

Our Market and Sales Outlook

Art Blanchford

Executive Vice President Sales and Product Planning

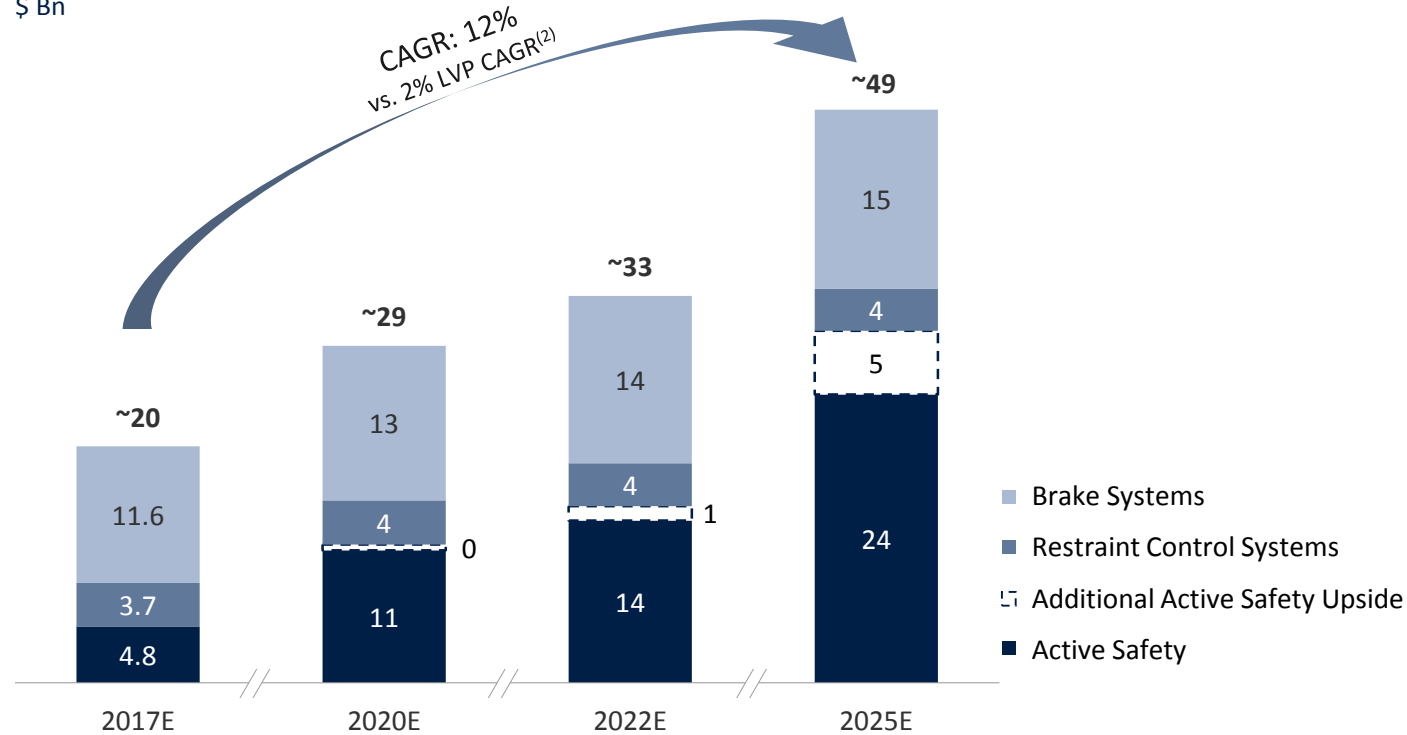


veoneer

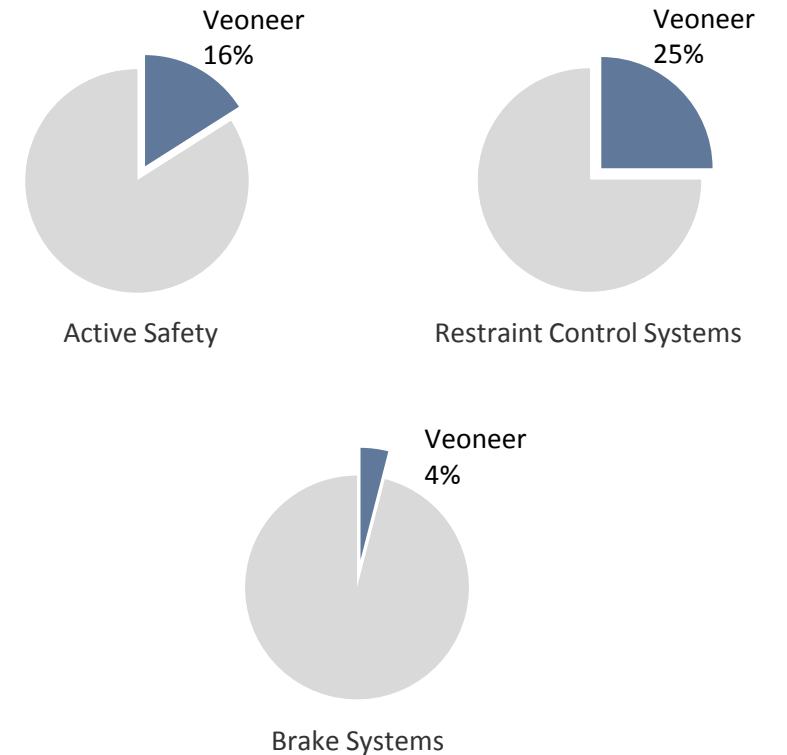
Leading Market Position in Large and Rapid Growing Market

Addressable Market including potential opportunity is estimated to reach \$49 Bn in 2025E

TAM⁽¹⁾
\$ Bn



Leading Market Shares Across Portfolio 2017A



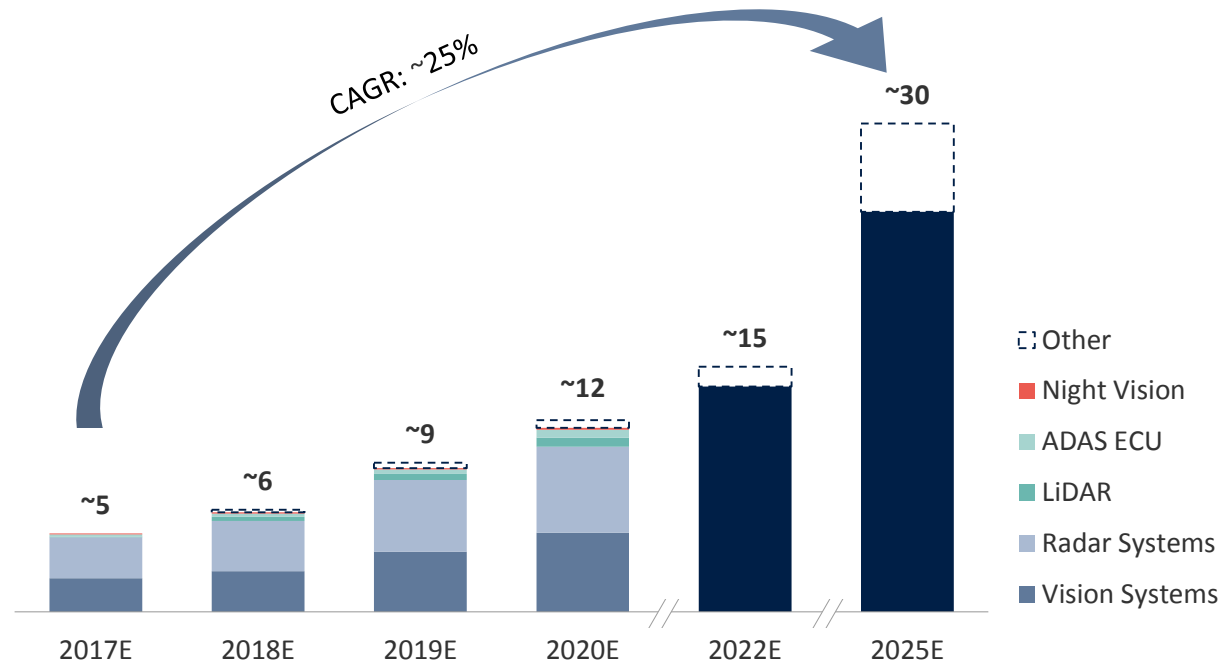
(1) TAM (Total Addressable Market); Active Safety Market includes Radar (Front/Side/Rear), Forward looking Cameras (Mono/Stereo/Night Vision), ADAS ECU, LiDAR and Other (Driver Monitoring, Digital Mapping, Connectivity System – V2V)
 (2) Source: IHS automotive database as of May 2018

Substantial Growth in Active Safety Market

Active Safety Market Growth Driven by Increasing ADAS & AD Penetration

Active Safety TAM⁽¹⁾

\$ Bn



✓ **Growing customer demand** 1

- Increased safety, comfort & convenience
- Key branding differentiator for OEMs

✓ **Increasingly stringent regulation** 2

- High safety ratings require ADAS features

✓ **Ongoing race to achieve vehicle autonomy** 3

- Evolution from driver assistance to full autonomy (SAE level 1-5)
- Significant CPV increase with higher level of autonomy

(1) TAM (Total Addressable Market); Active Safety Market includes Radar (Front/Side/Rear), Forward looking Cameras (Mono/Stereo/Night Vision), ADAS ECU, LiDAR and Other (Driver Monitoring, Digital Mapping, Connectivity System – V2V)

1

Increasing Customer Demand for Active Safety Features

The New Mercedes-Benz S-Class Might Be a Better Driver Than You

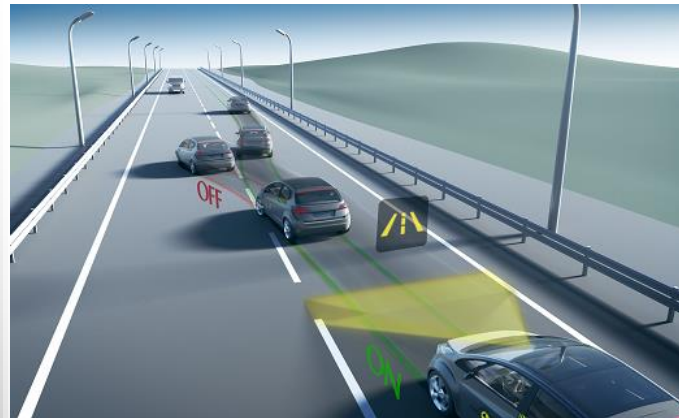
The sedan's smooth ride and luxe features make a strong case for self-driving tech.

Like the most lauded tech achievements of the 21st century, the S-Class excels at solving problems we didn't know we had



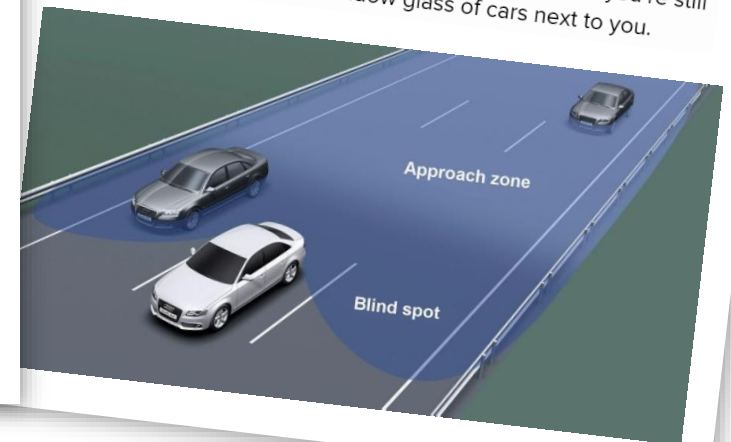
Today's lane keeping assistance tech steers the way to self-driving cars

Our next stop on the road to autonomous cars is a look at the lane departure warning and prevention technology that helps modern drivers stay safely in their lanes.



Blind spot detection: Car tech that watches where you can't

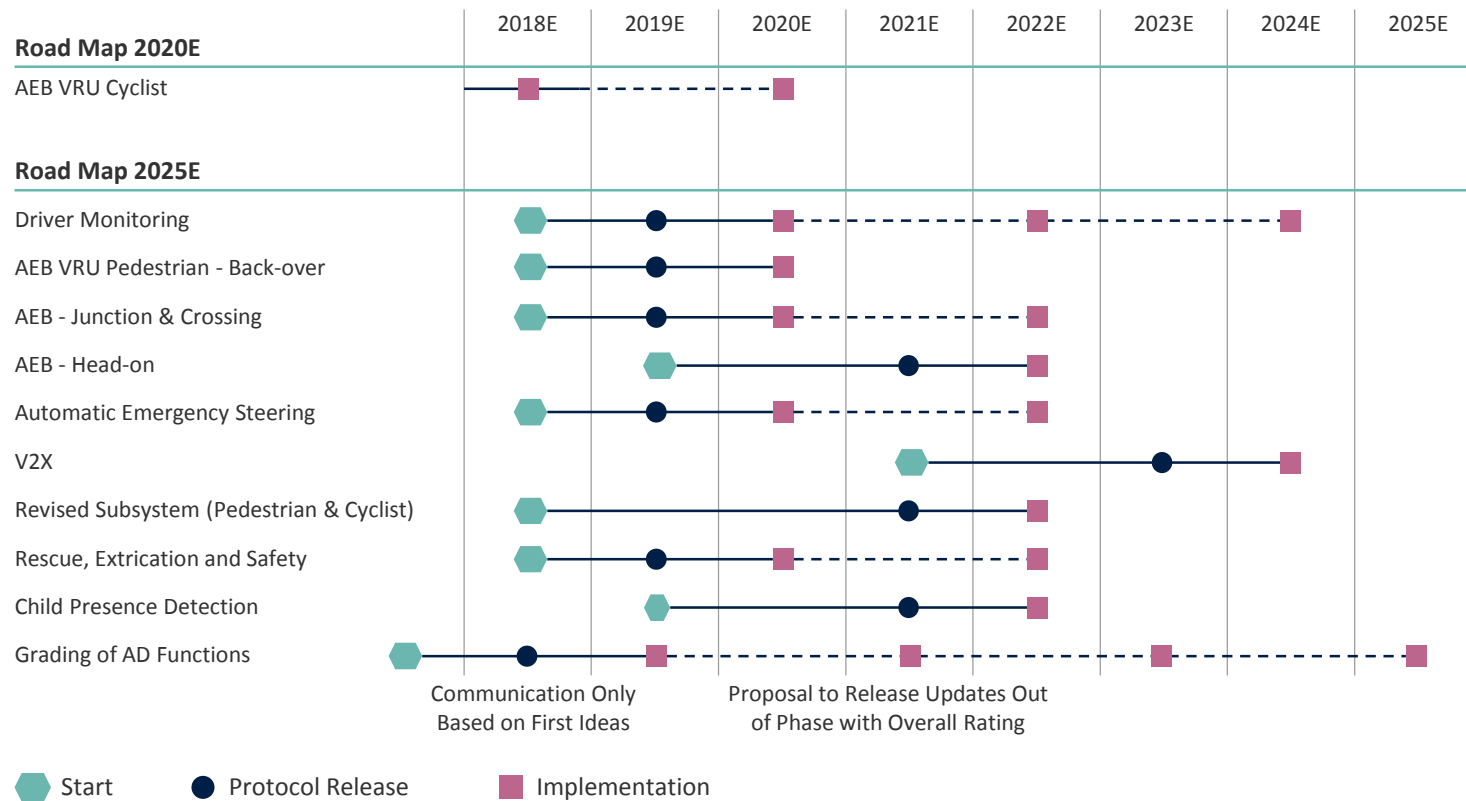
If you have blind spot detection, the sensors may also provide cross-traffic alert. When you start to back out of a head-in parking spot with cars on either side, the sensors will notice traffic on either side heading in your direction and sound an alert, usually louder and more insistent that backup sonar. It sees the traffic coming almost as soon as you start backing out, while you're still trying to peer through the window glass of cars next to you.



Source: Press statements

ADAS Critical to Achieve Higher Safety Ratings

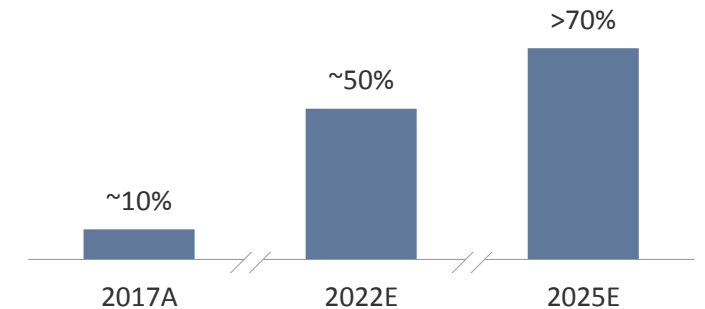
EU NCAP Ratings Roadmap for Active Safety



- ✓ NCAP ratings accelerating growth & importance of ADAS features
- ✓ Increasing take rates
- ✓ Higher frequency of innovations

Example: AEB Take Rates


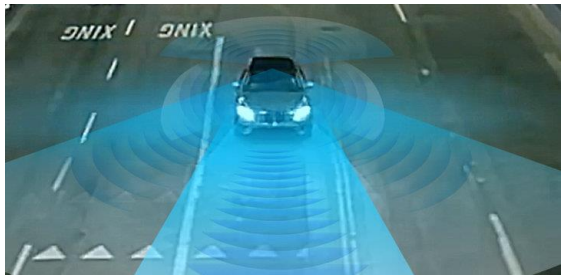


Key Requirement to Achieve High Safety Ratings



3

Illustrative Example

Hardware Need for Various Levels of Autonomy

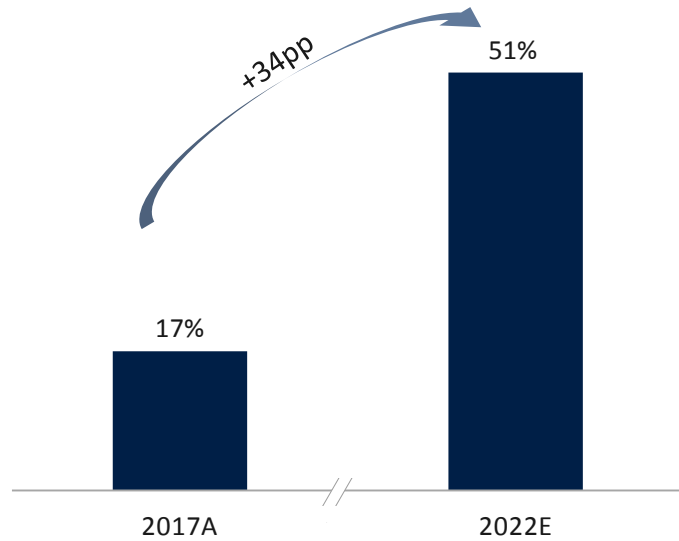
1 Driver Assistance	2 Partial Automation	3 Conditional Automation	4/5 High/ Full Automation
			
<ul style="list-style-type: none"> • Mono-Vision • Mid Range Radar • 2 Front Corner Radar • 2 Rear Corner Radars • ADAS ECU 	<ul style="list-style-type: none"> • Mono-Vision • 2 Front Corner Radar • Mid Range Radar • 2 Rear Corner Radars • Far Infrared Cam. • ADAS ECU • E - Horizon • Rear/ Surround View • Driver Monitoring • HD Map 	<ul style="list-style-type: none"> • 4 Corner Radars • Stereo Vision • Mid Range Radar • Far Infrared Cam. • ADAS ECU • Mono-Vision Rear • V2X • Lidar • HD Map • E- Horizon • Driver Monitoring System • Rear/ Surround View 	<ul style="list-style-type: none"> • Stereo-Vision, Long Range Radar • 4 Corner Radars, Satellites • LIDAR Front, Mono-Vision Rear • Driver Monitoring System • HD Map • V2X • Surround View • Far Infrared Cam. • Mid-Range Side Sensors • AD ECU
<ul style="list-style-type: none"> • Autonomous Emergency Braking • Lane Keep Assist • Auto High Beam • Adaptive Cruise Control 	<ul style="list-style-type: none"> • Lane Change Assist • Lane Centering • Advanced Parking Assist • Traffic / Highway Assist 	<ul style="list-style-type: none"> • Automated Lane Change • Traffic Jam Pilot • Automated Parking 	<ul style="list-style-type: none"> • Piloted Highway Driving • Geo-fenced City Pilot • Unattended Valet Parking • Mobility on Demand (L5)
<p>1-6 Sensors + Optional Control Unit</p>	<p>2-10 Sensors + Control Unit</p>	<p>>15 Sensors + Control Unit (incl. AI), Driver Monitoring</p>	<p>>25 Sensors + Control Unit (incl. AI), Driver Monitoring</p>

Standard Fit Optional Fit

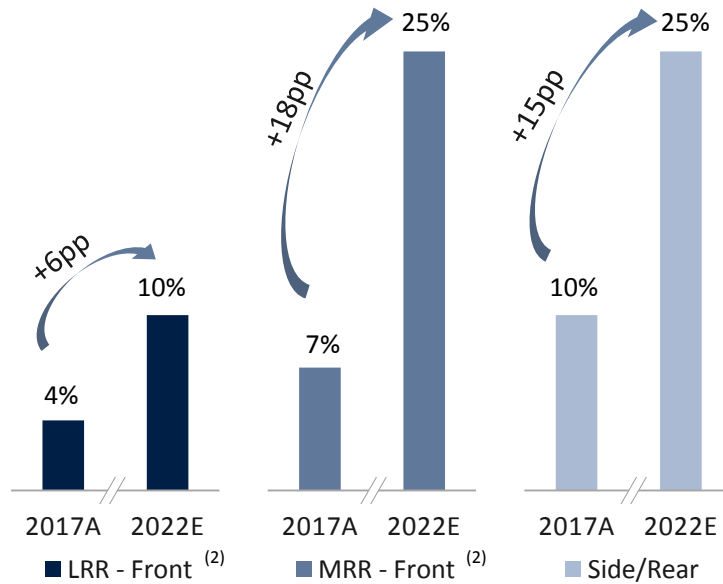
X SAE Level of Autonomy

Estimated Take Rates for Selected Active Safety Products

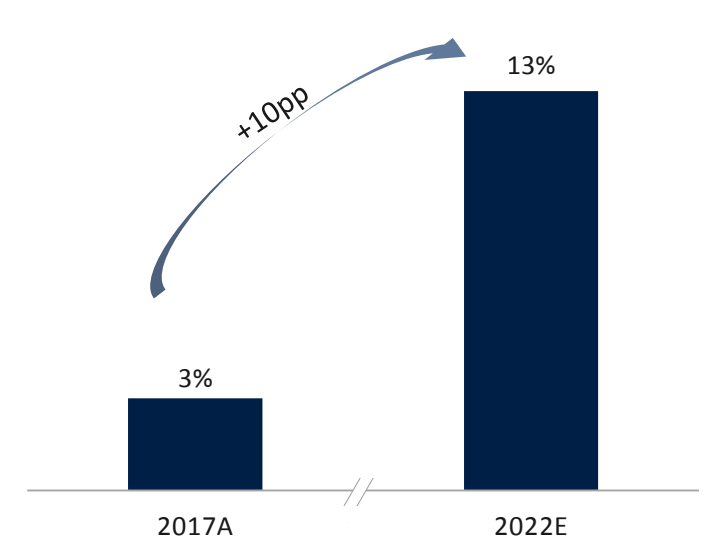
Forward Looking Cameras⁽¹⁾
Take Rates



Radars
Take Rates



ADAS Controllers
Take Rates



(1) Including Mono and Stereo Vision

(2) LRR: Long Range Radar; MRR: Multi Range Radar

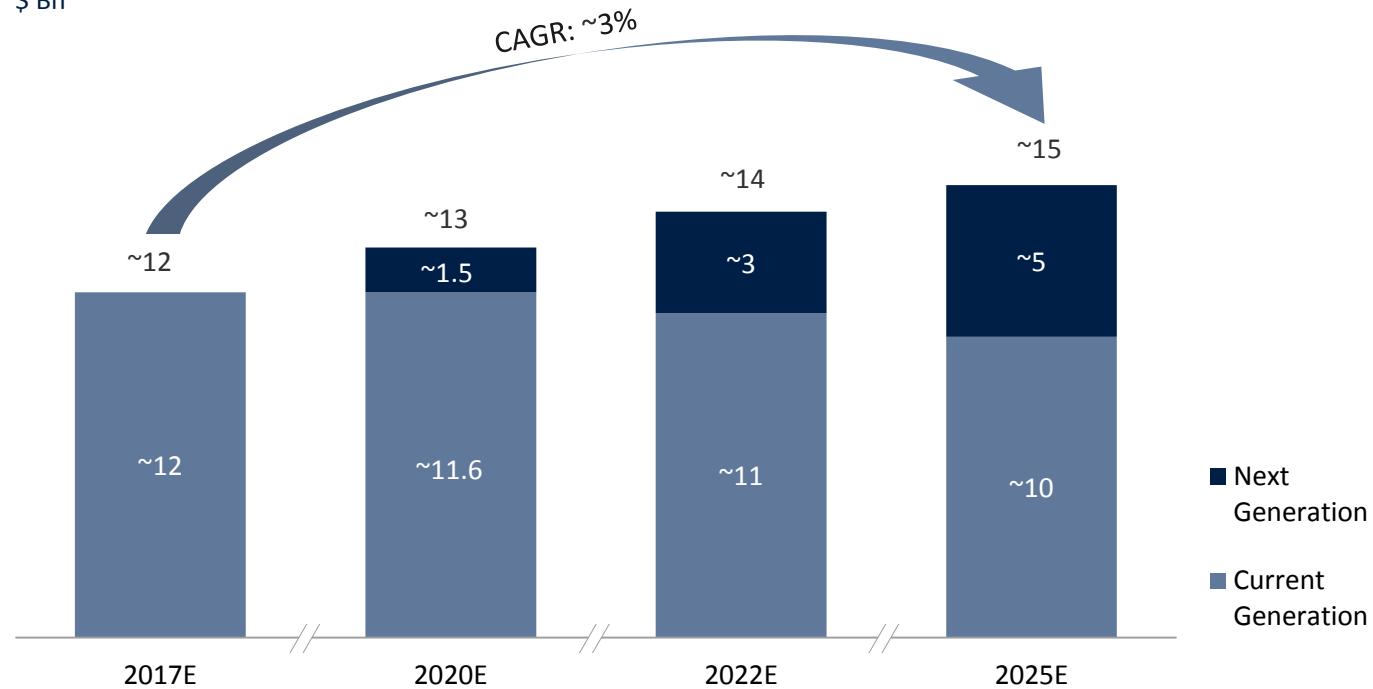
Restraint Control Systems Market Largely Unchanged

- ✓ **Stable market size**
 - Veoneer is expected to remain market leader
- ✓ **Volume growth offset by cost reduction and integration of RCS ECU into Safety Domain ECU (Active Safety)**
 - **RCS expertise critical for leadership in**
 - **Safety Domain Controllers**
 - **Event Data Recorder**
 - Our leadership here is foundation for OEM trust in making advanced technology Automotive Grade



Next Generation Braking Systems Driving Market Growth

Global Brake Controls & Actuation Market to Reach \$15 Bn in 2025E
 Brake Systems TAM⁽¹⁾
 \$ Bn

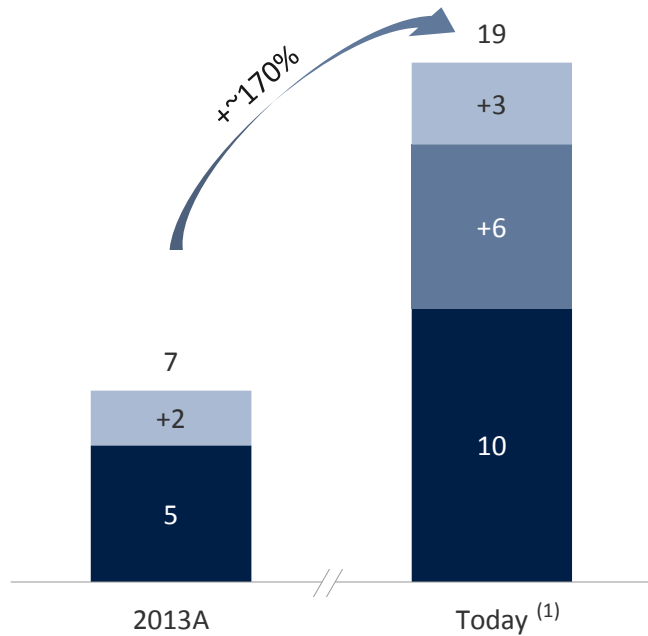


- ✓ **Stricter regulations on vehicle emission**
 - Improves fuel/ electricity efficiency
 - Reduces exhaust emission
- ✓ **Growing demand of long range EVs**
 - Extends journey distance
- ✓ **Extends life of brake systems**
- ✓ **Reduced manufacturing cost**

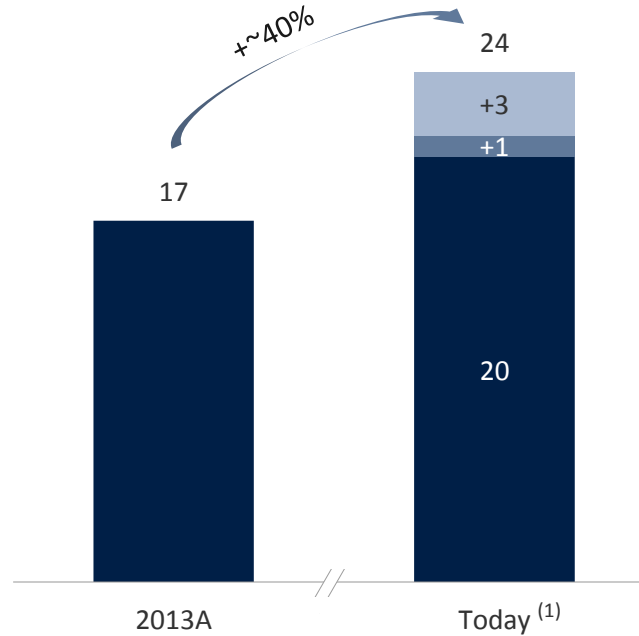
(1) TAM (Total Addressable Market)

Successful Customer Base Expansion Across Segments...

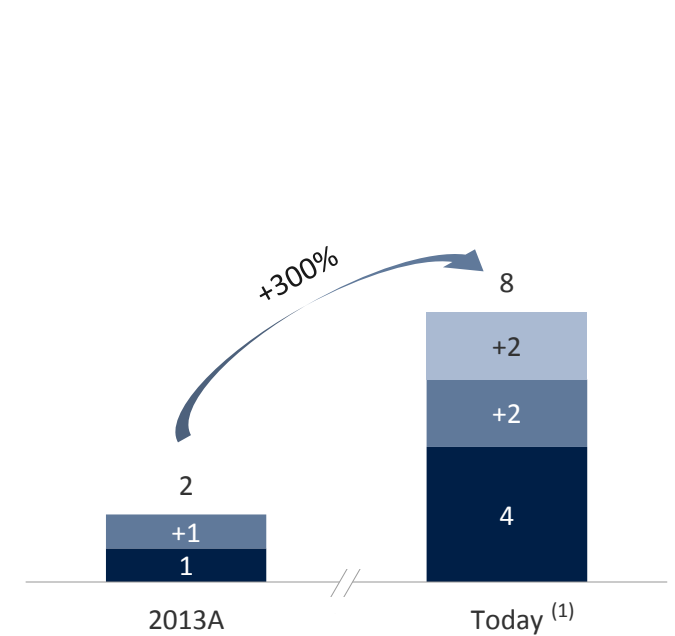
Active Safety
Number of Customers



Restraint Control Systems
Number of Customers



Brake Systems
Number of Customers



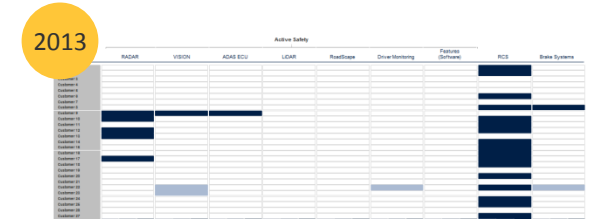
Bid List
 Technical Qualification
 Awarded Business

(1) As of May 2018

...Increasingly Diversified Today

Broad & Diversified Customer Base Today

May-2018



Active Safety

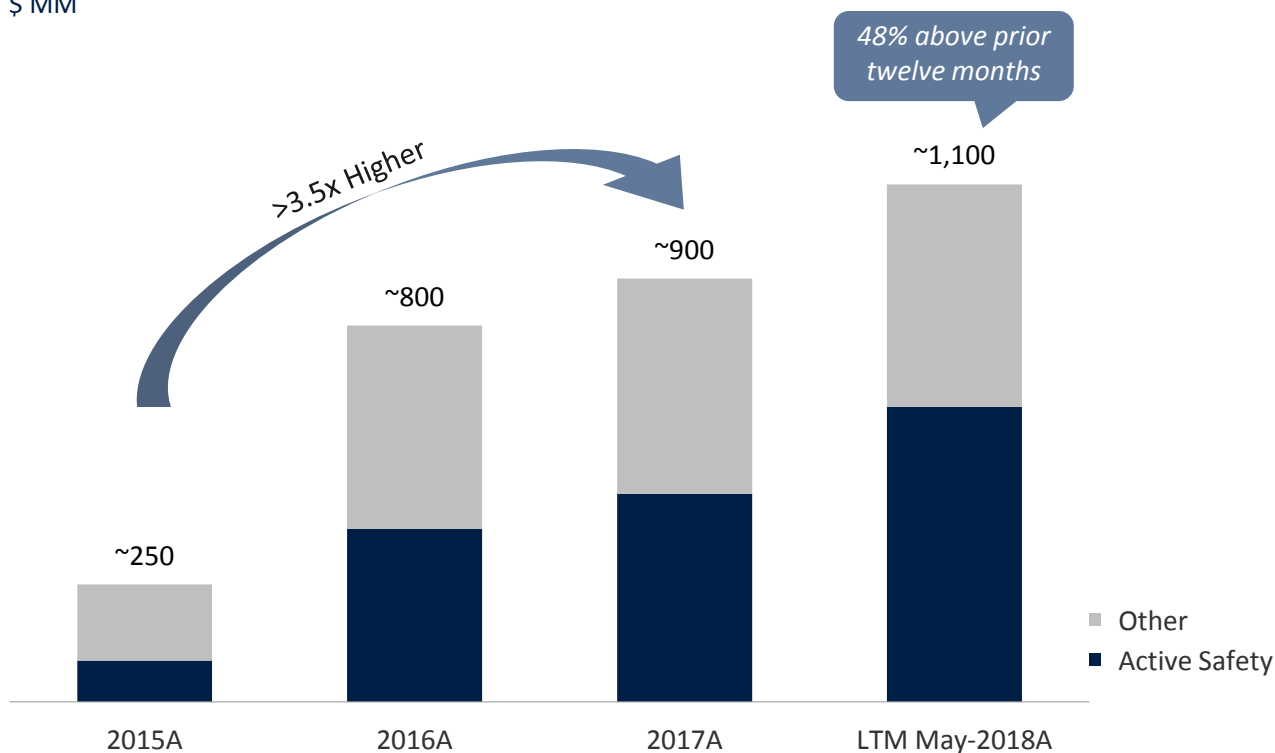
Customer ⁽¹⁾	RADAR			VISION			ADAS ECU			LiDAR			RoadScape			Driver Monitoring			Features (Software)			RCS			Brake Systems			
Customer 1																												
Customer 2																												
Customer 3																												
Customer 4																												
Customer 5																												
Customer 6																												
Customer 7																												
Customer 8																												
Customer 9																												
Customer 10																												
Customer 11																												
Customer 12																												
Customer 13																												
Customer 14																												
Customer 15																												
Customer 16																												
Customer 17																												
Customer 18																												
Customer 19																												
Customer 20																												
Customer 21																												
Customer 22																												
Customer 23																												
Customer 24																												
Customer 25																												
Customer 26																												
Customer 27																												
Total	17	13	8	16	9	5	11	8	3	11	4	1	3	1	2	10	5	1	6	4	2	24	21	20	8	6	4	

Bid List
 Technical Qualification
 Awarded Business

(1) The 27 customers shown represent >95% of light vehicle production (Source: IHS)

Tremendous Order Intake Increase Over Last Three Years

Veoneer Order Intake Evolution⁽¹⁾
\$ MM



Selected Recent Business Wins

Active Safety	Q2 2018	First Mono-Vision order with major Global OEM
	Q2 2018	First Driver Monitoring system order with major Global OEM
	Q1 2018	First Level 3 System order in China with Radar, Camera, ECU, and Software
	Q4 2017	Large Vision order with Asian OEM
	Q4 2017	First LiDAR order, from major US OEM
	Q2 2017	Repeat Radar order with European OEM
RCS	Q2 2018	Latest generation RCS major award with US OEM
Brake Systems	Q4 2017	Second Brake award with major US OEM

(1) \$ value represents expected average annualized sales from respective years order intake, disclosure of orders will not be made regularly, based on when the orders were awarded

Veoneer Outcompetes for L3 Awards



RFI from Geely

- Veoneer and Zenuity together initiated studies
- System specification, technical reviews & workshops with Geely



RFQ Received

- L3 system to meet NCAP requirements
- 3-5 competing suppliers



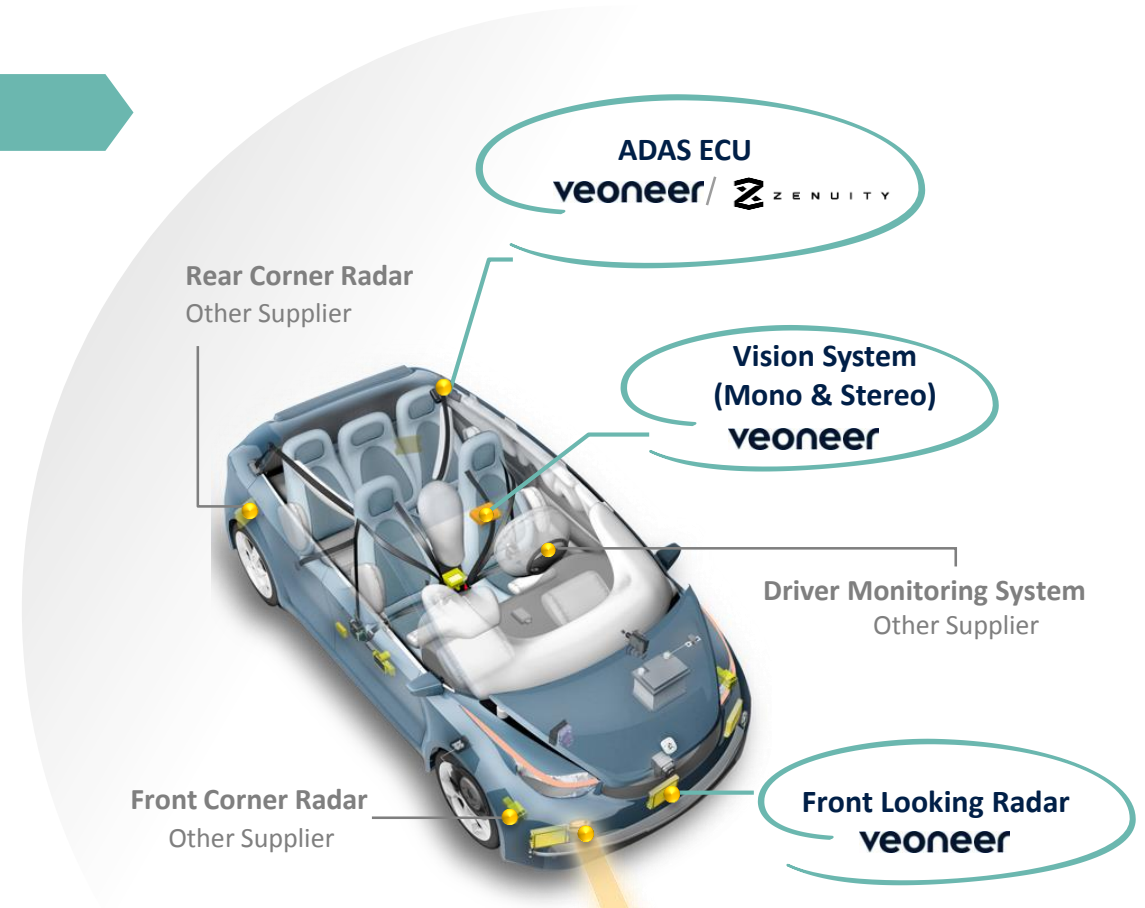
Selection Process

- Performance & capability reviews
- Client visits



Customer Win

- Sales negotiation
- Sourcing secured



Summary

- ✓ Capitalizing on our Market Opportunity
 - Increasing vehicle take rates
 - Increasing penetration with customers in all geographies
 - Record order intake continues
 - Software content is expected to increase significantly over the next decade

