Earnings Call Presentation

3rd Quarter 2020

October 23, 2020

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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 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, changes in light vehicle production; the impacts of the coronavirus (COVID-19) pandemic on the Company’s financial condition, business operations and liquidity, fluctuation 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 restructuring 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; 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 and customer reactions thereto; (including the resolution of the Toyota recall); 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; 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

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Q3´20 Highlights

Sales, profits and cash flow better than Q3´19

- Focusing on health and safety
- Sales growth despite global light vehicle production (LVP) down 4%
  - Stronger than expected LVP recovery
  - Execution on strong order book
  - Economic uncertainty, risk for further lockdowns and the threat of unemployment temper the outlook for fourth quarter LVP
- Adjusted operating margin* improving Y-o-Y
  - Continued headwinds from volatile production and COVID-19 related costs
  - Structural efficiency programs and other cost reduction actions yielding results
  - Plant closure announced
  - Building towards our medium-term targets
- Strong cash flow and strengthened balance sheet
  - Operating and free cash flow* were the highest we have recorded in a third quarter
  - Capex reduced substantially Y-o-Y

(*) Non-US GAAP measures exclude costs for capacity alignments, antitrust related matters and in 2019 separation of our business segments

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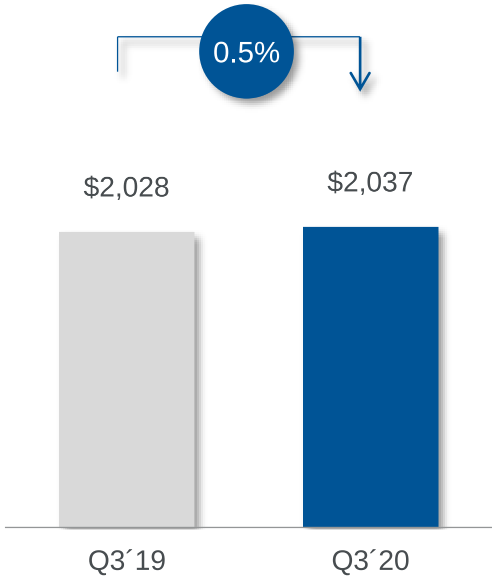
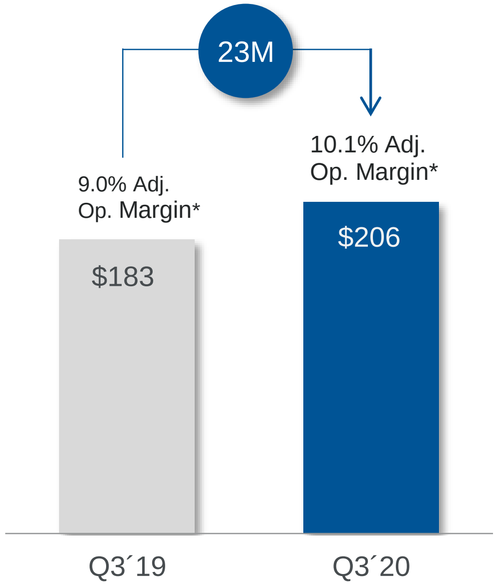
Q3´20 Financial Highlights

Organic sales growth despite market decline

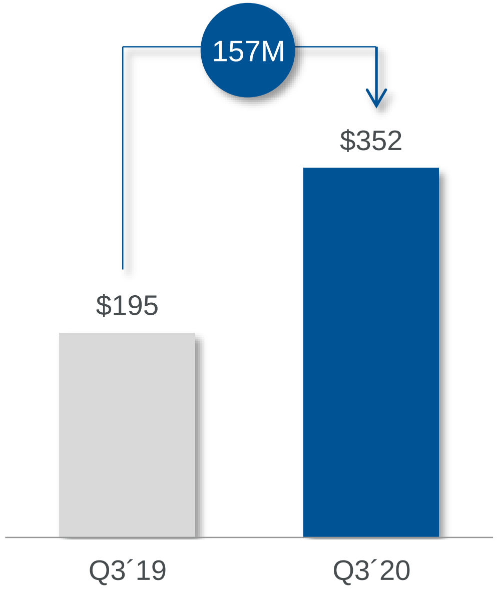
Consolidated Sales
US$ (Millions)



Adjusted Operating Income*
US$ (Millions)



Operating Cash Flow
US$ (Millions)



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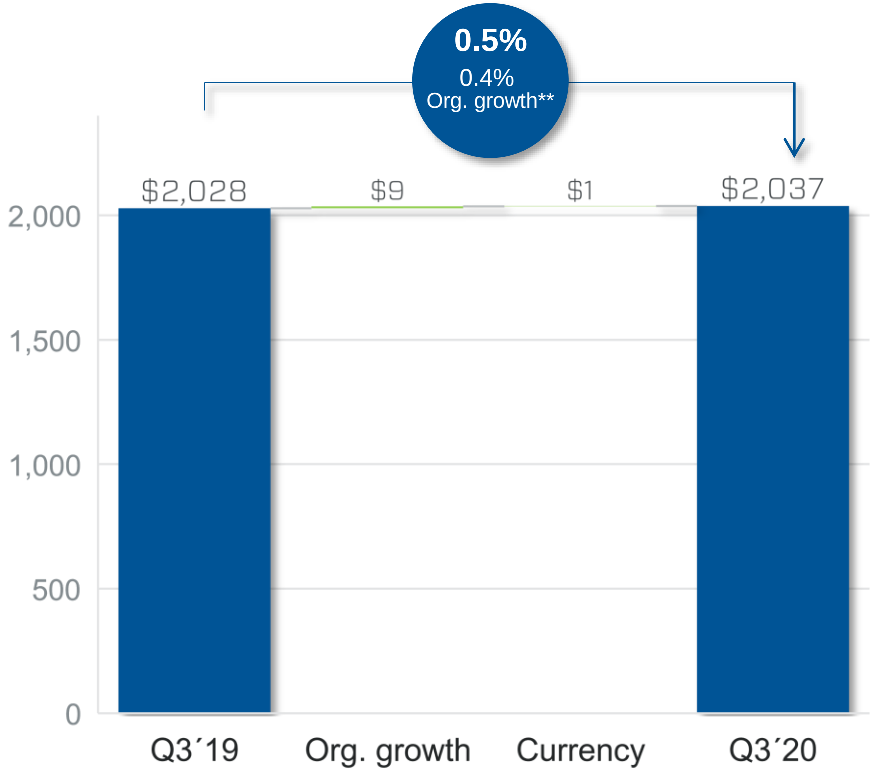
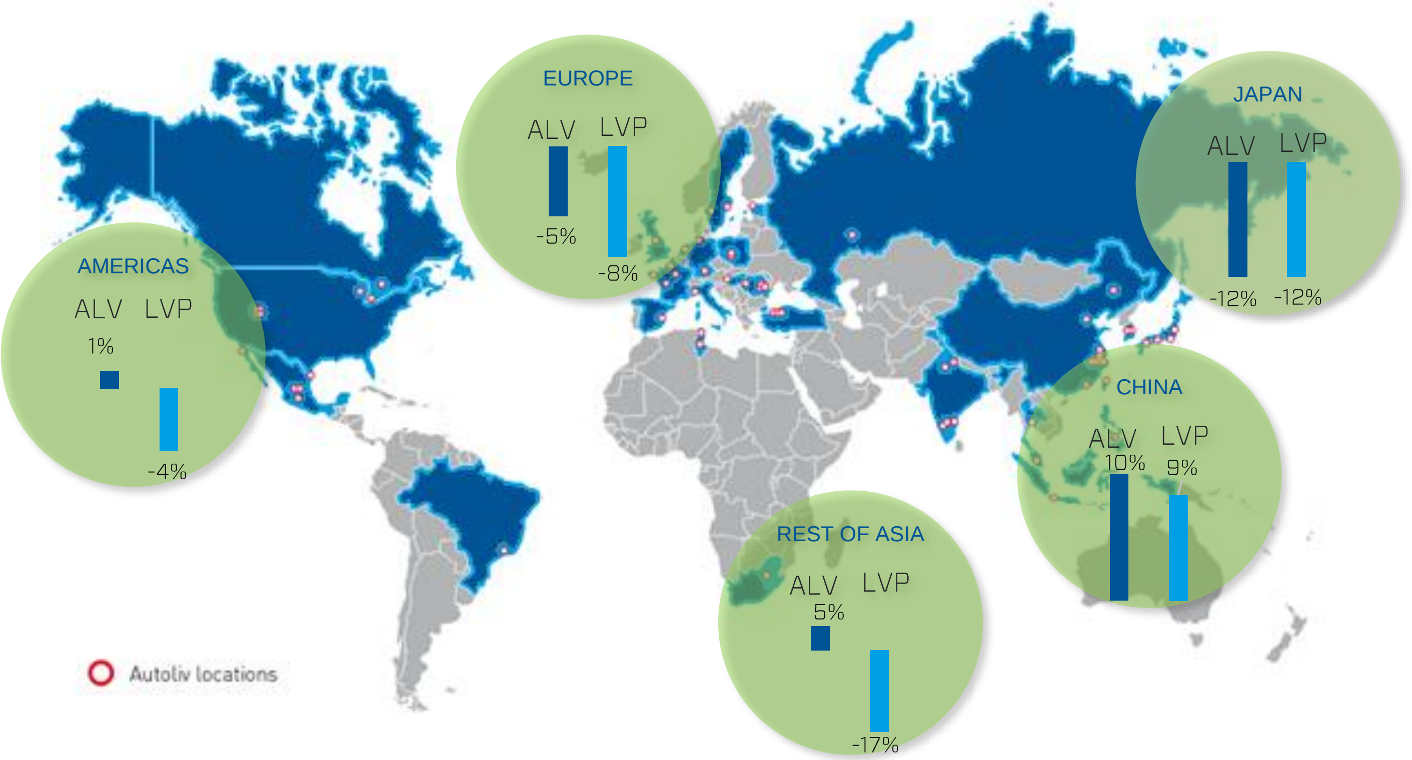
Q3'20 Sales Growth
Outperforming LVP in all major regions

Sales Bridge
US$ (Millions)



Regional Organic Growth** vs. LVP*



(*) Light Vehicle Production (LVP) according to IHS @ October 2020
(**) Non-US GAAP measure

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Q3’20 - Key Model Launches

Cadillac Escalade

Mercedes S-Class

VW ID.3

Citroen C4

Hyundai Tucson

Nissan Rogue/X-Trail

Ford F-150

Ford Bronco

Ford Mustang Mach-E

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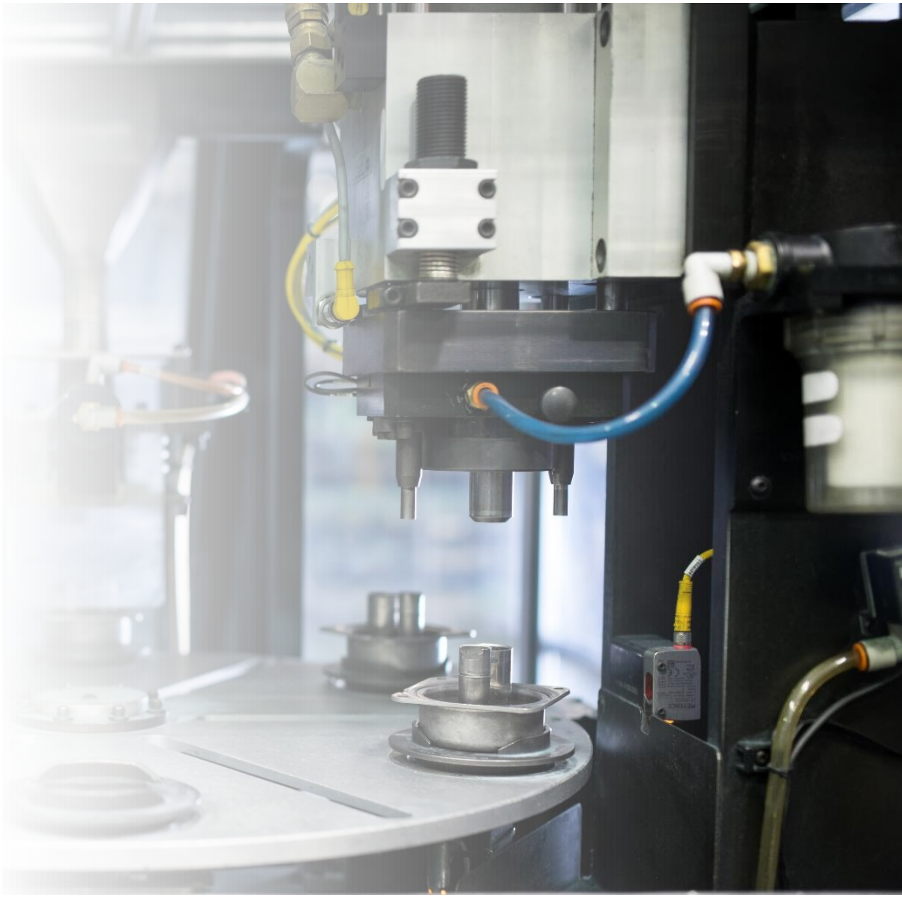
Q3´20 Financial Overview

(US $ Millions unless specified)	Q3'20		Q3'19	
Sales	$2,037		$2,028	
Gross Profit	$400	19.6%	$379	18.7%
Adj. Operating Income[1]	$206	10.1%	$183	9.0%
EPS (assuming dilution)	$1.12		$0.98	
Adj. RoCE[1,2]	22%		19%	
Adj. RoE[1,2]	25%		23%	
Operating cash flow	$352		$195	
Dividend paid per share	-		$0.62	
Global LVP[3] (annual rate)	~78M		~81M	



(1) Non-US GAAP measures exclude costs for capacity alignments, antitrust related matters and in 2019 separation of our business segments
(2) Return on Capital Employed (RoCE) and Return on Equity (RoE)
(3) Light Vehicle Production (LVP) according to IHS @ October 2020

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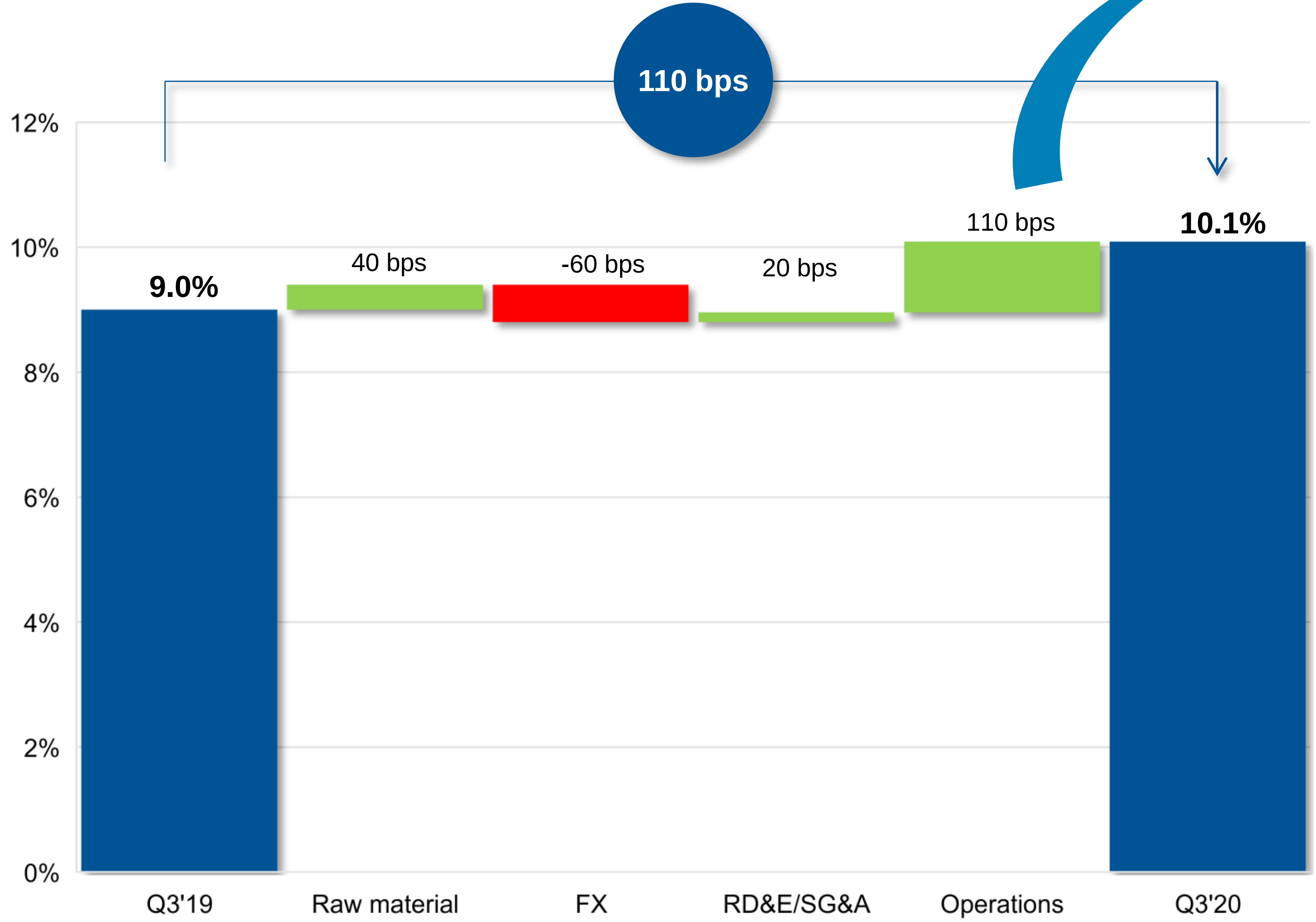
Q3´20 Adj. Operating Margin* Bridge

vs. Prior Year



Operations

+ Pos

- Productivity improvement in material and personnel cost
- Structural efficiency programs
- Discretionary spending
- Governmental support

- Neg

- Inefficiencies related to COVID-19
- Direct costs related to COVID-19

(*) Non-US GAAP measures exclude costs for capacity alignments, antitrust related matters and in 2019 separation of our business segments

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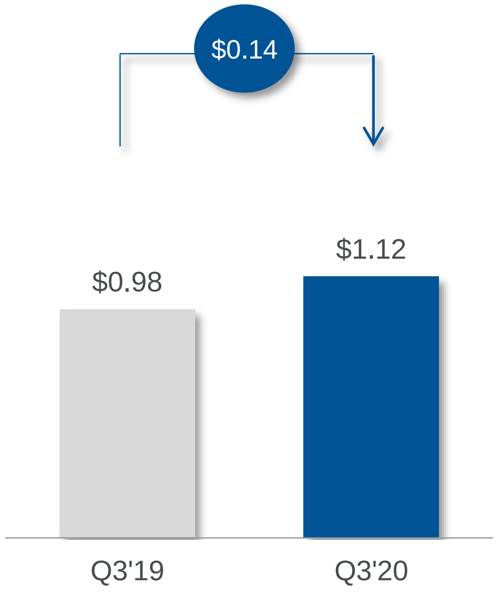
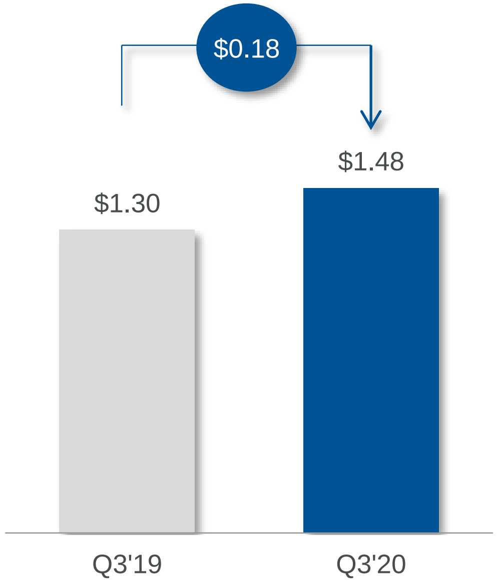
EPS Development

Earnings per Share
US$



Adjusted Earnings per Share*
US$



The main items impacting EPS were:

- +17 cents from higher adj. operating income
- +6 cents from tax
- -4 cents from higher capacity alignments
- -5 cents from higher financial items

(*) Non-US GAAP measures exclude costs for capacity alignments, antitrust related matters and in 2019 separation of our business segments. Assuming dilution

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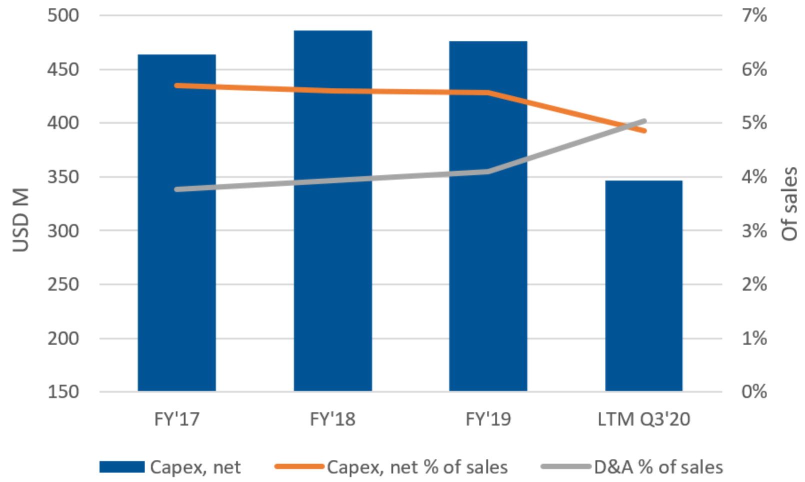
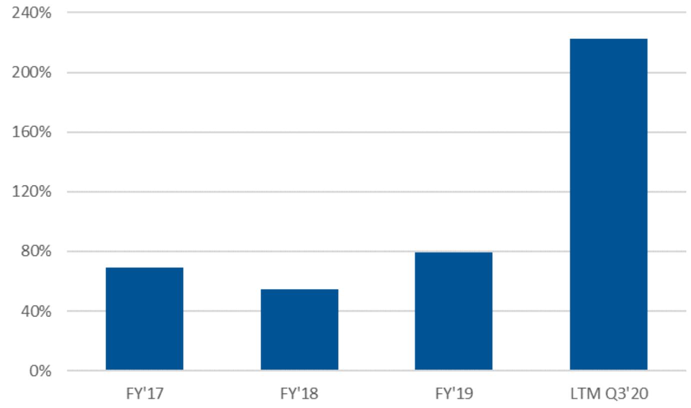
Cash Flow

(US$ Millions unless specified)	Q3'20	Q3'19	LTM	2019
Net Income	$99	$86	$155	$463
Depreciation & Amortization	93	84	359	351
EC antitrust payment	-	-	-	-203
Other, net	23	9	-70	-17
Change in operating WC	138	16	248	47
Operating cash flow	352	195	692	641
Operating cash flow excl. EC antitrust payment[1]	**352**	**195**	**692**	**844**
Capital Expenditures, net	-76	-122	-347	-476
Free cash flow[1]	**276**	73	**346**	**368**
Dividends paid	-	$54	$108	$217

Capex and D&A



Cash Conversion[2]



(1) Non-US GAAP measure, adjusted for EC antitrust payment in Q2 2019, reconciliation is provided above
(2) Non-US GAAP measure, adjusted for EC antitrust accrual in 2018 and payment in Q2 2019

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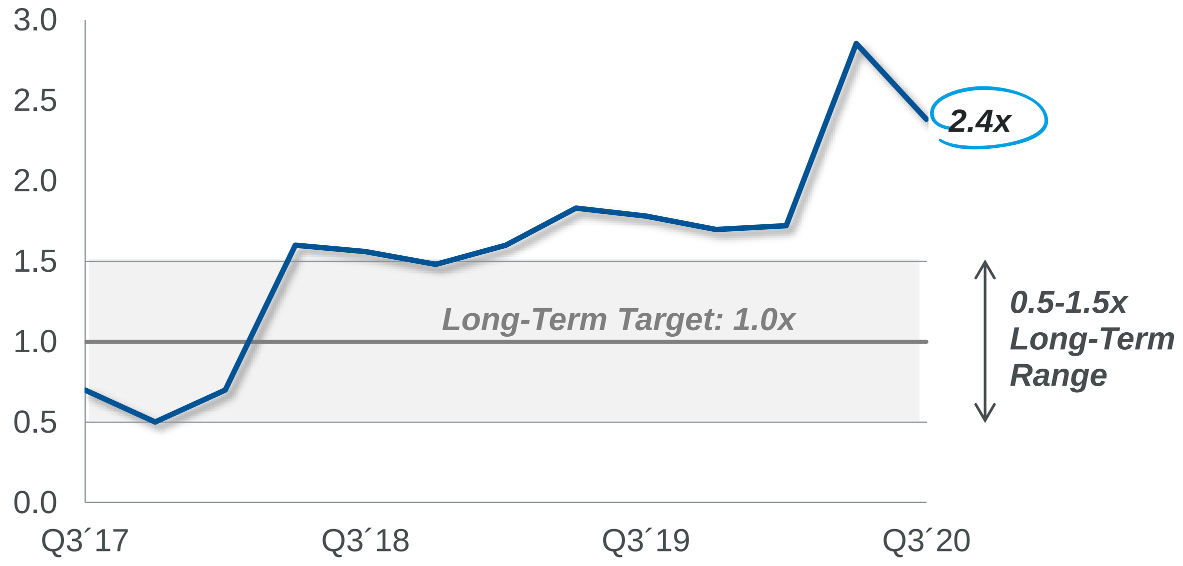
Leverage Ratio

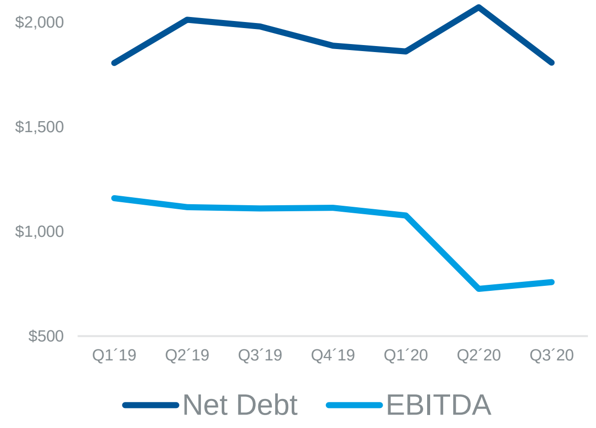
Improving Net Debt

Net Debt/ EBITDA*

x



Net Debt and EBITDA per the Policy



- Our **Net Debt*** decreased by **$265M** from Q2'20
- **EBITDA LTM** increased by **$29M** from Q2'20

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

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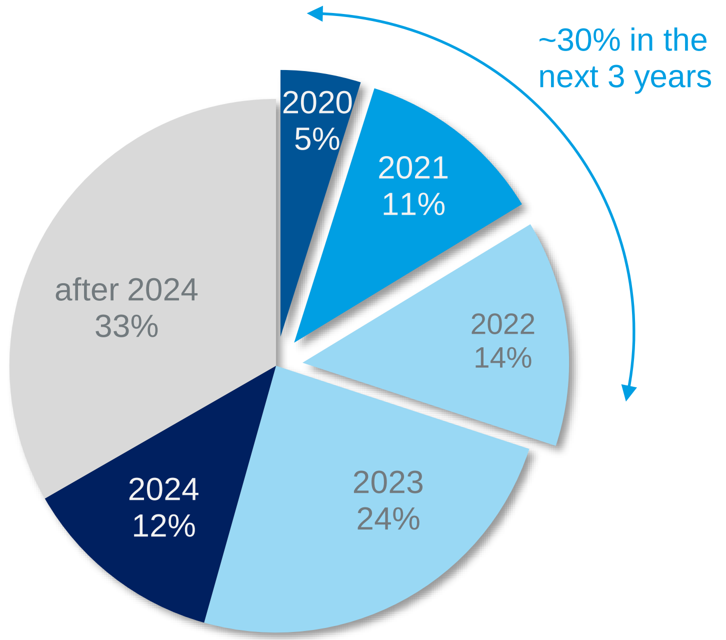
Strong liquidity position

- Significant liquidity cushion with **$2.0 billion** in cash and unutilized credit facilities at September 30
- As of October of 2nd the Revolving Credit Facility is fully repaid and available if needed

Debt Maturities end of Q3´20*

% of ~$3 billion total debt



(*) None of the credit facilities are subject to financial covenants

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Structural Efficiency Programs

Towards our medium-term targets

SEP 2

- Substantially completed by second quarter 2021
- All functions are subject to the program
- Mainly impacting Europe and Americas

	2020		FY2021	Expected for program
	FY	Q3		
Cost	~$65M	-	-	~$65M
Cash out	~$14M	$6M	~$51M	~$65M
Headcount reduction	~670	~520	~180	~850
Savings Y-o-Y	~$15M	~$5M	~$40M	~$60M annually

- Y-o-Y Savings from previous program (SEP 1) :
  - Q3´20 ~$10M
  - 2021 ~$10M

Footprint optimization

- Cost in Q3´20 was ~30 million
- First plant closure decision in Europe
  - 200+ employees affected in Germany
- Evaluating further footprint optimization

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Light Vehicle Production Outlook

Uncertainty prevails

Assumption for the fourth quarter:

The expectations on LVP in **North America** has continued to improve and Q4 is now expected to show only a modest contraction, supported by stronger US LV sales expectations and continued need to restock depleted inventories.

In **Europe,** the low inventory level induced by the lockdowns is expected to support production into the fourth quarter. Despite this IHS assumes European production to fall 1% in the fourth quarter, due to a decline in Eastern Europe.

In **China**, LV sales have shown year over year growth the past six months and inventories are balanced. IHS expects some demand stagnation in the fourth quarter with LVP dropping 5% as the year over year comparisons become more difficult.

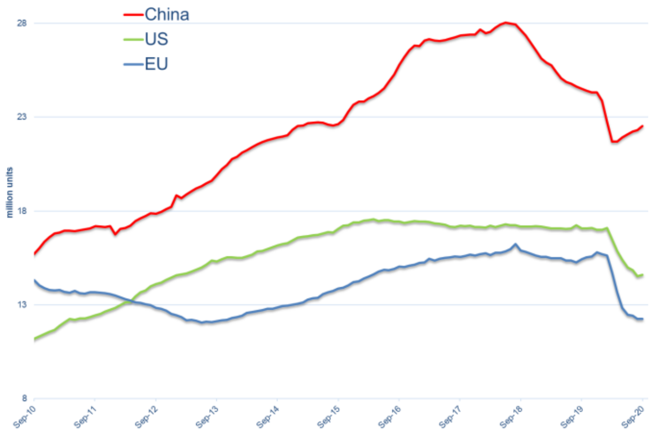
Our full year guidance is based on our customer call-offs and light vehicle production outlook according to IHS

IHS: 2020 Light Vehicle Production*

Region	Q4´20	FY´20	
	YoY Chg.	Million Units	Y-o-Y Chg.
China	-4.7%	21.3	-8.7%
Japan	1.1%	7.6	-16.4%
Rest of Asia	-8.6%	9.1	-25.8%
North America	-1.4%	11.9	-21.0%
South America	5.7%	2.3	-30.3%
Europe	-0.9%	16.3	-22.5%
Global	**-3.0%**	**70.1**	**-18.5%**

Light Vehicle Sales LTM

(Million units)



(*) Light Vehicle Production (LVP) according to IHS @ October 2020 Year over Year (Y-o-Y)

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Business Impact on Q4´20 Adj. operating margin* vs. Q4´19

Tailwinds

- Executing from strong order book
- Structural Efficiency Programs
- Discretionary spending
- Raw materials
- Strategic initiatives

Headwinds

- Lower and unpredictable LVP
- Lower inflator replacement sales
- D&A increase
- Operational headwinds from COVID-19
- Investment for factory of the future

Tailwinds and headwinds of similar magnitude

(*) Non-US GAAP measure

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Financial Outlook FY'20

	Full year indication
Sales, net	**Around -14.5%**
Organic sales decline[1] Org. sales outperformance vs. LVP	Around -13% Around 6 pp
FX	Around -1.5%
Adjusted Operating margin[1]	**Around 6%**
Tax rate[2]	Around 40%
Operating Cash flow[2]	Below 2019 level
Capex, net % of sales	Below 2019 level
R,D&E, net % of sales	Above 2019 level
Leverage ratio[1] at year end	Above target range

Exchange rates[3]	FY'20
EUR / US$	1.1349
US$ / JPY	107.06
US$ / KRW	1188
US$ / MXN	21.58
US$ / CNY	6.94

Outlook assumes that the current relative business stability prevails

(1) Non-US GAAP measures. Adjusted Operating margin excludes costs for capacity alignments and antitrust related matters, (2) Excluding unusual items, (3) Mid-October 2020 exchange rates

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Our Priorities

- Health and Safety remain top priority
- Challenging situation requires agility and making tough decisions
- Assessing the new run rate of LVP and continuously adjusting
- Executing on our long-term strategies
- Continued flawless execution in a challenging situation

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Each year, Autoliv's products save over 30,000 lives
autoliv.com
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Q3´20 Product Volumes

Substantially outperforming LVP with airbags and seatbelts

Autoliv Quantities Delivered (Millions unless specified)	**Q3´20**	**vs. PY****
Seatbelts	**33.9**	**(1)%**
▪ Pretensioners (of which)	20.4	8%
▪ Active Seatbelts (of which)	1.5	1%
Frontal Airbags	**13.2**	**(2)%**
▪ Knee Airbags (of which)	1.4	12%
Side Airbags	**23.8**	**3%**
▪ Chest (Thorax)	13.1	4%
▪ Head (Curtain)	10.6	1%
Steering Wheels	**4.7**	**(6)%**
LVP* (Global)	**19.5**	**(4.3)%**

(*) Light Vehicle Production (LVP) according to IHS @ October 2020, (**) Prior Year (PY)

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Definition of Symbols

- Driver and/or Passenger airbags
- Seatbelts
- Side airbags
- Head/Inflatable Curtain airbags
- Knee airbag
- Pyrotechnical Safety Switch
- Pedestrian Airbag
- Steering Wheel
- Front Center Airbag
- Belt-bag

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