

# Autoliv

Nordea May 4, 2021



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(\* ) 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)

# Q1 '21 Highlights

## Operational excellence and solid growth drives strong financial performance

### ▪ **Market development**

- Resource bottlenecks in global supply chains hamper industry growth
- Headwinds from raw material and commodities prices

### ▪ **Strong organic sales growth**

- Strong sales development despite market headwinds and negative geo-mix
- Record sales for a first quarter for the passive safety business, as we executed on our strong order book

### ▪ **Strong improvement in operating income**

- Structural efficiency programs and other cost reduction actions continued to yield positive results
- Building towards our medium-term targets

### ▪ **Strong cash flow**

- Net debt\* declined substantially
- Our leverage ratio\* is now inside our target range

### ▪ **FY2021 guidance unchanged**

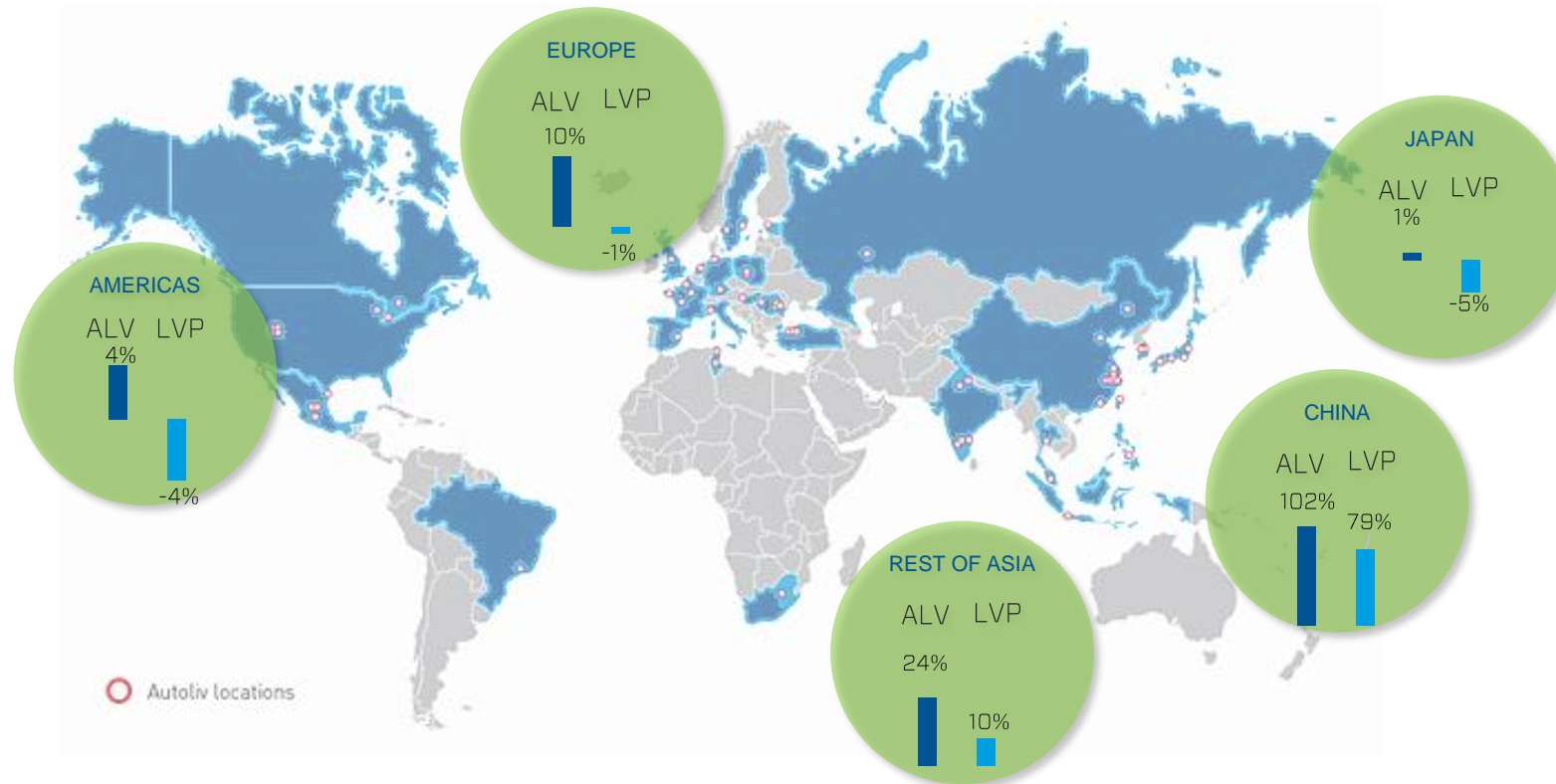


(\*) Non-US GAAP measures

# Q1'21 Sales Growth

## Outperforming global LVP by more than 4 percentage points

Regional Organic Growth\* vs. LVP\*\*



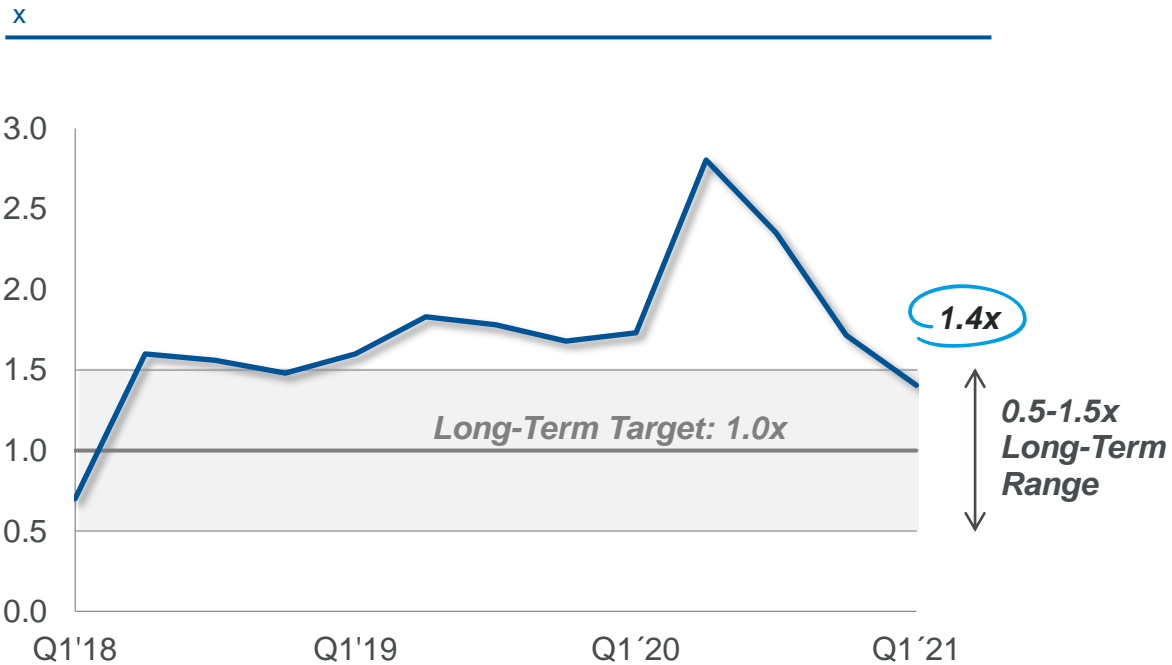
(\*) Non-US GAAP measure

(\*\*) Light Vehicle Production (LVP) according to IHS Markit @ April 2021

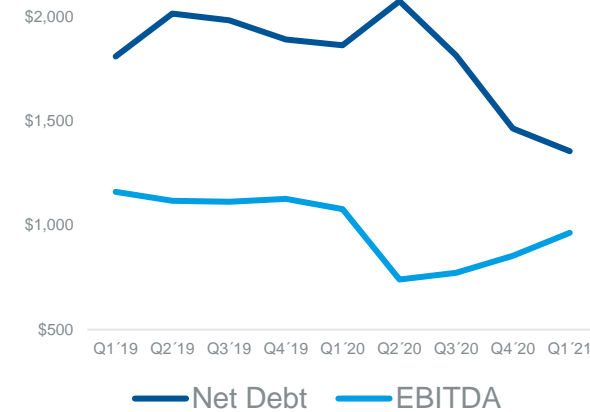
# Leverage Ratio

## Within target range

### Net Debt/ EBITDA\*



### Net Debt and EBITDA per the Policy



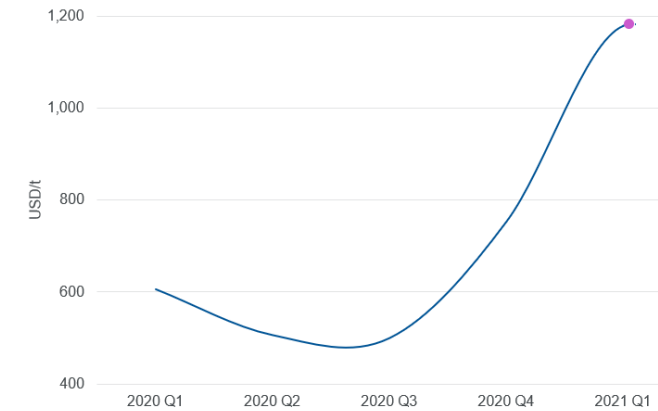
- Our **Net Debt\*** decreased by **\$109M** from Q4'20
- **EBITDA LTM** increased by **\$111M** from Q4'20

(\* Prior to Q2'18 includes the electronics segment; Non-US GAAP measure, Leverage Ratio and Net Debt includes Pension Liability  
EBITDA calculation redefined to exclude other non-operating items and income from equity method investments

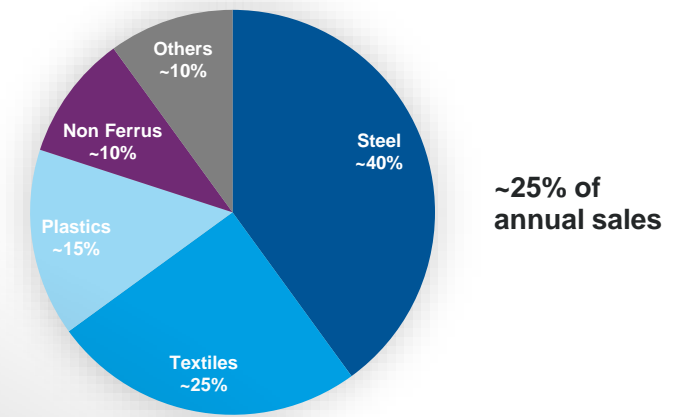
# Substantial Raw Material Headwinds

- We mainly buy components and not pure raw material
- The effects from changes in spot market prices are mitigated and delayed through longer-term supply contracts:
  - The delay is typically 6 to 12 months
  - Our volatility is usually substantially less than the volatility in the spot market
- Some, but limited, contractual passthroughs to customers
- Raw material prices impact is also mitigated through:
  - Consolidation of supply base
  - Negotiations with suppliers
  - Redesign of products

## IHS Markit: U.S. hot-rolled sheet steel

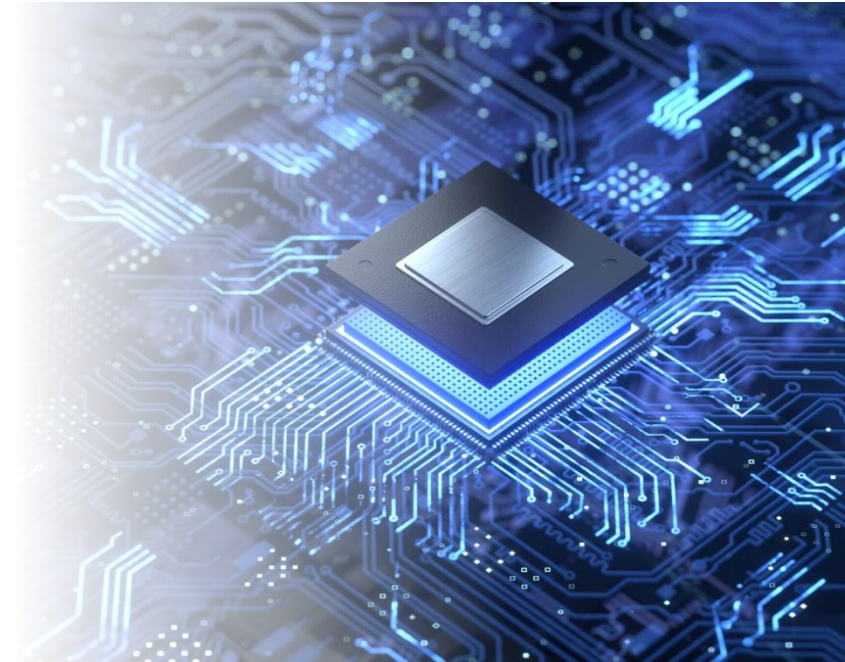


## Spend by commodity



# Global Semiconductor Shortage

- Our direct exposure is limited
- Vehicle manufacturers are experiencing increased disruption to the supply of systems using semiconductors
- Chipmakers rushing to expand their production capacity, but long lead times mean the supply issues will extend well into Q2-Q3
- 2-3 percentage point negative net impact on 2021 global light vehicle production expected
- Note that varying levels of visibility across customers persist



*What is essential for Autoliv is to efficiently adapt to any sudden changes in our customers' production plans*

# Full year 2021 indications from April 23

	Full year indication
<b>Sales, net</b>	<b>Around 23%</b>
Organic sales increase <sup>1</sup> Org. sales outperformance vs. LVP	Around 20% Mid-single digits
FX	Around 3%
<b>Adjusted Operating margin<sup>1</sup></b>	<b>Around 10%</b>
Tax rate <sup>2</sup>	Around 30%
Operating Cash flow <sup>2</sup>	Similar level as 2020
Capex, net % of sales	Below 6%
R,D&E, net % of sales	Around 4.5%

Exchange rates <sup>3</sup>	FY'21
EUR / US\$	1.20
US\$ / JPY	108.16
US\$ / KRW	1115
US\$ / MXN	20.12
US\$ / CNY	6.52



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

*(1) Non-US GAAP measures. Adjusted Operating margin excludes costs for capacity alignments and antitrust related matters, (2) Excluding unusual items, (3) Mid-April 2021 exchange rates*



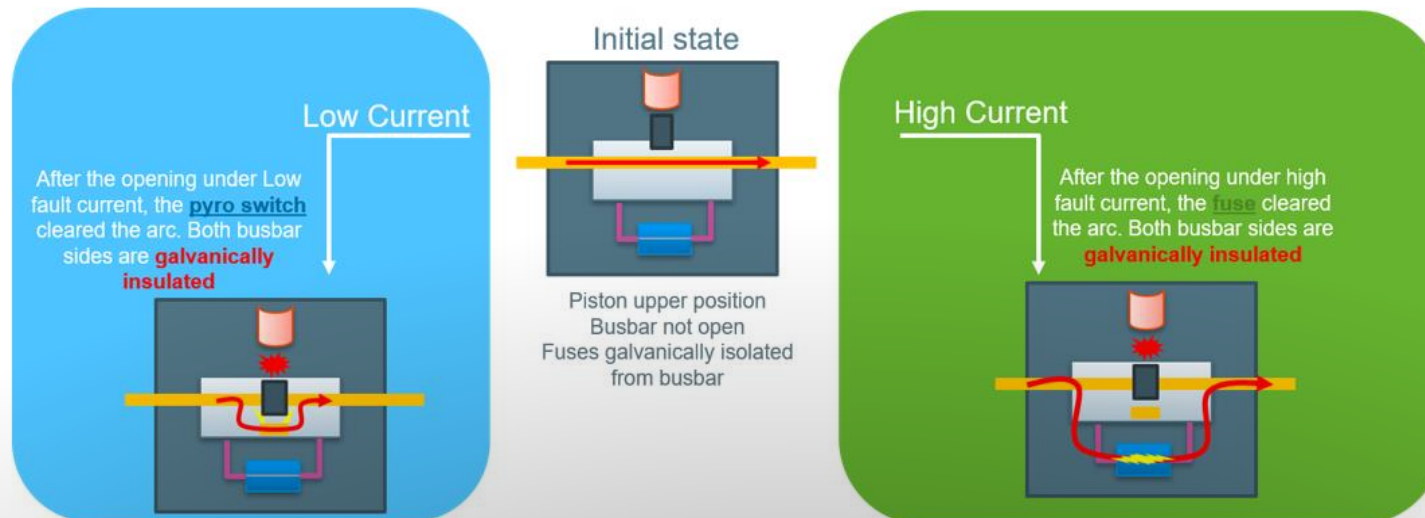
# Adjacent Opportunities

## High Voltage Disconnect Devices for Electric Vehicles

- **Market:** Many new EVs have batteries with >500 V (ex. Porsche, Audi, Hyundai.....)
- **Advantages:** cost and packaging size for high voltage batteries
- **Development and Industrialization:**
  - Mersen will bring pyro-switch - fuse hybridization concepts and fuse expertise
  - Autoliv will bring pyro-switch and high-volume automotive manufacturing expertise
  - Product development to be led by Autoliv with support from Mersen team
  - Industrialization and Manufacturing to be led by Autoliv

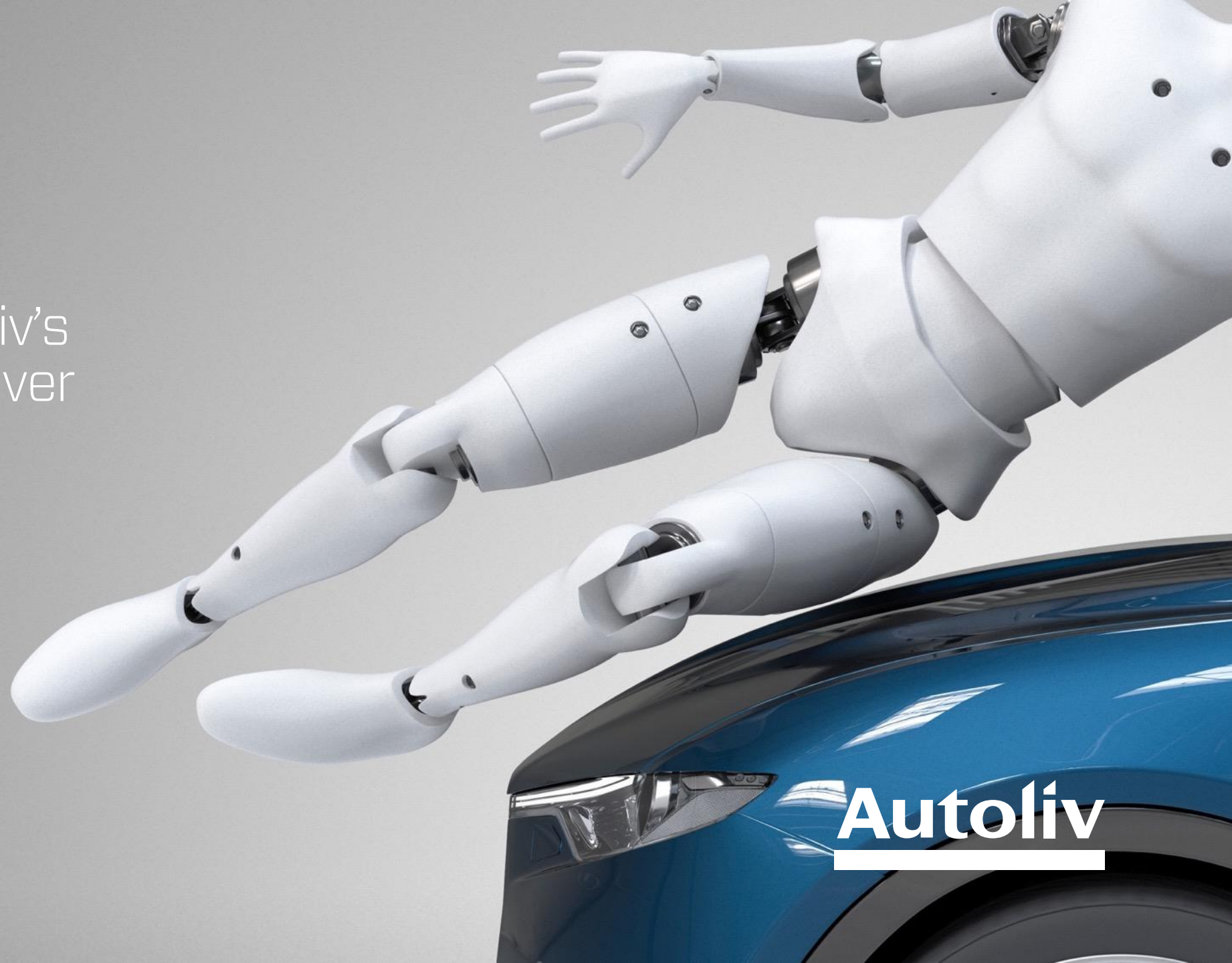


Hyundai Ioniq 5 with 800V battery



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

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