

More Lives Saved

More Life Lived

# Investor Day 2023

---

## The Road to Saving More Lives

June 12, 2023

Mikael Bratt, President & CEO

# Safe Harbor Statement\*

This report 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 are based upon our current expectations, various assumptions and/or 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, general economic conditions, including inflation; changes in and stability of light vehicle production; fluctuation in vehicle production schedules for which the Company is a supplier; global supply chain disruptions, including port, transportation and distribution delays or interruptions; supply chain disruptions and component shortages specific to the automotive industry or the Company; disruptions and impacts relating to the ongoing war between Russia and Ukraine; changes in general industry and market conditions or regional growth or decline; changes in and the successful execution of our capacity alignment, restructuring, cost reduction, efficiency and strategic initiatives and the market reaction thereto; loss of business from increased competition; higher raw material, fuel and energy, and other costs; changes in consumer and customer preferences for end products; customer losses; changes in regulatory conditions; customer bankruptcies, consolidations, or restructuring or divestiture of customer brands; unfavorable fluctuations in currencies or interest rates among the various jurisdictions in which we operate; 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 and other negotiations with customers; successful integration of acquisitions and operations of joint ventures; successful implementation of strategic partnerships and collaborations; our ability to be awarded new business; product liability, warranty and recall claims and investigations and other litigation, civil judgments or financial penalties and customer reactions thereto; higher expenses for our pension and other postretirement benefits, including higher funding needs for our pension plans; work stoppages or other labor issues; possible adverse results of pending or future litigation or infringement claims and the availability of insurance with respect to such matters; 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; our ability to meet our sustainability targets, goals and commitments; political conditions; dependence on and relationships with customers and suppliers; the conditions necessary to hit our medium term financial targets; 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](http://www.sec.gov) or [www.autoliv.com](http://www.autoliv.com)

This presentation Includes content supplied by S&P Global; Copyright © Light Vehicle Production Forecast May 2023. All rights reserved.

S&P Global is a global supplier of independent industry information. The permission to use S&P Global copyrighted reports, data and information does not constitute an endorsement or approval by S&P Global of the manner, format, context, content, conclusion, opinion or viewpoint in which S&P Global reports, data and information or its derivations are used or referenced herein.



# Reconfirming Full Year 2023 Indications

Organic Growth<sup>1</sup>  
**+15%**

Adj. Operating Margin <sup>1</sup>  
**~8.5 to 9%**

Operating Cash flow<sup>2</sup>  
**~\$900 million**

<sup>(1)</sup> Non-US GAAP measures. Adjusted Operating margin excluding effects from capacity alignment and antitrust related matters and other discrete items, <sup>(2)</sup> Excluding unusual items

# On track towards Our Medium-Term Key Financial Targets

Average Annual  
Organic Growth<sup>1</sup>

**LVP +4%**

Adjusted  
Operating Margin<sup>2</sup>

**~12%**

Cash Conversion  
over time<sup>3</sup>

**≥80%**

Leverage Ratio  
over time<sup>4</sup>

**~1.0x**

(0.5-1.5x Range)

<sup>1</sup> Non-US GAAP measure. Organic Growth presents the increase or decrease in the overall U.S. dollar net sales on a comparable basis adjusting for the impact of acquisitions/divestitures and exchange rates; <sup>2</sup> Non-US GAAP measure. Excluding costs for capacity alignments.; <sup>3</sup> Non-US GAAP measure. Defined as operating cash flow less capital expenditure, net in relation to net income; <sup>4</sup> Non-US GAAP measure, Leverage Ratio and Net Debt includes Pension Liability

# Autoliv Accelerates Structural Cost Reductions

Reducing up to 11% of global headcount

- Continues to actively address its cost base to accelerate its journey towards its medium-term targets
- All divisions and functions will be impacted by the optimization of our footprint and organizational structure
- We intend to close several sites in Europe
- Expected reductions:
  - 2,000 indirect positions globally
  - 6,000 direct positions globally, given today's sales levels as baseline

Autoliv

PRESS RELEASE

## Autoliv accelerates structural cost reductions; reiterates its full year 2023 indications

(Stockholm, Sweden, June 8, 2023) - Autoliv, Inc. (NYSE: ALV and SSE: ALIVsdb), the worldwide leader in automotive safety systems, announces it is accelerating its global structural cost reductions, particularly within its European operations. These actions support Autoliv's medium- and long-term financial targets and the company reiterates its full year 2023 indications.

Autoliv continues to actively address its cost base to accelerate its journey towards its medium-term targets.

### Adjusting geographic footprint and headcount

The accelerated structural cost reduction initiatives include further optimization of the Company's geographic footprint and organizational structure, including a substantial reduction of its total direct and indirect workforce by up to 11%. Through these initiatives, Autoliv will simplify its logistics and geographic footprint and intends to close several sites in Europe.

These initiatives are expected to reduce up to 2,000 indirect positions globally, or around 11% of Autoliv's total indirect workforce. Of this, up to 1,000 are expected to be in Europe. All divisions and functions will be impacted by these initiatives and the Company expects the first headcount reductions to occur in 2023.

To further drive global productivity and, specifically, direct labor efficiency, the Company also intends to reduce its global direct headcount. The Company anticipates that this will lead to a reduction of around 6,000 positions globally, or around 11% of total direct workforce, given today's sales levels as baseline.

The measures will be defined in each country in compliance with the local regulations and within the framework of a dialogue with the social partners to determine the most appropriate provisions for the employees concerned.

The Company expects to accrue a minor part of the total accrual in the second quarter of 2023. The initiatives are expected to be fully implemented by 2025 and to have a pay-back time of 1-2 years.

"These initiatives will continue to optimize our geographic footprint for a more effective structure to best serve our customers while reducing costs and driving long-term improvement in margins and cash flow. We intend to simplify and consolidate how we operate in all areas. The headcount reduction will affect people based in our offices, technical centers, and plants, including leadership positions at all levels," said Mikael Bratt, President and CEO of Autoliv.

### Customer negotiations continue

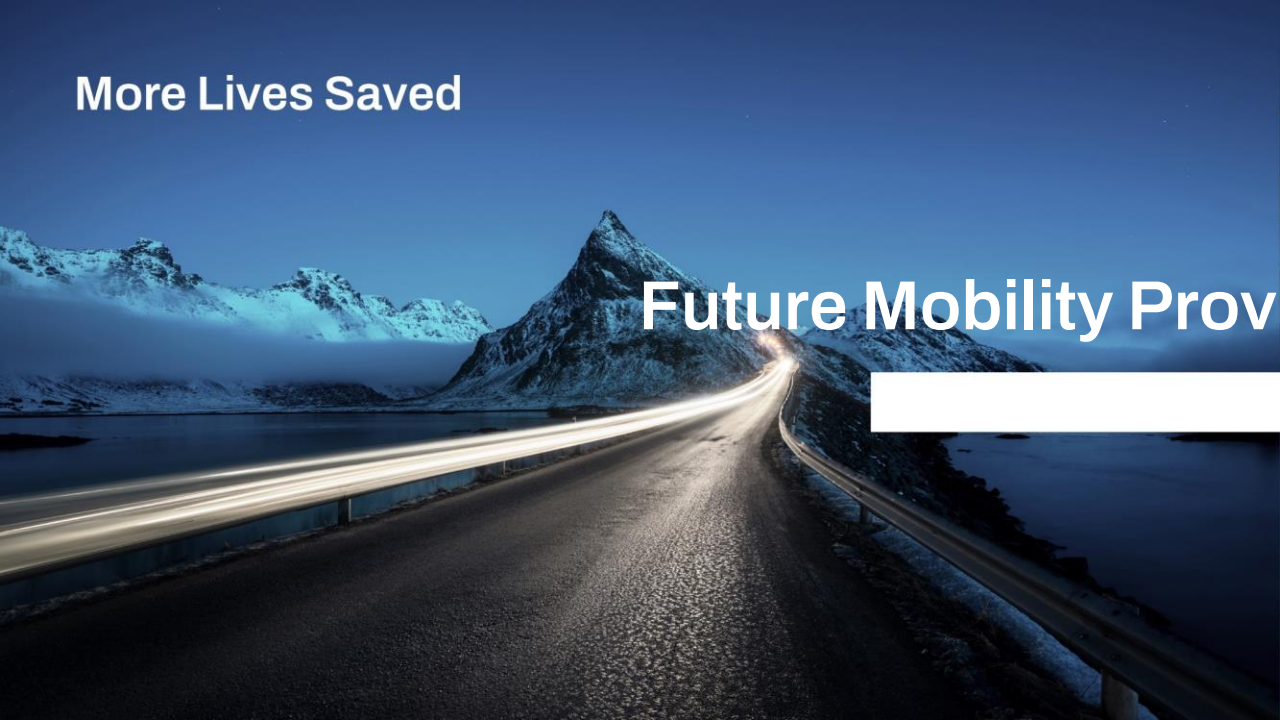
The Company continues to negotiate with its customers to secure pricing that reflects the extraordinary inflation and corrects structural price gaps. The negotiations are progressing as planned with most customers albeit the quarterly timing of concluding updated customer agreements remains uncertain. The highest priority and greatest challenge are the customer negotiations in Europe.

"We work intensely with customers to secure price increases, and we will not stop until we have received full and fair compensation to ensure that inflationary pressures are effectively pushed through the value chain," Mr. Bratt continued.

More Lives Saved

More Life Lived

# Future Mobility Provides New Opportunities



New Crash tests & Regulations



Electrical Vehicles



Autonomous Driving



New Markets



# Strong Position Despite Market Headwinds

# The Automotive Industry has Faced Multiple Challenges

Covid-19 Pandemic

War

Natural disasters

Semiconductor shortages

Supply chain disruptions

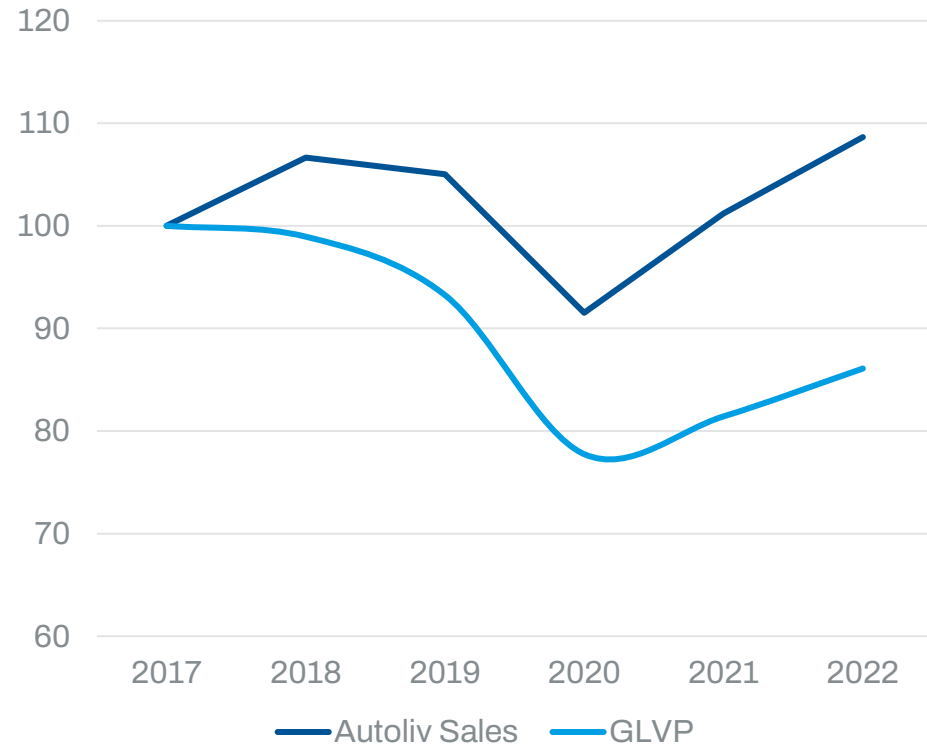
Logistics delays

Labor shortage



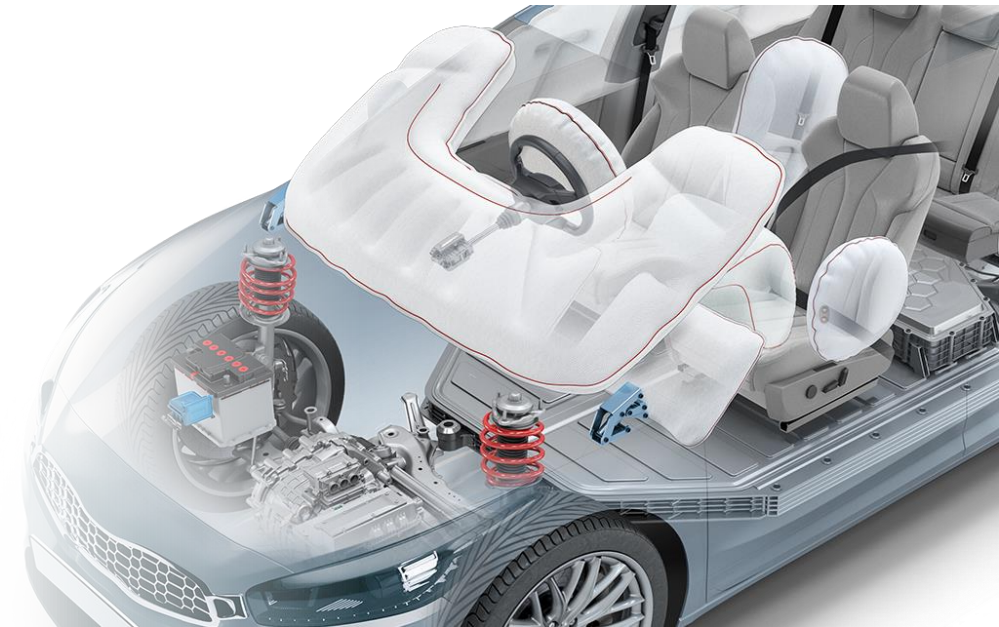
# Autoliv Continues to Outperform Global Light Vehicle Production

**Autoliv Sales vs. Global LVP**  
(indexed 2017=100)



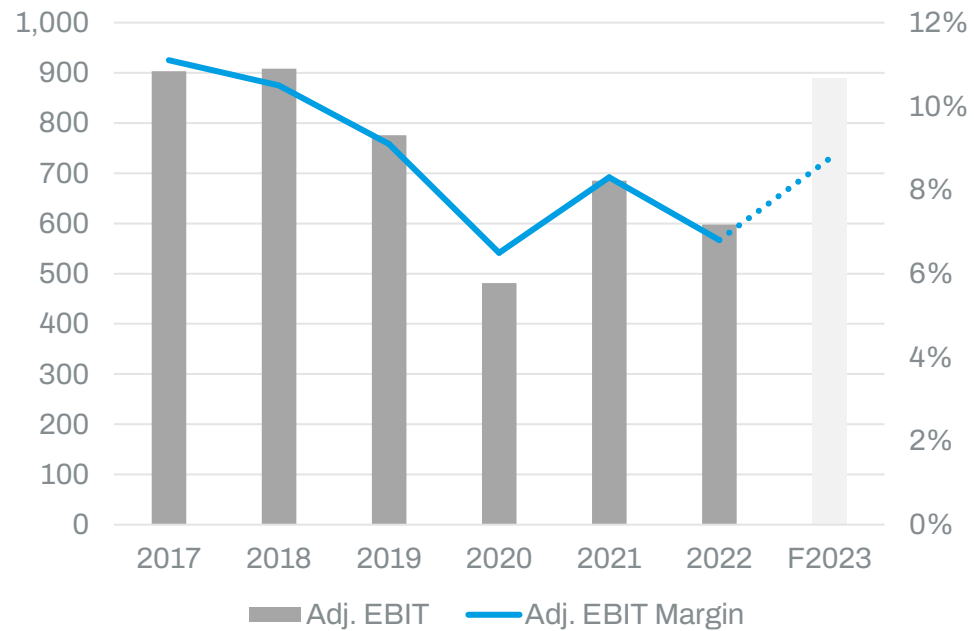
## Growth Drivers

- Market Share gains
- Accelerated growth of safety content per vehicle
- Pricing in 2022

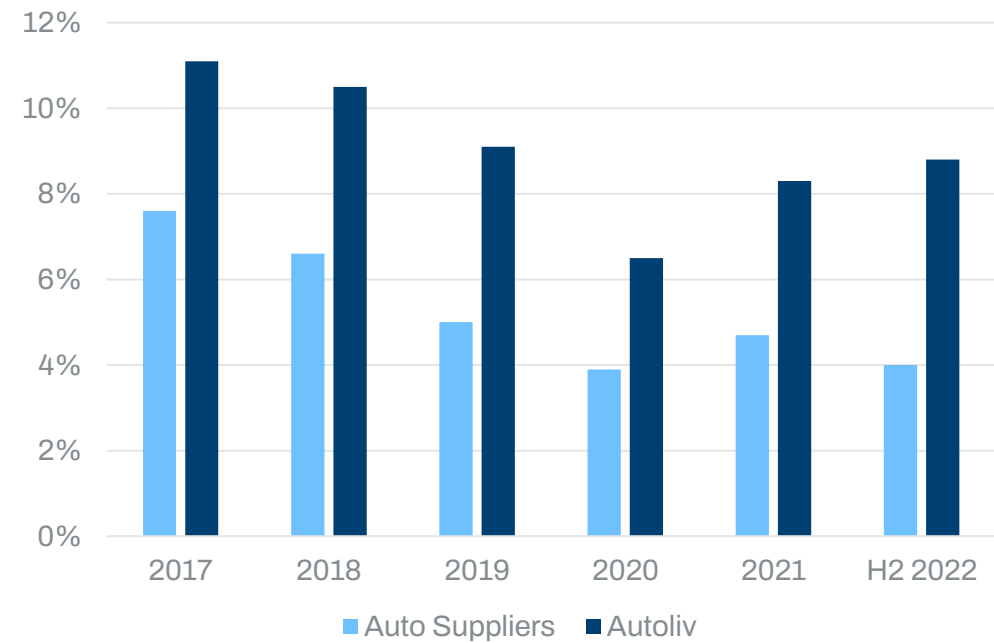


# Industry Leading Margins Despite Market Headwinds

**Adjusted Operating Margin\* development**  
%



**Profitability Comparison with other automotive suppliers**  
%

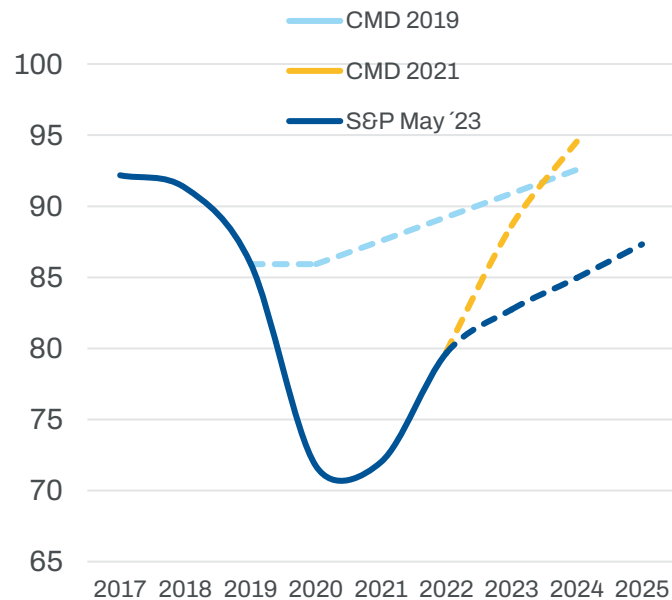


(\* Non-US GAAP measure excluding effects from capacity alignment and antitrust related matters)

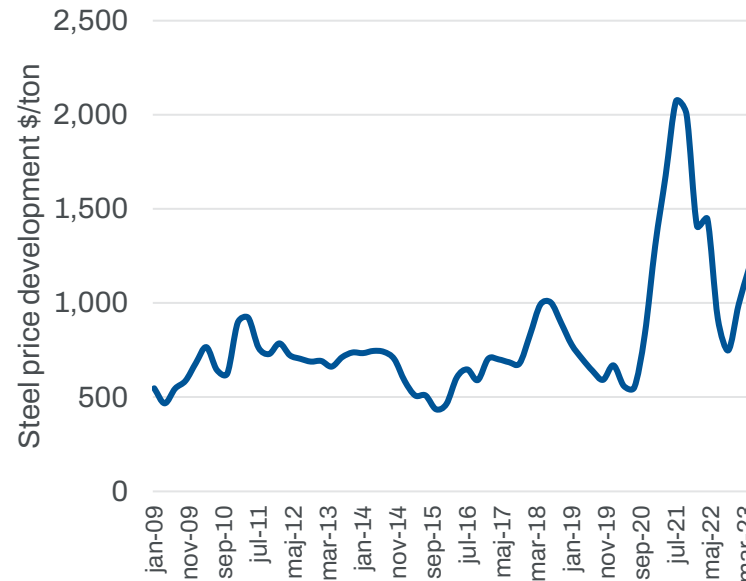
Source: McKinsey CLEPA Pulse Check Survey

# Substantial Market Headwinds since prior Capital Market Days

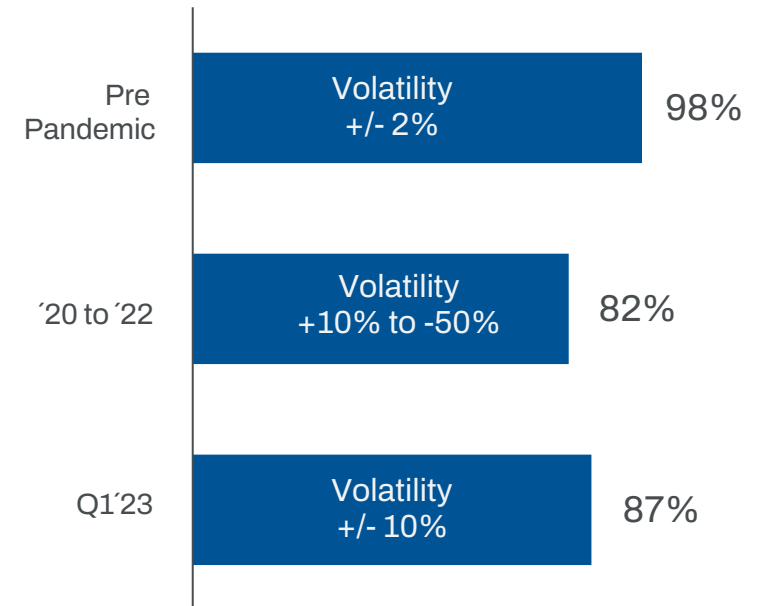
## Light Vehicle Production Outlook Million units



## Inflation Example: Steel HRC



## Volatility Average Customer forecast accuracy %



A background image showing three people (two men and one woman) standing in a muddy field. They are covered in mud from the waist up, and their faces are also smeared with mud. They are looking towards the camera. The background is a hazy, overcast sky and a distant landscape.

## What we have done

- Secured our value-chain
- Cost saving from Automation & Digitalization
- Footprint optimization
- Capital Efficiency Program
- Price negotiations

## What we are doing

We continue to do what we have done but we are also:

- Actively addressing our cost base to accelerate our journey towards financial targets
- Further optimizing our geographic footprint and organizational structure

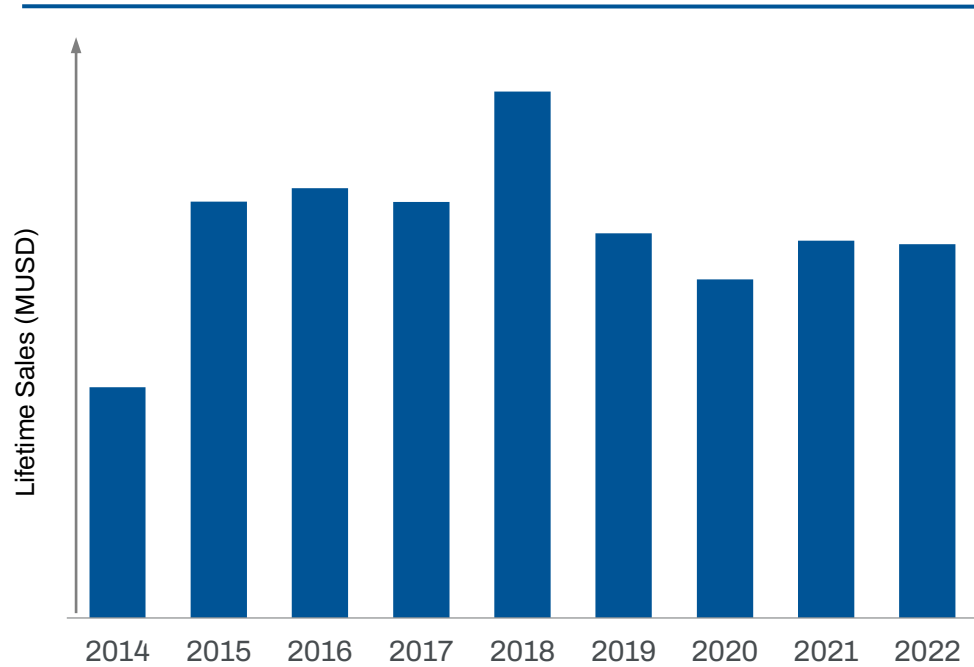
A blue SUV is shown from a front-quarter perspective. A white crash test dummy is positioned on a metal dolly next to the driver's side door. The dummy's right arm is raised, and it appears to be interacting with the car's interior. The background is a light blue gradient.

# Significant Potential for Continued Growth

# Growth Driver – Strong Order Intake

## Order Intake Lifetime Sales\*

\$ millions



\* Company estimates. Previous year's lifetime sales not adjusted for recent LVP forecast updates with lower volumes or currencies

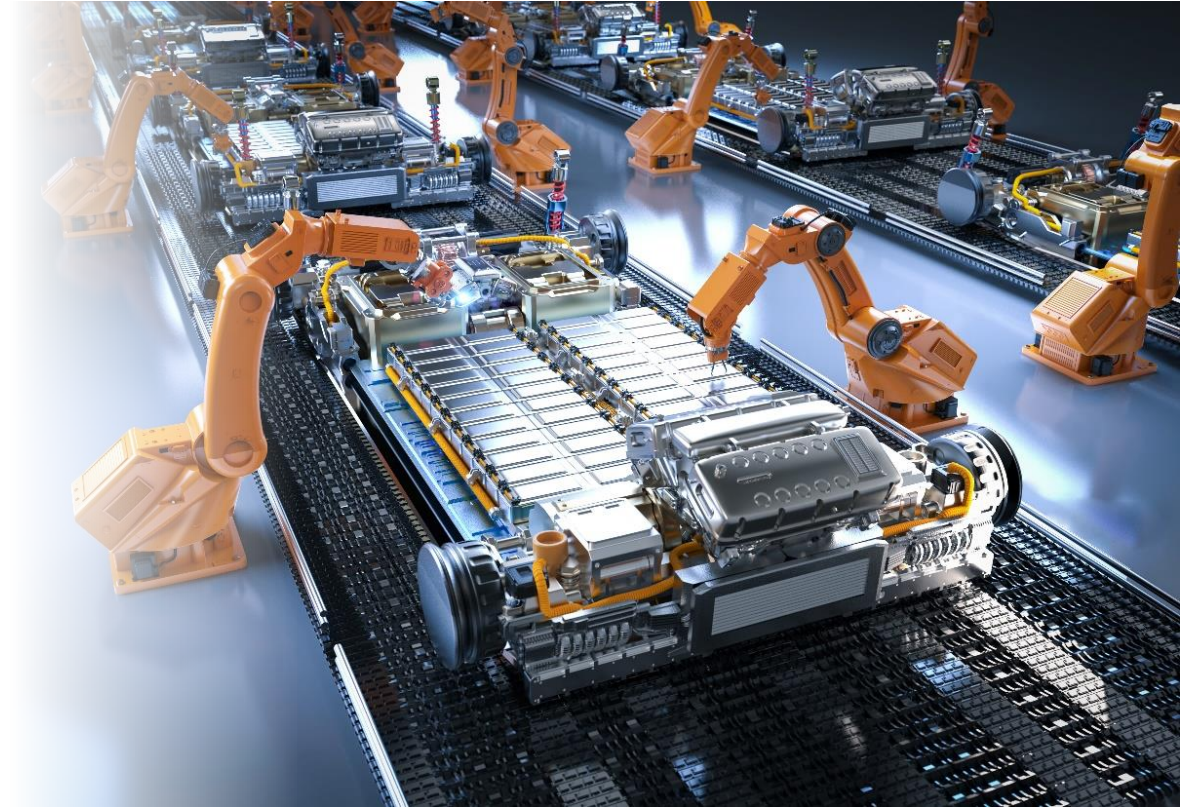
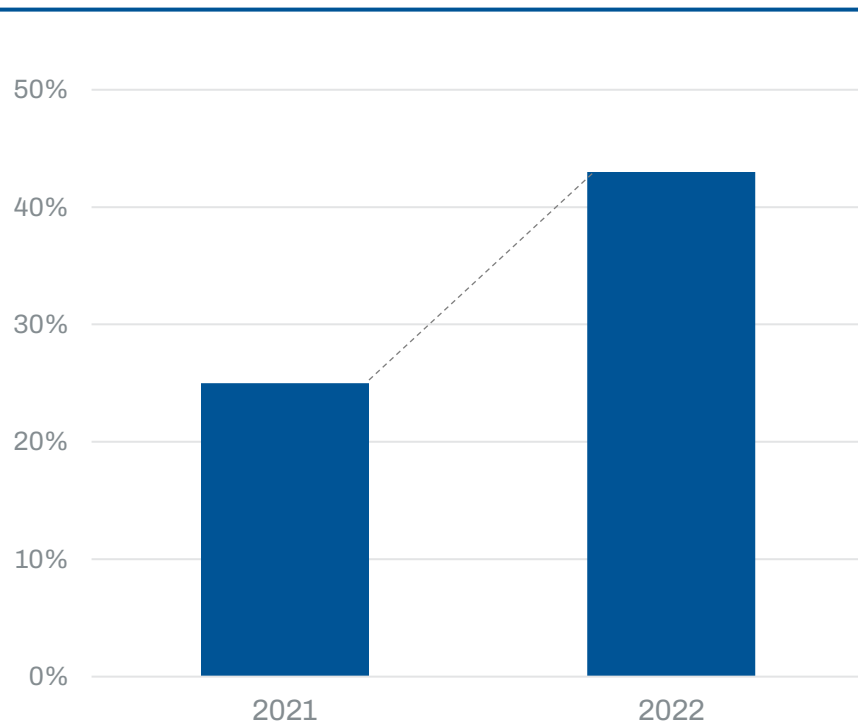


# Strong Market Position in a Growing Market Segment

Focus on EV order intake to ensure strong sales in the EV transition

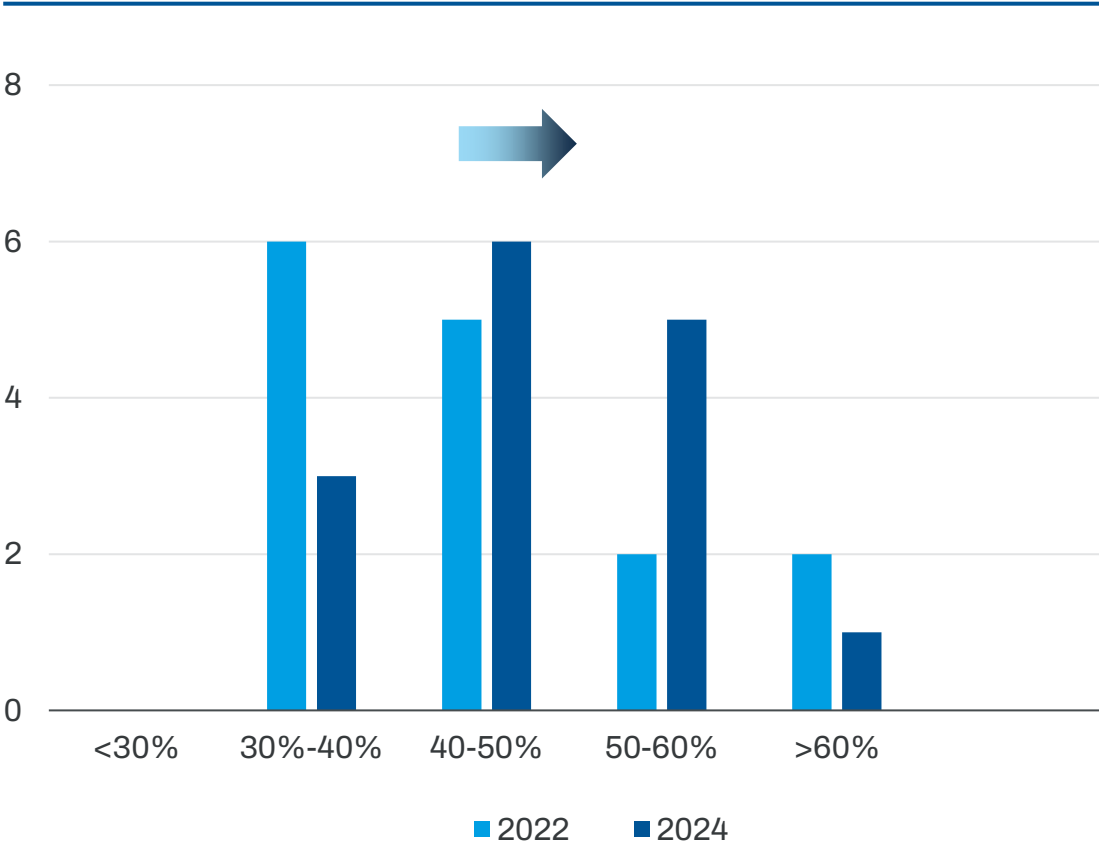
## Order intake EVs

% of total order intake



# Market Leader with most OEMs

Market share development with top-15 OEMs<sup>1</sup>



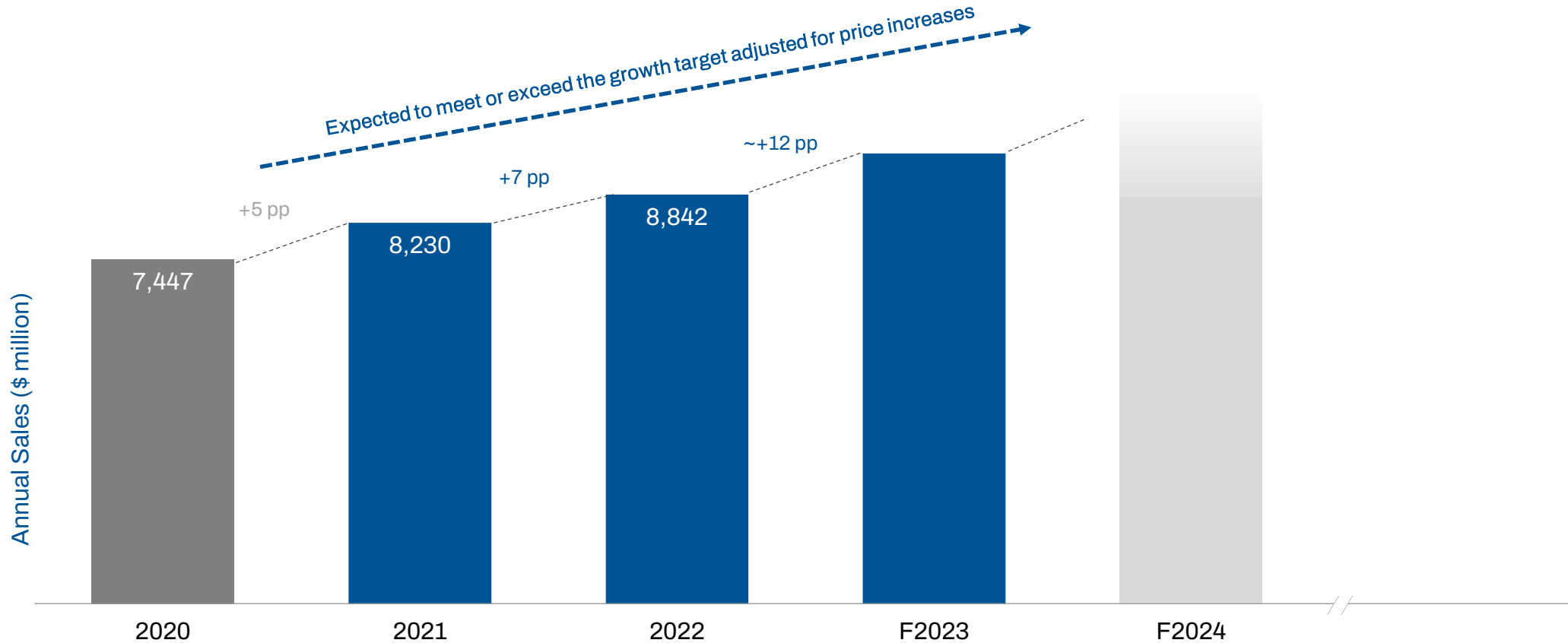
(1) Company market estimates include seatbelts, airbags and steering wheels





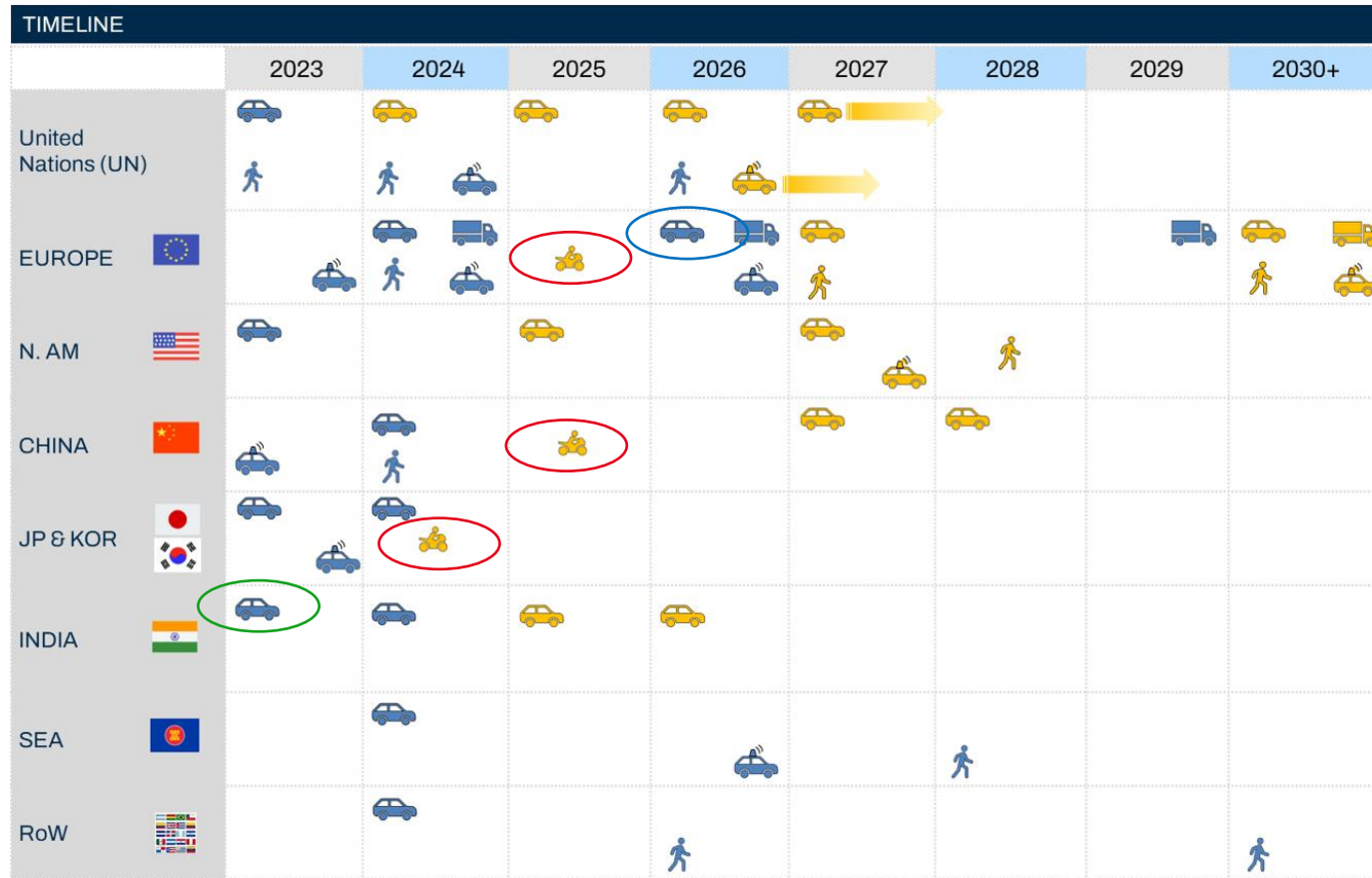
# Organic\* Growth Target on Track

The growth trend is on track to significantly exceed LVP +4pp per year



(\*) Organic Growth presents the increase or decrease in the overall U.S. dollar net sales on a comparable basis adjusting for the impact of acquisitions/divestitures and exchange rates

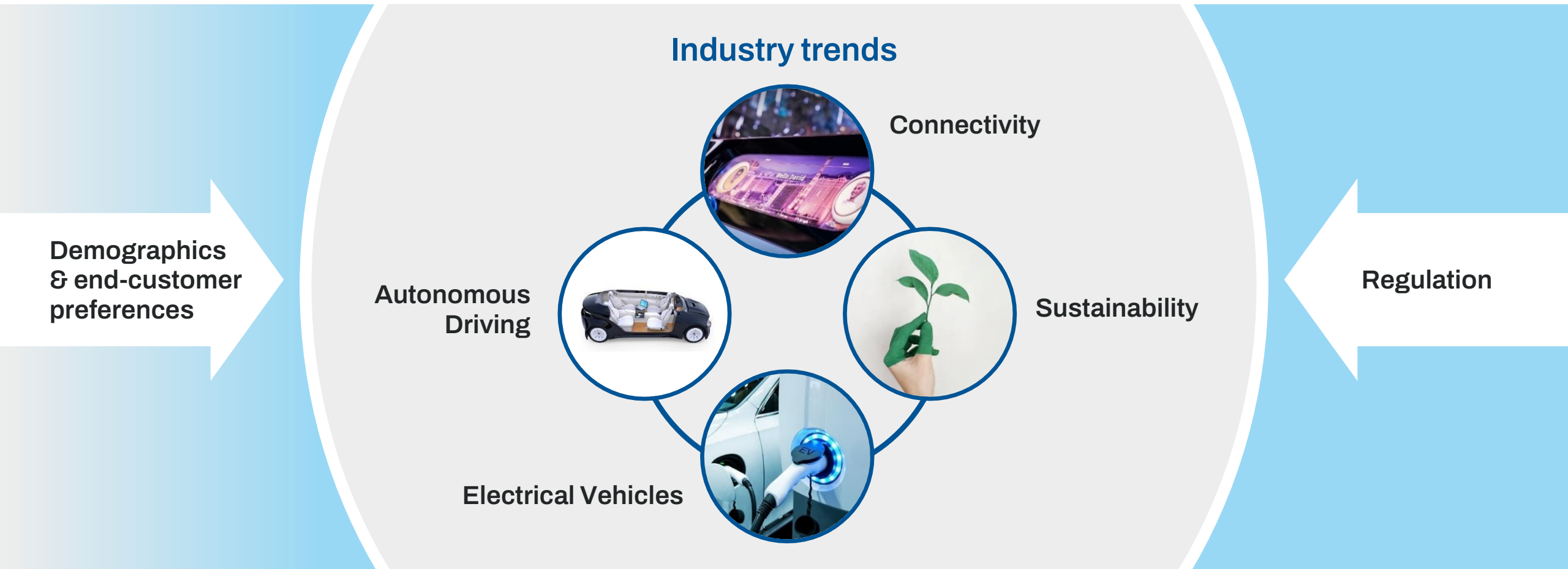
# Updated Safety Ratings & Regulations drives Content per Vehicle Growth, creating new opportunities in adjacent markets



Confirmed

Anticipated

# Demographics, shifts in end-customer preferences and regulations are driving change in the industry



# Industry Trends continue to Drive Content per Vehicle Growth



**Sustainability**



**Electrical Vehicles**



**Autonomous Driving**



**Connectivity**



**Bio-based Artificial Coated Fabrics**



**Pyro-Safety Switches**



**Pre-Pretensioner Retractor Mechanism**



**Seat Centric Restraint System**



**Steering Wheel with Hands-on-Detection**

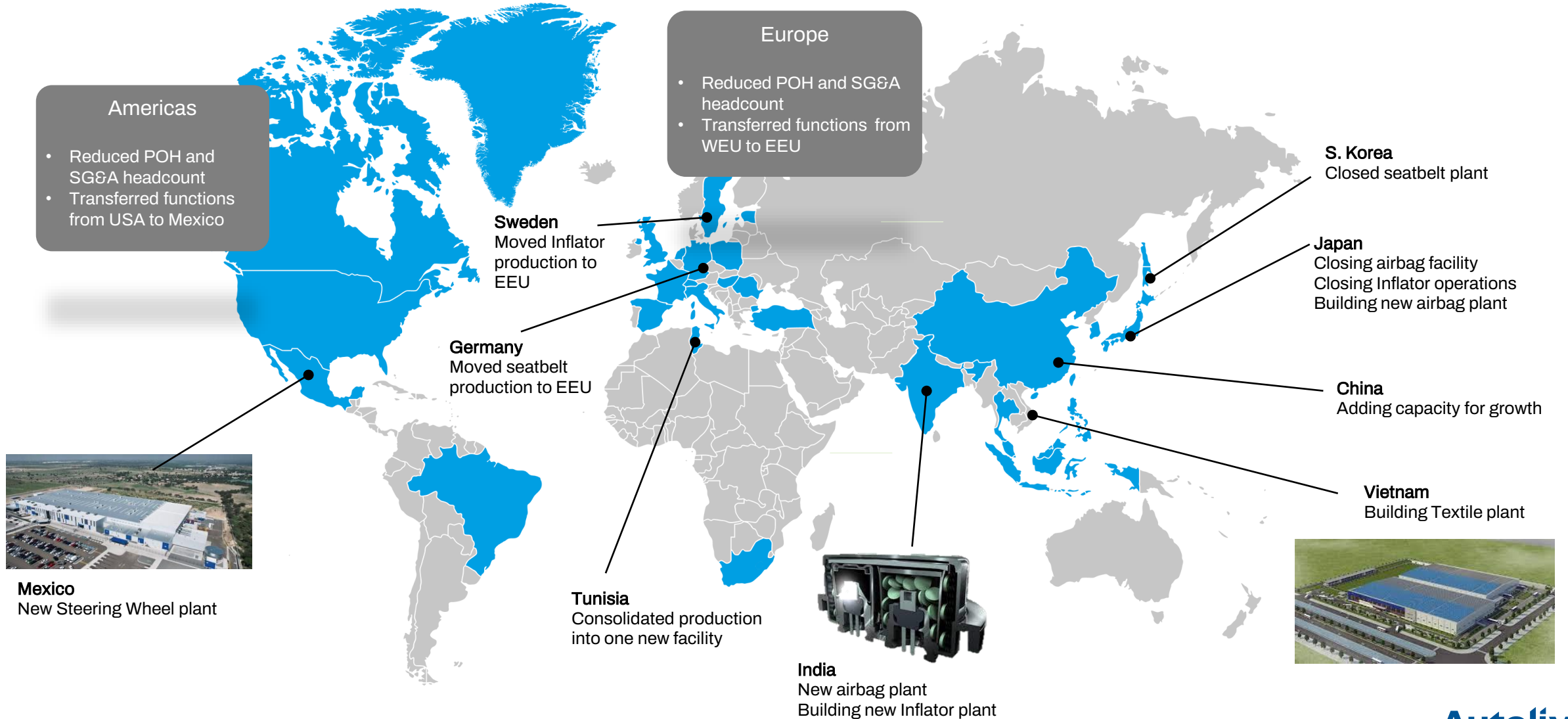


**Stowable Steering Wheel**

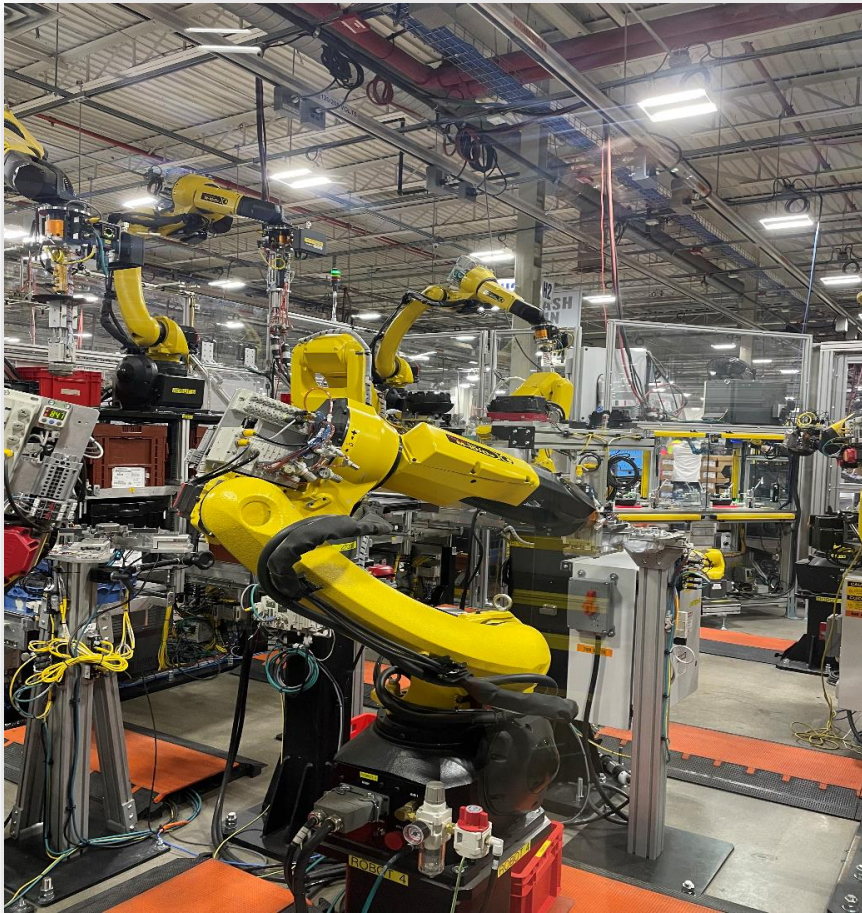
An aerial photograph showing a dark asphalt road winding through a dense forest. A dark-colored car is driving on the road. The forest is composed of various types of trees, including tall evergreens and shorter deciduous trees. The overall scene is lush and green.

# Strong Margins Progression

# Optimizing capacity for growth



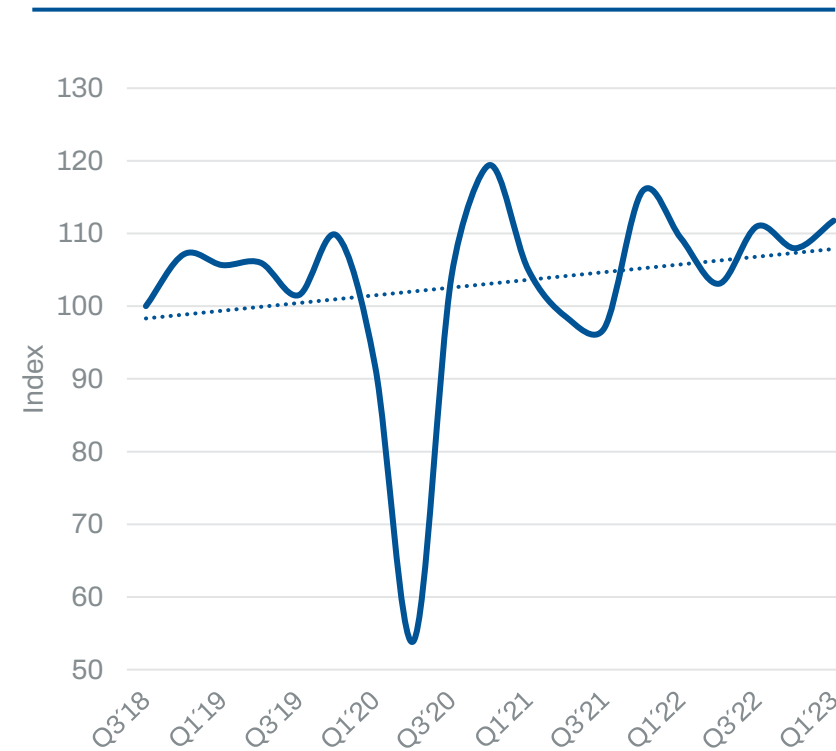
# The Automation & Digitalization Journey is on Track



Automated Driver Airbag Line for Honda in Ogden USA

## Direct Labor Efficiency Index

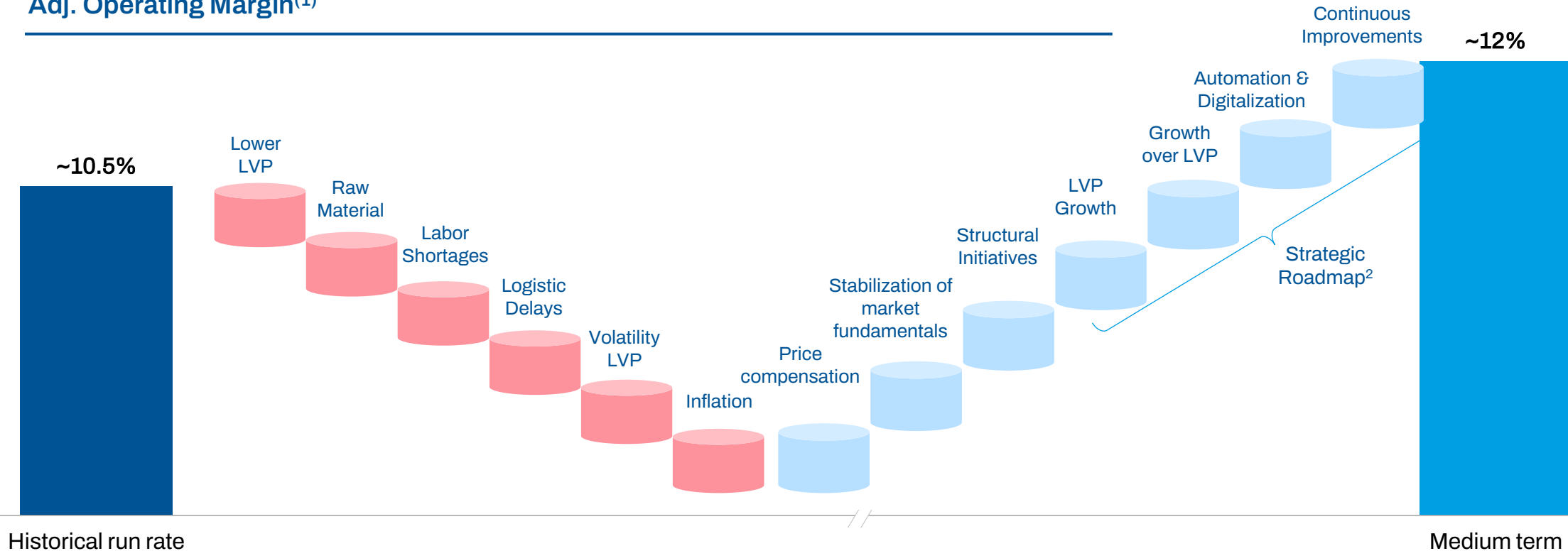
Sales in relations to Average Headcount by quarter



# Multiple Levers for Margin Improvements towards our Target

## Operating Leverage and Efficiency Improvements Driving Margin Expansion

Adj. Operating Margin<sup>(1)</sup>



(1) Non-US GAAP measure. Adjustments for capacity alignments and antitrust related matters

(2) Strategic levers announced at 2019 CMD





# Shareholder Value Creation

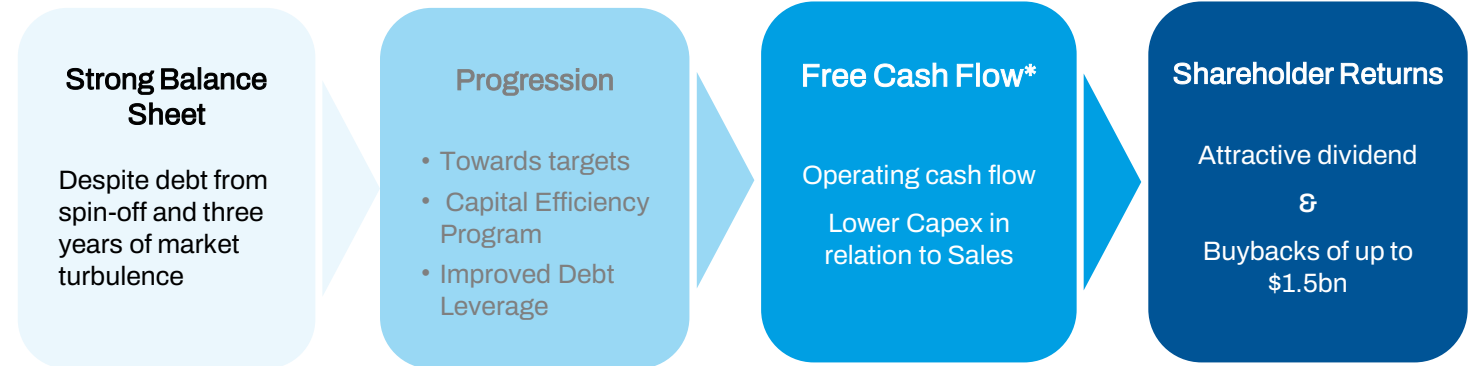
---

# Sustainable Strong Shareholder Returns

## Shareholder returns \$ million

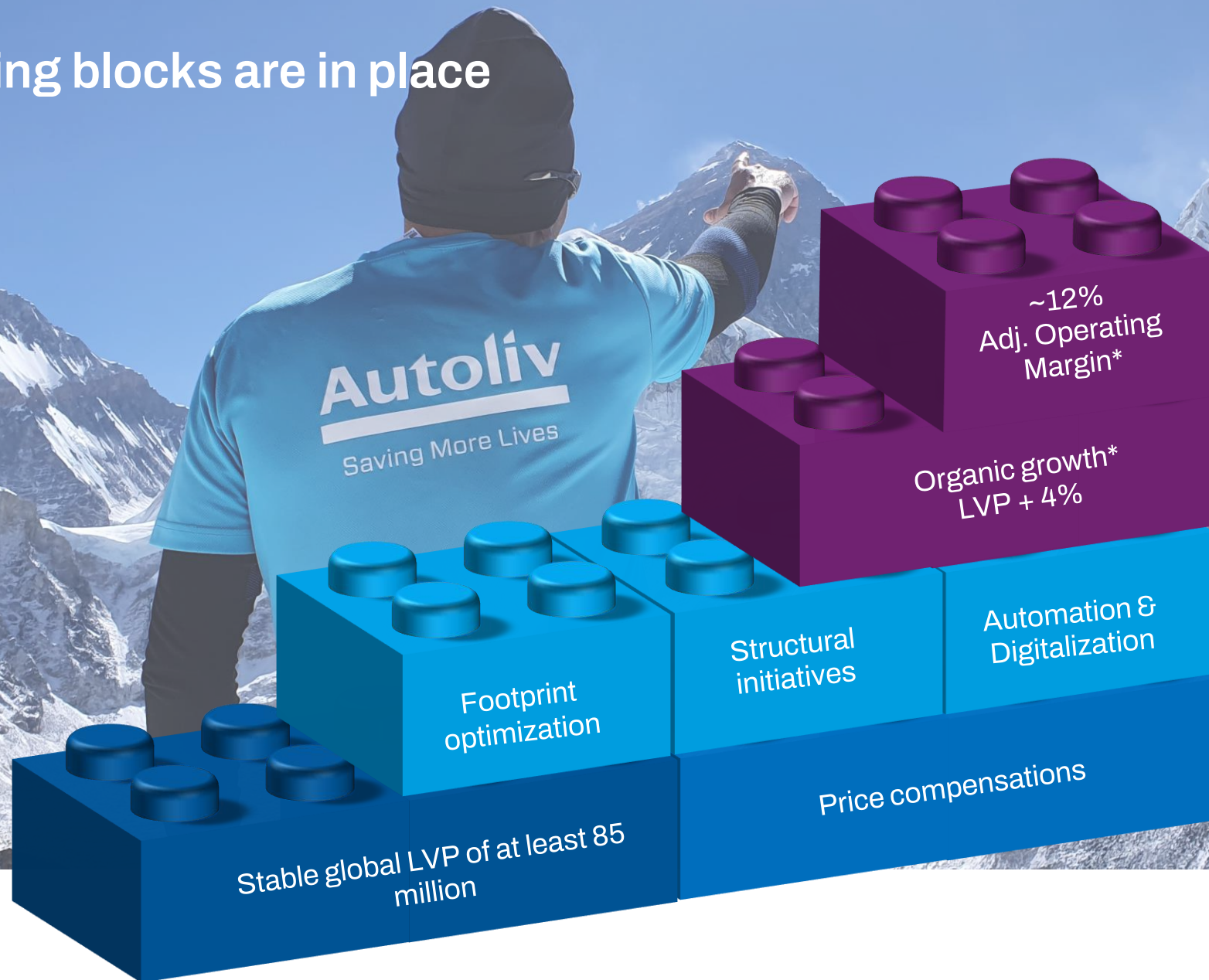


## Creating Shareholder Value



(\* ) Non-US GAAP measure, . Operating cash flow less Capital expenditures, net. Non U.S. GAAP measure.

# All building blocks are in place



(\*) Non-US GAAP measure.



# Saving More Lives

June 12, 2023

Investor Day Presentation

Copyright Autoliv Inc., All Rights Reserved

Confidential

