1st

Earnings Conference Call and Webcast

3rd Quarter 2018 Financial Results

October 26, 2018

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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; 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 restructurings; 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 requirements 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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Q3’18 Highlights

- Strong organic growth, despite weaker market development
  - Execution on strong order book
  - Launches on track albeit still with elevated launch related costs
  - Continued high order intake supporting our strong market position longer term
- Operating cash flow on a high level, supporting our full year indication of reaching last year’s level for continuing operations
- Unfavorable market fundamentals taking its toll on global auto demand/production in the quarter
  - LVP in W. Europe is estimated to have declined 9% mainly as a result of the new emission testing (WLTP)
  - China LVP declined 4%, more than 7pp worse than expected. The decline was more pronounced among local OEMs due to their higher exposure to lower tier cities where sales declined the most (partly due to government’s restrictions on peer to peer lending)
  - Trade policy and tariff uncertainties complicating planned process flows
- Implementing actions to mitigate market softening and reduce elevated costs related to product launches

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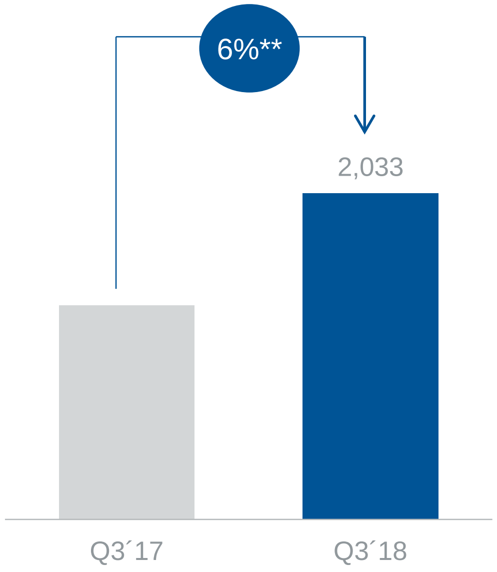
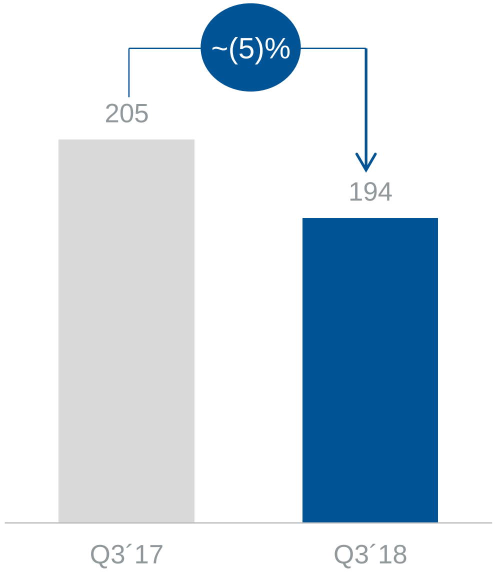
Q3´18 Financial Highlights

Step-up in sales growth from strong order book

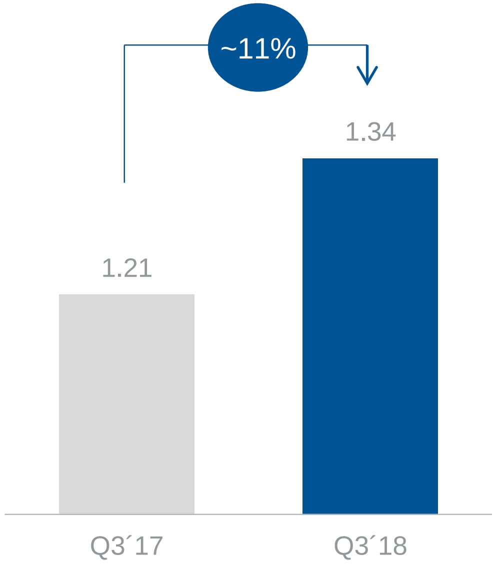
Consolidated Sales
$ million



Adjusted Operating Income*
$ million



Reported EPS
$



(*) Non-US GAAP measures exclude costs for capacity alignments, antitrust related matters and and separation of our business segments,
(**) Organic sales growth.

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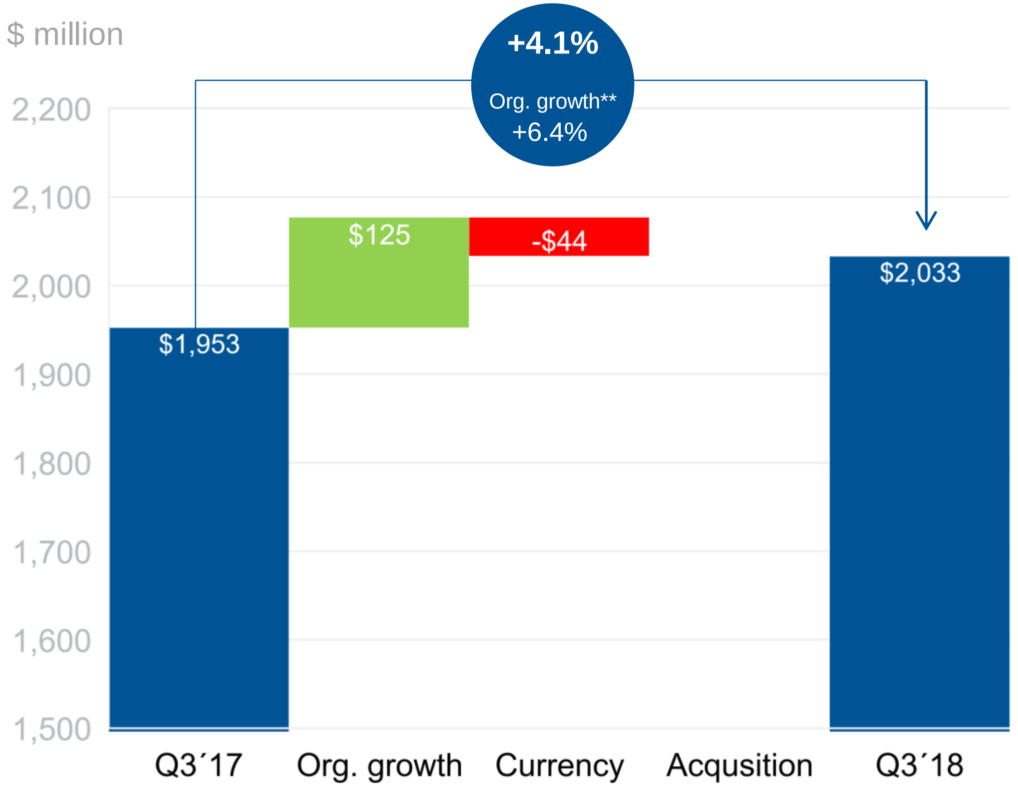
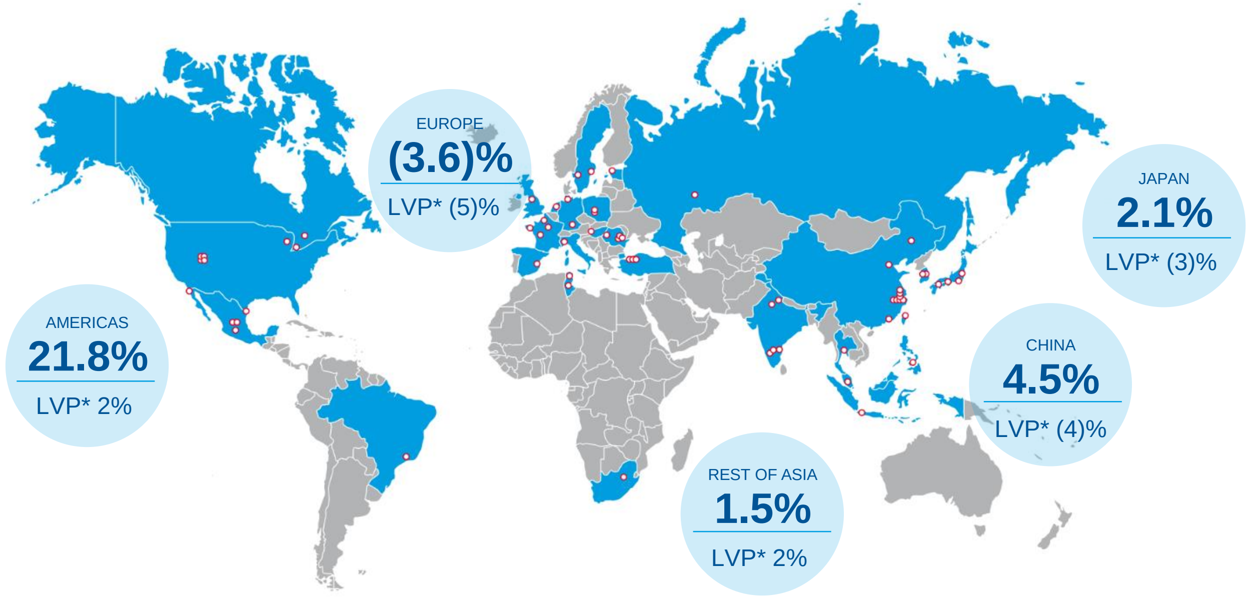
Q3´18 Sales Growth

Sales Bridge



Regional Organic Growth**



(*) Light Vehicle Production (LVP) according to IHS @ October 16, 2018,
(**) Non-US GAAP measure.

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Q3’18 - Key Model Launches

Honda Crider

Audi Q3

Chevrolet Silverado

Subaru Forester

VW Tharu

Haval F7

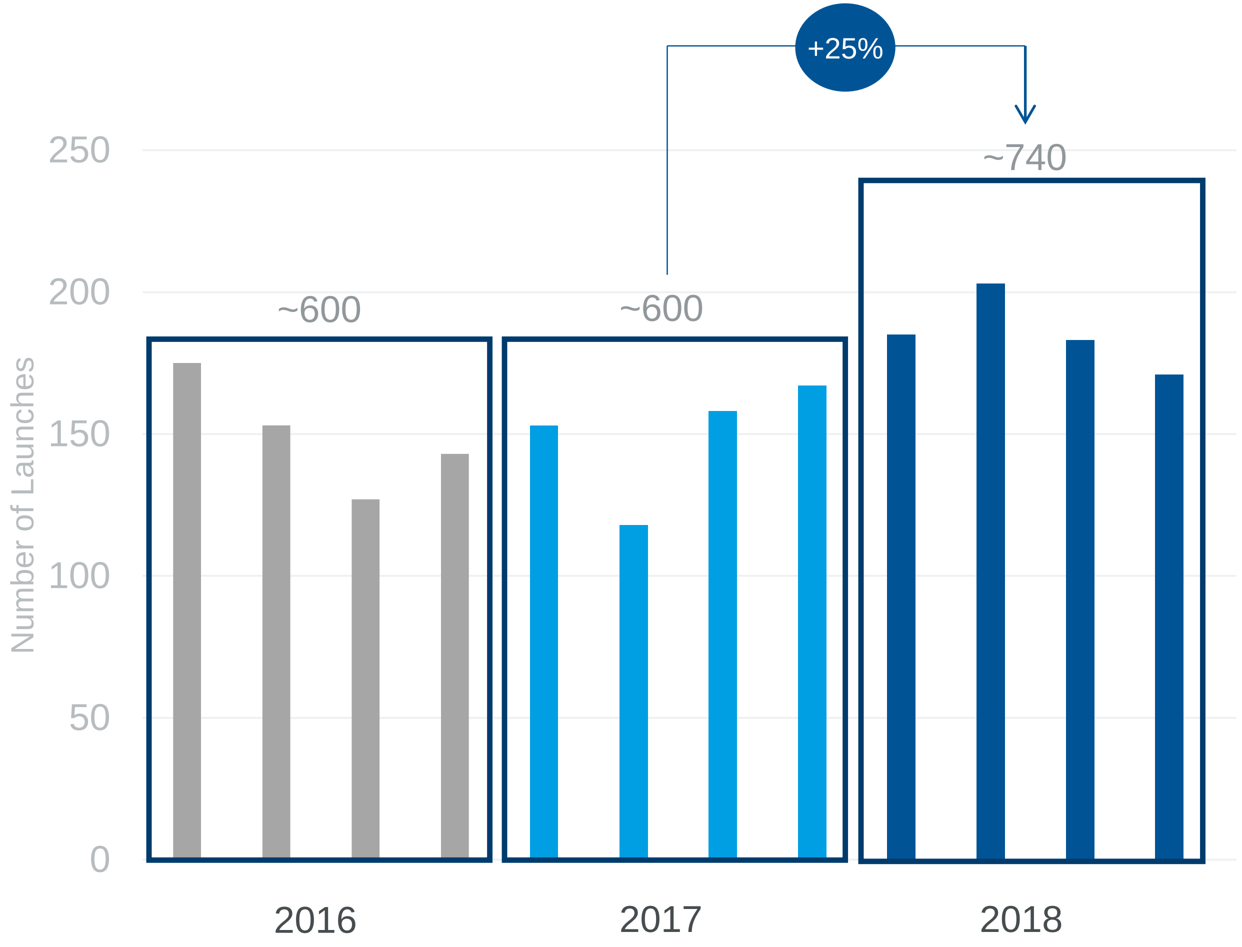
BMW X5

Audi A1

Nissan Altima

Product Launches per Quarter

YTD increased >30% YoY



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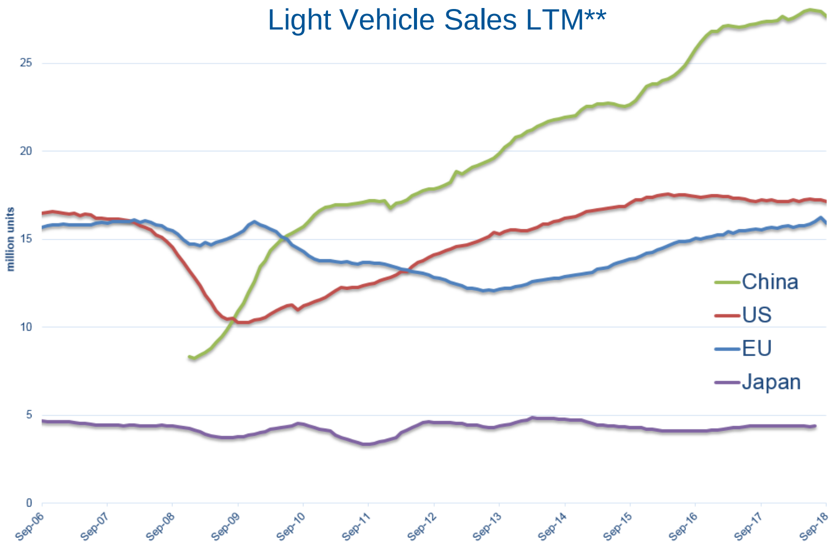
Overall Market Conditions

Softening of Major light vehicle markets

- **Asia**
  - In September, China's LV sales declined by 11%, marking the third consecutive monthly decline
  - LVP in the third quarter declined by 4%, this was more than 7 pp lower than expected in July
  - The Q4'18 LVP* is expected to decline YoY* by ~3% in China. While RoA and Japan are expected to grow by ~8% and by ~1%, respectively
- **Americas**
  - US SAAR** rebounded slightly in September from slowdowns in July and August. Inventories remain flat YoY at 3.7 million units, or ~65 days by the end of Q3'18
  - LVP in third quarter increased 2%, 6 pp lower than expected in the beginning of the quarter
  - Q4'18 LVP in North America is expected to increase ~3% YoY despite continued headwinds from rising interest and tough comps from Hurricane Harvey
  - South America continues to rebound and is expected to increase ~7% YoY
- **Europe**
  - EU28** light vehicle registrations fell by 23% in September, reversing August's inflated sales ahead of the introduction of the new more stringent WLTP CO_2 emission testing
  - LVP in W. Europe fell by ~9% in Q3 on WLTP headwinds at some OEMs, 7 pp lower than expected
  - Q4'18 LVP in Europe is expected to decline by less than 1%, whereof WEU* is expected to decrease by ~3% while EEU* is expected to increase by ~5%



FY'18 Light Vehicle Production*

Region	Millions of Vehicles	YoY Chg. @ Oct 16th
China	26.6	0%
Japan	9.0	0%
RoA*	13.1	4%
North America	15.8	0%
South America	3.5	7%
Europe	22.2	0%
Global	**92.9**	**1%**

Latest FY'18 GLVP forecast stands at 92.9 million units, ~1.3 million units lower than the July forecast

(*) Light Vehicle Production (LVP) according to IHS @ October 16, 2018, Year over Year (YoY), Rest of Asia (RoA), Western Europe (WEU), Eastern Europe (EEU),
(**) Source: ACEA, Ward's Auto, CAAM, CADA.

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Q3´18 Financial Overview

(US $ Millions unless specified)	Q3'18		Q3'17	
Sales	$2,033		$1,953	
Gross Profit	$386	19.0%	$395	20.2%
Operating Income*	$194	9.5%	$205	10.5%
EPS (assuming dilution)	$1.34		$1.21	
RoCE**	20.4%		n/a	
RoE**	23.2%		n/a	
Operating cash flow	$238		$218	
Dividend per share	$0.62		$0.60	
GLVP*** (annual run rate)	~85M		~87M	

(*) Non-US GAAP measures exclude costs for capacity alignments, antitrust related matters and separation of our business segments. (**) Return on Capital Employed (RoCE) and Return on Equity (RoE), (***) Global Light Vehicle Production (GLVP) according to IHS @ October 16, 2018.

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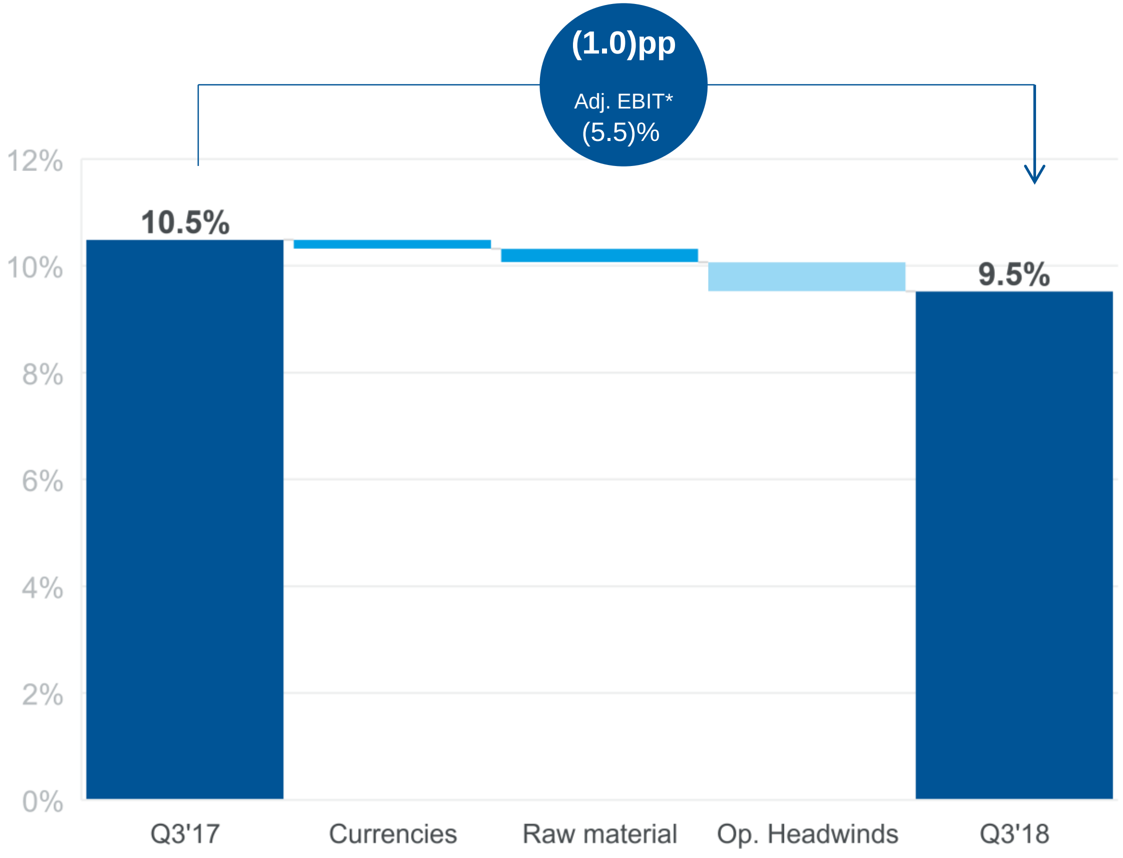
Adj. Operating Margin* Bridge

Q3'18 vs. Prior Year



Adjusted Operating Margin of 9.5% includes ~40 bps increase in Raw material and Currency impact

(*) Non-US GAAP measure excludes costs for capacity alignments, antitrust related matters and separation of our business segments.

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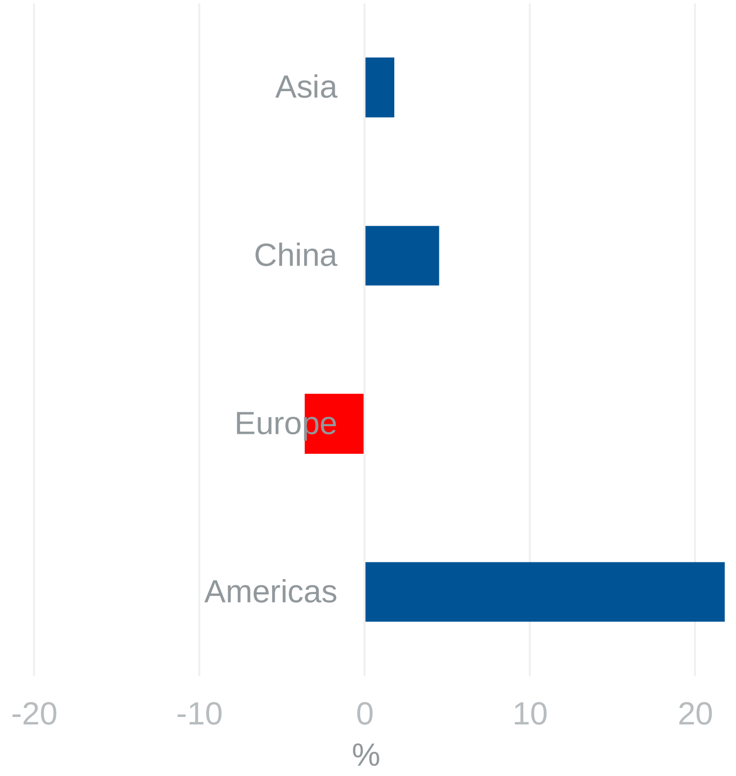
Margin headwinds Q3´18

- **Raw material**
  - Continued YoY headwinds from raw materials
- **Currencies**
  - Currency effects, translation and transaction, slightly worse than expected
- **Supply chain, production and logistic challenges**
  - Exceptional growth in Americas with continued elevated launch costs to secure quality and delivery
  - Lower and unbalanced capacity utilization in Europe due to uneven WLTP effects
  - Frequent and late changes of call-offs, especially in Europe and China, create challenges in production and resource management

Unbalanced Organic Sales Growth*



(*) Non-US GAAP measure.

Cash Flow – including discontinued operations

Investments for growth and shareholder returns

(US $ Millions unless specified)	Q3'18	Q3'17	LTM*	2017	2016	2015
Net Income	118	88	219	303	562	458
Depreciation & Amortization***	85	104	650	660	383	319
Other, net	(8)	(6)	27	(27)	1	0
Change in operating WC**	43	32	(205)	(0)	(78)	(26)
Operating cash flow	**238**	**218**	**691**	**936**	**868**	**751**
Capital Expenditures, net	(117)	(142)	(589)	(570)	(499)	(450)
Free cash flow**	**121**	**76**	**102**	**366**	**369**	**301**
Acquisitions, net****	0	2	88	128	227	128
Dividends paid	54	52	213	209	203	196
Shares repurchased	0	0	0	157	0	104

Acquisitions and CapEx for growth along with Shareholder returns are ~$0.9B over the LTM

(*) Last Twelve Months (LTM), (**) Non-US GAAP measure, before acquisitions, reconciliation of free cash flow is provided above,
(***) Includes one-time Goodwill impairment charge related to the ANBS JV in 2017, (****) includes investments in affiliates.

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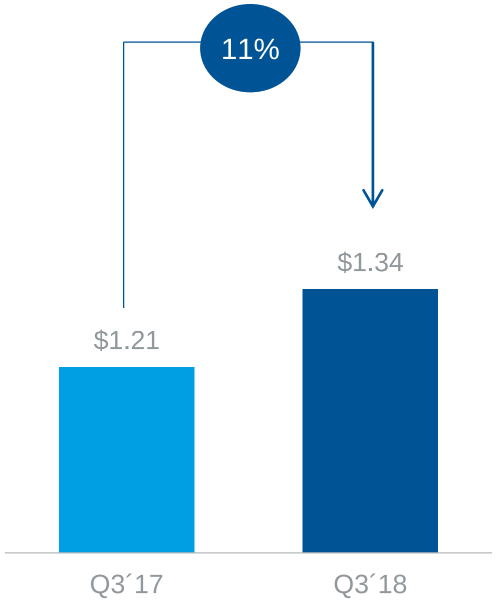
EPS development

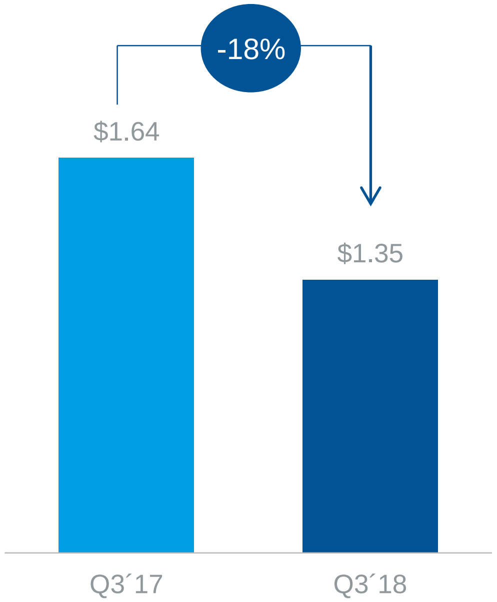
Earnings per Share

$



Earnings per Share excluding items affecting comparability*

$



The main items impacting EPS* were

- ~14 cents from higher tax
- ~9 cents from lower adjusted operating income*

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

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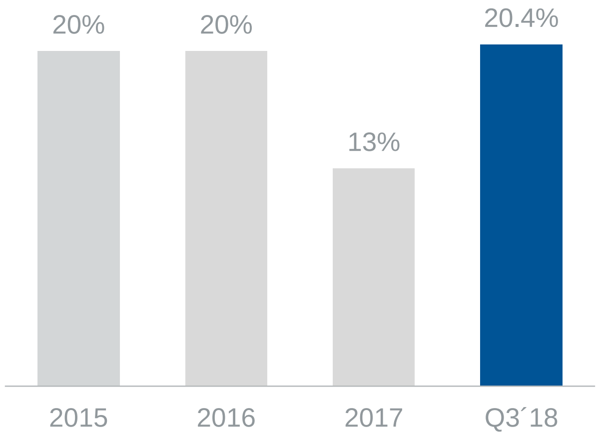
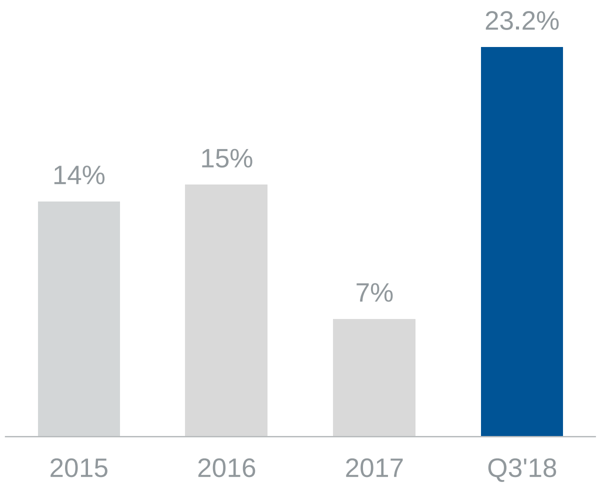
Capital Structure

Higher ROCE* and ROE* in the new corporate structure

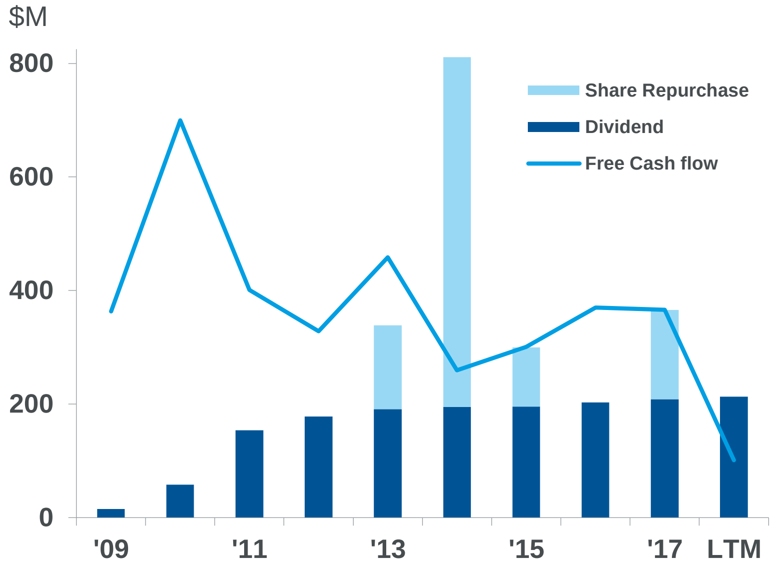
ROCE*



ROE*



Shareholder returns*



(*) Non-US GAAP measures Return on Capital Employed (ROCE), Return on Equity (ROE). For the periods 2015-2017 all returns are on a pre-spin basis.

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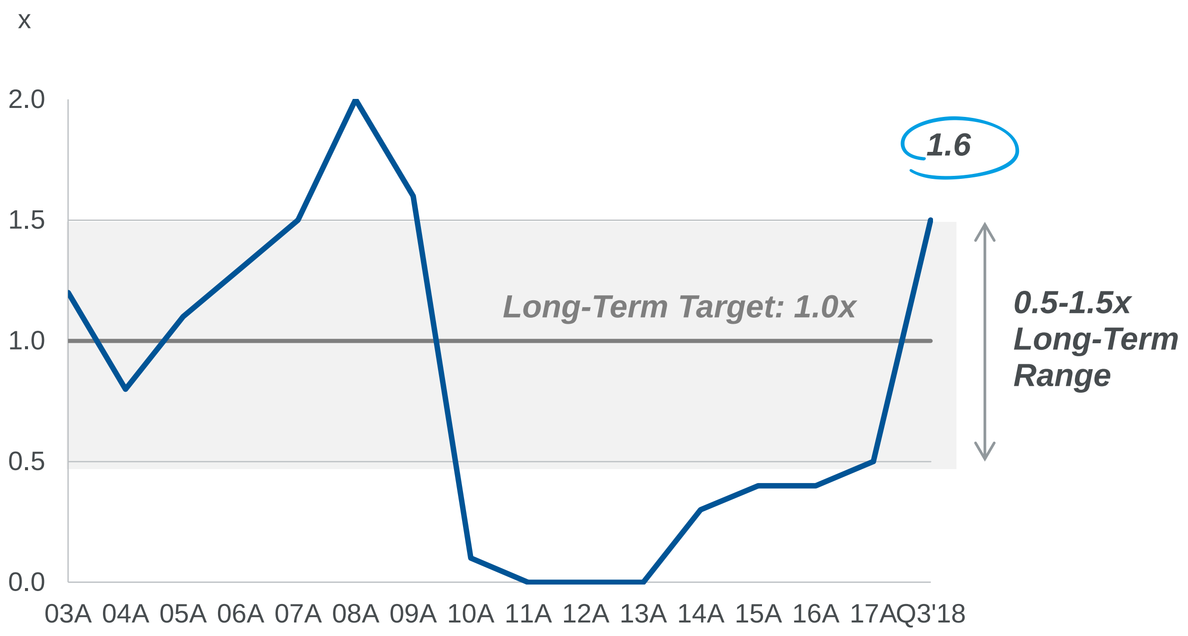
Strong Balance Sheet and Prudent Financial Policy

Committed to Maintain “Strong Investment Grade” Rating Supported by High FCF Conversion

Net Debt/ EBITDA*



- ✓ Provided $1B of cash liquidity for Veoneer at time of spin-off
  - Mix of new debt and existing cash
- ✓ S&P confirmed long-term credit rating A- (stable outlook)
- ✓ Q4’18 dividend set at unchanged level following the spinoff

- Focus unchanged,
  - Prudent balance sheet
  - Shareholder friendly capital allocation
- Primary tools remain buybacks and dividends
- Long term target remains Net Debt/ EBITDA of 1.0x

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

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Financial Outlook

Consolidated sales, net and operating margin*

	FY'18
Sales	
Organic*	~6%
Fx**	~2%
Consolidated Sales, net	**~8%**
Operating Margin*	**~10.5%**

Exchange rates**	FY'18
EUR / US$	1,1858
US$ / JPY	110,31
US$ / KRW	1103
US$ / MXN	18,98
US$ / CNY	6,61

(*) Non-US GAAP measures exclude costs for capacity alignments, antitrust related matters and separation of our business segments,
(**) Mid-October 2018 exchange rates.


Each year, Autoliv’s products save over 30,000 lives
autoliv.com
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Appendix

Q3´18 Product Volumes

Strong volume growth in high value-added Seatbelts

Autoliv Quantities Delivered (Millions unless specified)	Q3´18	vs. PY** (%)
Seatbelts	**34.7**	**(3)%**
▪ Pretensioners (of which)	17.1	2%
▪ Active Seatbelts (of which)	1.2	1%
Frontal Airbags	**13.4**	**8%**
▪ Knee Airbags (of which)	1.3	(5)%
Side Airbags	**23.4**	**0%**
▪ Chest (Thorax)	12.7	0%
▪ Head (Curtain)	10.7	1%
Steering Wheels	**4.8**	**18%**
LVP* (Triad)	**8.9**	**(3.3)%**
LVP* (Global)	**21.4**	**(2.1)%**

(*) Light Vehicle Production (LVP) according to IHS @ October 16, 2018, TRIAD (Western Europe, North America, Japan), (**) Prior Year (PY).

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Definition of Symbols

- Driver and/or Passenger airbags

- Seatbelts

- Side airbags

- Steering Wheel

- Head/Inflatable Curtain airbags

- Knee airbag

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