



Investor Conferences

Post Q4'17 Earnings Result – Miami

Stefan Kroenung – VP Operations ANBS

Ray Pekar – VP IR Americas & Corp. Bus. Development

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Autoliv

Safe Harbor Statement*

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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 statements related to the completion and timing of the proposed spin-off, the estimated project costs and tax costs associated with the separation and spin-off, the future performance of the Passive Safety and Electronics businesses on a stand-alone basis if the spin-off is completed, the outlook for Passive Safety and Electronics as separate businesses if the spin-off is completed, the expected strategic, operational and competitive benefits of the proposed spin-off and the effect of the separation on Autoliv and its stakeholders, or financial results, are based upon our current expectations, various assumptions and/or data available from third parties. 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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

FY'17 Recap

Strong performance even with increased RD&E investments for long-term growth

■ Growth and Margins

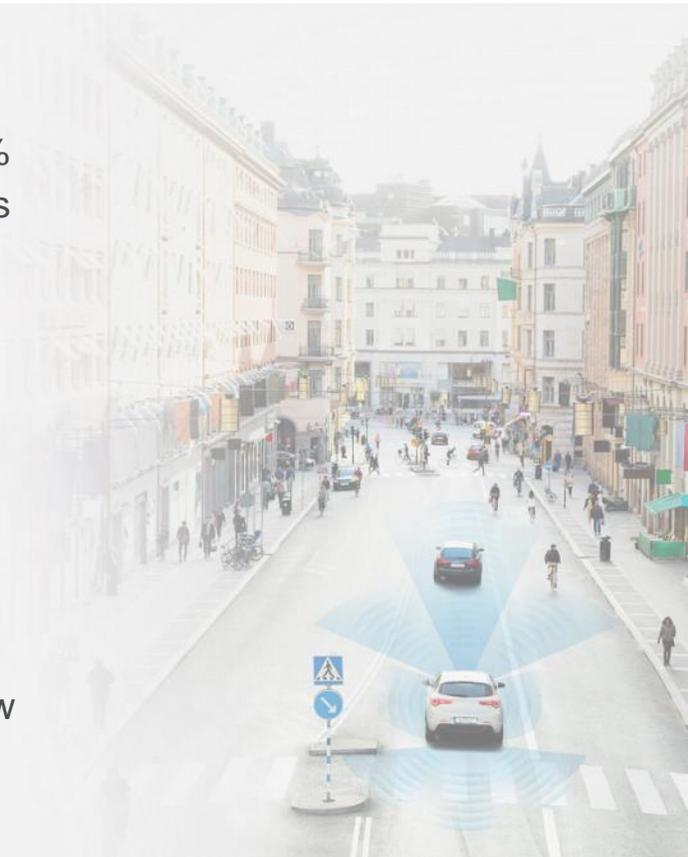
- Record sales as a result of consolidated sales growth of ~3% where of organic sales* growth ~1.5%
- Record gross profit resulting in an 8.6% adjusted operating margin* where RD&E was 7.1% of sales
- Record order intake in both segments supports organic sales targets
- Adjusted EPS* \$6.58

■ Capital Structure

- Operating cash flow ~\$936M, RoCE* ~19% and RoE* ~14%
- Shareholder returns ~\$366M with a leverage ratio* of 0.5 times

■ Company transformation continues

- Improving operating efficiencies and operating leverage on organics sales growth and vertical integration in Passive Safety
- Closed “Zenuity” software Joint Venture with VCC** in April'17, one LiDAR acquisition and eight new technology collaborations
- Announced the intention to spin-off the Electronics business as a standalone entity during Q3'18



Several technology collaborations established during 2017 improved our underlying market position in both segments for the long-term

(* Non-US GAAP measures exclude costs for capacity alignments, antitrust related matters, separation of our business segments and Goodwill impairment, Return on Capital Employed (RoCE), Return on Equity (RoE), Earnings per Share (EPS), (**) Volvo Car Corporation (VCC).

FY'17 Recap - Strategic Review Process Concluded

Prepare for next steps for “Tax-free Spin-off” of Electronics Business during Q3'18

- **Both entities will be US companies with HQ* in Stockholm**
 - Dual listings on the stock market in the US (primary listing) and Sweden
- **RemainCo (Passive Safety) to retain the name Autoliv**
- **SpinCo (Electronics) to be named Veoneer**
- **Cost summary**
 - Separation costs are expected to be up to \$70M (excluded from adjusted operating income)
 - Tax related costs resulting from the separation of the legal entities in preparation for the spin-off are estimated to be up to \$80M during H1'18
 - For Autoliv (Passive Safety), as a standalone company, the re-allocation of costs will positively impact its operating margin by less than one pp**
 - For Veoneer (Electronics), as a stand-alone company, the re-allocation of costs including additional costs as a standalone entity will negatively impact the operating margin by a few pp's**



The underlying objective is to provide greater value to stakeholders by allowing the two entities to maximize their long-term potential on their own

(*) Headquarters (HQ), (**) percentage points includes additional costs related to standalone entities.

A nighttime cityscape featuring several tall, illuminated skyscrapers. In the foreground, a multi-lane highway shows light trails from moving vehicles, with a bridge or overpass structure visible on the left. The overall scene is lit with a cool blue and white color palette.

The Veoneer brand will be a
visionary pioneer in automotive
electronics, ADAS, automation
and new mobility

veoneer

Technology Collaborations and Acquisition

Recently announced



SEATING EXPERTISE
Collaboration in the areas of safety, comfort and convenience of future cars



DRIVER MONITORING
Collaboration to develop driver monitoring systems



LiDAR
Volume production of automotive grade LiDAR systems



HUMAN CENTERED AI* EXPERTISE
Collaboration to support LIV "Learning Intelligent Vehicle"



OPTICS EXPERTISE**
Acquisition in the product area of LiDAR and Time of Flight Cameras



HD MAPPING
Collaboration with Zenuity to develop Path Planning



CLOUD SOLUTIONS
Collaboration with Zenuity to develop Connected Cloud



INNOVATION CONSORTIUM
Collaborating with start-ups to develop and demonstrate safer and more efficient transportation for tomorrow's world



COMPUTING PLATFORM
Collaborate on AI computing platform

Expanding our capabilities in secular growth trends through a blend of collaborations and acquisition

(*) Artificial Intelligence (AI), (**) the acquisition is pending and subject to customary closing conditions.

FY'17 Recap

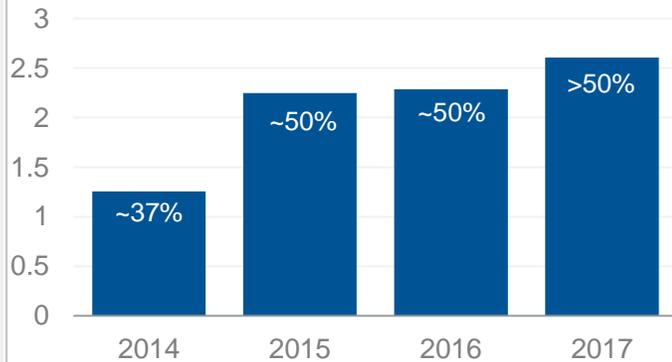
Strong order intake in both segments

Passive Safety

~50% Order intake win rate for three years (2015-2017)

Life-time Sales ~\$13B for the 2017 order intake

Order Intake* US\$ Billions

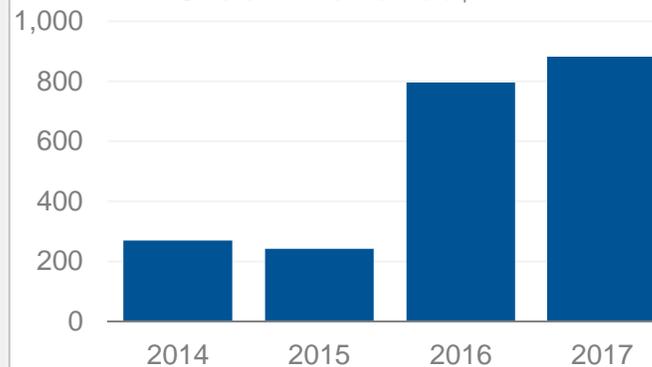


Electronics

~50% of the Electronics orders over last four years (2014-2017) is in ACTIVE SAFETY

Life-time Sales ~\$4B for the 2017 order intake

Order Intake* US\$ Millions

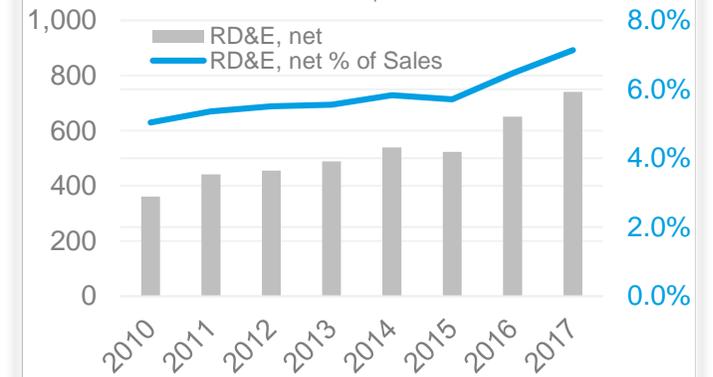


RD&E

RD&E 7.1% of sales in 2017

Passive Safety RD&E% of sales peak FY'17 while Electronics requires further increases to support organic sales growth targets

RD&E US\$ Millions



Since 2010 RD&E, net cost has more than doubled and has increased by more than 200 bps to support organic sales** growth targets

(*) \$ 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, (**) Non-US GAAP measure.

FY'17 Recap

Active Safety and Zenuity Update

Active Safety

- Strong order intake in FY'17, estimated market share in the “high teens”
- Order intake includes a 4th vision customer and our 1st LiDAR and ROADSCAPE customers
- Temporary lower growth in FY'17-18 due to lower order intake in FY'14-15
- 8 major new program launches planned in FY'19

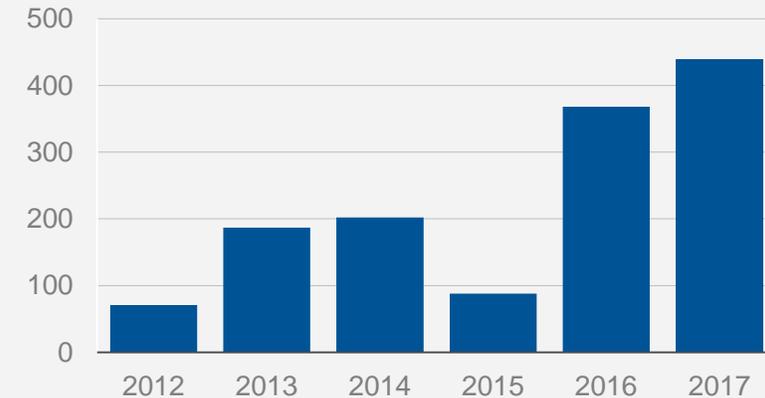
Zenuity

- FY'17 ~500 employees and consultants
- ALV net cost \$31M for FY'17, current quarterly run rate ~\$15M
- Autoliv's ADAS** system, with Zenuity software stack, field testing in progress ahead of 2019 launch
- Level 4 vehicles running daily tests with AD** highway pilot capabilities
- Discussions underway with 6 OEM's

Customer** Snapshot – Dec'17

Customer	RADAR			VISION*			ADAS ECU			LIDAR		
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												
Total	14	12	7	13	8	4	10	8	2	11	3	1

Active Safety Order Intake* US\$ Millions



Active Safety order intake during the last two years has increased substantially due to the expansion of our product portfolio in 2015

(*) \$ value represents expected average annualized sales from respective years order intake, disclosure of orders will not be made regularly, Vision based on Autoliv developed algorithms, (**) Customers representing >90% of the light vehicle production, Advanced Driver Assist Systems (ADAS), Autonomous Driving (AD).

Q4'17 Highlights

Strengthening our market position and preparing for our step-up in growth

■ Financial Performance

- Organic Sales* growth 1.1%, slightly better than guidance and LVP**
- Adjusted Operating Margin* 9.6%, better than guidance
- Adjusted EPS* \$2.03, ~19% increase YoY

■ Capital Structure

- Operating cash flow \$389M, returned \$52M in dividends to shareholders
- Leverage ratio* 0.5 times, RoCE* ~21%, RoE* ~16%

■ Positioning for Long-Term Growth

- Improving operating leverage on gross margin while investing in RD&E for growth opportunities
 - FY'17 Gross Margin 20.7% and RD&E, net 7.1% of sales
- Product Portfolio:
 - New Technology collaborations (Zenuity and TomTom), vision, LiDAR and ROADSCAPE orders with new customers

Exceeded our adjusted Operating Margin and Organic Sales growth guidance resulting in a strong adjusted EPS

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

Q4 Financial Overview

Record sales, gross profit and operating cash flow for any quarter

(US \$ Millions unless specified)	2017	2016
Sales	\$2,729	\$2,604
Gross Profit	\$567 20.8%	\$534 20.5%
Operating Income*	\$263 9.6%	\$243 9.3%
EPS* (assuming dilution)	\$2.03	\$1.71
RoCE*	21%	23%
RoE*	14%	15%
Operating cash flow	\$389	\$294
Dividend per share	\$0.60	\$0.58
LVP** (Global annual run rate)	~98M	~97M



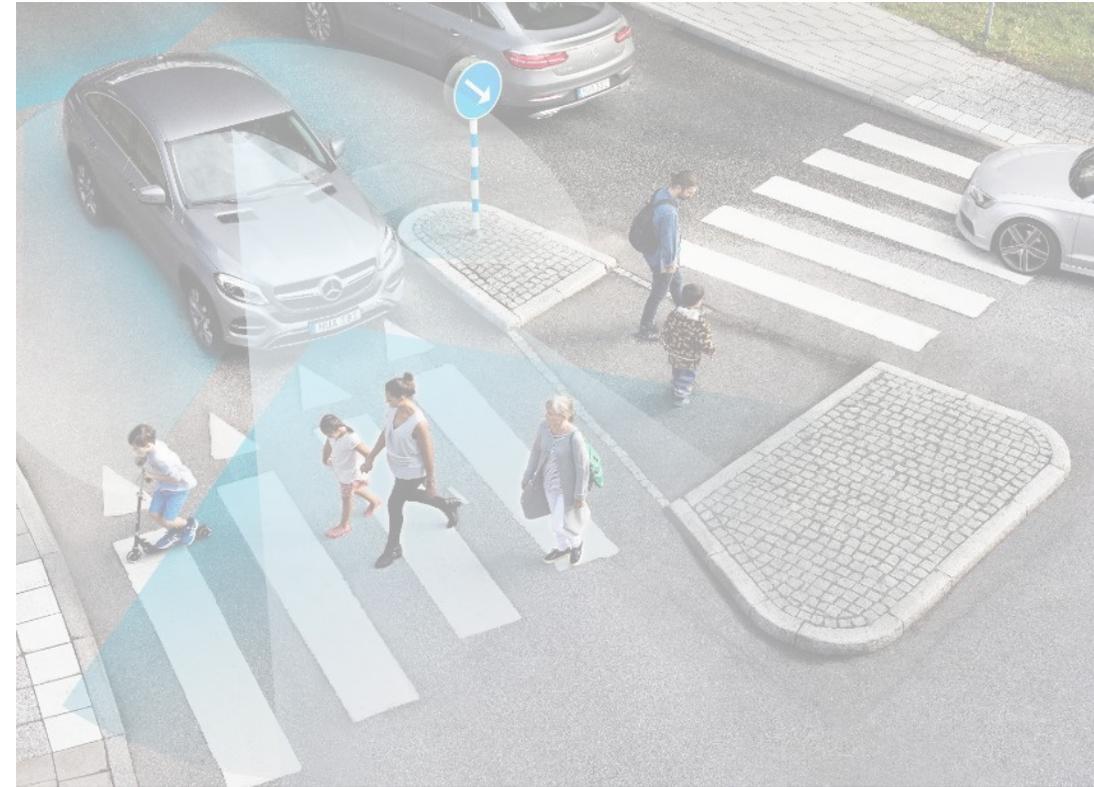
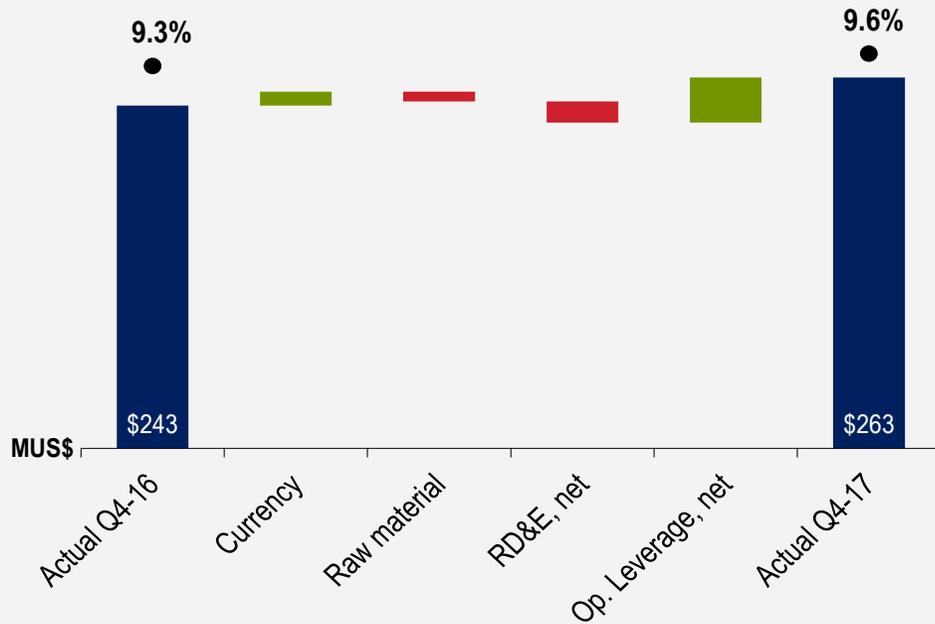
Sales and adjusted Operating Margin both exceeded our guidance

(*) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters, Earnings per share (EPS), Return on Capital Employed (RoCE) and Return on Equity (RoE), (**) Light Vehicle Production (LVP) according to IHS @ January 16, 2018.

Operating Income* and Margin* Bridge

Q4'17 vs. Prior Year

Q4'17 vs. Prior Year (30 bps better)



Operating Margin* of 9.6% includes ~60 bps increase in RD&E, net vs. Prior Year

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

Q4'17 Strong Performing Models

Contributing to our overall Organic Sales* growth

Great Wall WEY VV7



Nissan Qashqai / Rogue Sport



Honda Accord



Mercedes E-Class



Ford Mustang



Honda CR-V



Toyota C-HR



Jeep Compass



Volvo S90 / V90

Strong Organic Sales growth on these models were mitigated by lower inflator replacements and unfavorable model mix on certain platforms.*

() Non-US GAAP measure.*

Currency Effects*

Translation, Transaction and Revaluation

- Translation could have a margin impact due to our mix, as margins may not be evenly distributed across countries
- Transaction exposure, net for FY'17 accounts for approximately 24% of sales and directly impacts on margin
- Revaluation of balance sheet from local currency to US\$

YoY change	Q4'17	FY'17
Sales % / \$ (translation only)	3.7% / ~97\$M	0.4% / ~\$36M
EBIT reported *(translation + transaction & revaluation)	~\$11M	~\$2M
Bps (EBIT reported) *(translation + transaction & revaluation)	~10	~0
EPS* ((translation + transaction & revaluation)	~\$0.09	~\$(0.22)

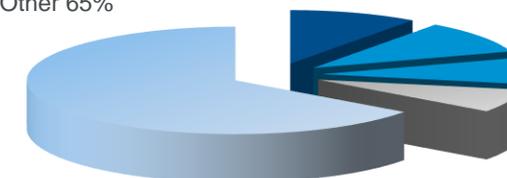
FY'17 Translation Exposure ~76%

■ Non US\$ ■ US\$ 24%



FY'17 Transaction Exposure, Net ~\$2.5 B

■ Sell US\$ buy MXN 10% ■ Sell US\$ buy CNY 10%
 ■ Sell KRW buy US\$ 8% ■ Sell TRY buy EUR 7%
 ■ Other 65%



Indication for FY'18 is a negative transaction effect of ~20 bps which is expected to be offset by positive translation effect on earnings

(*) Since 2004 Autoliv has adopted a Natural Hedging policy however from time to time the company may enter into forward hedging contracts on certain components, Earnings before Interest & taxes (EBIT), Bps (Basis points), Earnings per Share (EPS).

Commodity Price Trends

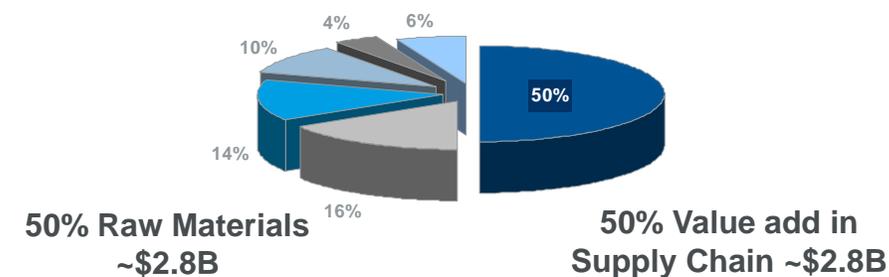
Raw material cost development

- Autoliv avoids forward hedging contracts against commodity cost changes
- Consequently, Autoliv manages the risk between suppliers and customers
- Lead time effect of changes in commodity costs is generally 3 to 6 months

Commodity (Positive) / Negative YoY Cost Change in US\$ Millions								
Commodity	FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	FY'16	FY'17
Steel	(4)	35	2	(8)	(9)	(17)	(12)	18
Non-Ferrous	18	8	(2)	0	(1)	0	0	16
Plastic & Yarn	4	47	7	(11)	(14)	(31)	(19)	(4)
Other	<u>0</u>	<u>5</u>	<u>(1)</u>	<u>(4)</u>	<u>5</u>	<u>8</u>	<u>(2)</u>	<u>0</u>
TOTAL	18	95	6	(23)	(19)	(40)	(33)	30

FY'17 Direct Material ~54% of sales or ~\$5.6B

32% 28% 20% 8% 12%
 Steel Petroleum based Electronics Non Ferrous Other



China Update

Q4'17 light vehicle production reached ~31.8 million annual run-rate

■ Market

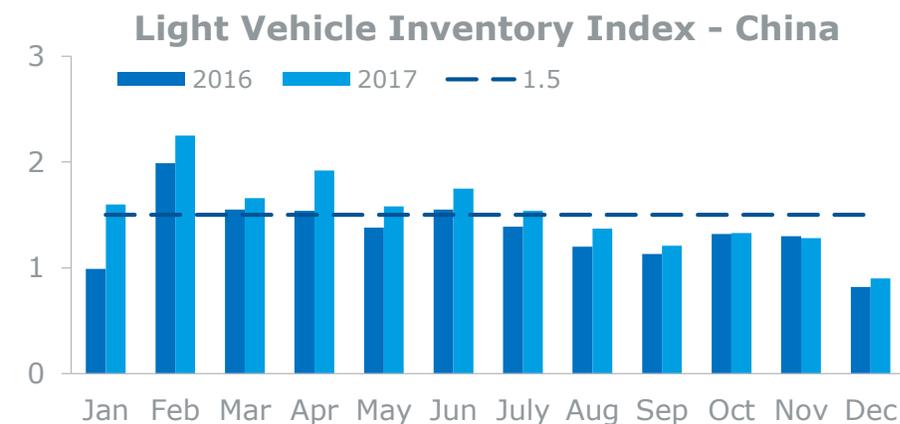
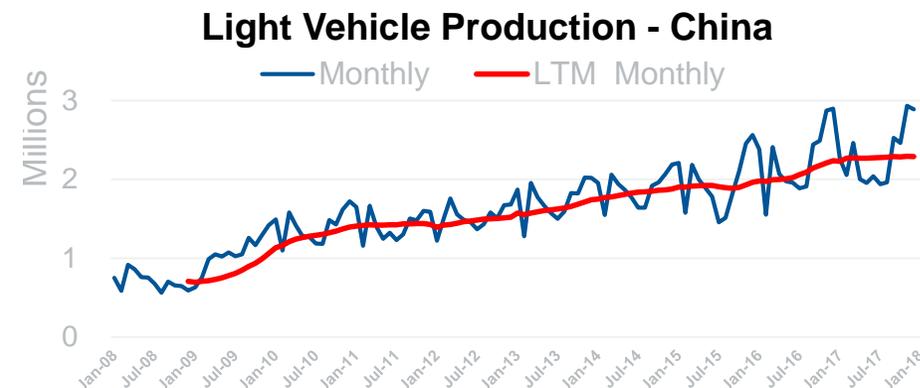
- Q4'17 LVP** decrease YoY ~1%
 - Driven by domestic OEMs**
- Monthly fluctuations remain erratic
- LV Inventories** decreased during Q4'17

■ NCAP** Ratings

- Implementation from 1st of July, 2018
 - Improved rear-seat, side and Pedestrian protection
 - Adding a new level with a +5-star rating
 - Active safety and AEB is required for a rating of 4-stars or higher

■ Autoliv

- Organic sales* growth in Q4'17 ~4%, mainly due to global OEMs
- FY'17 Organic sales growth ~4% driven is mainly driven by global OEMs



We remain confident in our long-term growth prospects for China due to Content per Vehicle opportunities in both Active and Passive Safety

(*) Non US GAAP measure, (**) Light vehicle production (LVP) according to IHS @ January 16, 2018, Original Equipment Manufacturer's (OEMs), According to CAAM/CADA, New Car Assessment program (NCAP), Automated Emergency Braking (AEB).

FY Financial Overview

Record sales, gross profit and operating cash flow

(US \$ Millions unless specified)	2017		2016	
Sales	\$10,383		\$10,074	
Gross Profit	\$2,149	20.7%	\$2,057	20.4%
Operating Income*	\$892	8.6%	\$885	8.8%
EPS* (assuming dilution)	\$6.58		\$6.75	
RoCE*	19%		21%	
RoE*	13%		15%	
Operating cash flow	\$936		\$868	
Dividend per share	\$2.38		\$2.30	
GLVP** (annual run rate)	~92M		~90M	



(*) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters, Earnings per share (EPS), Return on Capital Employed (RoCE) and Return on Equity (RoE), (**) Global Light Vehicle Production (GLVP) according to IHS @ January 16, 2018.

FY Segment Reporting

Strong operational performance in Passive Safety driving group profitability

	Organic Sales* Growth (%)	Sales (US\$ Millions)		Operating Margin (%)		CapEx (%)		D&A (%)		Headcount	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Passive Safety ***	2.2%	8,135	7,919	10.2	10.3	5.7	5.0	3.7	3.5	64,111	63,134
▪ Airbags (incl. Steering Wheels)	1.3%										
▪ Seatbelts	4.0%										
Electronics ***	(0.5)%	2,322	2,216	(7.8)	2.8	4.7	4.6	4.8	4.3	7,484	6,778
▪ Restraint Control Systems	(3.4)%										
▪ Active Safety	5.1%										
▪ Brake Systems	(6.2)%										
Autoliv	1.5%	10,383	10,074	5.8	8.4	5.6	5.0	4.1	3.8	72,034	70,293
LVP ** (Global)	2.2%										

Non-cash, one time Goodwill impairment charge of ~\$100M to net income (~\$234M operating income) related to ANBS during Q4'17*

(*) Non-US GAAP measure, (**) Light Vehicle Production (LVP) according to IHS @ January 16, 2018, Autoliv Nissin Brake Systems (ANBS),

(***) Segment reporting, organic growth refers to net sales for the segments and external sales for product groups.

Cash Flow

Investments for growth and shareholder returns

(US \$ Millions unless specified)	Q4'17	Q4'16	2017	2016	2015	2014	2013	2012
Net Income	(56)	144	303	562	458	469	490	486
Depreciation & Amortization***	341	104	660	383	319	305	286	273
Other, net	(4)	(16)	(27)	1	0	42	43	10
Change in operating WC*	108	62	(0)	(78)	(26)	(103)	19	(80)
Operating cash flow	389	294	936	868	751	713	838	689
Capital Expenditures, net	(168)	(159)	(570)	(499)	(450)	(453)	(379)	(360)
Free cash flow**	221	135	366	369	301	260	459	329
Acquisitions, net	14	0	124	227	128	(1)	2	(3)
Dividends paid	52	51	209	203	196	195	191	178
Shares repurchased	0	0	157	0	104	616	148	0

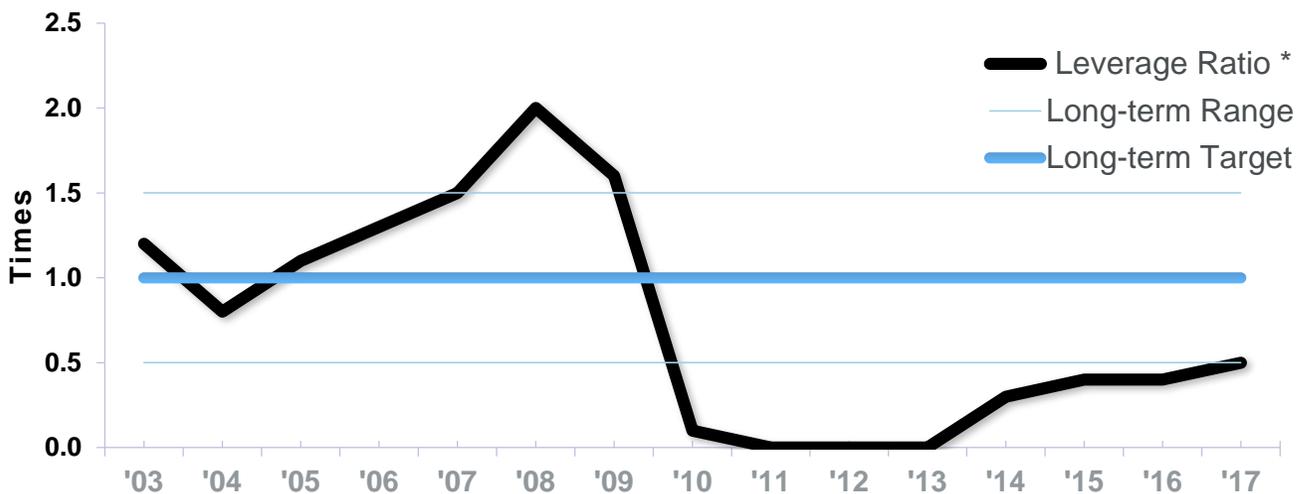
Acquisitions and CapEx for growth along with Shareholder returns are ~\$1.1B during FY'17

(*) Non-US GAAP measure, (**) Non-US GAAP measure, before acquisitions, reconciliation of free cash flow is provided above.

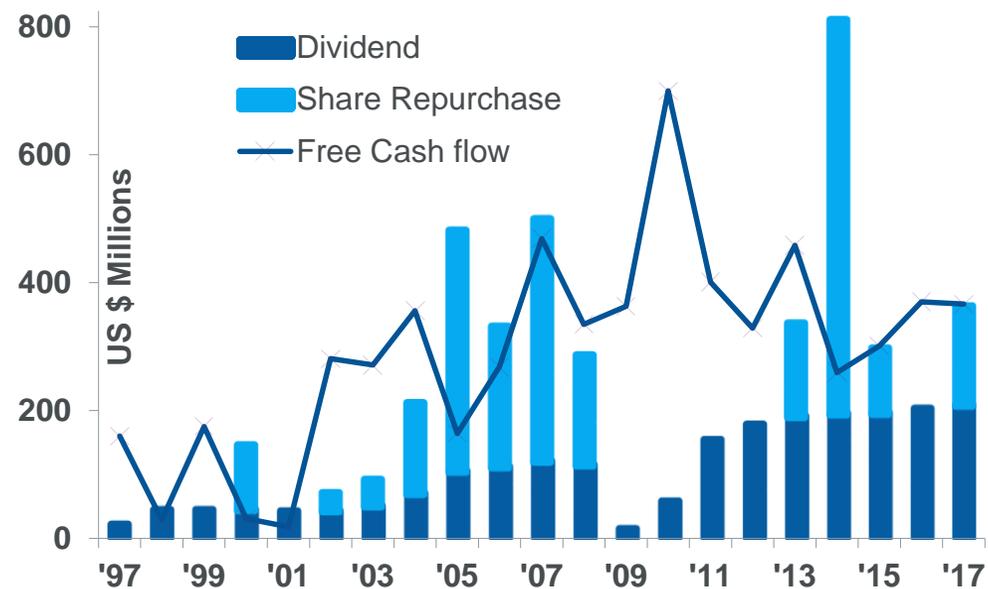
(***) Includes Goodwill impairment related to the ANBS JV in Q4'17 and 2017.

Capital Structure

Debt limitation policy and shareholder returns



0.5 leverage ratio in FY'17



Free cash hampered by anti-trust settlements in 2014-15

More than two-thirds of our Free Cash flow has been returned to shareholders since 1997

(*) Cash flow before financing

FY'18 - Looking ahead

Executing towards the targets of the standalone businesses

▪ The Spin next steps

- H1'18 → Disclose recast historical figures (2015, 2016, 2017) for new standalone entities, Form 10 filing,
→ Host Analyst Days and Deal Roadshows in the US and Europe for standalone entities ahead of the spin-off
- Q3'18 → Standalone entities commence trading

▪ Electronics

- Organic sales decline ~3% where of AS** organic sales growth similar to 2017, currency translation tailwind ~3%
- Underlying profitability to decline from 2017 mainly due to increased RD&E costs net
- Focus on readiness for new launches in 2019 and securing 2022 sales targets

▪ Passive Safety

- Organic sales* growth >10%, ~5 times better than LVP**, currency translation tailwind ~4%
- Underlying profitability to improve from 2017 due to organic sales operating leverage
- Flawless execution of launches while maintaining flexibility to adapt to underlying market fluctuations and uncertainties

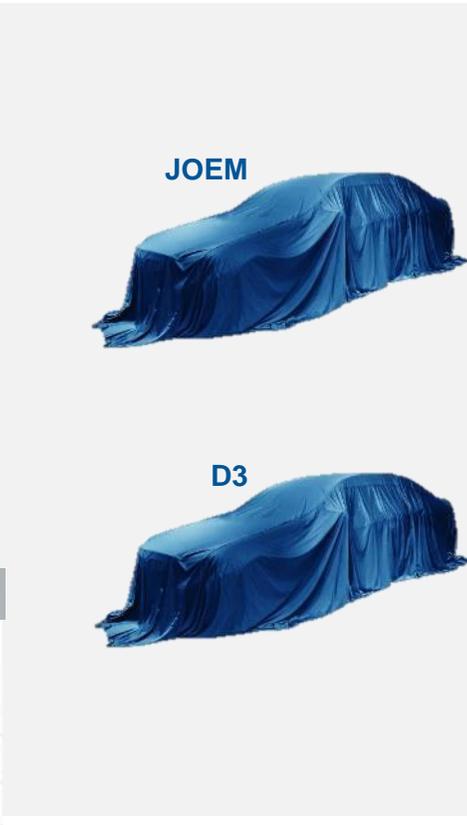
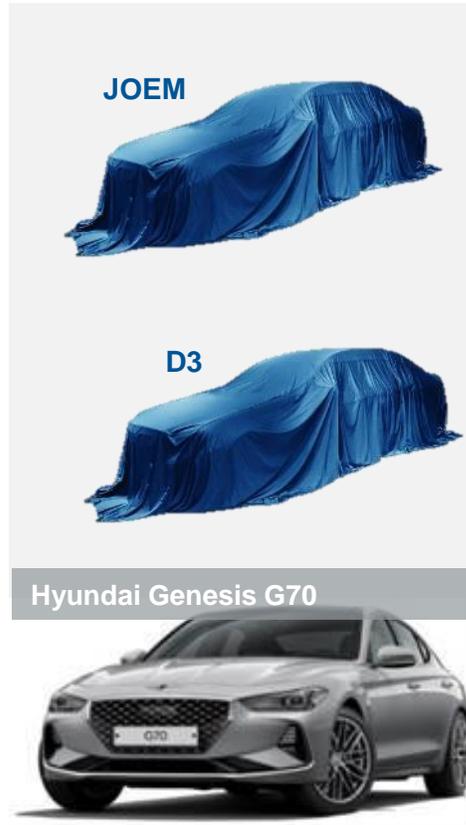
Autoliv group FY'18 indication is for organic sales growth of >7%, consolidated sales, net growth >11% and an operating margin of ~9%*

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

(**) Light Vehicle Production (LVP) according to IHS @ January 16, 2018, Active Safety (AS).

FY'18 - Key Models in Passive Safety

Contributing to the ramp-up of our expected organic sales* growth



These models are anticipated to contribute ~\$500M towards the expected Passive Safety Organic Sales* growth of >10% in FY'18

(* Non-US GAAP measure.

Active Safety - Selected Customer Launches

Vision

- Europe (SOP 2018)
- Europe (SOP 2019)
- Asia (SOP 2018)

ADAS ECU

- Europe (SOP 2019)

Night Vision

- North America (SOP 2020)

Advanced ADAS Software

- Europe (SOP 2019)

Radar 24 GHz NB

- Europe (SOP 2020)
- Asia (SOP 2019)
- North America (SOP 2019)

Radar 77GHz

- Europe (SOP 2019)
- Asia (SOP 2019)
- North America (SOP 2019)



Overall Market Conditions

Major light vehicle markets remain mixed and uncertain

■ Asia

- China inventories** declined during FY17 to relatively low levels
- The Q1'18 LVP* is expected to decline YoY* in China ~4% while the LVP in Japan and RoA is expected to increase ~2% and 1% respectively

■ Americas

- US SAAR** remains relatively high while inventories declined during Q4'17 to ~3.7M vehicles (~61 days)
- US consumer confidence remains strong
- Q1'18 LVP in North America is expected to increase ~1% YoY while South America continues to recover and is expected to increase ~15% YoY

■ Europe

- EU27** FY'17 vehicle registrations approaching “pre-crisis” levels while LVP set a new record
- Q1'18 LVP in Europe is expected to increase ~2% YoY whereof WEU* is expected to increase ~2% and EEU* is expected to increase ~3%

FY 2018 LVP*		
Region	Millions of Vehicles	YoY Chg. @ Jan 16
China	26.8	1%
Japan	8.7	(3)%
RoA*	13.1	4%
North America	16.3	2%
South America	3.7	13%
Europe	22.6	2%
Global	94.0	2.0%



In Q1'18 the global LVP is expected to increase ~0.5% YoY*, however decline sequentially by ~3% from Q4'17*

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

Q1 Light Vehicle Production

Vehicles in millions	2018	2017	2018 vs. 2017 (%)		ALV Organic** Sales Growth (%)
			@ Jan 16 th	@ Oct 17 th	
Americas	5.1	4.9	3	4	
▪ North America	4.3	4.2	1	2	
▪ South America	0.8	0.7	15	13	
Europe	6.0	5.8	2	2	
▪ WEU	4.0	3.9	2	4	
▪ EEU	2.0	1.9	2	0	
Asia	12.0	12.2	(1)	(1)	
▪ Japan	2.4	2.4	2	0	
▪ China	6.3	6.6	(4)	(3)	
▪ RoA	3.3	3.2	1	2	
Other*	0.6	0.7	2	(1)	
Total Global	23.7M	23.6M	0.4%	0.7%	<1%

Source: IHS Light Vehicle Production (LVP) @ January 16, 2018 and October 17, 2017, (*) Middle East/ Africa, (**) Non US GAAP, as of January 30, 2018.

FY'18 Light Vehicle Production

Vehicles in millions	2018	2017	2018 vs. 2017 (%)		ALV Organic** Sales Growth (%)
			@ Jan 16 th	@ Oct 17 th	
Americas	20.0	19.2	4	4	
▪ North America	16.3	15.9	2	3	
▪ South America	3.7	3.3	13	11	
Europe	22.6	22.2	2	2	
▪ WEU	15.0	14.8	1	2	
▪ EEU	7.6	7.4	3	1	
Asia	48.6	48.2	1	0	
▪ Japan	8.7	9.0	(3)	(4)	
▪ China	26.8	26.6	1	1	
▪ RoA	13.1	12.6	4	3	
Other*	2.8	2.5	10	6	
Total Global	94.0M	92.1M	2.0%	1.7%	>7%

Source: IHS Light Vehicle Production (LVP) @ January 16, 2018 and October 17, 2017, (*) Middle East/ Africa, (**) Non US GAAP, as of January 30, 2018.

Looking Ahead

Q1'18 Guidance

▪ Sales

- **Organic Sales* growth <1% YoY****

- Strong growth in Thailand and India, South America and Japan is partially offset by a decline in Europe, South Korea and China

- **Currency translation >6% YoY**

- Mainly due to the weakening of the US\$ during 2017

▪ Operating Margin* ~9%

- **YoY**

- Improved operating efficiencies on gross margin are partially offset by higher RD&E and the negative impact from currencies

- **Sequential**

- Higher consolidated sales considering normal seasonality effects more than offset by higher RD&E

Q1'17 Organic Sales growth in Passive Safety is partially offset by Organic Sales decline in Electronics

() Non-US GAAP measures exclude costs for capacity alignments, antitrust related matters and separation of our business segments, as of January 30, 2018,*

*(**) Year over Year (YoY).*

Looking Ahead

FY'18 Indication

▪ Sales

- **Organic Sales* growth >7% YoY****
 - Mainly related to strong growth in all major regions including Active Safety which is partially offset by South Korea and lower Restraint Controls and Brake Systems
- **Currency translation ~4% YoY**
 - Mainly due to the continued weakening of the US\$

▪ Operating Margin* ~9%

- **YoY**
 - Positive effect from organic sales growth in Passive Safety and improved operating efficiencies are partially offset by the negative impact from higher RD&E in Electronics and currencies

Initial indication for FY'18 is strong Organic Sales growth to resume due to Passive and Active Safety with an improving Operating Margin

(*) Non-US GAAP measures exclude costs for capacity alignments, antitrust related matters and separation of our business segments, as of January 30, 2018,

(**) Year over Year (YoY).

Financial Outlook

Consolidated sales, net and operating margin* initial FY indication

ALV Group	Q1'18	FY'18
Sales		
Organic*	<1%	>7%
Acquisitions	-	-
Fx**	>6%	~4%
Consolidated Sales, net	>7%	>11%
Operating Margin*	~9%	~9%

Segments FY'18	Passive Safety	Electronics
Sales		
Organic*	>10%	~(3)%
Acquisitions	-	-
Fx**	~4%	~3%
Consolidated Sales, net	>14%	~0%
Underlying Profitability	Increase YoY	Decline YoY

Exchange rates**	Q1'18	FY'18
EUR / US\$	1.2152	1.2199
US\$ / JPY	111.22	110.84
US\$ / KRW	1,063	1,063
US\$ / MXN	19.03	18.94
US\$ / CNY	6.46	6.45

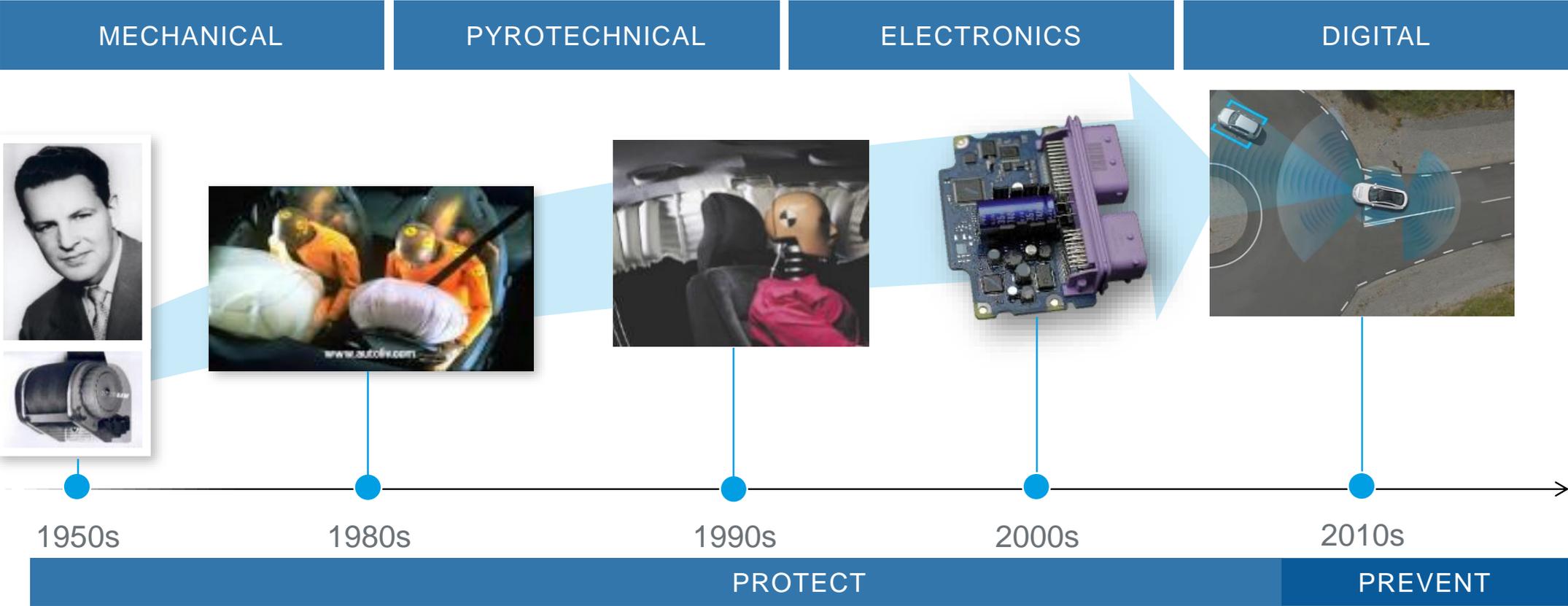
For FY'18 strong Organic Sales growth of >7% drives improvement in Operating Margin* to ~9% despite RD&E increases in Electronics*

(*) Non-US GAAP measures exclude costs for capacity alignments, antitrust related matters and separation of our business segments, as of January 30, 2018,

(**) Mid-January 2018 exchange rates.

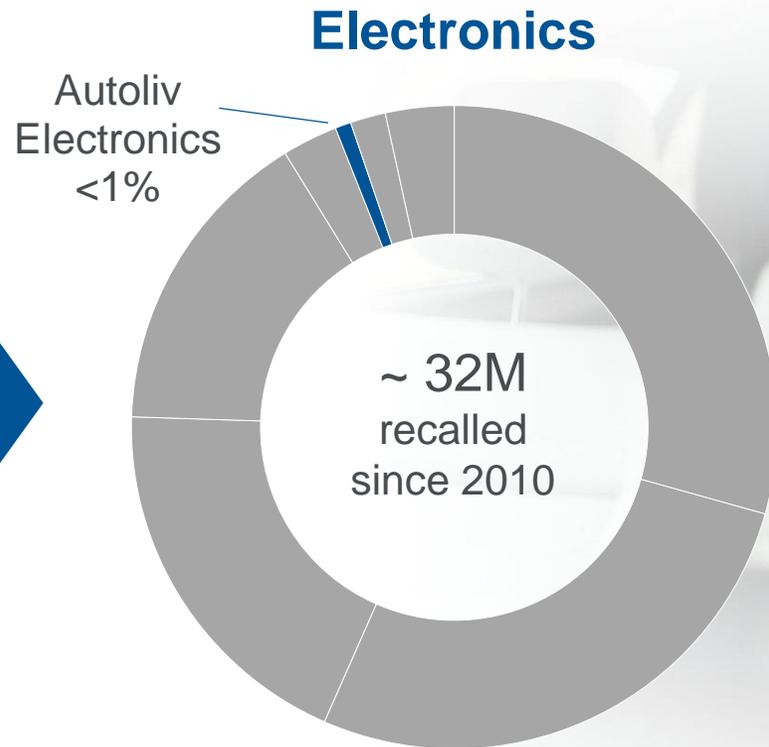
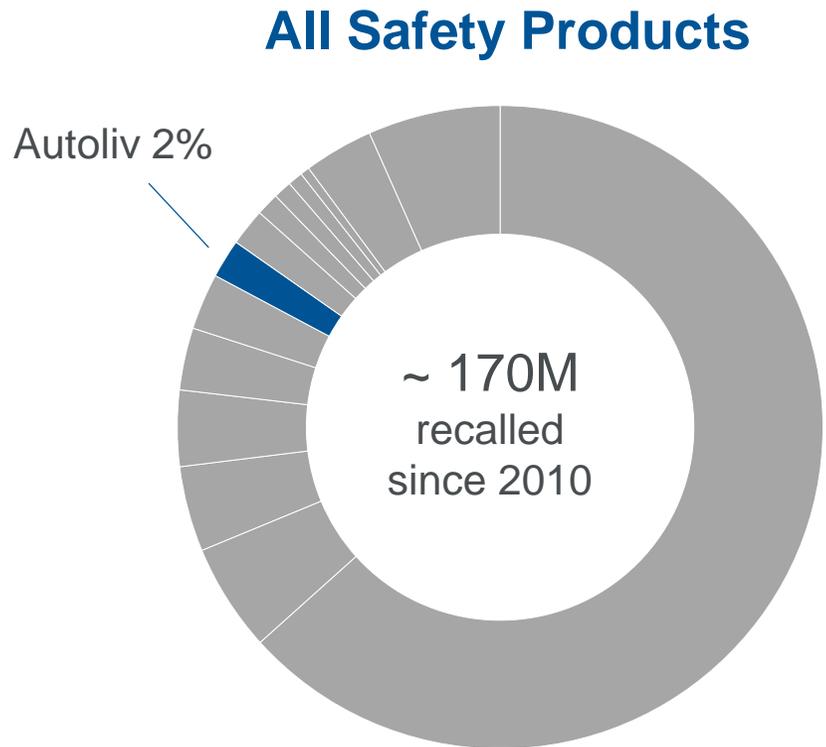
Industry Pioneer with Strong Heritage

More than 60 years of innovation in Automotive Safety



Customer Trust

Our Passive Safety quality journey extends really well into Electronics



Scope: Japan, Canada, US, China, South Korea, Australian, EU, UK, DE / AB, SB, Electronics for the period 2010-01-01 to 2017-06-31.

Targets Stand Alone Passive Safety and Electronics

CMD 2017 – Target Update

	2020 Target	2022 Target
Autoliv Passive Safety	<ul style="list-style-type: none">▪ Sales >\$10B▪ Sales CAGR*** ~8%▪ Adj. Operating Margin* ~13%	<ul style="list-style-type: none">▪ Sales – at least hold market share and at least grow LVP plus 1%▪ Sales CAGR*** ~6%▪ Adj. Operating Margin* – at least maintain margins from 2020 levels
Autoliv Electronics	<ul style="list-style-type: none">▪ Sales ~\$3B with AS** >\$1B▪ Sales CAGR*** ~10% where AS is >10% CAGR▪ Adj. Operating Margin* 0-5%	<ul style="list-style-type: none">▪ Sales ~\$4B with AS** ~\$2B▪ Sales CAGR*** ~12% where AS is ~23% CAGR▪ Adj. Operating Margin* improve vs. 2020

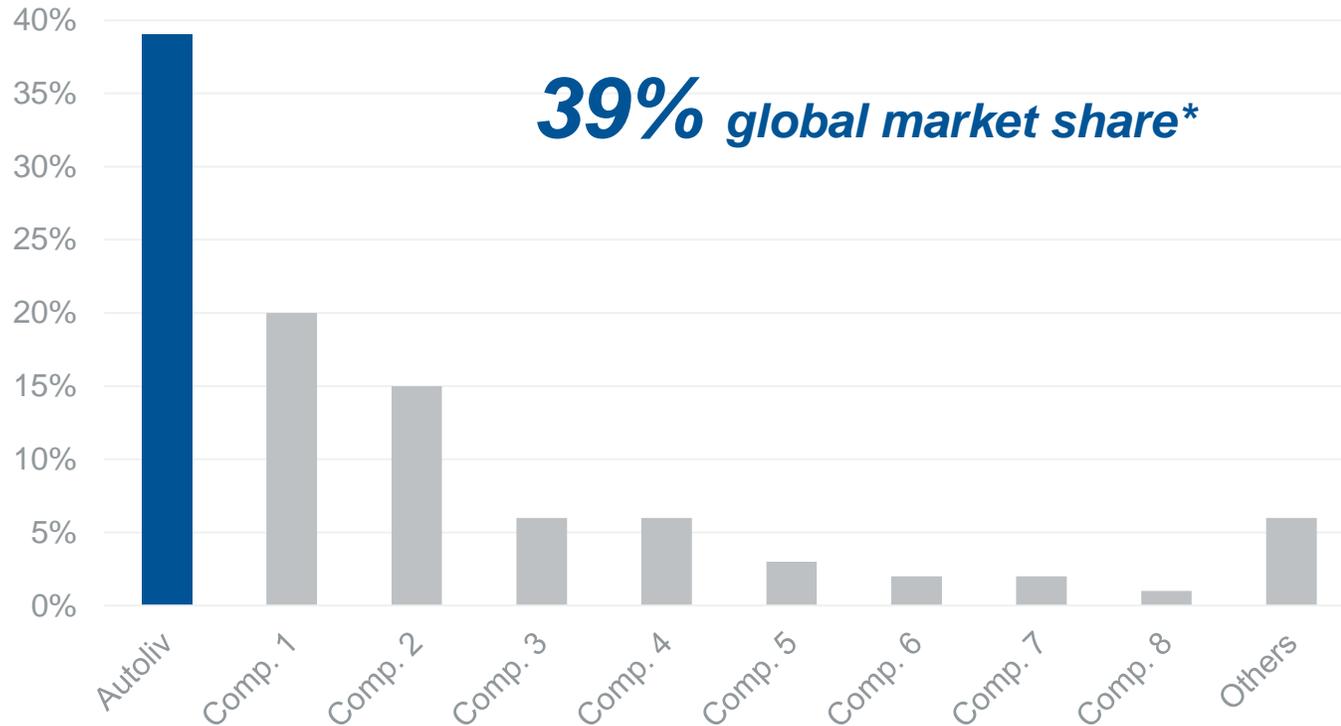
(*) Non-US GAAP measure excludes costs related to Antitrust matters and capacity alignment, (**) Active Safety, (***) Compound Annual Growth Rate 2017 to 2020 and 2017 to 2022 assuming 2017 LTM as of Q2'17.



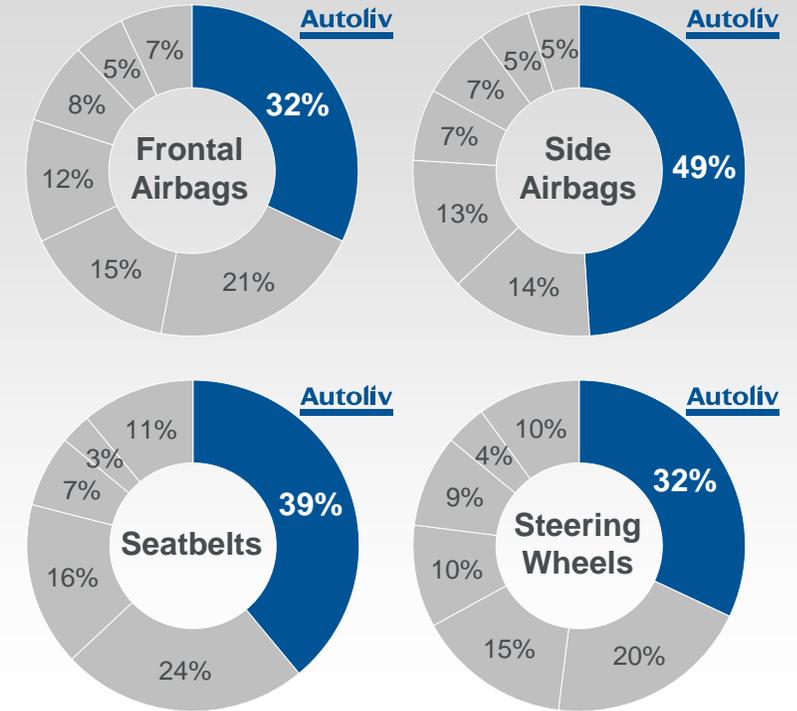
Passive Safety
never in a better
position

A Winning Business Formula

Today the global leader in passive safety



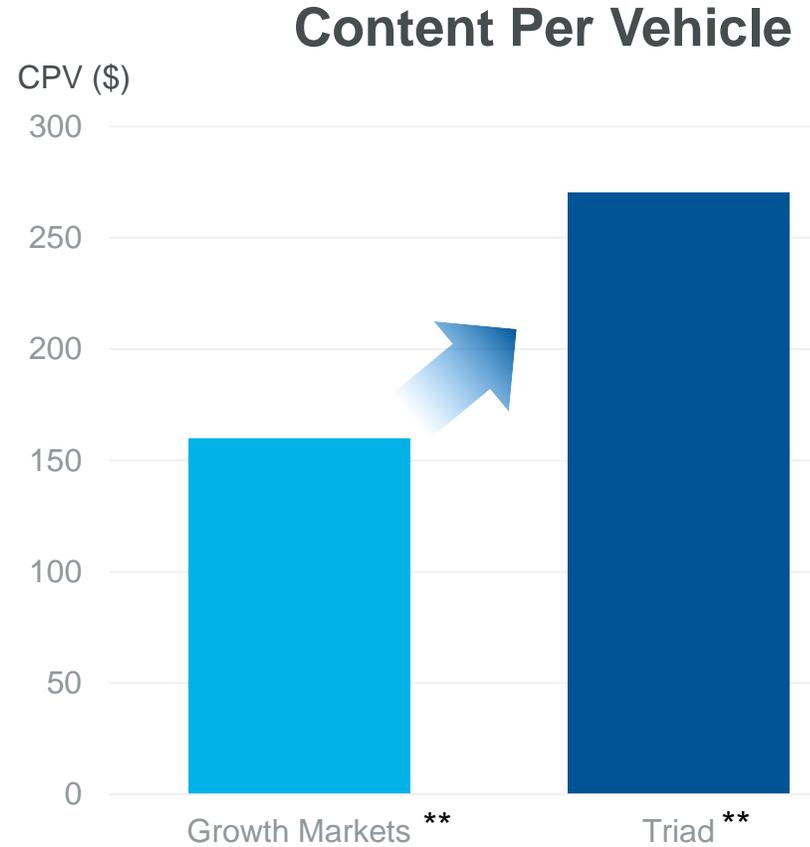
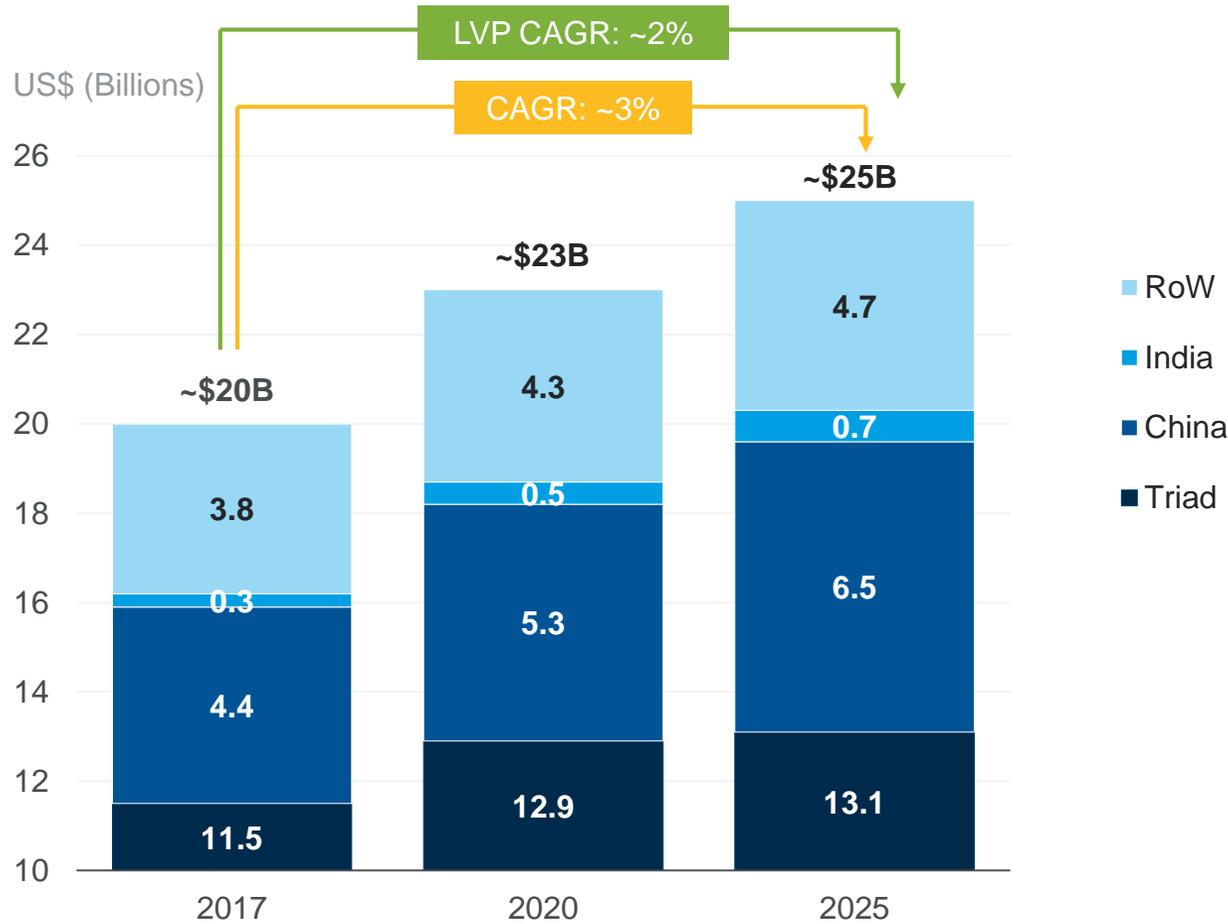
(*) Estimated 2016 Market shares.



Serving **1,300** models and **100** car brands

Passive Safety a ~\$25B Market in 2025

Market is expected to grow 1 pp faster than the underlying LVP

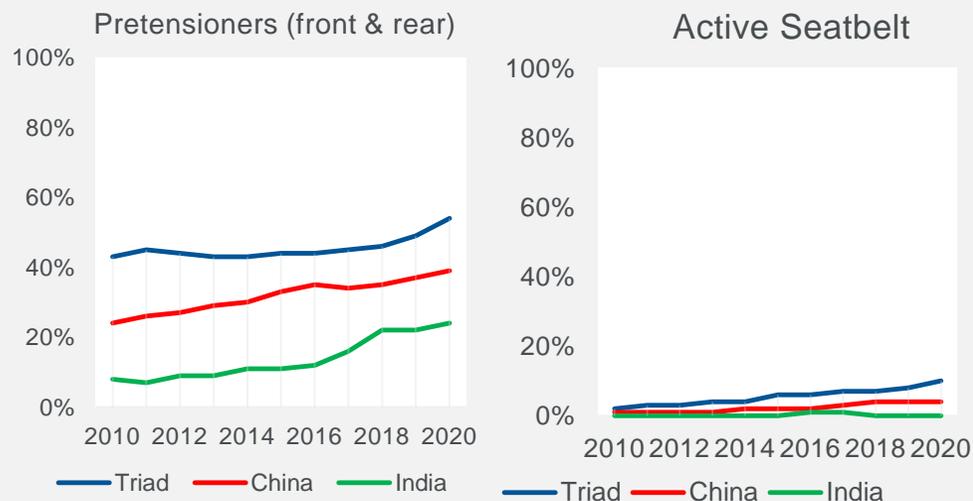


*Company market estimates. Includes seatbelts, airbags, steering wheels. CAGR = Compound Annual Growth Rate, TAM = Total Addressable Market.

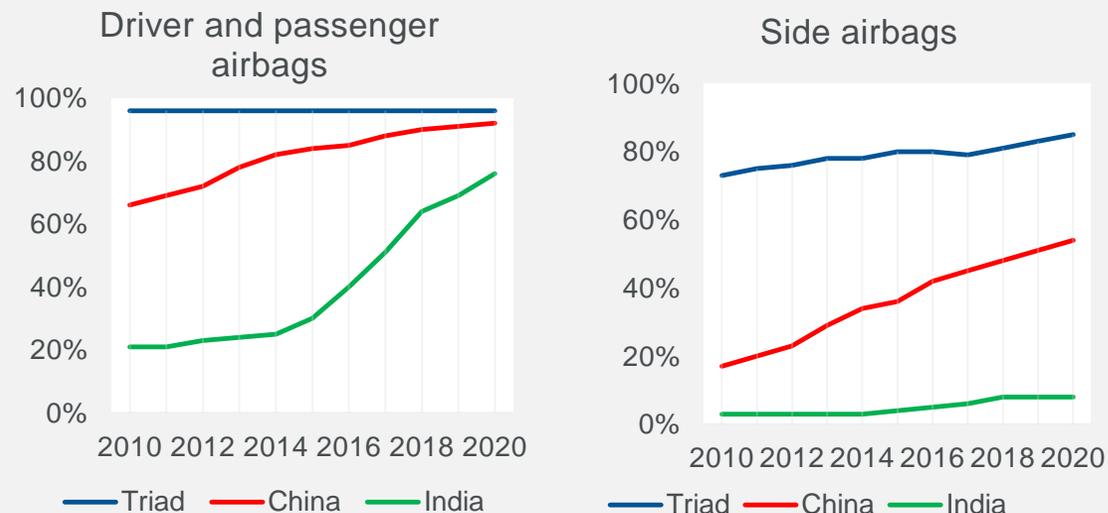
** Growth Markets : China, Eastern Europe, India, Southeast Asia, South America and Middle East & Africa. Triad: North America, Western Europe & Japan

Passive Safety – Installation Rates show long term upside potential

Continued market potential beyond 2020 from increasing installation rates*

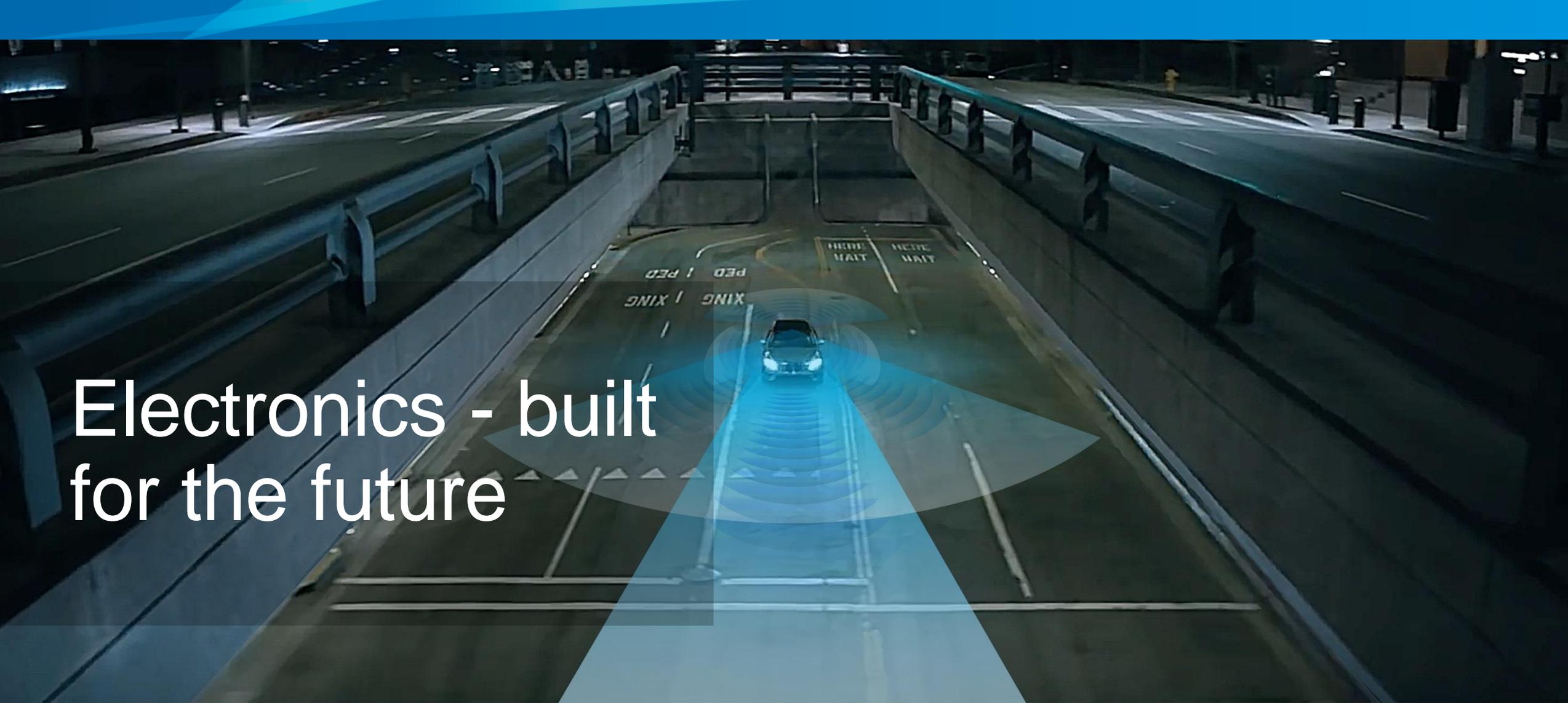


Continued market potential beyond 2020 from increasing installation rates*



(*) Market installation rates for selected products based on Autoliv internal data in constant currency 2017, CAGR (Compound Annual Growth Rate).

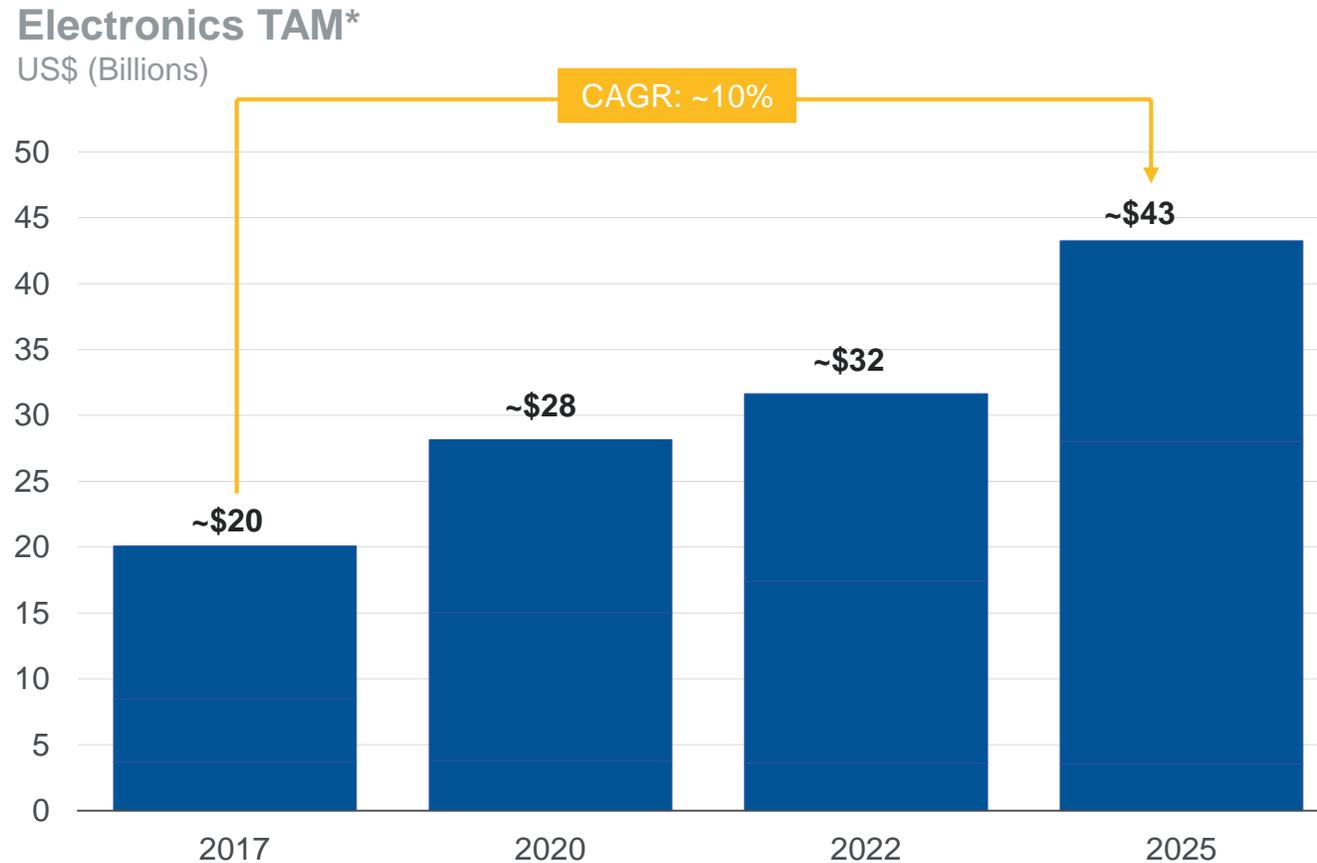
(**) Frontal Airbags includes Driver, Passenger and Knee, Side Airbags includes Inflatable Curtains and Thorax.



Electronics - built for the future

Electronics ~\$43B Market in 2025

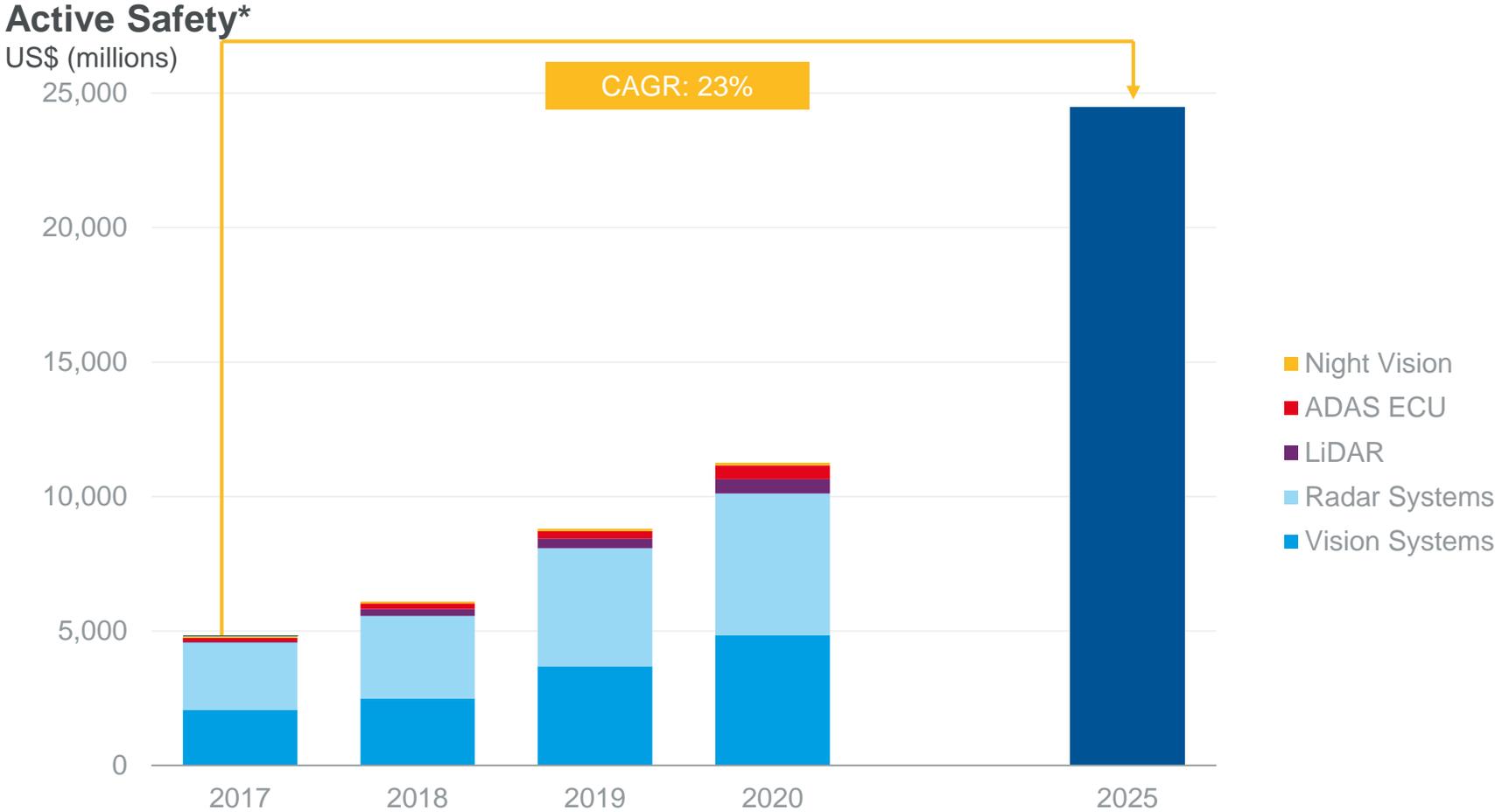
~10% CAGR 2017 to 2025



*) TAM (Total Addressable Market), CAGR (Compound Annual Growth Rate),

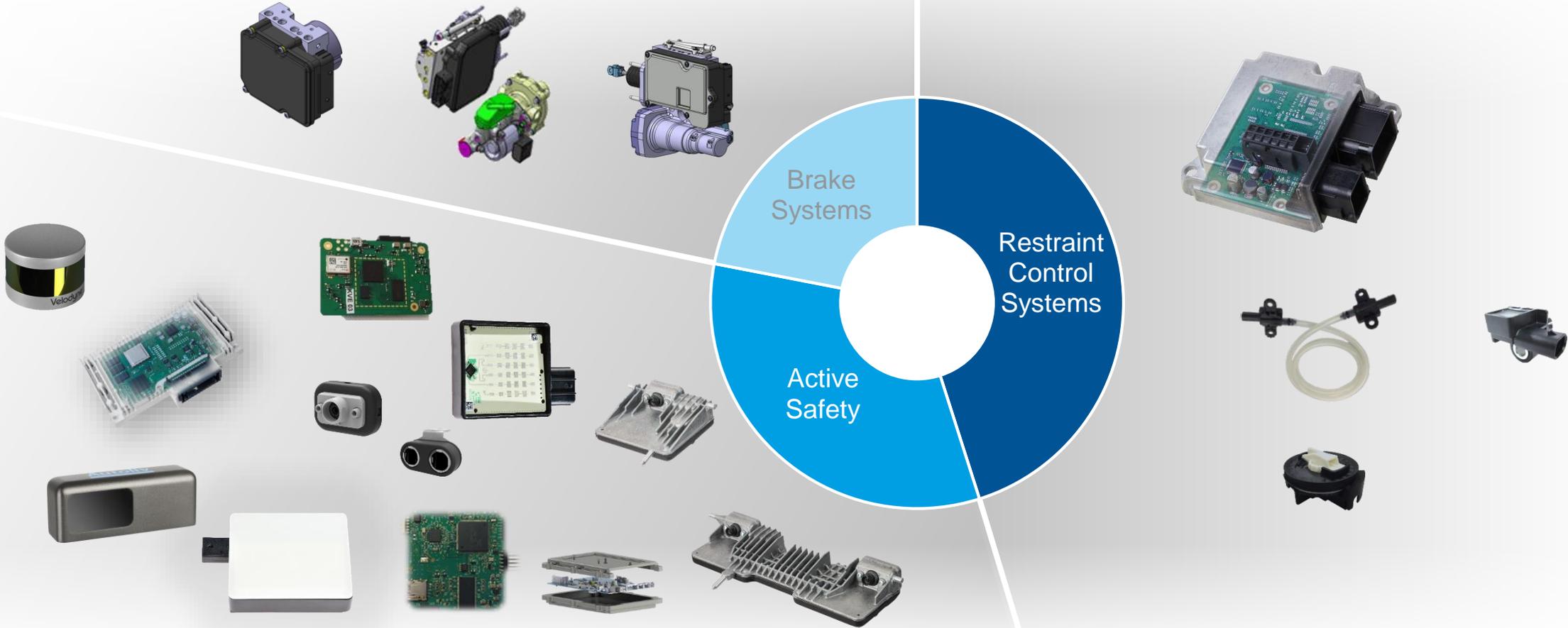
**) Active Safety Market includes Radar (Front/side/rear), Forward looking Cameras (Mono/Stereo/Night Vision), Other (Advanced Driver Assist Electronic Control Unit, LiDAR).

Active Safety Sensor Market



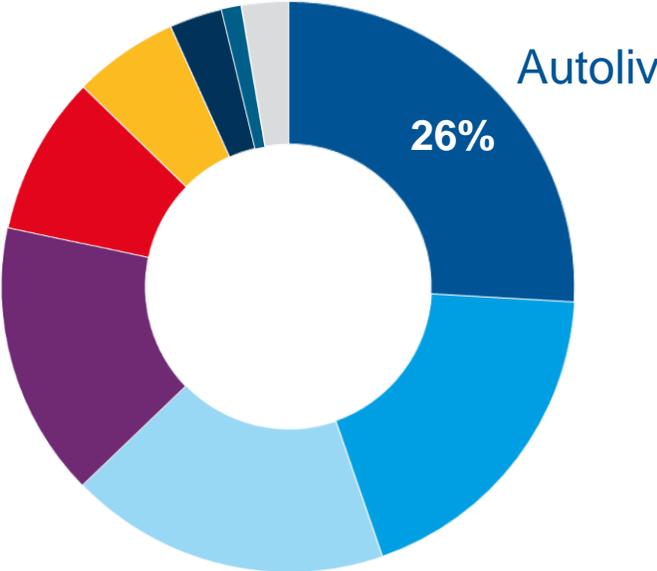
*) Active Safety Market includes Radar (Front/side/rear), Forward looking Cameras (Mono/Stereo/Night Vision), Other (Advanced Driver Assist Electronic Control Unit, LiDAR).

One of the World's broadest Safety Electronics Product Portfolios

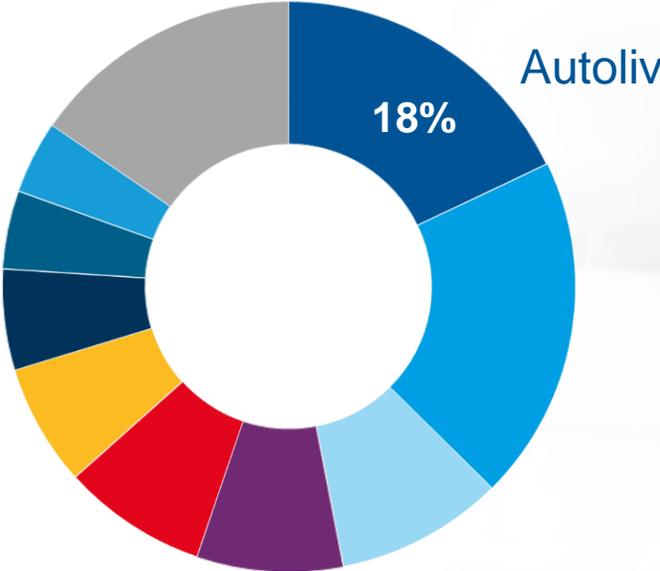


Autoliv Electronics – Market Shares 2016

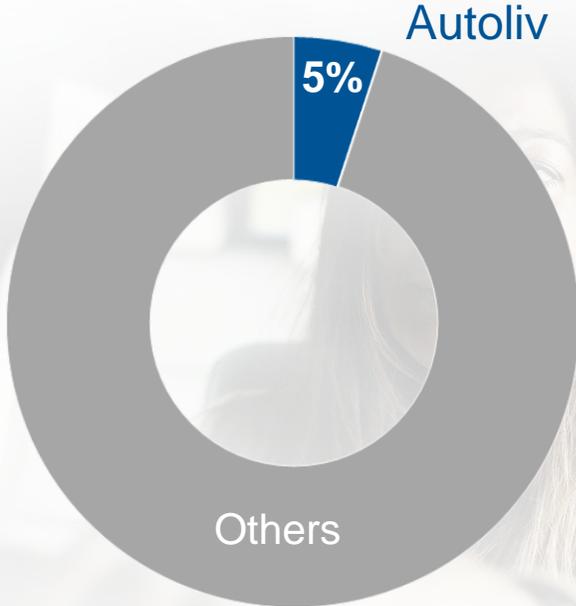
RESTRAINT CONTROL SENSING



ACTIVE SAFETY



BRAKE CONTROL

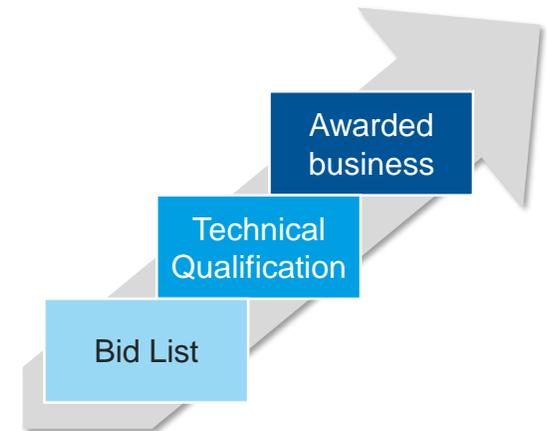


Active Safety – Customer snapshot

2013

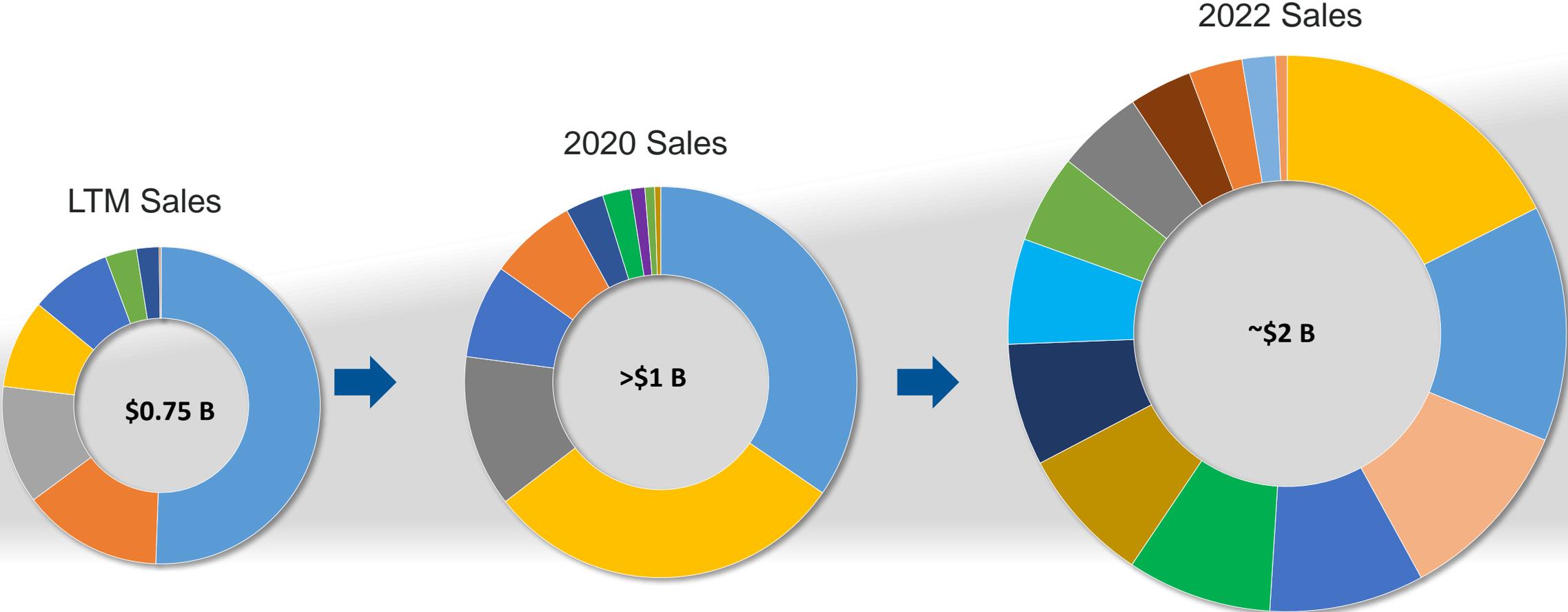
Represents >90% of global light vehicle production

Customer	RADAR			VISION*			ADAS ECU			LIDAR		
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				█								
Total	5	5	5	3	1	1	1	1	1	0	0	0



*Vision based on Autoliv developed algorithms,

Active Safety Revenue* by OEM group

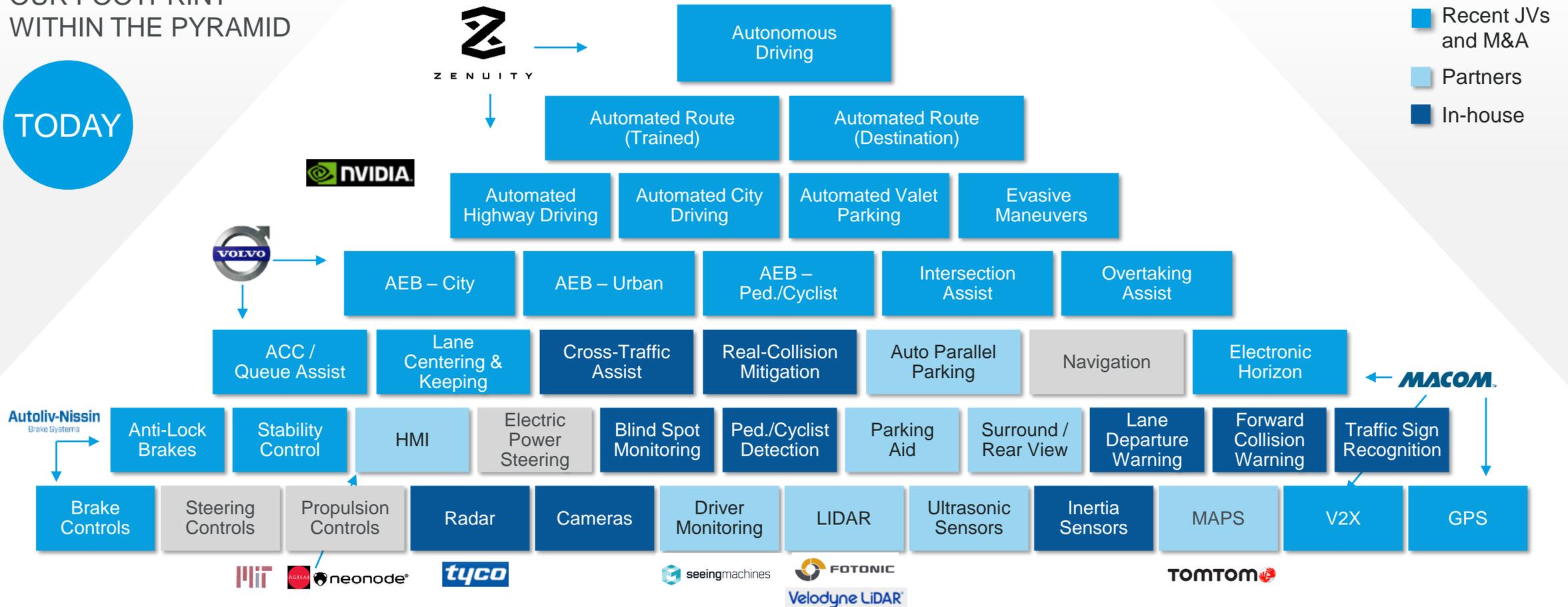


(*) Non-US GAAP measure excludes costs related to Antitrust matters and capacity alignment, (**) Active Safety, (***) Compound Annual Growth Rate 2017 to 2020 and 2017 to 2022 assuming 2017 LTM as of Q2'17.

Electronics Active Safety – Building for the long-term

OUR FOOTPRINT WITHIN THE PYRAMID

TODAY



The Developing Eco-System

Zenuity provides Sensor Fusion, Decision and Control

Autoliv

Cloud



Autoliv

Sensors



Decision & Control
Sensor Fusion



Actuators



Partners
 seeingmachines
 Velodyne LiDAR®

Partners
 NVIDIA
Z E N U I T Y
System
 TOMTOM®

Partner
 neonode®

Zenuity – the technology

- **World-class driver-assistance**

Concrete ADAS offer in production now

More than 200 designed customer features

- **Self-driving technologies**

Complete, from raw sensor data to vehicle actuators

Volvo Drive-Me as development platform

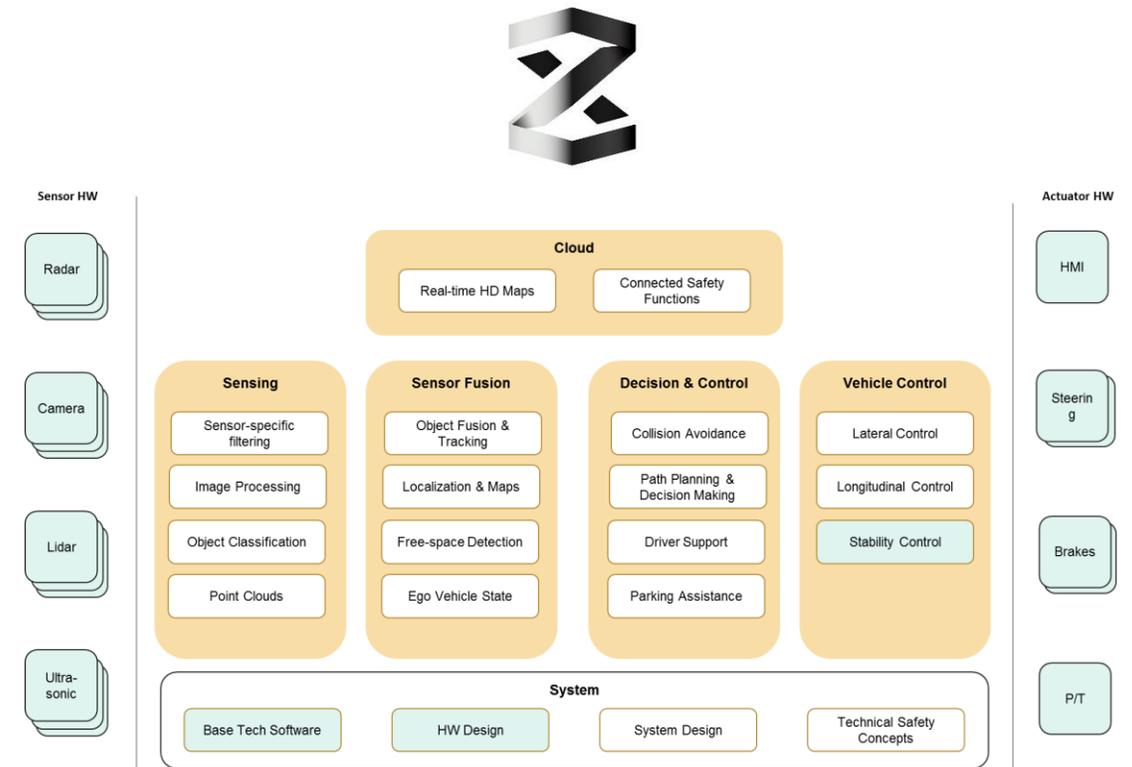
Deep learning integration demonstrated

Automotive graded commercialization

Connected safety in cloud

- **Establishing an eco-system**

Tier1, OEM, Chipset AI, Cloud, Off-shore engineering, Map provider, Urban robotics, ...



GlobalLogic®

TOMTOM



Zenuity - Where are we now?

Products

- Production ready baseline out of today's Volvo XC90 platform
- Enhanced and additional features to launch 2019

LEADING
ADVANCED
DRIVER
ASSISTANCE

HIGHLY
AUTOMATED
DRIVING

- Equivalent with "Level 4+"
- Full Autonomous Driving system suite launched 2021

CLOUD
BASED
AUTOMOTIVE
SOFTWARE

- Starting with "Road friction indication"
- Include V2X and holistic path planning

System offering
from sensors
to actuators

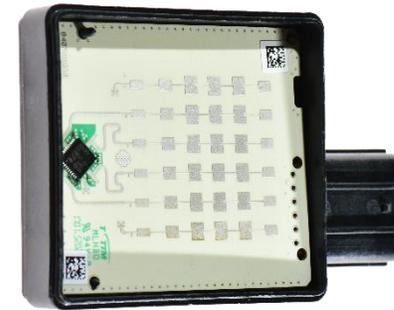
Hardware-
agnostic, driving
standardization

Real-life
safety based

Safety Electronics Technology

Leading radar sensors to cover complex real life driving scenarios

Autoliv develops leading 24GHz and 77GHz Radar sensor systems. Using unique Radar Signal Processing methods and very high bandwidth allow best in market performance.



Safety Electronics Technology

New Vision Systems and Algorithms

2017 Mono Vision AEB (3rd Generation)

- Mono Camera with Autoliv Vision based AEB
- Cost effective solution to meet NCAP 2018 (Lane, AEB, TSR)

2019 Mono and Stereo Vision (4th Generation)

- Next generation Stereo and Mono cameras
- Support Automated Driving and NCAP 2020
- Conquered two more customers, accepting Autoliv algorithm solution

2022+ Next generation Vision systems (5th Generation)

- High resolution imagers
- Advanced algorithms and processing
- Multiple camera support



Autoliv Vision Systems



NCAP
Driver Assist
Automated Driving support

Safety Electronics Technology

Far Infrared Technology (Night Vision)

- Far Infrared was introduced into automotive market in late 1990's and has grown to over 30 vehicle lines by 2017
- Termed “Night Vision” but has many other benefits to handle challenging situations enhancing highly autonomous driving performance.
- **2013 Night Vision (3rd Generation)**
 - Single FIR Camera design
 - Animal and Vehicle Detections
- **2020 Night Vision (4rd Generation)**
 - Improved Field of View and detection distances
 - Reduction in Size, Weight and Cost
 - Enhanced algorithms for Animal and Vehicle Detections
 - Highly Autonomous Driving applications

Autoliv Vision Systems



The image displays two generations of FIR cameras: the Generation 3 FIR Camera (SOP 2015) and the Generation 4 FIR Camera (SOP 2020). Below the cameras are two rows of performance examples. The first row shows four scenarios: a car in fog, a car at night, a car in a tunnel, and a car in poor weather. The second row shows seven scenarios: Tunnels, Headlight Glare, Animals, Motorcycles, Low Sun Glare, Fog, Dust & Smoke, and Poor Weather. The bottom row shows two large images: a car at night and a car in fog with white detection overlays.

Generation 3
FIR Camera
SOP 2015

Generation 4
FIR Camera
SOP 2020

Tunnels Headlight Glare Animals Motorcycles Low Sun Glare Fog, Dust & Smoke Poor Weather Construction Zone

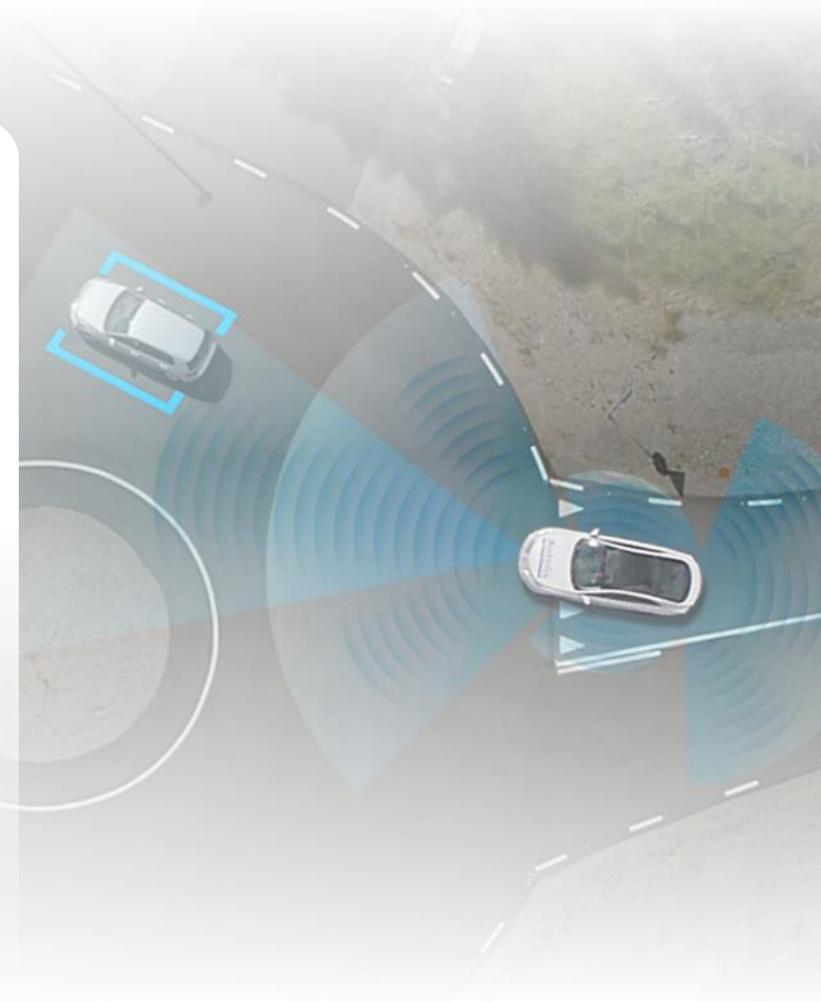
Safety Electronics Technology

Higher performing computing platforms

Autoliv develops customized ADAS/AD ECU technology and provides outstanding functional safety integration capability



- Connectivity
- Cyber Security
- Multi SoC integration
- Deep Learning Acceleration



Safety Electronics Technology

LiDAR Sensing to Complement Vision and Radar

2018 AUTONOMOUS (L4/5) 2021 PREMIUM OEMs (L3/4) 2024 MASS MARKET (L3/4) 2027

WAVE 1

WAVE 2

WAVE 3

Mobility as Service Drives Market led by New Entrants



Velodyne LiDAR[®]

360° Surround Scan
200m range

Highway Pilot (L3/L4) Vehicle Launches for Traditional Automotive OEM Business



Forward Looking, 200m,
Complement to Radar + Vision

Velodyne and Autoliv working together to develop a consumer vehicle LiDAR



Success of Mass Market LiDAR
Dependent on Cost/Performance
Evolution vs. Vision and Radar

Complement or Competitor?
to Vision and/or Radar

Safety Electronics Technology

Roadscape – Positioning, Mapping and V2X Connectivity...

6th Gen Positioning Module

- Best in Class Accuracy



V2V DSRC + Horizon Module

- Secure, Small Footprint



Digital Mapping & Horizon Module

- SD + HD + Sensor Maps
- Real-time Updates
- Map Streaming



Safety Electronics Technology

Monitor driver behavior to improve comfort, safety and automated driving

Driver Monitoring Systems

- Innovation for growing interior safety market and autonomous driving
- Synergies with partner, [Seeing Machines](#), to improve speed to market
- Focus to provide best in class accuracy and reliability in driver attention state
 - Reduce distracted driver accidents
 - Safe Hand-off wheel operation



Enhancing our Growth and System Capability

Autoliv and Nissin Kogyo form a Joint Venture

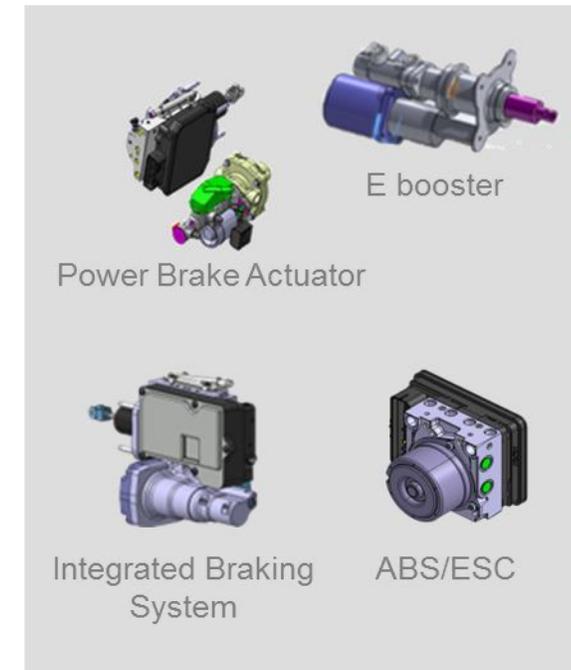
■ Overview

- Closed March 31, 2016
- Strengthens our product portfolio towards autonomous driving
 - technology and knowledge in brake control and brake apply
- Manufacturing footprint in Japan, China and US
 - includes a workforce ~1,800 associates
- Reported in the Electronics business segment
 - as a 3rd product category

■ Autoliv Financial Impact

- Purchase Price JPY 29.7 billion (~\$265M) for 51% ownership
 - subject to post-closing adjustments
- Consolidation 100% of the Balance Sheet and P&L
- Eliminate 49% of the net earnings (minority interest)
- Included in the FY'16 Indication (as of April 29, 2016)
 - Sales between \$400 to \$450M
 - Integration and Purchase accounting related costs combined \$20 to \$30M

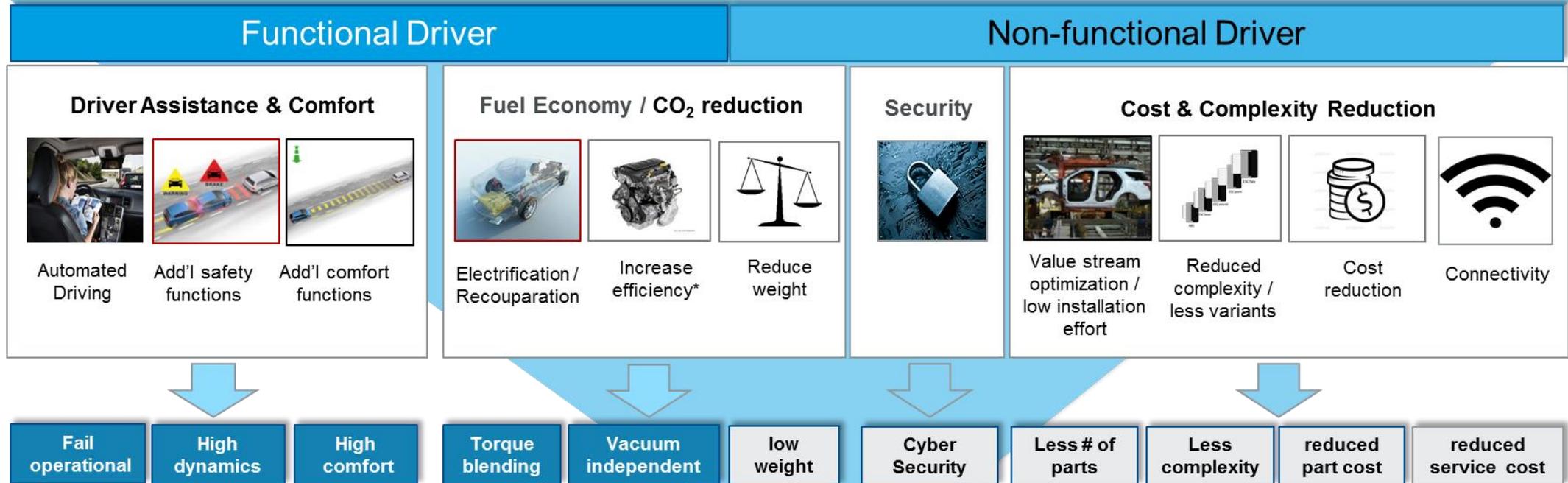
Autoliv-Nissin Brake Systems



The ANBS JV provides additional building blocks towards Automated Driving

ANBS – Autoliv Nissin Brake Systems

Market Drivers



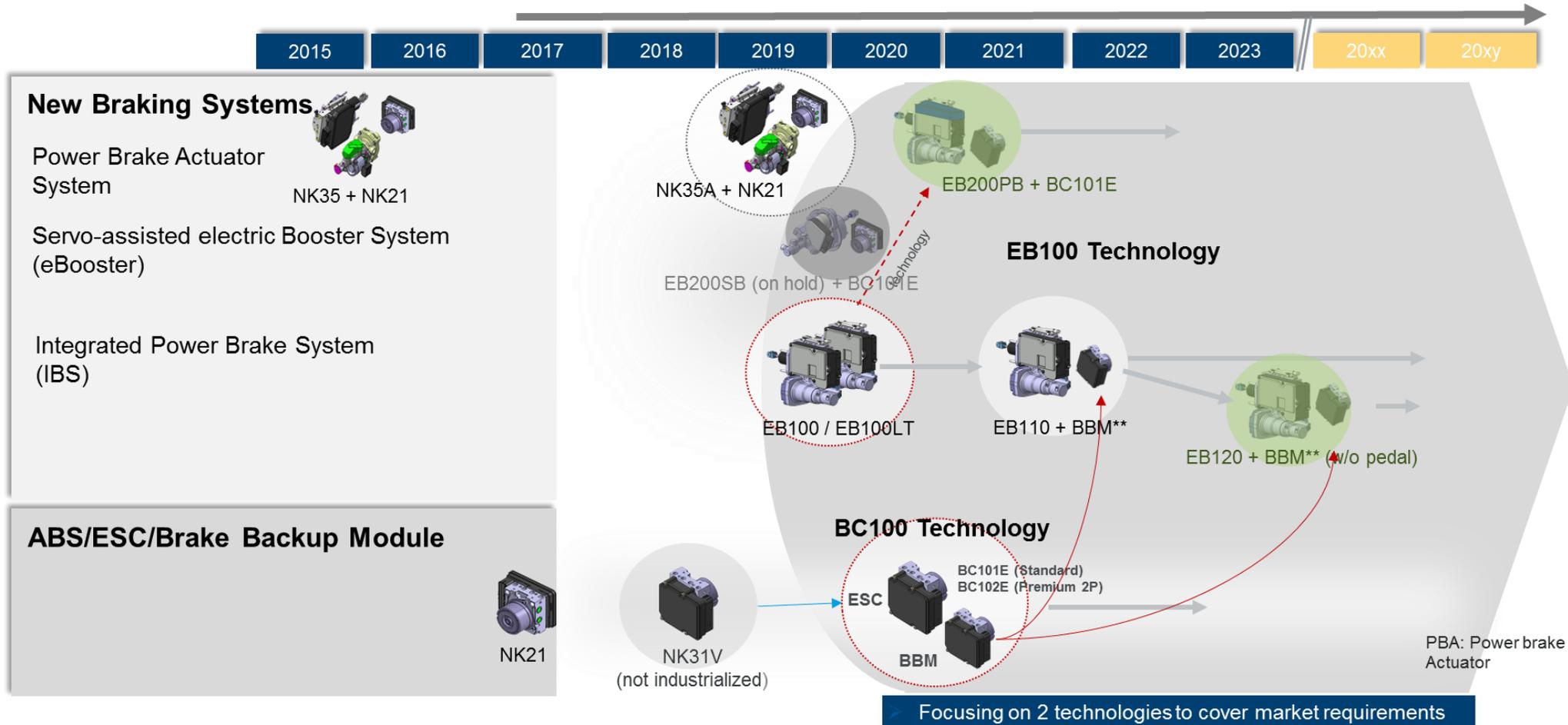
Add'l requirements (on top of existing requirements like pedal feel, ...)

➤ **Functional and non-functional requirements are driving Braking System Architecture**

* e.g no add'l engine component to support, start/stop, coasting w/ engine off, ...

ANBS – Autoliv Nissin Brake Systems

System & Product Roadmap – ANBS Chassis Controls



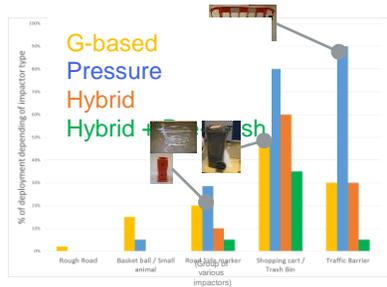
ANBA Building – Findlay, Ohio



- Lease signed on 10-12-17
- VT will close on property by 10-24-17
- Earthwork will start week of Nov. 6th
- Filter pit will be ready for Henry Filter install Apr. 2018
- Building ready for Grob machines on 8-20-18 & Xigent equipment on 9-15-18
- Full occupancy by 10-15-18



Restraint Control Trends



Better field performance
by pre-setting crash algorithms before impact

- fewer false positives
- consumer-desired deployments

In Production



Safer automated driving
by sharing sensor data and processing power

- Advanced IMU
- Horizon
- Safe stop
- Basic ADAS

Concept phase

Value/Cost Optimization



Better positioned occupants
by restraining or moving them before impact

- motorized seatbelts(EPT)
- seat-mounted pre-crash airbags

In Production



Automated Driving aware
Anticipate occupant movement due to crash avoidance technologies.
For real-life and future NCAP with pre-crash deployment

Under development



Tailored Restraints
For highly automated vehicles using vision-based occupant classification

- Highly adaptive restraints
- Multiple seating positions
- Complex crash scenarios

Concept phase

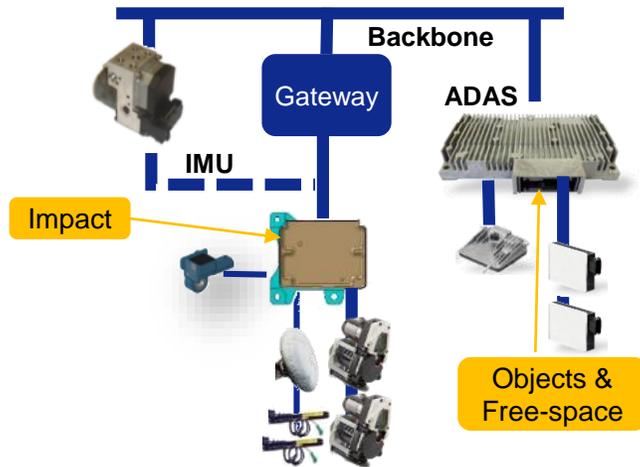
Opportunities to leverage Active Safety

Integrated Safety towards a Safety Domain Controller

Future of Restraint Control as ADAS moves mainstream

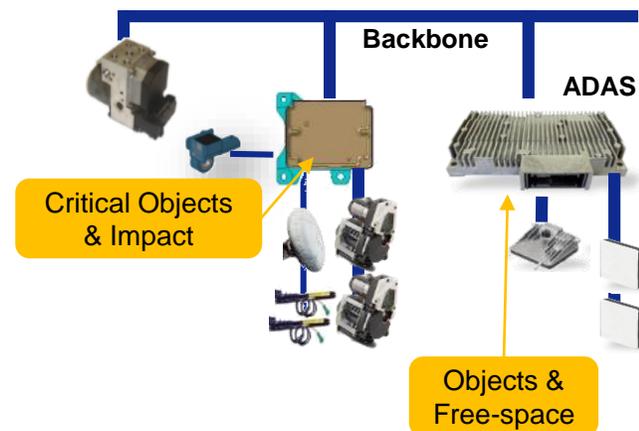
Restraint control for the Future Car is tightly coupled to Automated Driving.

There are 3 possible trends:



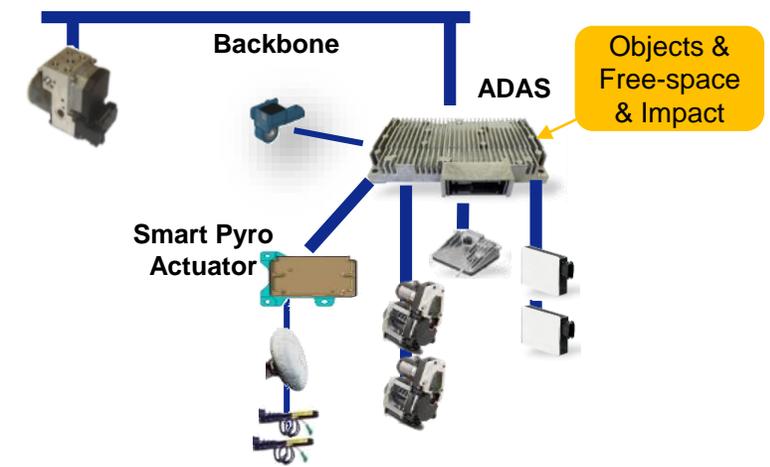
Evolution?

- Incremental increase in computing power
- Independent function
- Stable specifications
- Incremental improvements using available active safety data e.g. AEB



Expansion?

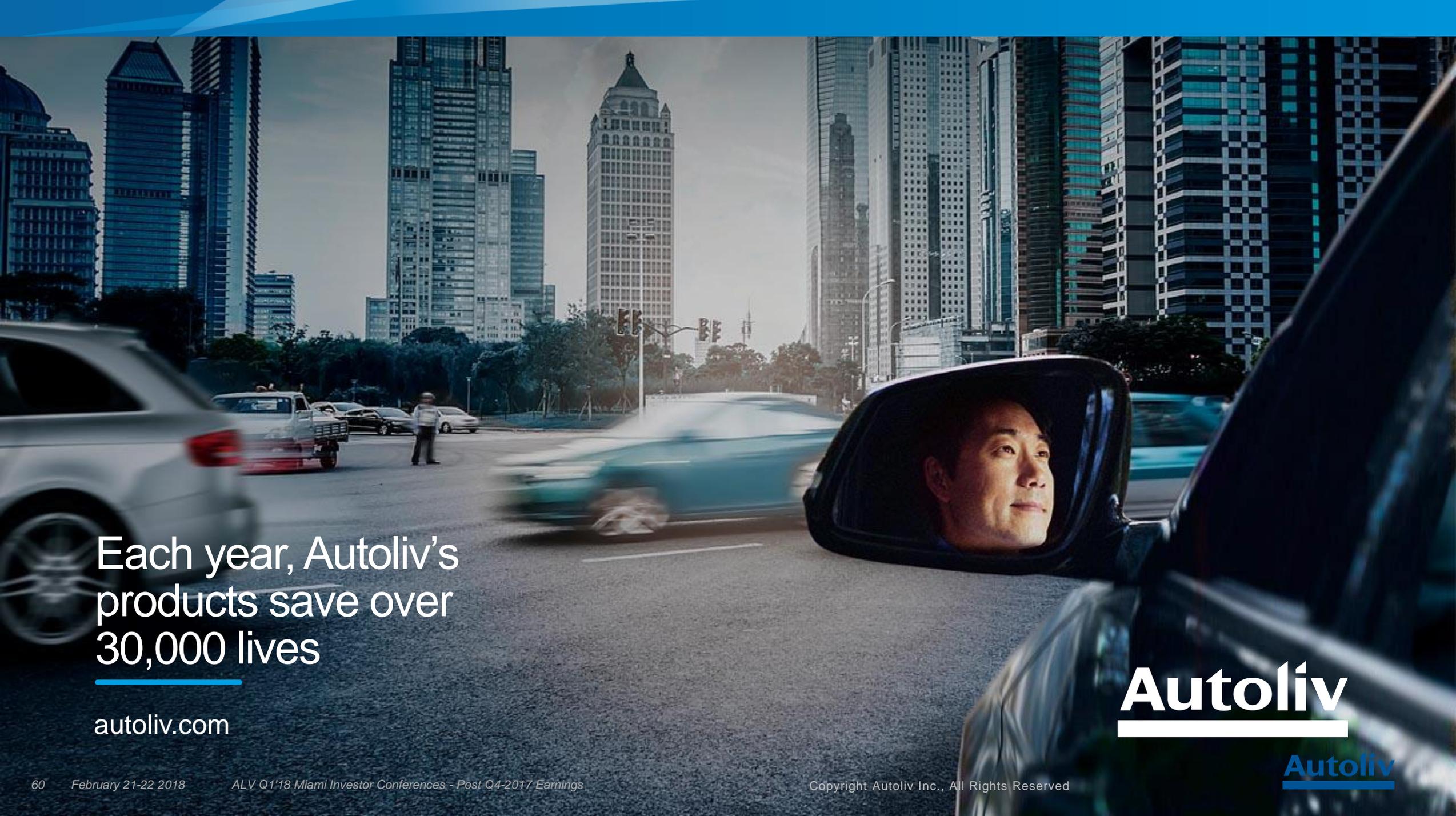
- Increased computing power
- Shared responsibility with ADAS controller
- Complex crash and pre-crash management
- Redundancy for HAD



Integration?

- Reduced computing power
- Crash management hosted by ADAS controller
- Restraint ECU becomes a smart pyrotechnical actuator

As a leader in Restraint Controls and ADAS Autoliv is prepared to support all three paths



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

autoliv.com

Autoliv

Autoliv