

Autoliv Earnings Call Presentation

4th Quarter & Full year 2021



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

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Q4'21 Solid operating margin and strong cash flow

▪ Market developments

- Despite some improvements, resource bottlenecks in global supply chains limits industry volumes
- High safety content per vehicle markets performing worse than lower safety content per vehicle markets
- LVP volatility has improved but remains a challenge, especially in Europe
- Typhoon in the Philippines affecting our operations

▪ Strong order intake for full year 2021

▪ Negative LVP geo-mix negatively affecting sales outperformance vs. global LVP

▪ Solid operating income despite lower sales, higher raw material costs and currencies

▪ Continued strict cost control measures

- Capacity alignment actions
- Headcount reductions

▪ Cash flow and balance sheet remained strong

- Debt leverage ratio* at 1.2x

▪ Dividend of \$0.64 per share paid



(*) Non-US GAAP measures

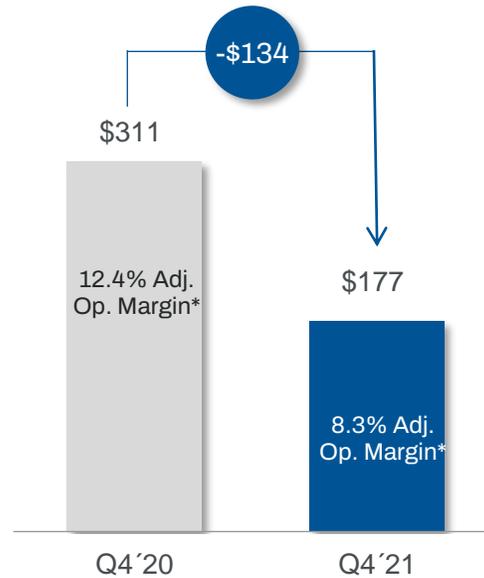
Q4'21 Financial Overview

Massive drop in LVP limited our operating efficiency

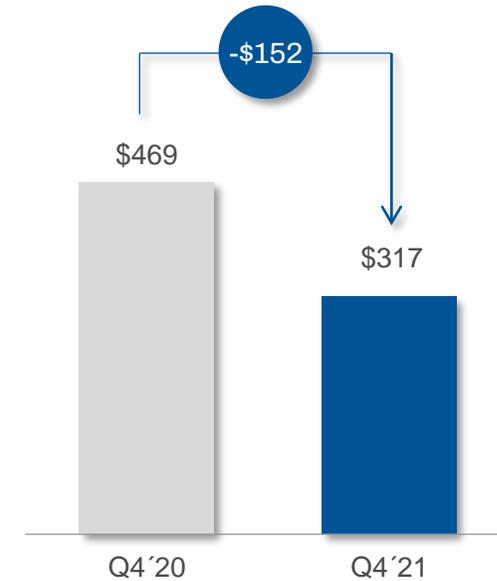
Consolidated Sales
US\$ (Millions)



Adjusted Operating Income*
US\$ (Millions)



Operating Cash Flow
US\$ (Millions)

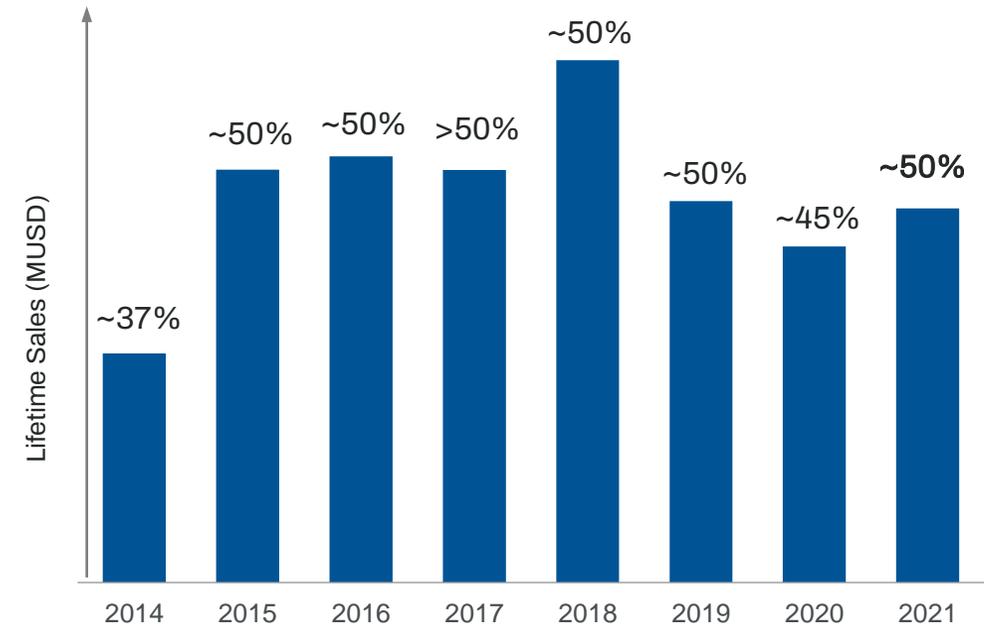


(*) Non-US GAAP measures exclude costs for capacity alignments and in 2020 antitrust related matters

FY'21 Strong order intake share

- Win-rate higher than today's market share level
- High win rates with all products types, including front center airbags and hood lifters for pedestrian protection
- Wins with all leading OEMs including many new pure EV makers
- Sourcing of some business awards delayed into 2022
- ~90% of targeted sales for 2024 already secured

Order Intake Lifetime Sales* and Share

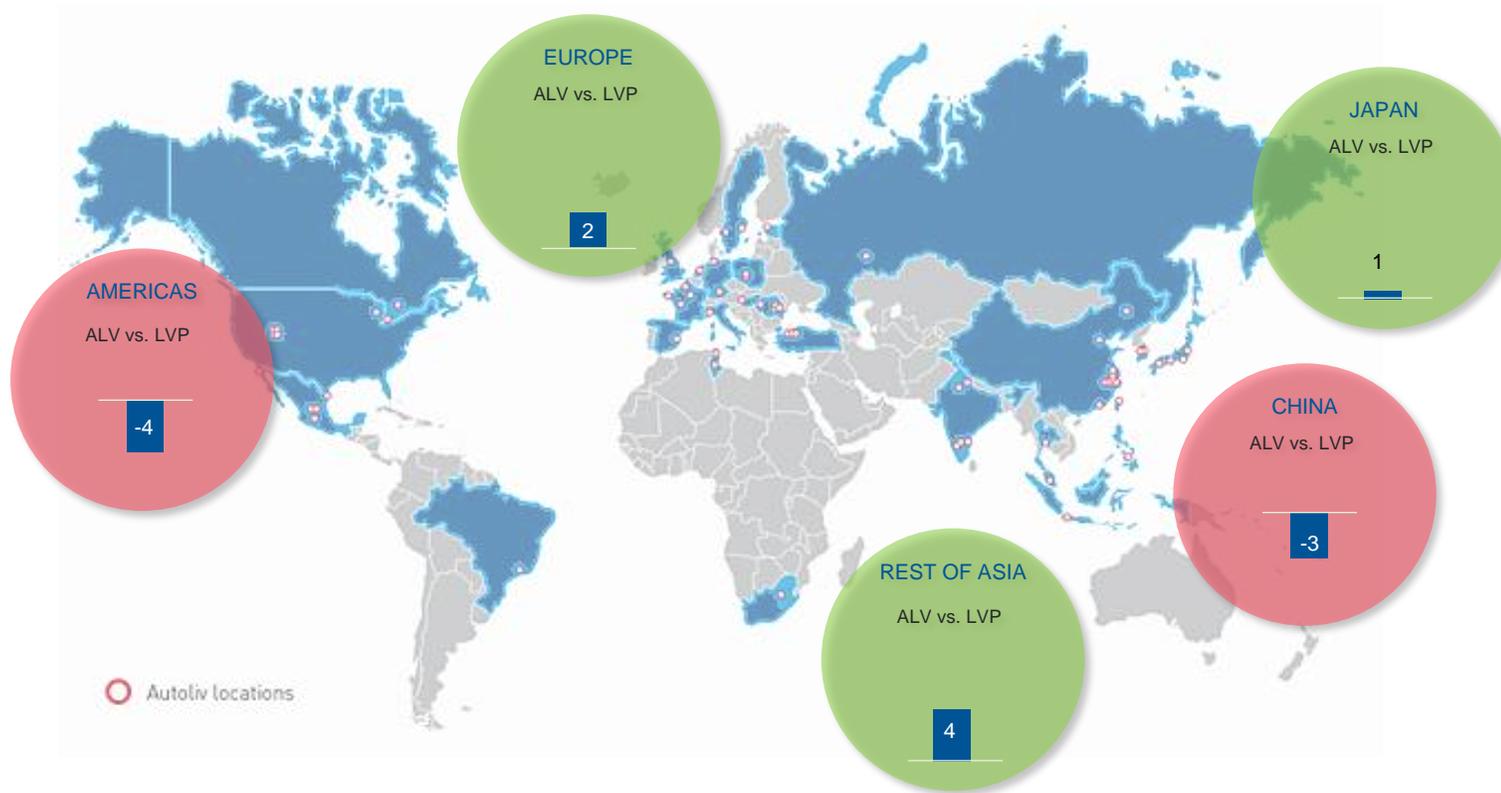


* Company estimates. Previous year's lifetime sales not adjusted for recent LVP forecast updates with lower volumes

Q4'21 Sales Growth

Temporary underperforming global LVP with 3pp

Organic Growth* vs. LVP**
(percentage points)



(*) Non-US GAAP measure

(**) Light Vehicle Production (LVP) according to IHS Markit @ January 2022

Q4'21 - Key Model Launches

Strengthening our EV & PHEV exposure



Honda BR-V



Nissan Ariya



Dacia Jogger



Infiniti QX60



Lynk&Co 09



Rivian RPV



Range Rover



Volvo C40 Recharge



Toyota Tundra



Q4'21 Financial Overview

(US\$ Millions unless specified)	Q4'21		Q4'20	
Sales	\$2,119		\$2,517	
Gross Profit	\$368	17.4%	\$502	19.9%
Adj. Operating Income ¹	\$177	8.3%	\$311	12.4%
EPS (assuming dilution)	\$1.31		\$2.15	
Adj. RoCE ^{1,2}	19%		33%	
Adj. RoE ^{1,2}	18%		33%	
Operating cash flow	\$317		\$469	
Dividend paid per share	\$0.64		-	
Global LVP ³ (annual rate)	~79M		~90M	

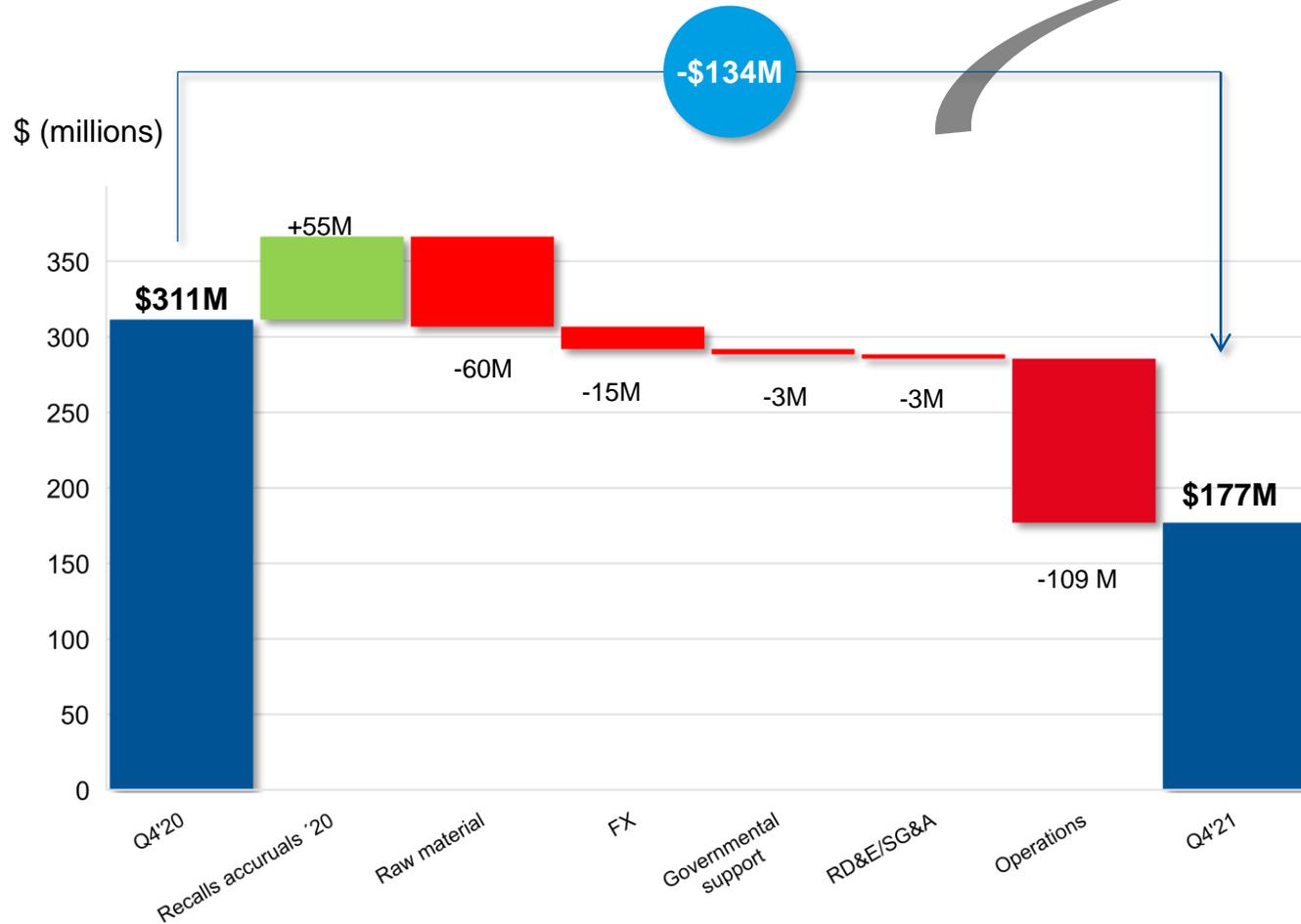
(1) Non-US GAAP measures exclude costs for capacity alignments

(2) Return on Capital Employed (RoCE) and Return on Equity (RoE)

(3) Light Vehicle Production (LVP) according to IHS Markit @ January 2022



Q4'21 Adj. Operating Income* Bridge vs. Prior Year



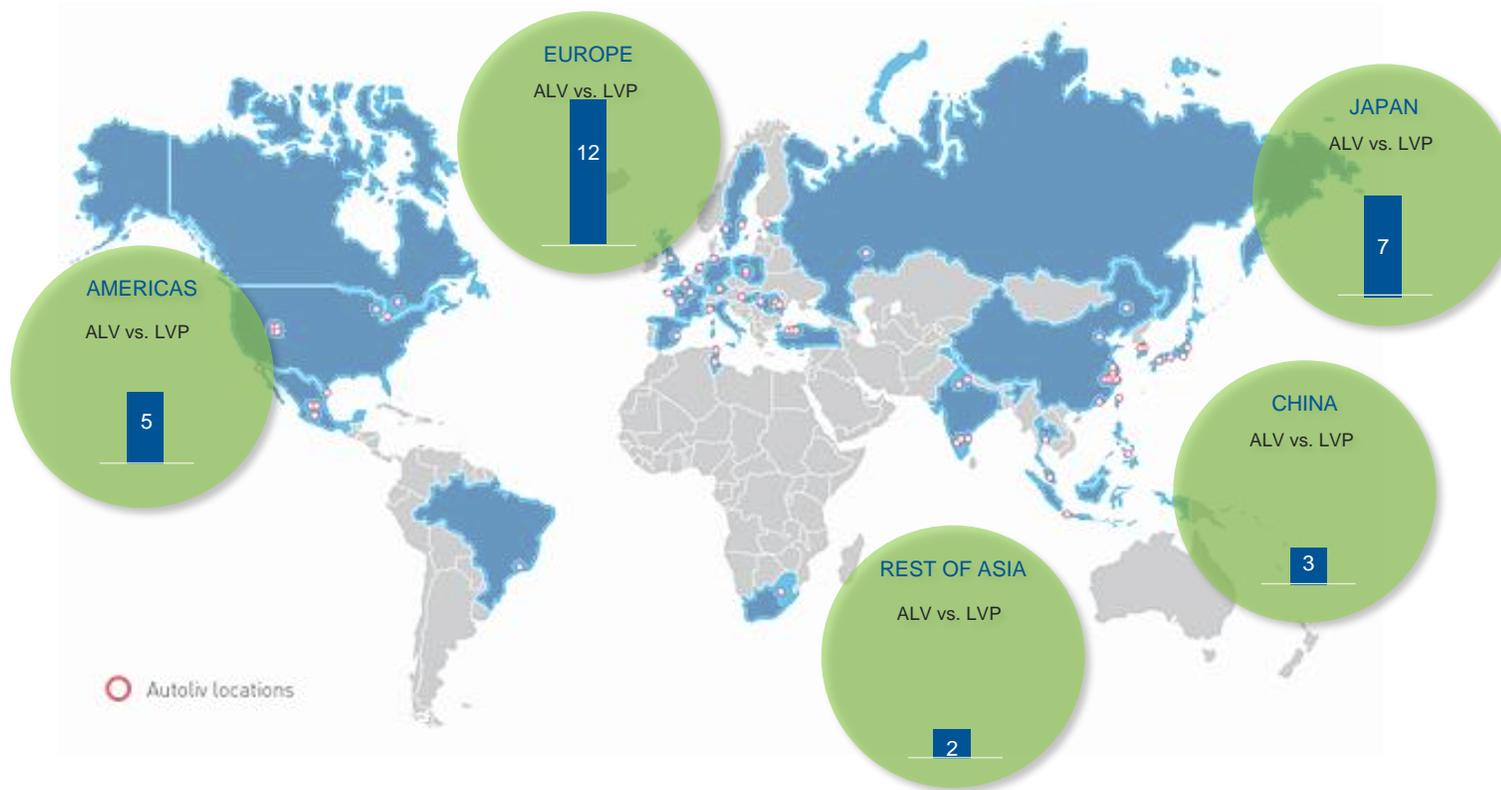
~28% leverage (excl. cost for recalls, FX, raw mtrl and gov. support) on the organic sales change, impact from call-off volatility and cost inflation related to logistics and utilities etc.

(* Non-US GAAP measures exclude costs for capacity alignments and in 2020 antitrust related matters)

2021 Sales Growth

Outperforming global LVP by more than 5 percentage points

Organic Growth* vs. LVP**
(percentage points)



(*) Non-US GAAP measure

(**) Light Vehicle Production (LVP) according to IHS Markit @ January 2022

2021 Financial Overview

(US\$ Millions unless specified)	2021		2020	
Sales	\$8,230		\$7,447	
Gross Profit	\$1,511	18.4%	\$1,247	16.7%
Adj. Operating Income ¹	\$683	8.3%	\$482	6.5%
EPS (assuming dilution)	\$4.96		\$2.14	
Adj. RoCE ^{1,2}	19%		13%	
Adj. RoE ^{1,2}	17%		13%	
Operating cash flow ¹	\$754		\$849	
Dividend paid per share	\$1.88		\$0.62	
Global LVP ³ (annual rate)	~73M		~72M	

(1) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters in 2020

(2) Return on Capital Employed (RoCE) and Return on Equity (RoE)

(3) Light Vehicle Production (LVP) according to IHS Markit @ January 2021



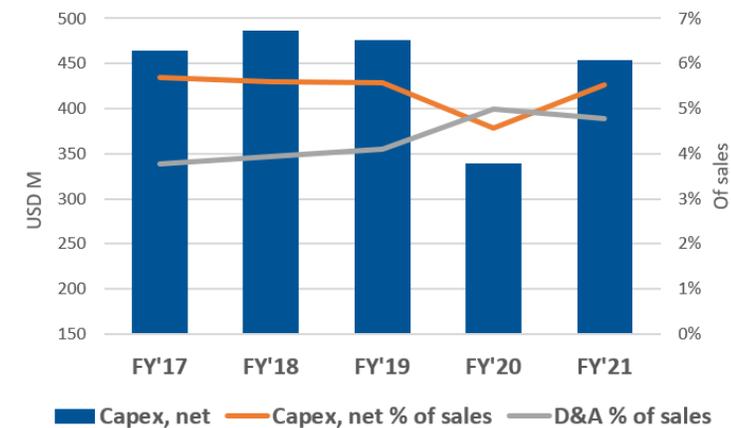
Cash Flow

(US\$ Millions unless specified)	Q4'21	Q4'20	2021	2020
Net Income	\$115	\$189	\$437	\$188
Depreciation & Amortization	97	103	394	371
Other, net	-12	64	-15	13
Change in operating WC	116	113	-63	277
Operating cash flow	317	469	754	849
Capital Expenditures, net	-153	-111	-454	-340
Free cash flow¹	164	358	300	509
Dividends paid	\$56	-	\$165	\$54

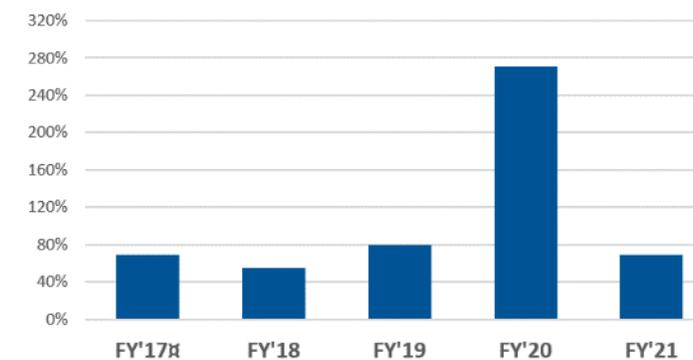
(1) Non-US GAAP measure, reconciliation is provided above

(2) Non-US GAAP measure, adjusted for EC antitrust accrual in 2018 and payment in 2019

Capex and D&A



Cash Conversion²



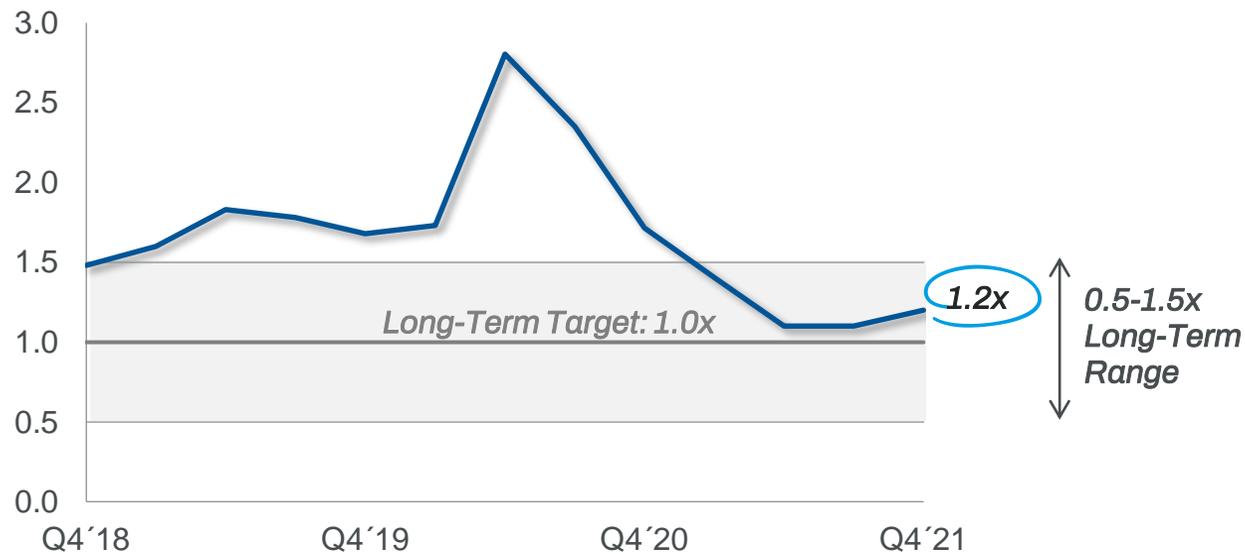
□ Incl. Electronics prior to split in 2018

Debt Leverage Ratio*

In line with long-term target

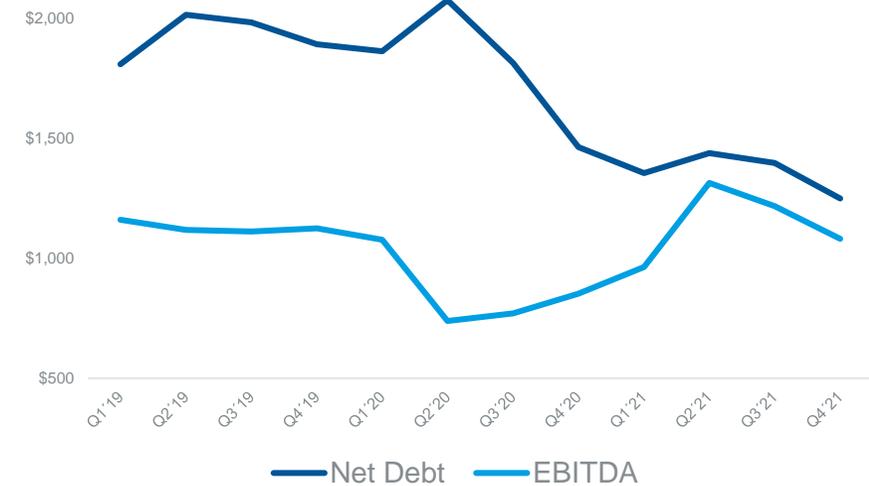
Net Debt*/ EBITDA*

x



Net Debt* and EBITDA* per the Policy

US\$ (Millions)



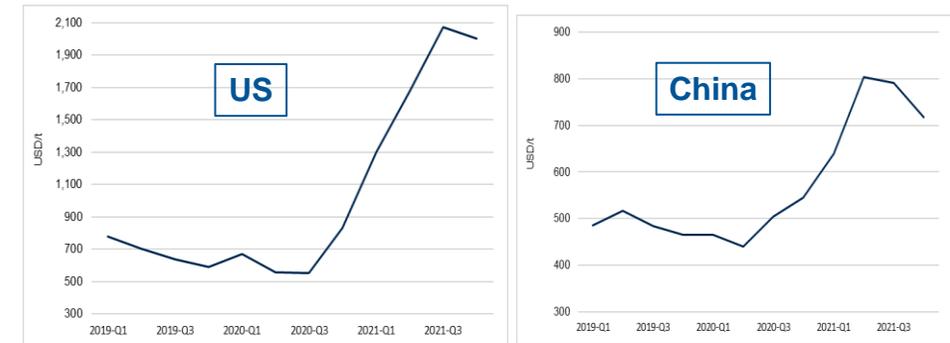
- Our **Net Debt*** decreased by **\$148M** from Q3'21
- **EBITDA LTM** decreased by **\$140M** from Q3'21

(* 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

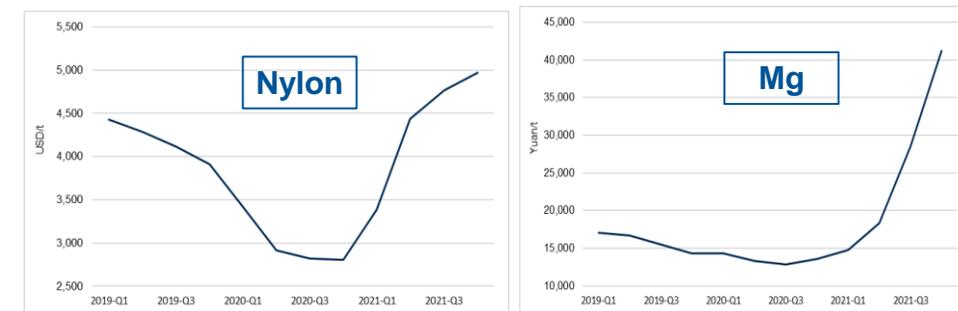
Headwinds from Raw Materials

- Raw material prices continued to increase
- New headwinds including magnesium and nylon
- We expect a full year 2022 operating margin headwind from raw materials of around 300 basis points
 - ~5pp y-o-y impact in the first half
 - ~1-2pp y-o-y impact in the second half year
- Commercial Recoveries
 - Some compensations obtained in 2021
 - Further negotiations ongoing with customers

IHS Markit: Hot-rolled sheet steel



IHS Markit: Nylon & China Magnesium



Continued strict cost control

▪ Margin Focus

- General hiring freeze
 - ✓ Reduced headcount by over 8000 since the end of 2020
- Accelerate cost saving and footprint initiatives
 - ✓ Capacity alignment and footprint optimization activities ongoing in America, Europe, Japan and Rest of Asia
- Commercial recoveries for raw material cost increases and lost volumes

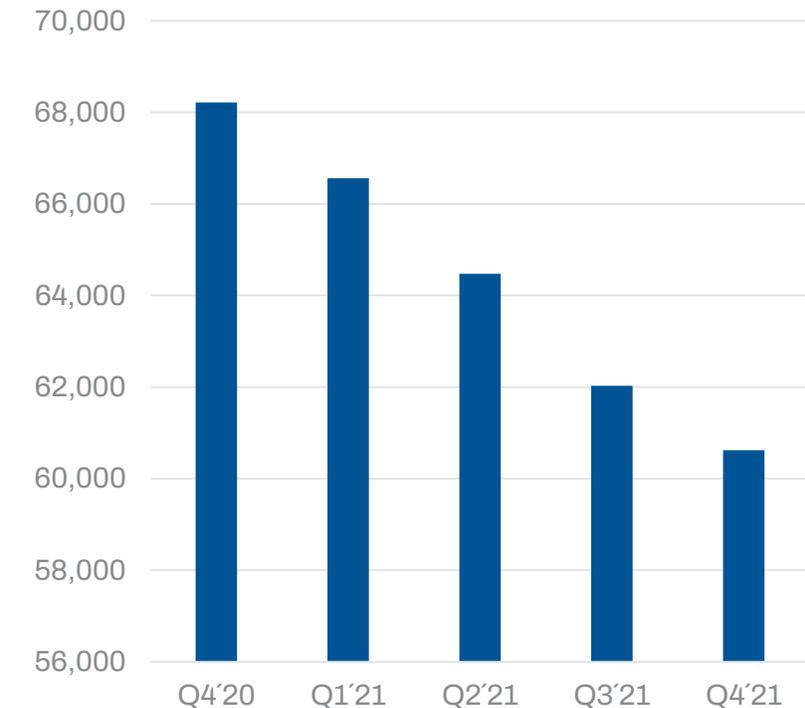
▪ Supply Chain Management

- Raw material cost increase avoidance
- Accelerate redesign of products

▪ Capital Management

- Capital expenditure delays
- Inventory management

Headcount development



Light Vehicle Production Outlook

For the coming quarters, global LVP expected to remain on a similar level as in Q4'21



North American. Continued strong demand for new vehicles. However, the industry continues to struggle to meet consumer demand due to the shortage of semiconductors. Production is expected to remain volatile, although some improvements seen lately.



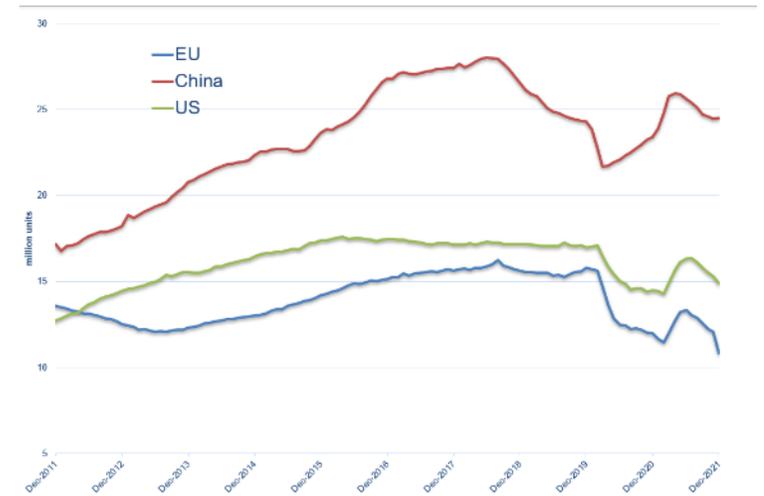
Europe. Healthy demand for new vehicles. However, registrations continue to remain low compared with the pre-pandemic level, mainly due to chip shortages limiting supply of new vehicles. This is leading to record long waiting times for new vehicles.



China. Rebound in last month's light-vehicle sales indicates an easing of the semiconductor chip shortages. Electrified vehicle sales continue to surge.

In the near term, the outlook still will be determined by the evolution of the situation around semiconductors

Light Vehicle Sales LTM (Million units)



IHS Markit: Light Vehicle Production*			
Region	Q1'22	FY'22	
	YoY Chg.	Million Units	Y-o-Y Chg.
China	2.3%	23.3	1.4%
Japan	1.6%	7.8	7.4%
Rest of Asia	-8.1%	11.5	4.2%
North America	0.7%	14.0	17.0%
South America	-3.7%	2.9	12.7%
Europe	-5.8%	18.4	17.6%
Global	-1.9%	79.9	8.9%

(* Light Vehicle Production (LVP) according to IHS Markit @ January 2022 Year over Year (Y-o-Y)

FY'22 - Key Models

Contributing to the ramp-up of sales growth

Peugeot 308



Japanese Crossover



Toyota Yaris Cross



U.S. Crossover



Nissan Ariya



Toyota Corolla Cross



Mercedes



EU Car



Lynk&Co 09



Toyota Tundra



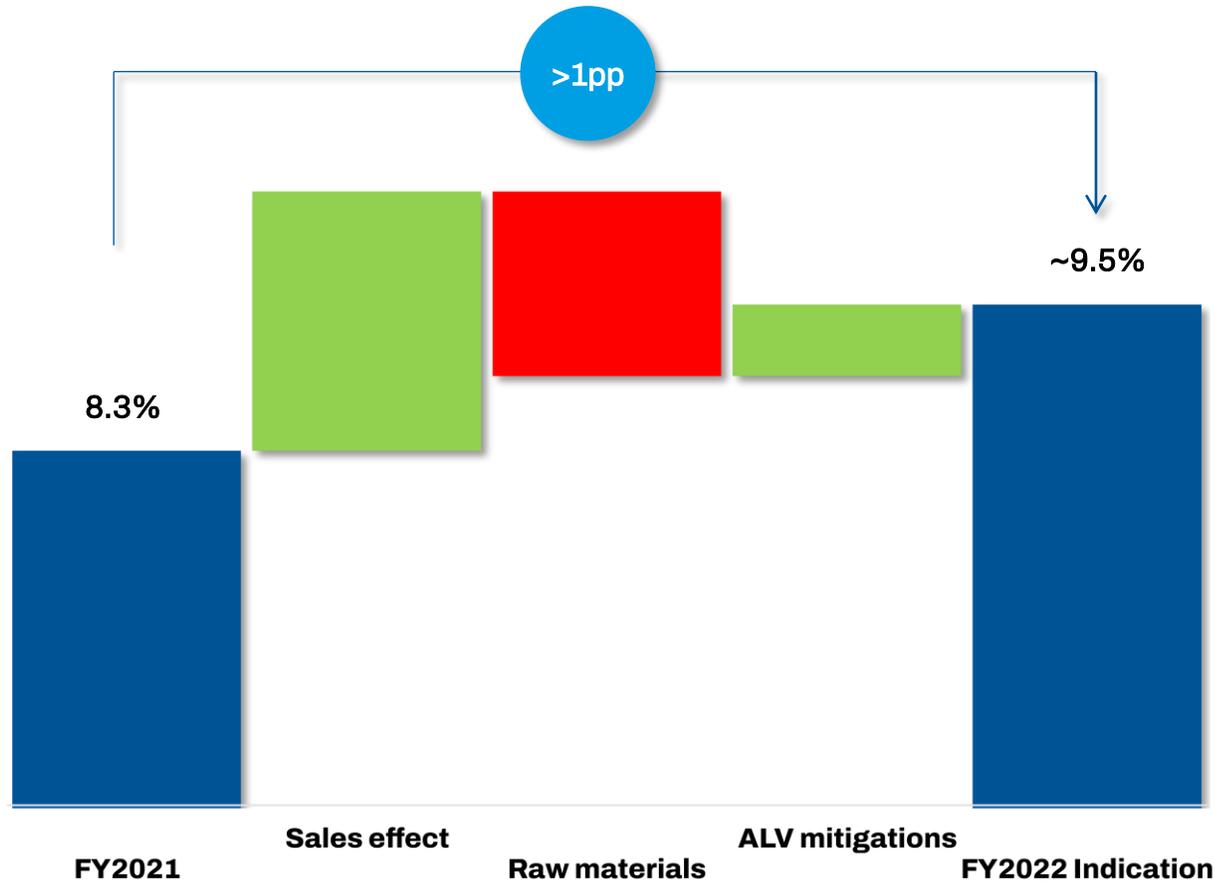
Chevrolet Silverado



Nissan Versa



2022 Adj. Operating Margin Income* Bridge FY2021 vs. FY2022 indication



Autoliv mitigations:

- + Raw material recoveries, strategic initiatives and other cost reduction activities
- Partly offset by cost inflation (wages, logistics, energy..)

(* Non-US GAAP measures. Adjusted Operating margin excludes costs for capacity alignments, antitrust related matters and other discrete items)

Full year 2022 Indications

	Full year indication
LVP growth	Around 9%
Organic sales increase¹	Around 20%
FX	Around -3%
Adjusted Operating margin¹	Around 9.5%
Tax rate ²	Around 30%
Operating Cash flow²	Around \$950 million
Capex, net % of sales	Around 5.5%

Exchange rates ³	FY'22
EUR / US\$	1.1362
US\$ / JPY	114.40
US\$ / KRW	1188.76
US\$ / MXN	20.49
US\$ / CNY	6.3435



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

Our 2022 business agenda

- Health and Safety continue to be top priority
- Executing our strategic initiatives, footprint and order book
- Working capital optimization
- Mitigate headwinds from raw materials and cost inflation
- Extend into new product areas beyond light vehicles
- Increase resource efficiency and reduce our carbon footprint
- Saving More Lives



An aerial photograph of a multi-lane highway curving along a rugged coastline. The road is flanked by steep, rocky cliffs on one side and the ocean with white-capped waves on the other. The text "Saving More Lives" is centered over the road in a large, white, sans-serif font.

Saving More Lives

Q4'21 Product Volumes

Autoliv Quantities Delivered (Millions unless specified)	Q4'21	vs. PY** (%)
Seatbelts	32.0	(21)%
▪ Pretensioners (of which)	20.3	(17)%
▪ Active Seatbelts (of which)	1.1	(39)%
Frontal Airbags	13.8	(16)%
▪ Knee Airbags (of which)	1.8	(0)%
Side Airbags	24.2	(15)%
▪ Chest (Thorax)	12.7	(19)%
▪ Head (Curtain)	11.2	(12)%
Steering Wheels	4.6	(21)%
LVP* (Global)	19.7	(13)%



(* Light Vehicle Production (LVP) according to IHS @ January 2022, (**) Prior Year (PY).

2021 Product Volumes

Autoliv Quantities Delivered (Millions unless specified)	2021	vs. PY** (%)
Seatbelts	126.7	1%
▪ Pretensioners (of which)	76.9	3%
▪ Active Seatbelts (of which)	5.4	0%
Frontal Airbags	52.4	8%
▪ Knee Airbags (of which)	6.2	22%
Side Airbags	91.9	6%
▪ Chest (Thorax)	49.0	3%
▪ Head (Curtain)	41.9	9%
Steering Wheels	17.9	4%
LVP* (Global)	73.4	2.6%



(* Light Vehicle Production (LVP) according to IHS @ January 2022, (**) Prior Year (PY).

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



- Bag-in-Belt



- EV / PHEV