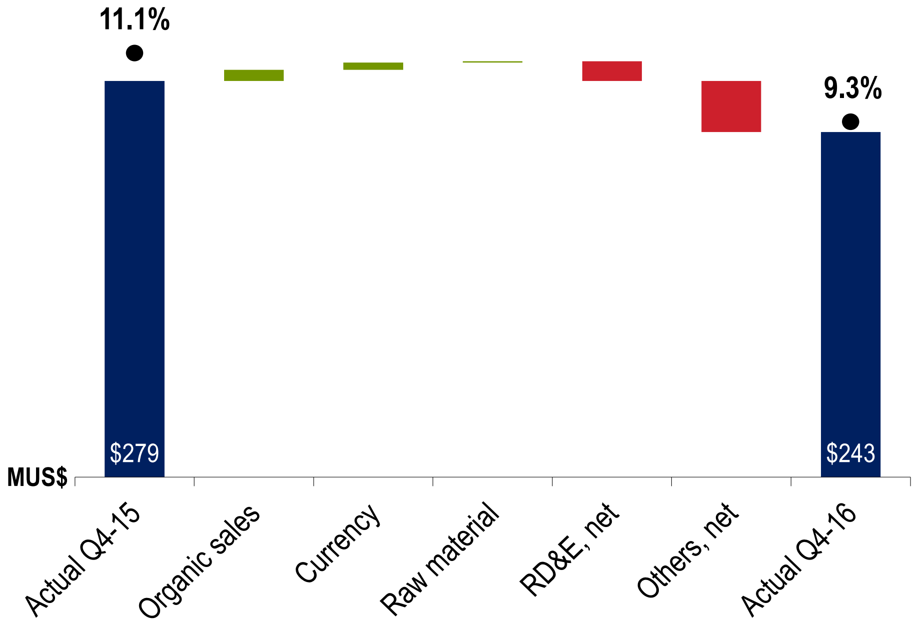
Operating Income* and Margin* Bridge

Q4’16 vs. Guidance and Prior Year

Q4’16 vs. Guidance (20 bps better)



Q4’16 vs. Prior Year (180 bps lower)



- Operating margin* 9.3% includes 50 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.

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FY Financial Overview

Record sales and gross profit

(US $ Millions unless specified)	2016		2015	
Sales	$10,074		$9,170	
Gross Profit	$2,057	20.4%	$1,844	20.1%
Operating Income*	$885	8.8%	$893	9.7%
EPS* (assuming dilution)	$6.75		$6.65	
RoCE*	21%		24%	
RoE*	15%		17%	
Operating cash flow	$868		$751	
Dividend per share	$2.30		$2.22	
GLVP** (annual run rate)	90.1M		86.0M	

- Operating Cash flow 2nd highest year ever

(*) 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 @ January 16, 2017.

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FY Segment Reporting

Strong growth in all product areas

	Organic Sales* Growth (%)	Operating Margin (%)		CapEx (%)		D&A (%)		Headcount	
		2016	2015	2016	2015	2016	2015	2016	2015
Passive Safety * **	**6.0**	**10.3**	**8.8**	**5.0**	**5.3**	**3.5**	**3.5**	**63,134**	**59,861**
▪ Airbags	6.1								
▪ Seatbelts	5.4								
Electronics * **	**13.3**	**2.8**	**4.1**	**4.6**	**3.3**	**4.3**	**3.1**	**6,778**	**4,080**
▪ Passive Safety Electronics	12.3								
▪ Active Safety Products	16.1								
▪ Brake Control Systems	n/a								
Autoliv	**7.2**	**8.4**	**7.9**	**5.0**	**5.1**	**3.8**	**3.5**	**70,293**	**64,088**
**GLVP ** **	**4.7%**								

- Passive Safety operating margin includes antitrust related settlements and capacity alignments

(*) Non-US GAAP measure, (**) Global Light Vehicle Production (GLVP) according to IHS @ January 16, 2017, (***) Segment reporting, organic growth refers to net sales for the segments and external sales for product groups.

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Cash Flow

Investments for growth and shareholder returns

(US $ Millions unless specified)	Q4'16	Q4'15	2016	2015	2014	2013	2012
Net Income	144	186	562	458	469	490	486
Depreciation & Amortization	104	89	383	319	305	286	273
Other, net	(16)	13	1	0	42	43	10
Change in operating WC *	62	33	(78)	(26)	(103)	19	(80)
Operating cash flow	**294**	**321**	**868**	**751**	**713**	**838**	**689**
Capital Expenditures, net	(159)	(116)	(499)	(450)	(453)	(379)	(360)
Free cash flow **	**135**	**205**	**369**	**301**	**260**	**459**	**329**
Acquisitions, net	0	0	227	128	(1)	2	(3)
Dividends paid	51	49	203	196	195	191	178
Shares repurchased	0	0	0	104	616	148	0

- Acquisitions, CapEx for growth and Shareholder returns ~$0.9B in 2016 & 2015

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

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Looking Ahead

Q1'17 Guidance

- **Sales**
  - **Organic* sales growth >3% YoY****
    - Mainly related to strong growth in Europe, China, India and South America partially off-set by lower inflator replacements
  - **Acquisition effect ~5% YoY****
  - **Sequential consolidated sales ~(1)%**
    - Mainly due to the normal seasonal effects
- **Operating Margin* ~8%**
  - **YoY****
    - Positive effects from organic* sales growth and currencies are more than offset by negative impact from commodity prices, planned higher RD&E net and costs related to the ramp-up of capacity and new technologies for growth along integration costs and the impact from acquisitions
  - **Sequential**
    - Lower consolidated sales net effect

Q1'17 margin negatively impacted by investments for growth in RD&E net and acqusitions related to the ANBS JV**

(*) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters, (**) Year over Year (YoY), Autoliv Nissin Brake Systems Joint Venture (ANBS JV).

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Looking Ahead

FY'17 Indication

- **Sales**
  - **Organic* sales growth ~4% YoY****
    - Mainly related to strong growth in Europe, China, Japan, India and Active Safety partially offset by lower inflator replacement sales
  - **Acquisition effect ~1% YoY****
  - **Currency translation effect ~(3)% 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 prices, planned higher RD&E, net and costs related to the ramp-up of capacity and new technologies for growth along integration costs and the impact from acquisitions

FY'17 early Indication implies a stronger 2nd half for 2017

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

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Financial Outlook

2017

	Q1'17	FY'17
Sales		
Organic*	>3%	~4%
Acquisitions	~5%	~1%
Fx**	<(3)%	~(3)%
Consolidated Sales, net	**>5%**	**~2%**
Operating Margin*	**~8%**	**~8.5%**

Exchange rates**	Q1'17	FY'17
EUR / US$	1,0580	1,0592
US$ / JPY	114,72	114,22
US$ / KRW	1185	1182
US$ / MXN	21,50	21,56
US$ / CNY	6,91	6,90

- Strong organic* sales growth and operating margin* for FY'17 despite a significant step-up in investments in RD&E net

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

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