

The image shows the front interior of a car, featuring a steering wheel with the Autoliv logo, a dashboard with a central display, and two front seats with the Autoliv logo on the backrests. A semi-transparent blue overlay covers the left side of the image, containing white text.

# Autoliv Nordic Equity

Henrik Kaar  
Director Investor Relations

March 12, 2019

***Our Vision Is Saving More  
Lives & Creating More Value***

*Each Year, Autoliv's Products  
Save >30,000 Lives*



# ***Our Vision Is Saving More Lives & Creating More Value***

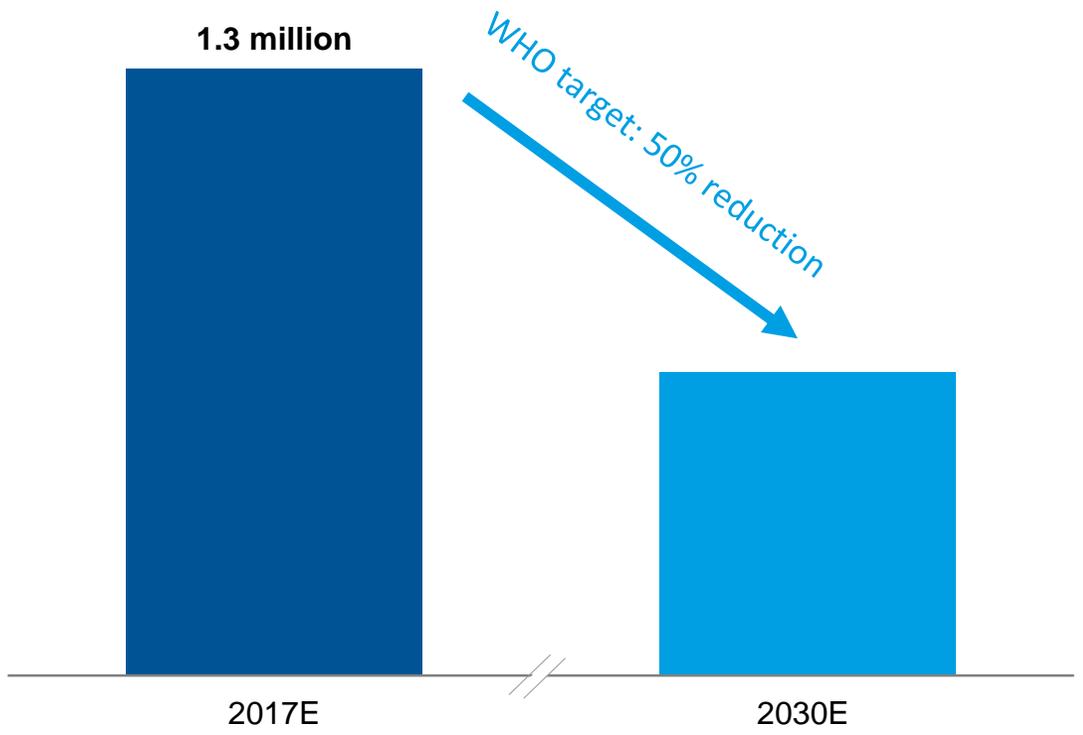
*Each Year, Autoliv's Products Save >30,000 Lives*



# Millions of Reasons to Do More

## Road Fatalities Worldwide

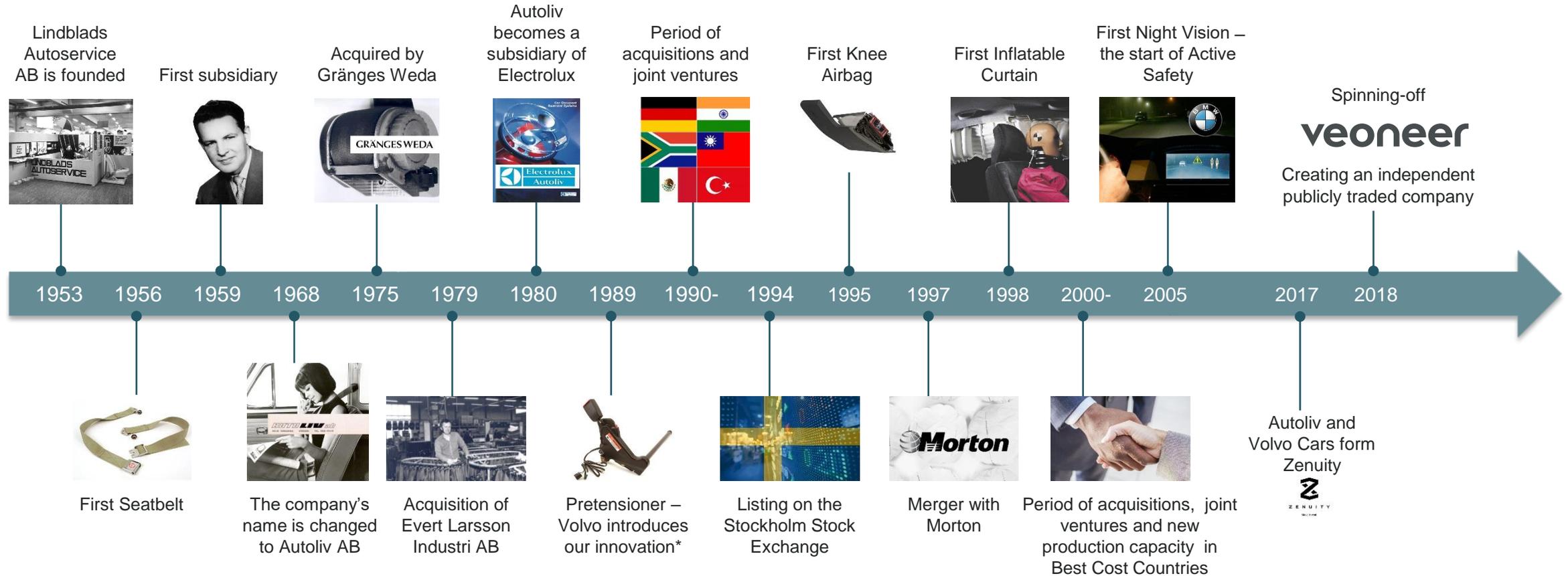
Number of Traffic Fatalities, Globally<sup>(1)</sup>



(1) WHO February, 2018

# Autoliv – 65 years of Dedication to Saving Lives

## Entering the next phase



# Autoliv Today is Stronger Than Ever

MARKET SHARE 2018

**40%**

worldwide, clear #1

ORDER INTAKE

**> 50%**

of global orders 2018

SALES

**\$8.6 Bn**

2018

ADJ. OPERATING INCOME<sup>(1)</sup>

**908 Mn**

2018 (10.5% margin)

OPERATIONS IN

**27**

countries

DAILY PRODUCTION

**~ 1 Mn**

units

EMPLOYEES

**~ 67,000**

worldwide

FREE CASH FLOW<sup>(2)</sup>

**\$320 Mn**

2018 (80% cash conv.<sup>(3)</sup>)

## Essential Product Portfolio for Saving Lives Today

Airbags



Seatbelts



Steering Wheels



Special Products



(1) Non-US GAAP measure, please refer to 8-K from May 31, 2018 for reconciliation. Adjusted for capacity alignments and antitrust related matters

(2) Defined as Operating Cash Flow less Capital Expenditures, net

(3) Defined as Free Cash Flow/ Net Income

# Autoliv 2018 Achievements and Challenges

Strong order intake and outperformance of light vehicle production for new Autoliv

- **New executive management team** in place
- **Veoneer spin-off** in July
  - Improved focus and flexibility for both companies (culture, people, business)
- **Light vehicle market in China** under pressure in second half of the year
- **New emission test protocol in Europe** with volatile light vehicle production in second half of the year
- **Above market growth** from strong order intake since 2015
- **Continued high order intake** supporting our strong market position longer term

# Target update

## Sales and profitability capacity unchanged

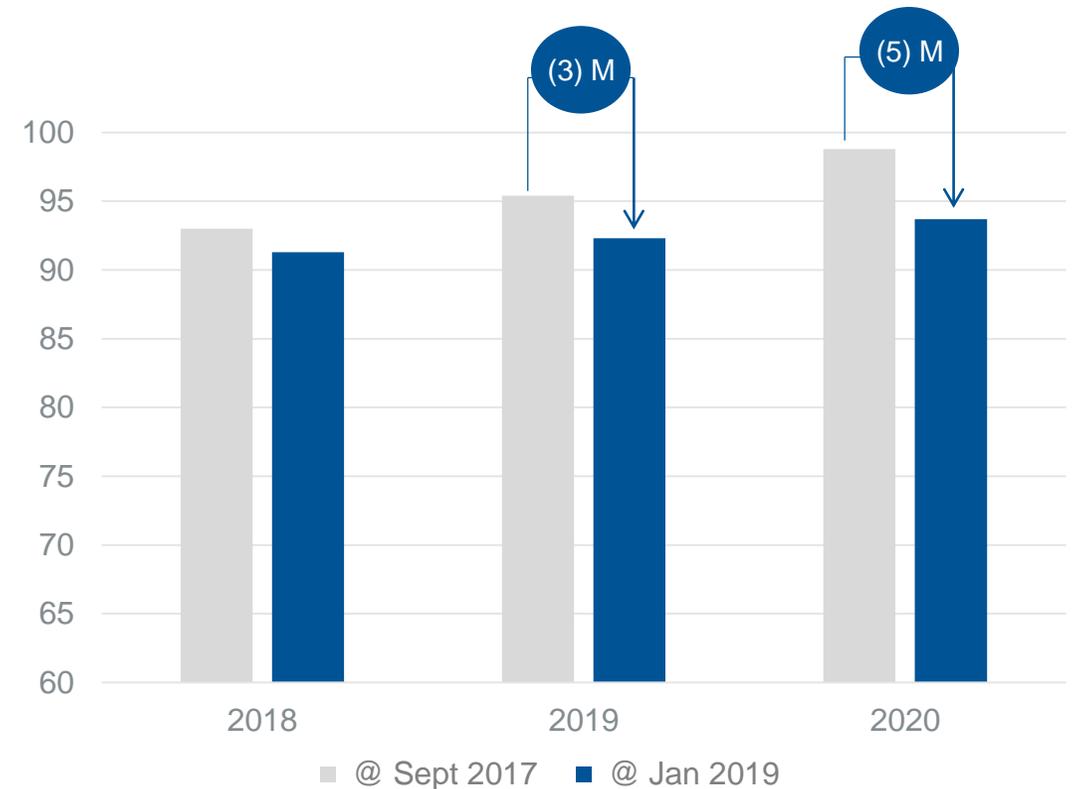
### Target update

- 2020**
  - Global light vehicle sales and production slowdown
  - Headwinds from other external factors such as raw material
  - Do not expect to reach targets of >10bn and ~13% adj. operating margin\* in 2020
  - We expect improvement towards our targets in 2020
- Targets remain unchanged**
  - Sales and profitability capacity is unchanged
  - Sales: >\$10 billion
  - Adj. EBIT margin\*: ~13%
  - Timing is beyond 2020

\* non-U.S. GAAP measure excluding capacity alignment and antitrust related costs.

### IHS Global Light Vehicle Production Forecast

Million units



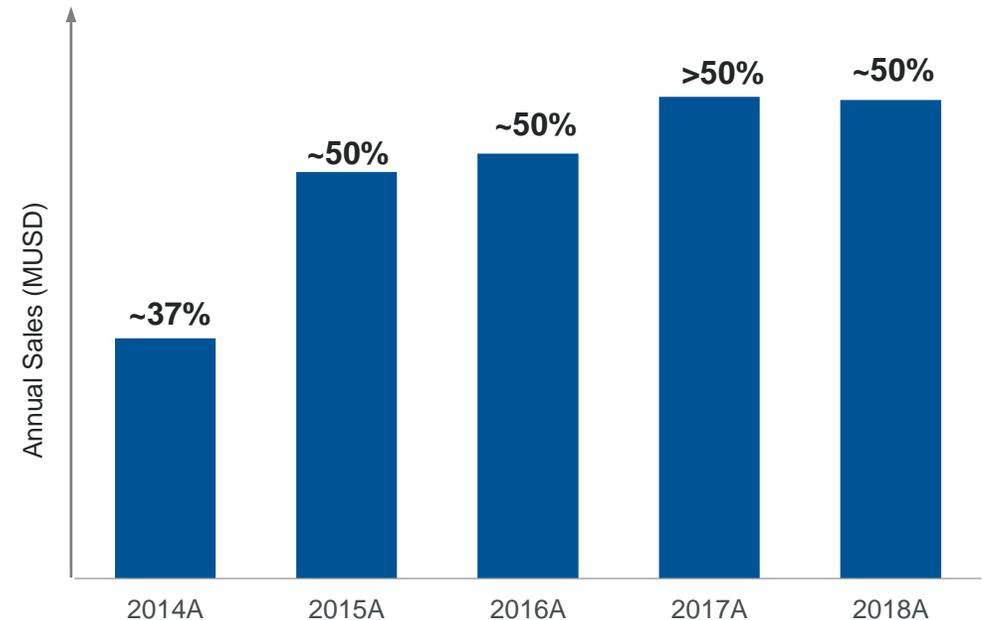
# Order Intake Momentum Remains Strong

## Around 50% Order Intake Share Continued In 2018

- 2018 order intake in line with 2017
- Market share gains within all product areas and regions compared to today's level
- Major wins with all leading OEMs
- Several new contracts for front center airbags
- Some OEMs making rear side airbags standard
- Knee airbag growth accelerates
- Contracts with new emerging EV manufacturers

### Order Intake Annualized Sales and Share

2014A-18A

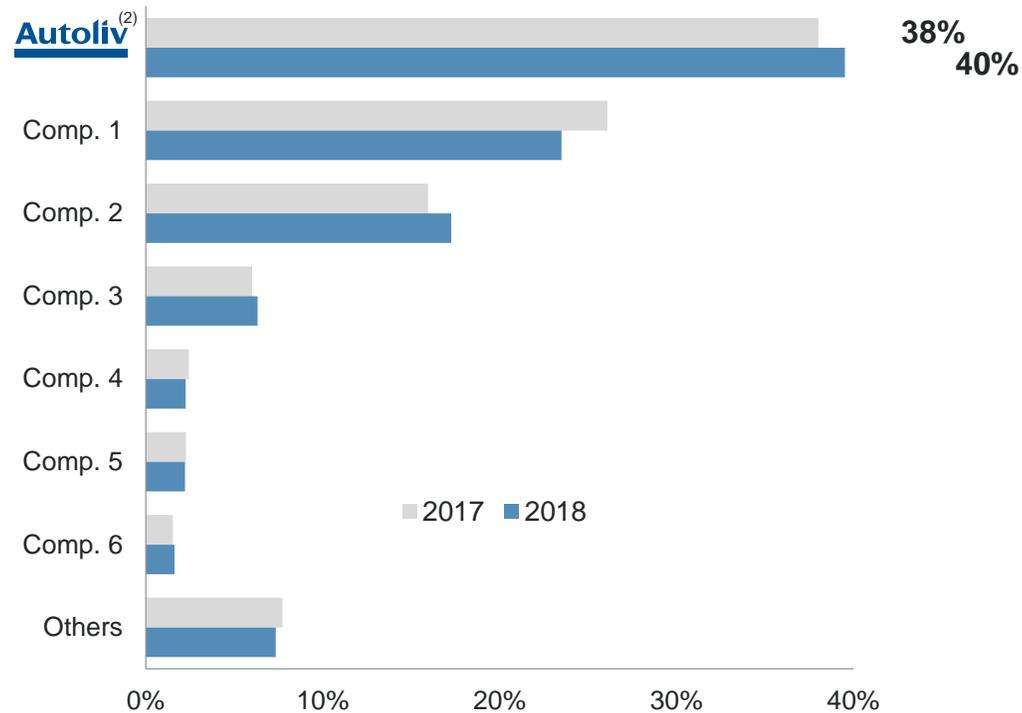


# Strong starting point

Clear market leader in a consolidated market

## Firm Market Leader at 40% – Far Exceeding Competitors<sup>(1)</sup>

%



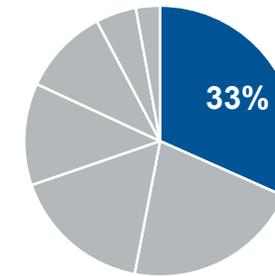
(1) Estimated 2017A market shares. Based on Autoliv's passive safety market definition including airbags, seatbelts and steering wheels

(2) Pro forma combination

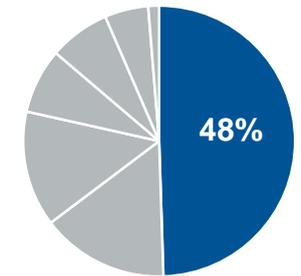
## #1 Rankings Across Product Portfolio<sup>(1)</sup>

2018A

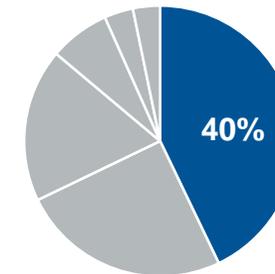
Frontal Airbags



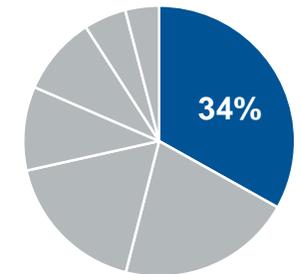
Side Airbags



Seatbelts



Steering Wheels



# Well-Balanced Customer Base

Significant Presence in High-Growth Markets

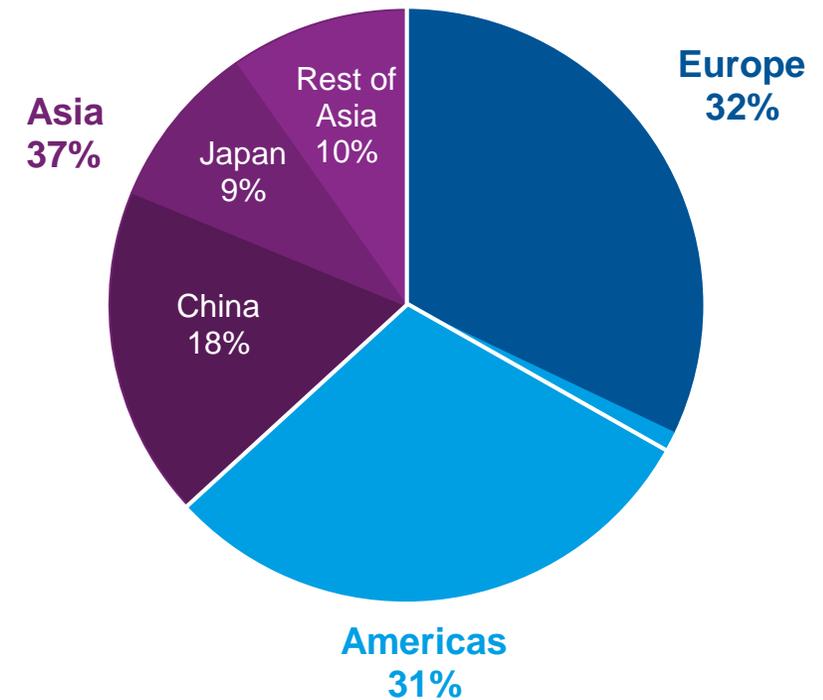
## Serving All Major OEMs...

% of 2018A Revenue<sup>(1)</sup>

 RENAULT NISSAN MITSUBISHI	15%	 GM	4%
 VOLKSWAGEN AKTIENGESELLSCHAFT	10%	 BMW GROUP	4%
 HYUNDAI / KIA MOTORS	8%	 PSA GROUPE	3%
 Ford	8%	 VOLVO	3%
 HONDA The Power of Dreams	8%	 长城汽车 Great Wall Motors	2%
 FCA FIAT CHRYSLER AUTOMOBILES	8%	 mazda	2%
 TOYOTA	7%	 LAND-ROVER JAGUAR	2%
DAIMLER	6%	Others	10%

## ...Across All Key Automotive Regions

% of 2018A Revenue<sup>(1)</sup>

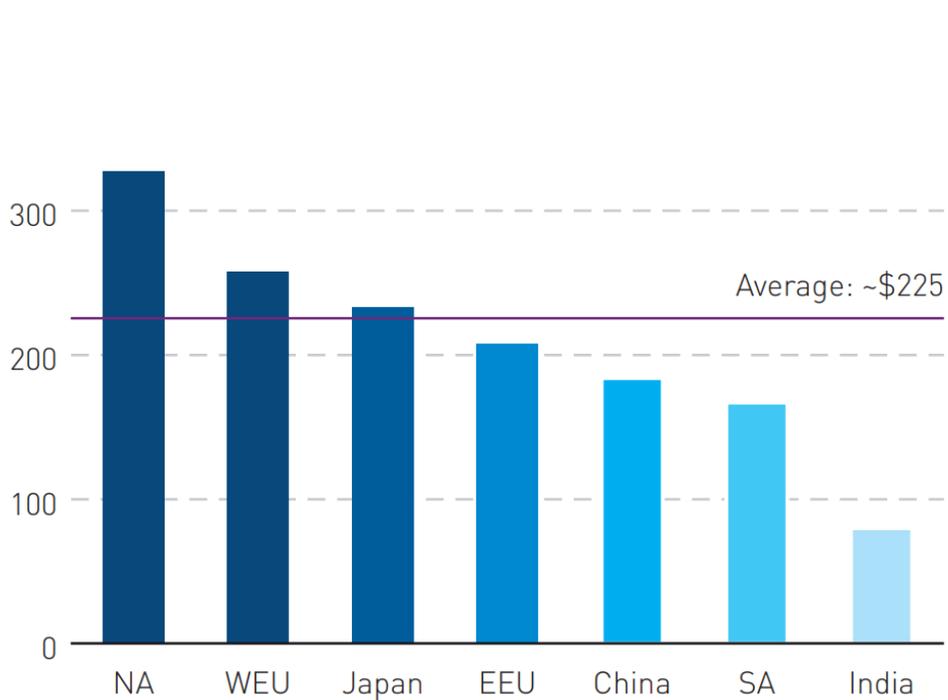


(1) Pro forma of M&A transactions amongst OEMs, including PSA's acquisition of Opel/ Vauxhall from General Motors and Nissan's stake purchase in Mitsubishi

# Market Development

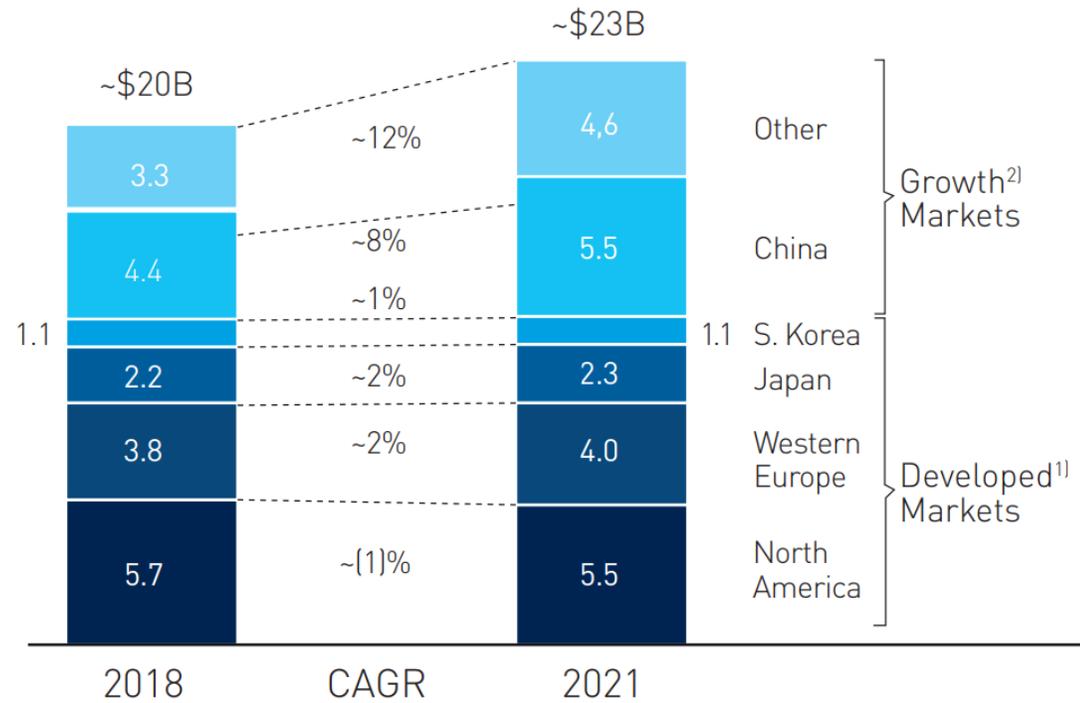
## Supply Value per Vehicle

US\$/car



## Market per Region

US\$ (billions)



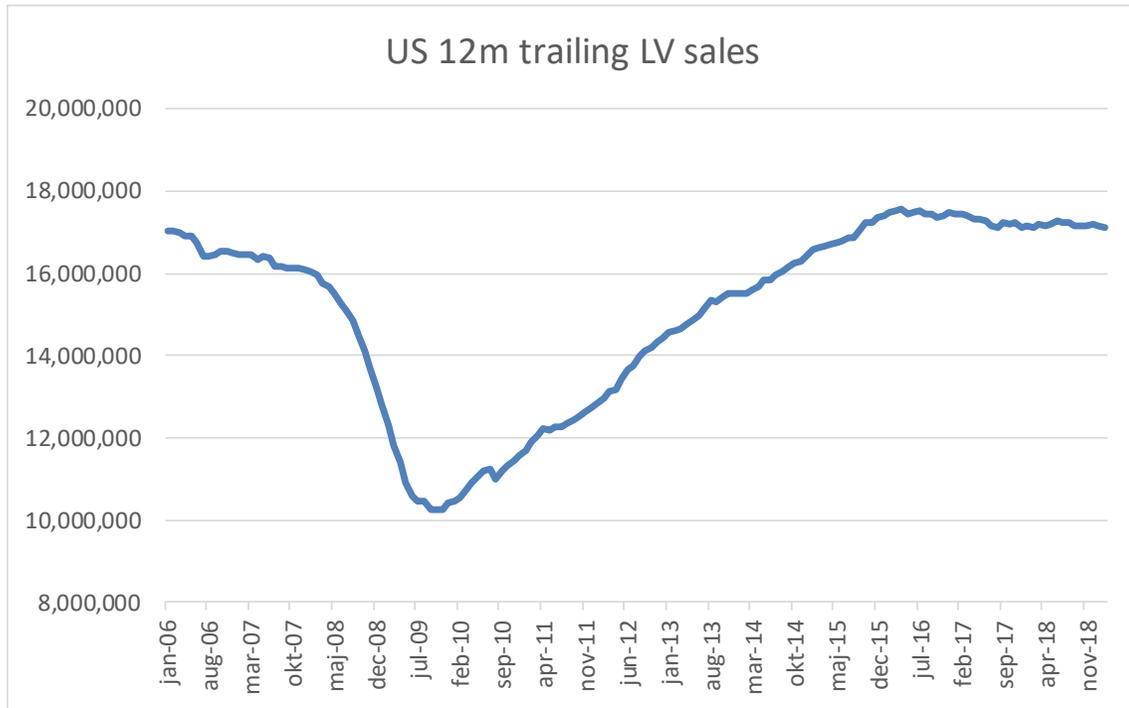
1) Developed markets (Western Europe, Japan, North America, South Korea).  
 2) Growth markets (Eastern Europe, China, Rest of Asia, South America, Middle East/Africa).  
 3) Company estimates. Includes seatbelts, airbags, steering wheels and pedestrian safety.

# USA

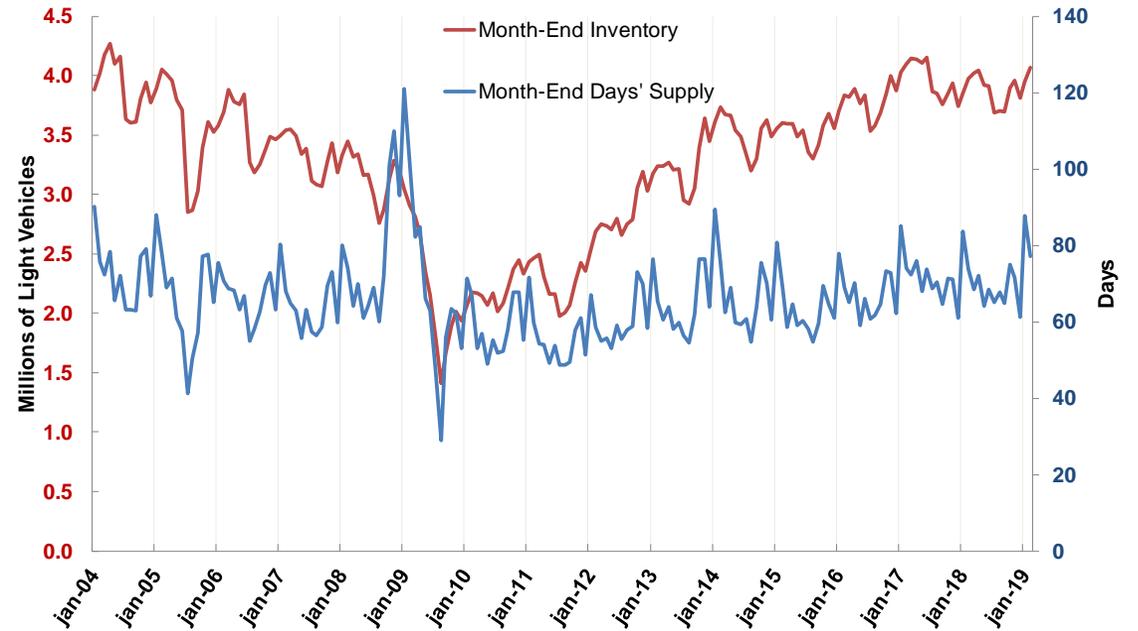
## Light Vehicle Sales and inventories



### Sales



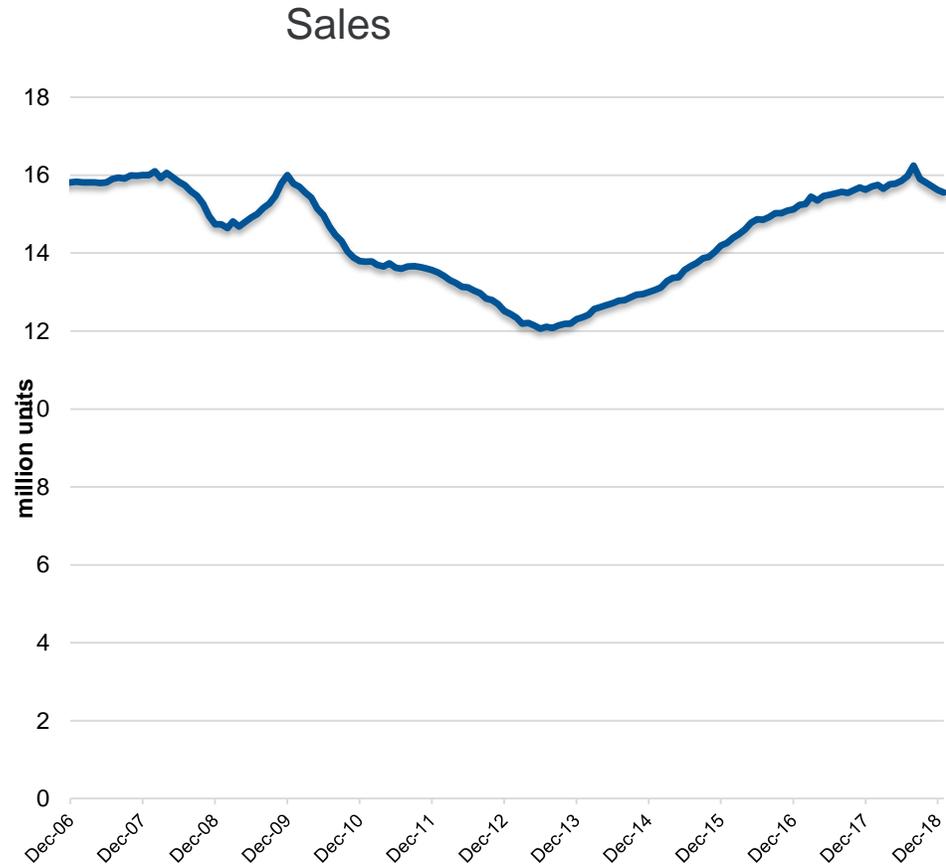
### Inventories



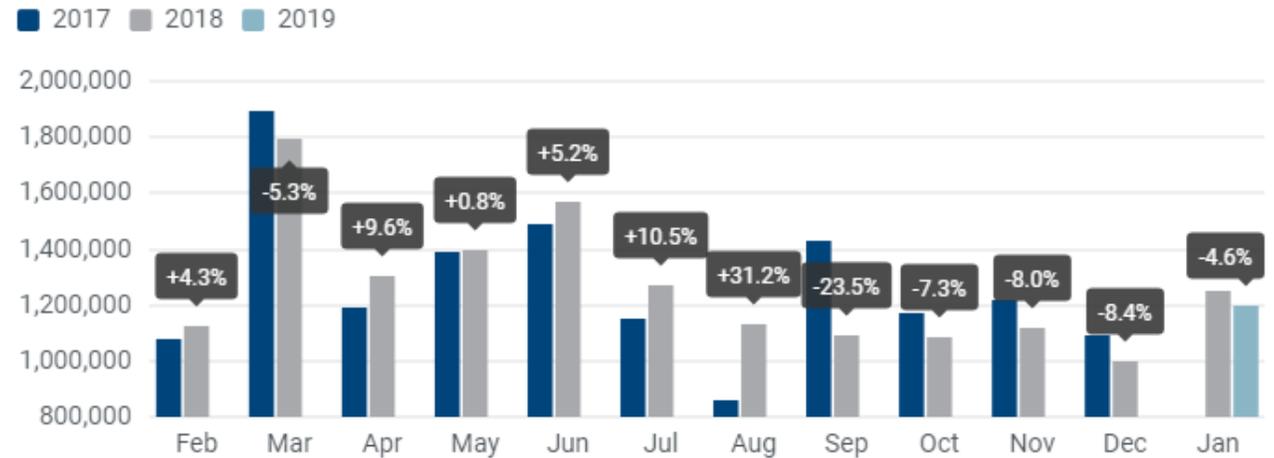


# Europe

## Light Vehicle Sales



2019/2018 vs. 2017



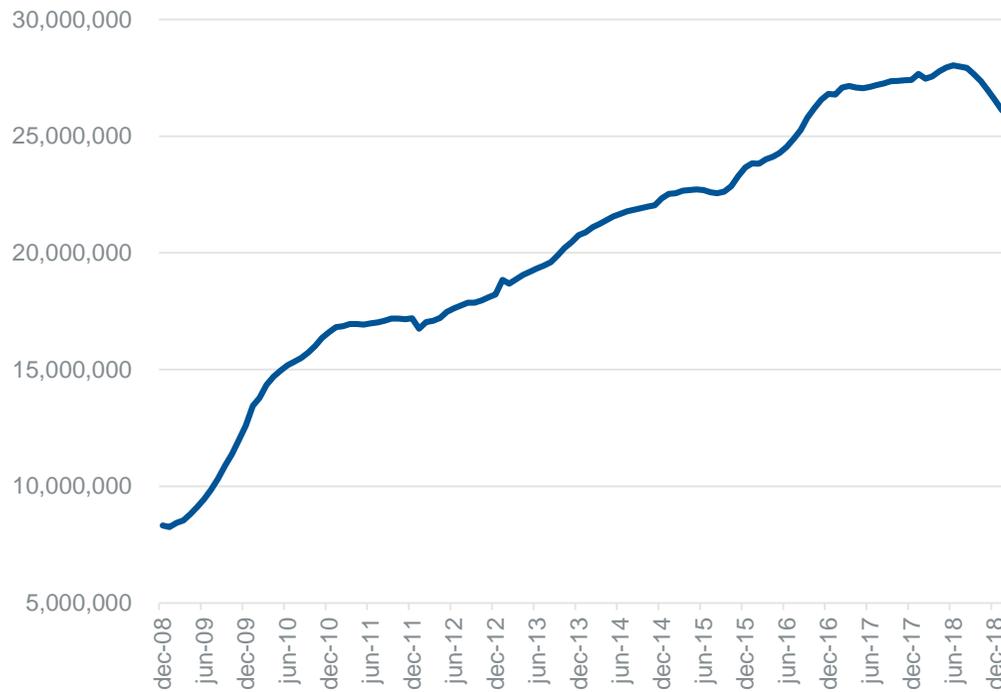


# China

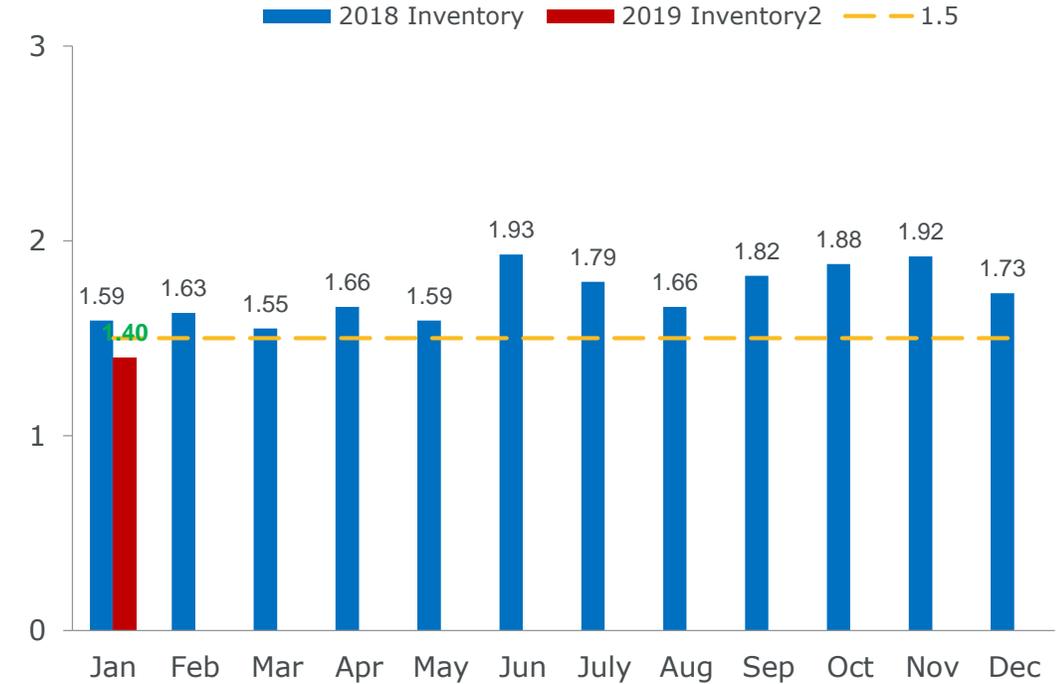
## Light Vehicle Sales and inventories

### Sales

China 12m trailing LV sales

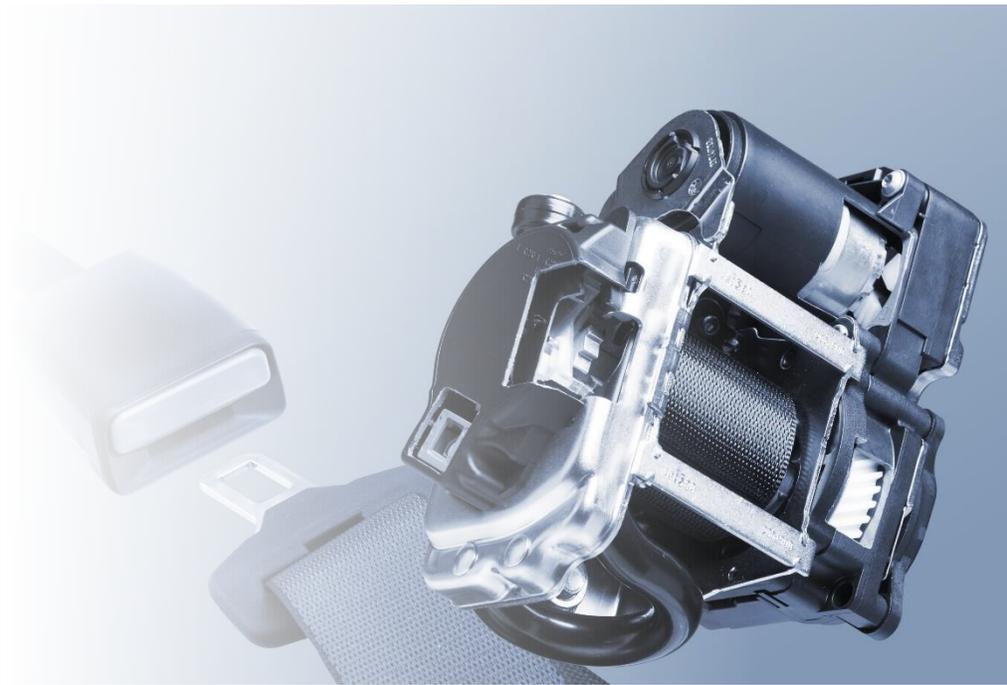
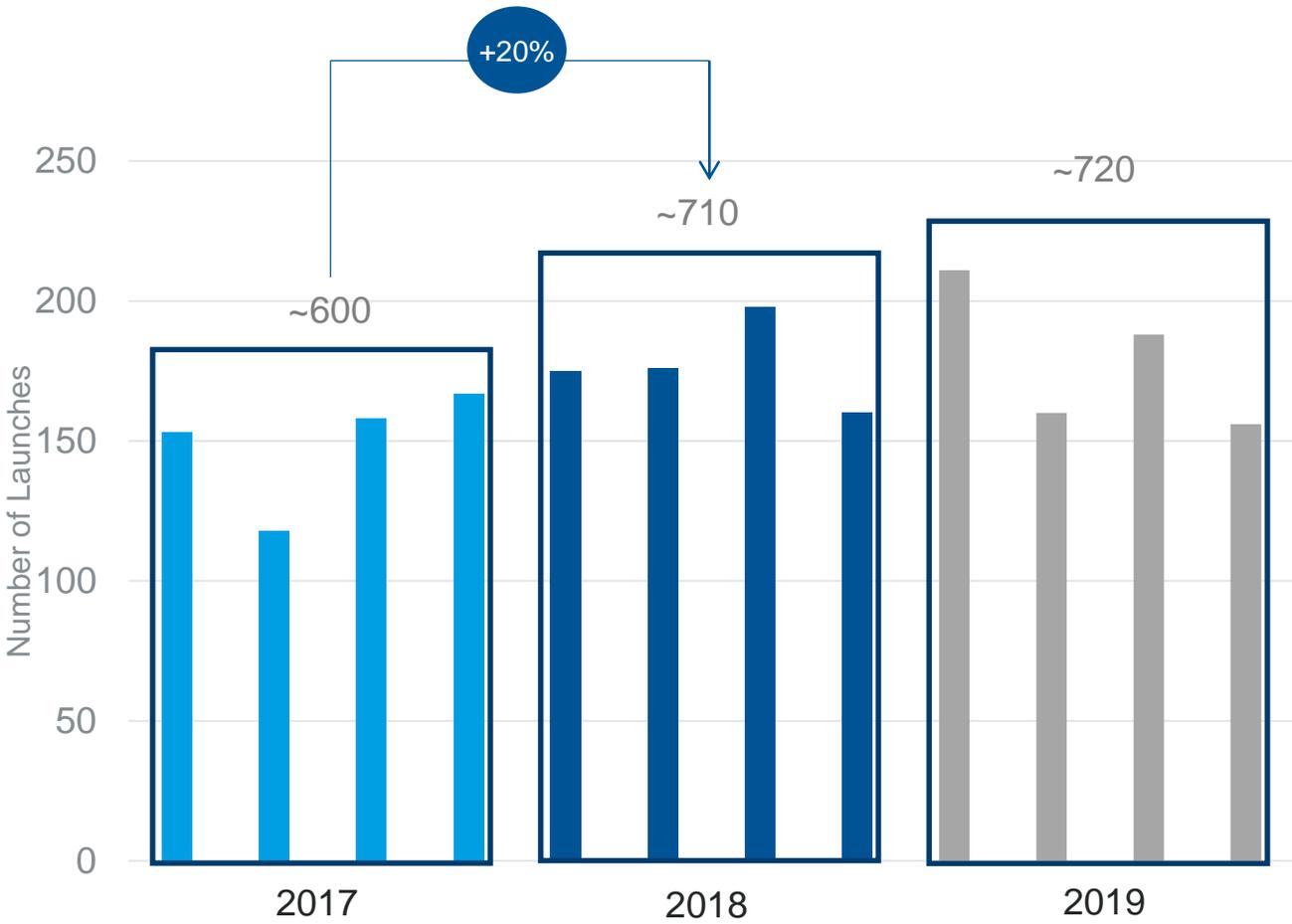


### Inventories



# Product Launches per Quarter

Q1'19 is expected to increase 20% YoY



# FY'19 - Key Models

Contributing to the ramp-up of sales growth

**Honda CR-V**



**VW T-Cross**



**Honda Crider**



**U.S. Truck**



**Ford Ranger**



**VW Passat**



**Nissan Altima**



**EU Car**



**Audi Q3**



**Renault Captur**



**Nissan Quashqai/Rogue Sport**



# FY'18 Financial Overview

(US \$ Millions unless specified)	FY'18		FY'17	
Sales	\$8,678		\$8,137	
Gross Profit	\$1,711	19.7%	\$1,680	20.6%
Operating Income <sup>1</sup>	\$908	10.5%	\$899	11.1%
EPS (assuming dilution)	\$4.31		\$6.68	
RoCE <sup>1,2</sup>	22%		n/a	
RoE <sup>1,2</sup>	20%		n/a	
Operating cash flow Cont. Ops	\$806		\$870	
Dividend per share	\$2.46		\$2.38	
Global LVP <sup>3</sup>	91M		92M	



1) Non-US GAAP measures exclude costs for capacity alignments, antitrust related matters and separation of our business segments. (2) Return on Capital Employed (RoCE) and Return on Equity (RoE), (3) Light Vehicle Production (LVP) according to IHS @ January 17, 2019.

# Financial Outlook 2019 from January 29

Full year indication	Indication
Organic sales growth*	~5%
FX	~(1)%
<b>Consolidated sales, net</b>	<b>~4%</b>
<b>Adjusted Operating margin*</b>	<b>~10.5%</b>
<b>Tax rate</b>	<b>~28%</b>
<b>Operating Cash flow</b>	<b>Higher than 2018**</b>
<b>Capex % of sales</b>	<b>Lower than 2018**</b>
<b>R,D&amp;E, net % of sales</b>	<b>Lower than 2018**</b>
<b>Leverage ratio by year end</b>	<b>Well within range</b>

Exchange rates***	FY'19
EUR / US\$	1,1416
US\$ / JPY	108,57
US\$ / KRW	1121
US\$ / MXN	19,00
US\$ / CNY	6,76

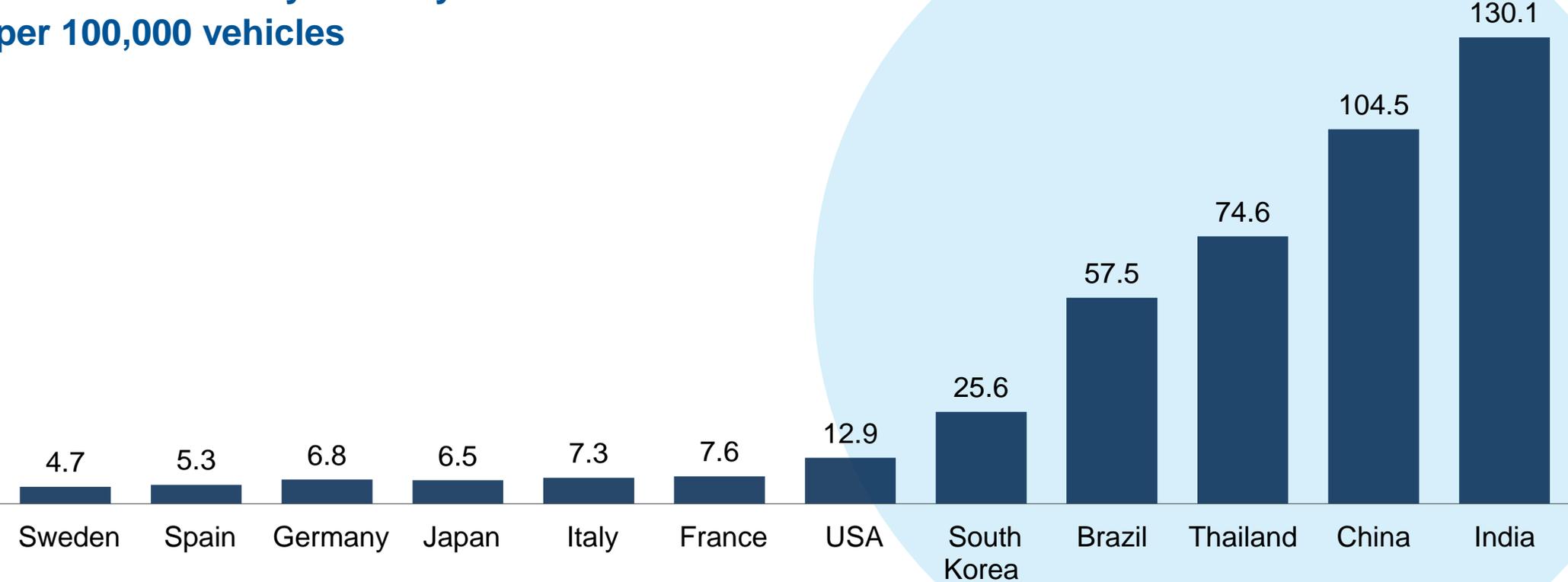
(\*) Non-US GAAP measures exclude costs for capacity alignments, antitrust related matters and separation of our business segments,

(\*\*) Compared to 2018 Continuing Operations

(\*\*\*) Mid-January 2019 exchange rates,

# Significant traffic safety improvement potential

Road Fatalities by Country per 100,000 vehicles



Sources: WHO Global Status Report on Road Safety 2015  
Published in 2015 Based on Data Collected in 2013 (Latest Available Data)

# Saving More Lives & Creating Sustainable Growth

## Customer Partnership

- Key customer partnerships give us an **advantage**, especially when there are new challenges.

## Influence

When our innovation is proven efficient:

- Government (Regulation)
- NCAP ratings →

## Accident Research

- Understand how people get hurt → New Solutions

## Anticipate Market Trends

- HAD / ADAS
- Possibilities with new sensors

## New Technology

- Disrupt market with new technology

# R&D Priorities

New Restraint Considerations = Current Occupant Safety Requirements + More

## ADAS & AD



### Main Challenge: New seating positions

- ✓ Safety solutions more complex: Need to adapt to new & varying seating positions
- ✓ Safety integrated on seats

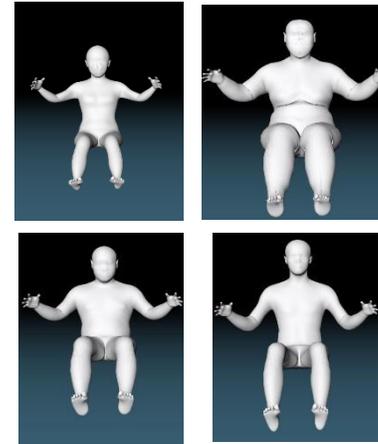
## Electrification



### Main challenges: Weight & noise

- ✓ New materials development
- ✓ Electrical solutions
- ✓ New quieter products
- ✓ Battery cut-off switches

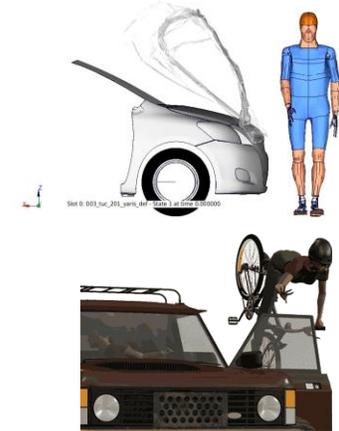
## Adaptability to Size & Age of Occupant



### Adaptability of restraint systems

- ✓ Personalized restraint system
- ✓ Occupant diversity
- ✓ Child protection

## and more...



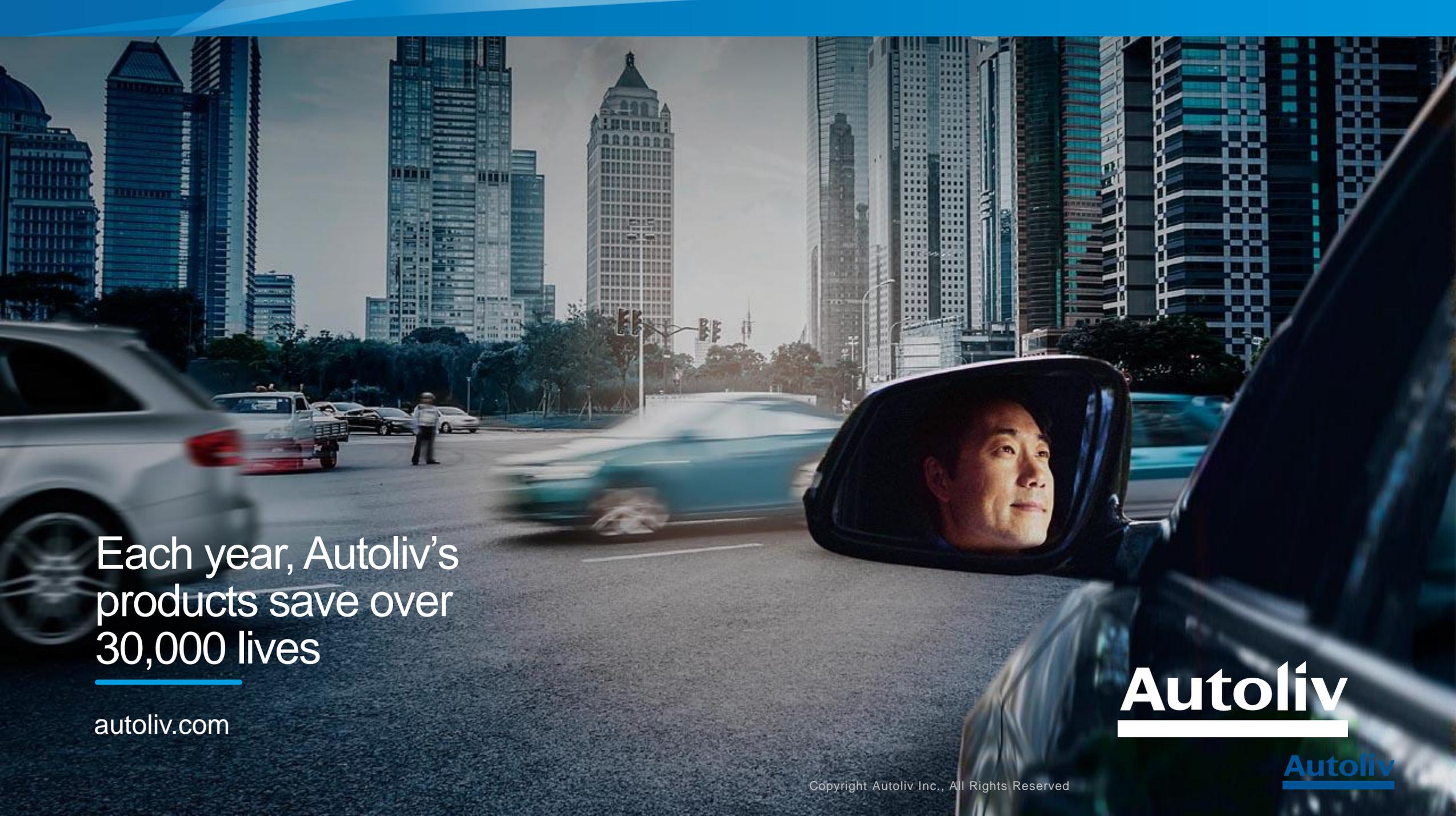
### Protection of:

- ✓ Pedestrians
- ✓ Cyclist
- ✓ Powered two-wheelers
- ✓ Others

# Our focus for 2019

- Continue to Execute on Strong Order Book
- Product Launch Effectiveness
- Productivity Development
- Monitor and Manage Light Vehicle Market Volatility
- Secure Our New and Stronger Market Position
- Save More Lives





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

[autoliv.com](http://autoliv.com)

**Autoliv**

**Autoliv**

Copyright Autoliv Inc., All Rights Reserved