



Saving More Lives

Annual General Meeting

The Langham Hotel,
Chicago

Jan Carlson – Chairman, President & CEO
May 10, 2016



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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, including without limitation, management's examination of historical operating trends and data, as well as estimates of future sales, operating margin, cash flow, effective tax rate or other future operating performance or financial results, are based upon our current expectations, various assumptions and 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," "will," "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; fluctuations 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 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; our ability to be awarded new business; product liability, warranty and recall claims and investigations and other litigation and customer reactions thereto; 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; our ability to protect our intellectual property rights or infringement claims; 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. The Company undertakes no obligation to update publicly or revise any forward-looking statements in light of new information or future events. 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 or revise any forward-looking statements in light of new information or future events.

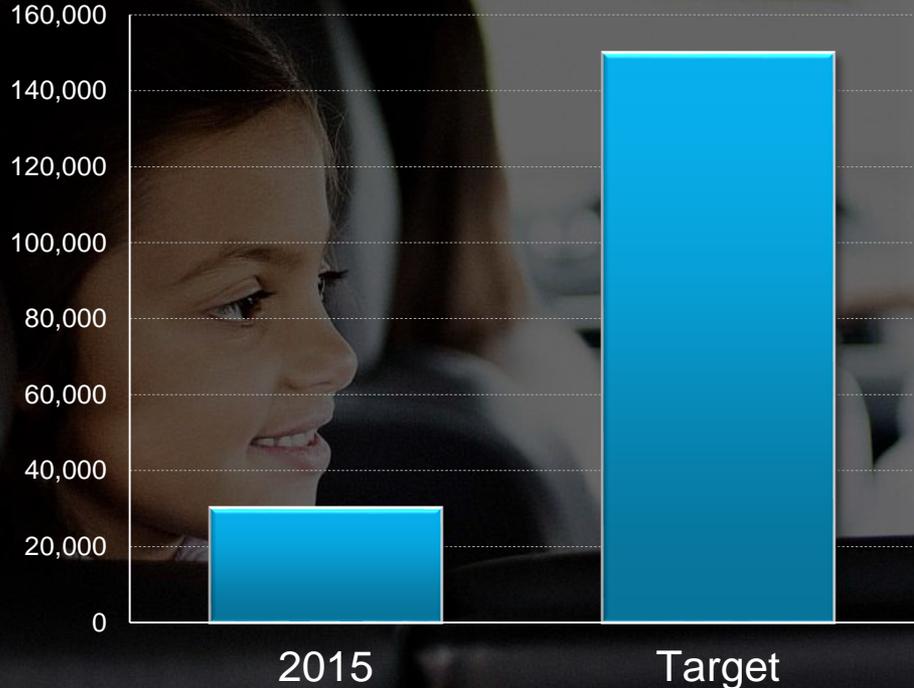
(*) Non-US GAAP reconciliations are disclosed in our regulatory filings available at www.sec.gov or www.autoliv.com.

Saving Lives and Creating Value

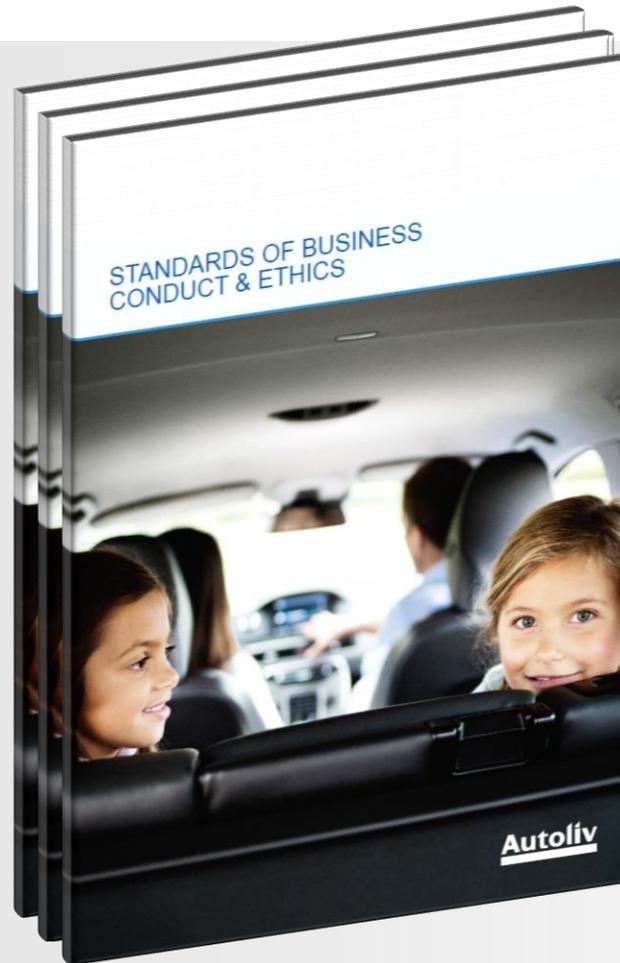


We Save More Lives while Creating Value

Human lives saved by our products
... additionally they prevent ten times as many severe injuries

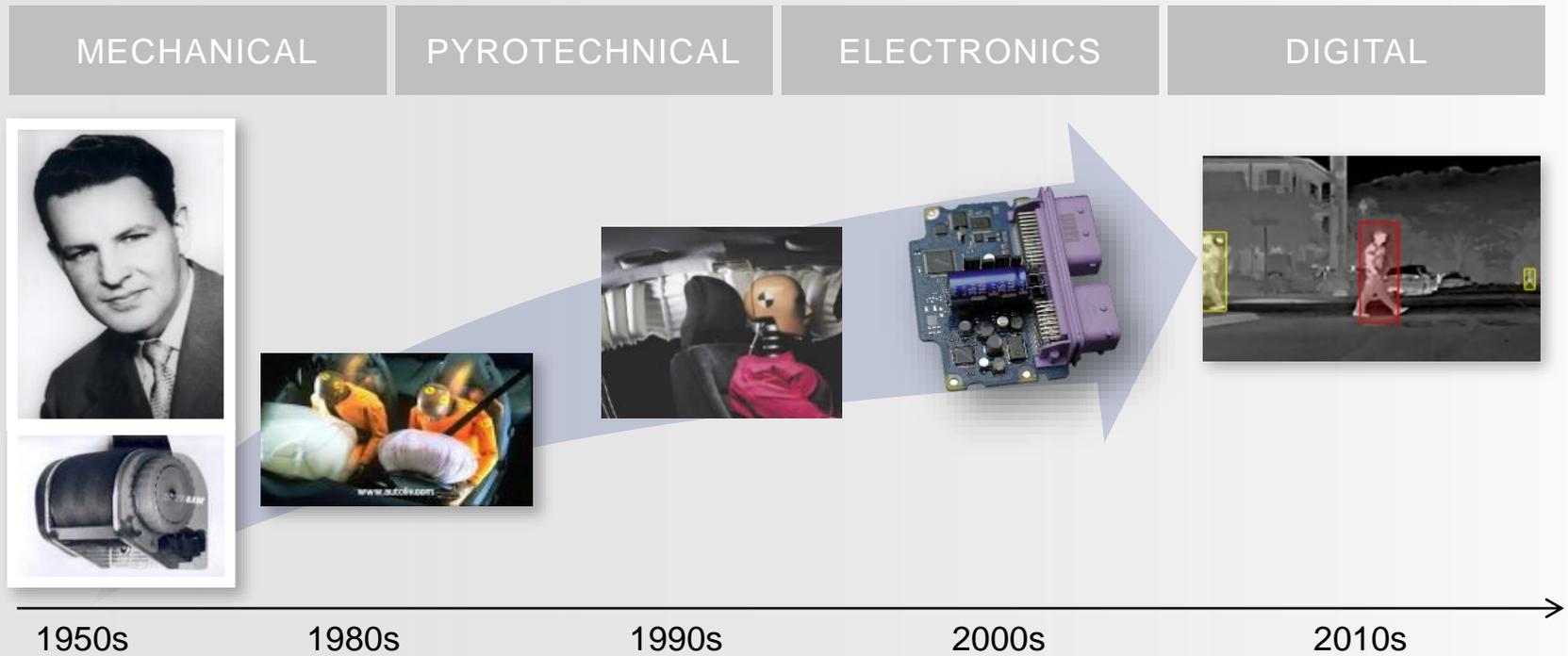


**It starts
with me**



Industry Pioneer with Strong Heritage

More than 60 years of innovation in Automotive Safety



Changing Industry Landscape

New technology change the way we drive and shape competition



Our Guiding Principles

OUR VISION

**Saving
More
Lives**

OUR MISSION

To be the
leading supplier
of Safety Systems
for the Future Car,
well integrated
with Autonomous
Driving

OUR VALUES

**One Autoliv
Transparent
Innovative
Agile**

Our Strategy to Stay Ahead

Quality is our first priority, in all we do



Q5 is about Quality in all dimensions and is our journey towards “Zero Defects”

Our Strategy to Stay Ahead

Relentless focus on Operational Excellence



Zero Defects by flawless execution



One Product One Process to improve cost effectiveness and robustness



Innovation to lead industry in Real Life Safety

Real Life Safety

The Road to Saving More Lives

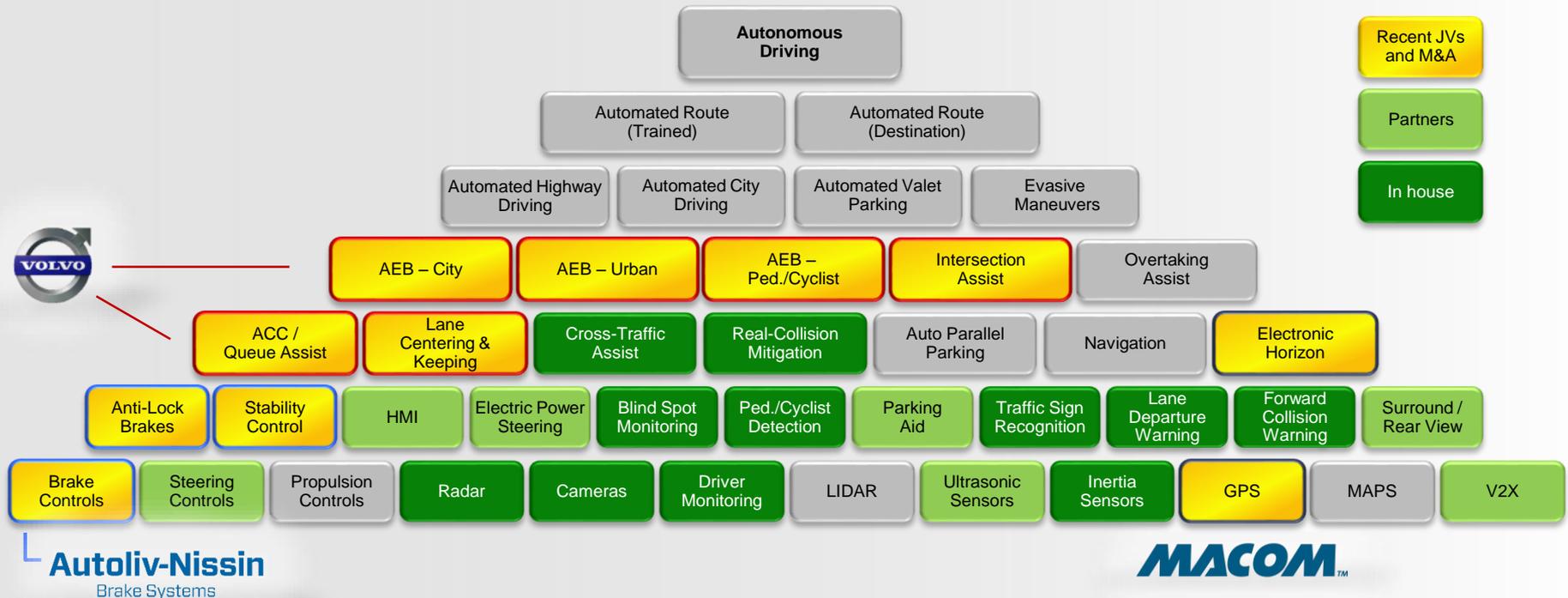


Beyond Standardized Test Scenarios...

...Towards Real Life Situations and Benefit

Towards Autonomous Driving the Real Life Safety way

Our current footprint within the pyramid



Long-term Targets

Remain unchanged

Organic* sales growth at least in line with our market

...and faster than our market including acquisitions.

Operating margin* range 8-9% over the business cycles

...US GAAP excl. costs related to the antitrust matters.

EPS* growth faster than organic sales growth

...US GAAP excl. costs related to the antitrust matters.

Net Debt*/EBITDA around one times (Debt Limitation Policy)

...and within the range of .5 and 1.5 times.

Underlying Debt Policy is to remain “Strong Investment Grade”

() Non US GAAP, Net Debt adjusted to include Pension Liability*

End of Decade Targets

CMD – October 2015

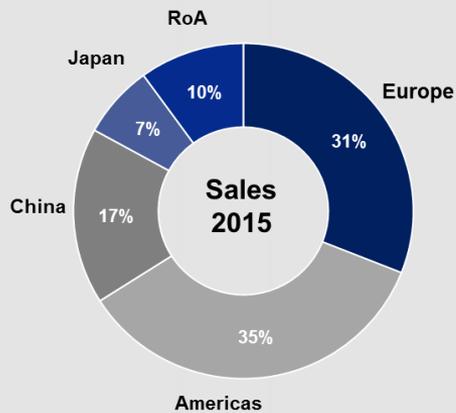
- Changing industry landscape
- Focus on Quality and Real Life Safety is our way to stay ahead
- Strategic targets through end of decade:
 - Sales target is \$12B with an ambition to reach up to \$15B
 - Expand our presence in our new more than \$12B market
 - Grow EPS faster than our Sales growth rate
 - Investing in growth is our priority, excess Free Cash flow is returned to shareholders over time



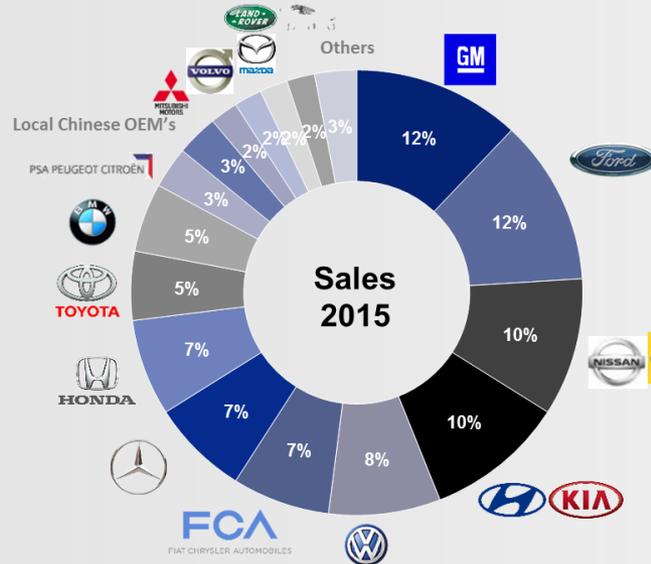
Autoliv Today*

A global leader in Automotive Safety with a well-balanced footprint

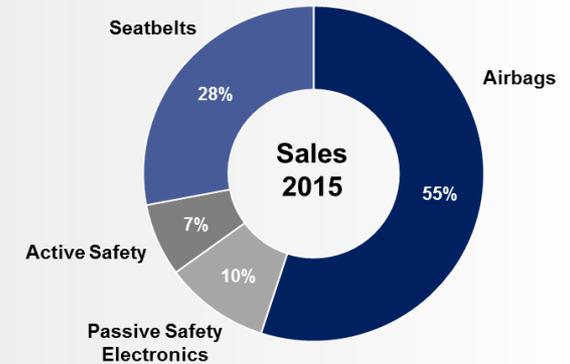
Global Footprint



Customers



Products



~67,000 ASSOCIATES WHERE OF
~6,000 IN R,D&E

~83 FACILITIES IN
27 COUNTRIES

SALES TO ALL
MAJOR VEHICLE
MANUFACTURERS

21 TECHNICAL
CENTERS 20 CRASH
TEST TRACKS

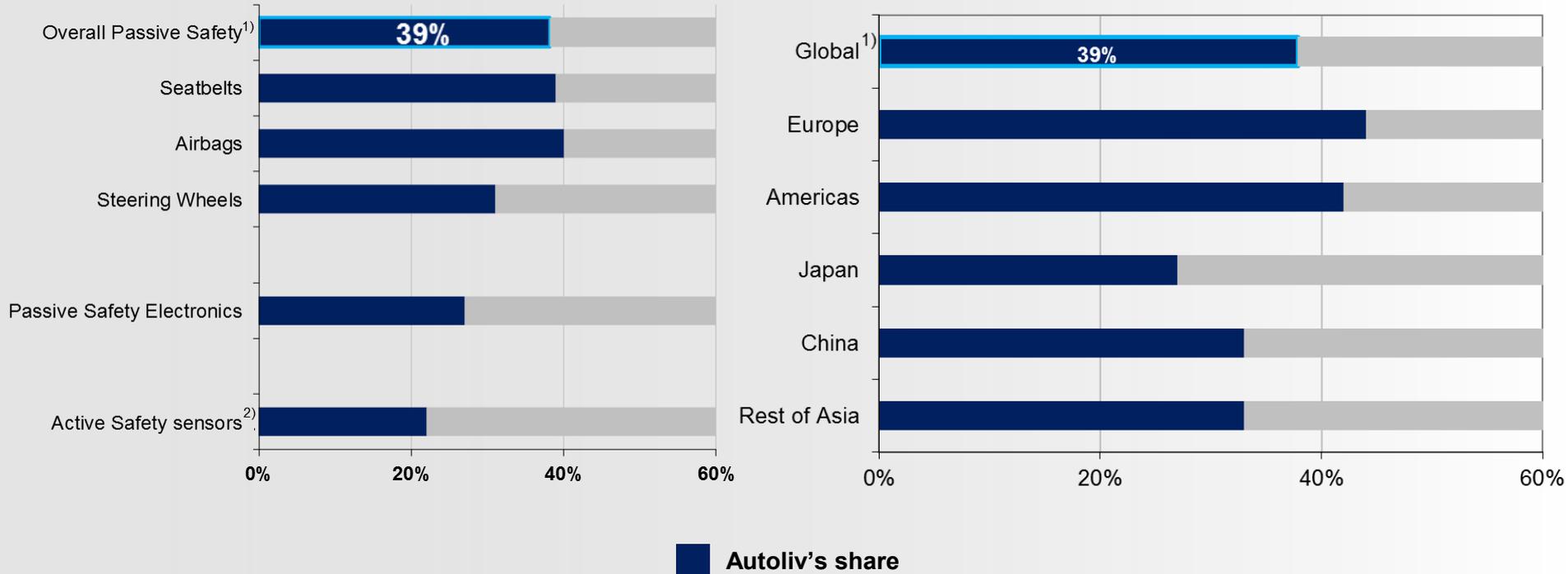
SALES AND
TECHNOLOGY
LEADER

🚗 S&P 500 company with sales of \$9.2B in 2015

(*) 2015

Market Shares 2015

- Global Safety Market Share by Product



1) Airbag, steering wheel, seatbelt.

2) Radar, night vision, mono/stereo forward sensing

Recap - 2015

Executing towards our end of decade targets

■ Growth and Margins

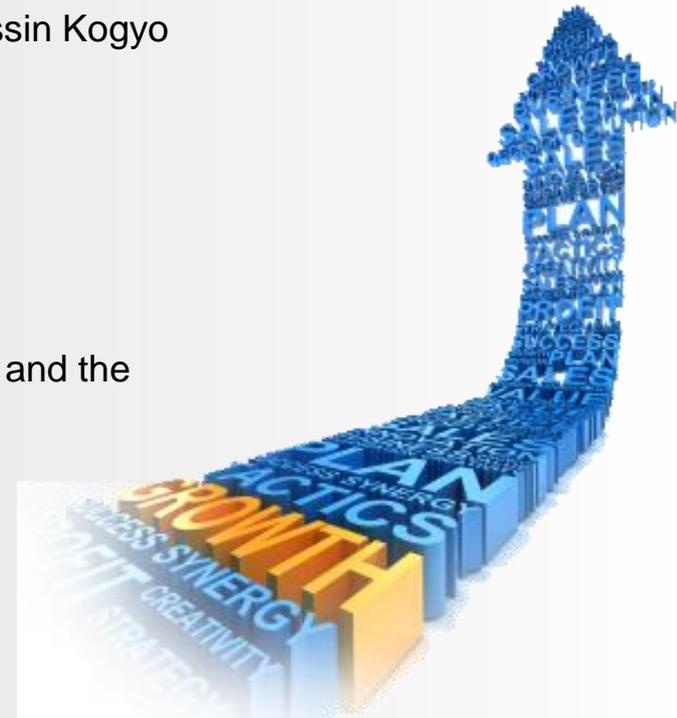
- Strong organic sales* growth 8%, >5 times better than LVP*, Active Safety ~31%
- Adjusted operating margin* 9.7%, 60 bps better YoY with an adjusted EPS \$6.65, increase YoY 12%
- M&A including the Volvo IP*, MACOM automotive and JV* with Nissin Kogyo

■ Capital Structure

- Operating cash flow of \$0.75B, RoCE* ~24% and RoE* ~17%
- Steady shareholder returns ~\$300M, leverage ratio* 0.4x

■ Company Transformation continues

- Expansion in growth markets including vertical integration in China and the inflator replacement program
- Aligning capacity footprint with our market for the long-term
- Expanding capabilities in Active Safety



🔗 A balanced approach to growth, margins and capital deployment for the long-term

(* Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters, Return on capital Employed, Return on Equity, Light Vehicle Production (LVP) according to IHS @ January 15, 2016, Intellectual Property (IP), Joint Venture (JV) which is expected to close towards the end of Q1 2016.

FY'15 Financial Overview

Solid financial performance

(US\$ Million's unless specified)

	2015		2014	
Sales	\$9,170		\$9,240	
Gross Profit	\$1,844	20.1%	\$1,804	19.5%
Operating Income*	\$893	9.7%	\$842	9.1%
EPS* (assuming dilution)	\$6.65		\$5.93	
RoCE*	24%		24%	
RoE*	17%		14%	
Operating Cash flow	\$751		\$713	
Dividend**	\$2.22		\$2.12	
GLVP***	85.8M		84.6M	

🔄 FY'15 currency translation effect ~(\$837)M on sales

(*) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters, Earnings per share, Return on Capital Employed and Return on Equity,

(**) Dividend paid per share, (***) Global Light Vehicle Production (GLVP) according to IHS @ January 15, 2016.

Active Safety Update

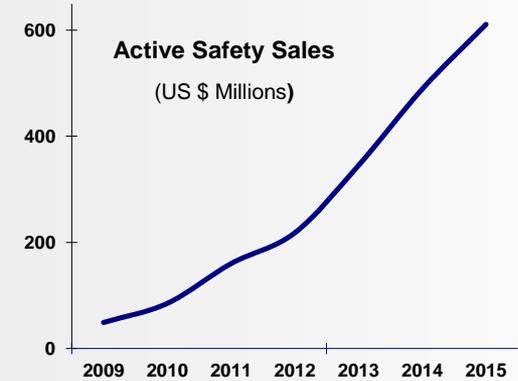
Expanding our portfolio for Real Life Safety

■ Recent Key Launches

- Stereo and Mono Vision, Radar, ADAS ECU* - Mercedes E-Class
- Radar – Chevy Camaro and Malibu, Honda Elysion, Infiniti Q30, C-Class Coupé, Chrysler Pacifica
- Mono Vision – Mini Convertible
- Night Vision - Bentley Bentayga

■ CES demos

- Mono vision based AEB*,
- Mono vs. Stereo Vision real life braking,
- Radar based AEB,
- Rear cross traffic alert and braking,
- Night Vision (FIR*) with various scenarios,
- HMI* Zforce - intuitive steering wheel for Automated Driving,
- GPS* path following for manual or automated driving.



Mono and Stereo Vision



Radar (77GHz)



ADAS ECU



■ Adding building blocks towards autonomous driving

(*) Advanced Driver Assist Electronic Control Unit (ADAS ECU), Automated Emergency Braking (AEB), Far-Infrared (FIR), Human Machine Interface (HMI), Global Positioning Systems (GPS).

Looking ahead – 2016*

Executing towards our long-term plan

■ Growth and Margins

- Organic sales* growth >7%, ~4pp better than LVP**
- Growth from Acquisition / Joint Venture ~5%
- Adjusted operating margin* >9%

■ Capital Structure

- Strong balance sheet for an volatile, mixed and uncertain macro environment
- Operating cash flow ~\$0.8B, excluding any discrete items, and a leverage ratio* within our long-term range of 0.5 to 1.5 times

■ Company Transformation continues

- Implementation of capacity alignment
- Investments for growth:
 - Step-up in RD&E in the high-end of our range of 6-6.5% of sales, for Passive and Active Safety (software and hardware) combined
 - CapEx in the range of 5-6% of sales
 - Exploring further strategic opportunities for growth
 - Nissin Kogyo JV*

🔗 A balanced approach to growth, margins and capital deployment for the long-term

(* Non-US GAAP measures exclude costs for restructuring, antitrust related matters, update post Q1'16 earnings release, Nissin Kogyo Joint Venture closed March 31, 2016

(**) Light Vehicle Production (LVP) according to IHS @ April 15, 2016.

Q1'16 Highlights

Record sales and operating profit, both better than expected

■ Financial Performance

- Organic sales* growth 14.7%, >13pp better than LVP**
- Operating margin* 9.1%, 20bps better YoY**
- EPS* \$1.66, ~17% better YoY**
- RoCE* ~23%, RoE* ~16%
- Operating cash flow \$201M

■ Shareholder Returns

- \$49M returned through dividends
- Declared a new record dividend of \$0.58 per share for Q2'16

■ Active Safety

- Organic sales* growth ~39%
- Closed the Brake Control Systems Joint Venture with Nissin Kogyo to form Autoliv-Nissin Brake Systems (ANBS)

🔗 Strong product portfolio along with customer and geographic diversification supports our solid financial performance

(*) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters, Earnings per share (EPS), Return on Capital Employed (RoCE), Return on Equity (RoE), (**) Light Vehicle Production (LVP) according to IHS @ April 15, 2016, Year over Year.(YoY).

Q1 Financial Overview

Record sales, operating income and cash flow for Q1

(US\$ Million's unless specified)

	Q1- 2016		Q1 - 2015	
Sales	\$2,430		\$2,174	
Gross Profit	\$501	20.6%	\$423	19.5%
Operating Income*	\$222	9.1%	\$193	8.9%
EPS* (assuming dilution)	\$1.66		\$1.42	
RoCE*	23%		22%	
RoE*	16%		15%	
Operating Cash flow	\$201		\$84	
Dividend**	\$0.56		\$0.54	
GLVP*** (annual run rate)	88.8M		87.7M	

📌 Q1'16 currency translation effect on sales ~(\$80)M

(*) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters, Earnings per share, Return on Capital Employed and Return on Equity,

(**) Dividend paid per share, (***) Global Light Vehicle Production (GLVP) according to IHS @ April 15, 2016.

Financial Outlook*

	Q2'16	FY'16
<u>Sales</u>		
Organic**	~10%	>7%
Acquisitions	~6%	~5%
Fx***	~(1)%	~(1)%
Consolidated Sales, net	~15%	>11%
Operating Margin**	~8.5%	>9%

Exchange rates***	Q2 2016	FY 2016
EUR / US\$	1.1242	1.1202
US\$ / JPY	109.46	110.78
US\$ / KRW	1154	1165
US\$ / MXN	17.56	17.69
US\$ / CNY	6.49	6.50

🔑 Strong organic sales growth and margins for FY'16 despite an increase in investments for growth

(*) Includes Nissin Kogyo Joint Venture, (**) Non-US GAAP measures exclude costs for restructuring and antitrust related matters, (***) Mid-April 2016 exchange rates.

Thank You!

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

and prevent ten times
as many severe injuries