



Earnings Conference Call and Webcast

3rd Quarter 2019 Financial Results

October 25, 2019

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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, are based upon our current expectations, various assumptions and/or 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”, “would”, “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; 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 needs 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

Q3'19 Key events

- **Deterioration of market conditions continues**
 - Light vehicle production (LVP) weaker than expected in all regions**
 - LVP YoY decline slowed
 - Raw material headwinds persist, mainly from steel and Nylon 6.6
 - UAW strike affecting all GM assembly plants in the United States
- **Continued growth for Autoliv despite the global LVP decline**
 - Execution on strong order book
 - Organic sales* growth of 1.2% => outperformed Global LVP** by 4.6 pp
- **Order intake share continued on good level, supporting prolonged outperformance**
 - OEM order activity still on a low level, pickup expected in the fourth quarter
- **Announcing new customer collaborations**
 - Established a North America road safety research lab together with Great Wall Motor in Baoding, China
 - Passenger airbag innovation created in cooperation with Honda
- **Cost reduction actions yielding results**
 - Business cycle management: Reduced direct and indirect headcount by ~550
 - Structural efficiency program: Reduced indirect headcount by ~250 (P&L impact limited in the quarter)

(*) Non-US GAAP measures, (**) Light Vehicle Production (LVP) according to IHS @ October, 2019.

Structural efficiency program

	YTD	FY2019	Expected for program
Cost	\$40M	~\$60M	~\$60M
Cash out	\$8M	~\$27M	~\$60M
Headcount reduction	~250	~480	~800 or about 4% of indirect headcount
Savings	Limited	~\$10M	~\$60M annually or about 5% of indirect labor costs

- Fully implemented by end of May 2020
- All functions are subject to the program
- Most countries where we have operations will be impacted, though higher impact in North America and Europe

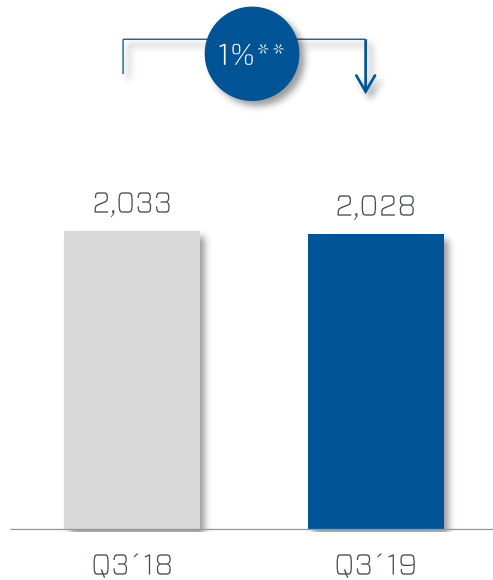


Q3 '19 Financial Highlights

Organic sales growth** despite market decline

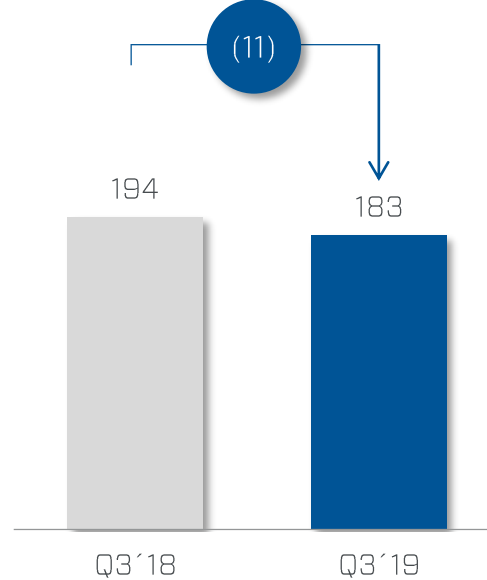
Consolidated Sales

US\$ (Millions)



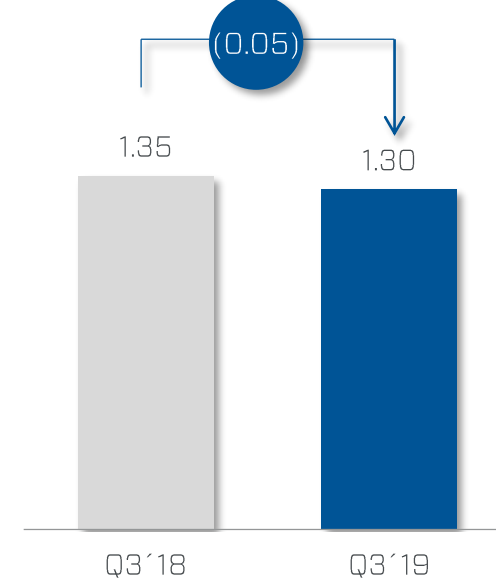
Adjusted Operating Income*

US\$ (Millions)



Adjusted Earnings per Share*

US\$



(*) Non-US GAAP measures exclude costs for capacity alignments, antitrust related matters and the separation of our business segment in 2018,

(**) Organic sales growth, non-US GAAP measure.

Market Conditions Q3'19

Temporary increase in LV sales in EU and Japan

China

- Chinese** light vehicle registrations fell for the 15th consecutive month in September bringing the quarterly decline to 5.8%
- LVP* declined by 6%, compared to 15% y-o-y decline in H1'19

Americas

- US SAAR** increased slightly after strong performance in August and September. Inventories at a normal seasonal level of 3.6 million units
- LVP* fell by 2% with North America down 1% and South America down 5%. For the Americas as a region this was 4 pp lower than IHS expected in the beginning of the quarter

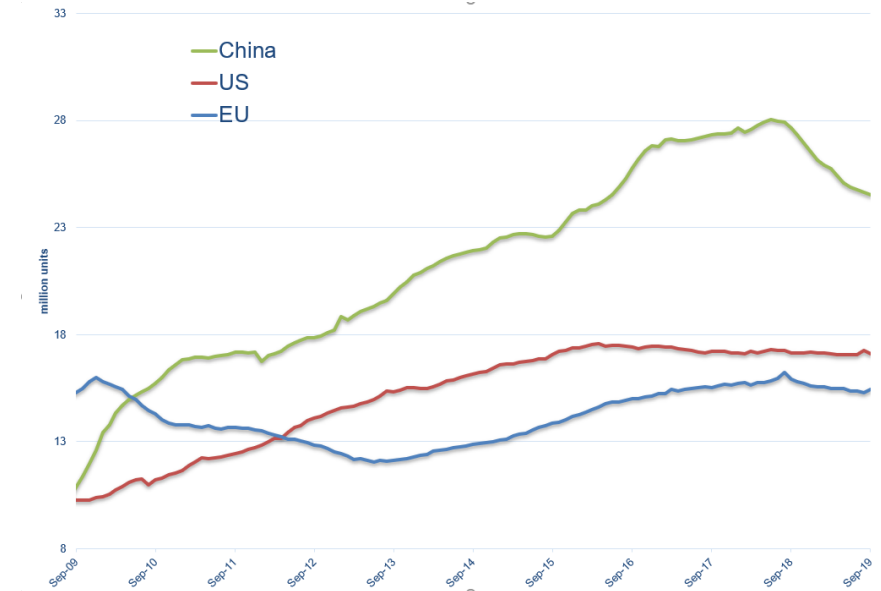
Europe

- EU28** light vehicle registrations increased by 2%. However, uncertainty remains from drivetrain choices, public policy changes and declining consumer market sentiments
- LVP* in the important WEU* fell by ~1%, while production in EEU* increased by 4%

Other

- LVP* in Japan** increased by 7% ahead of the sales tax increase in October
- LV sales in India tumbled close to 30%, mainly due to liquidity squeeze and economic slowdown

10-year Light Vehicle Sales LTM**



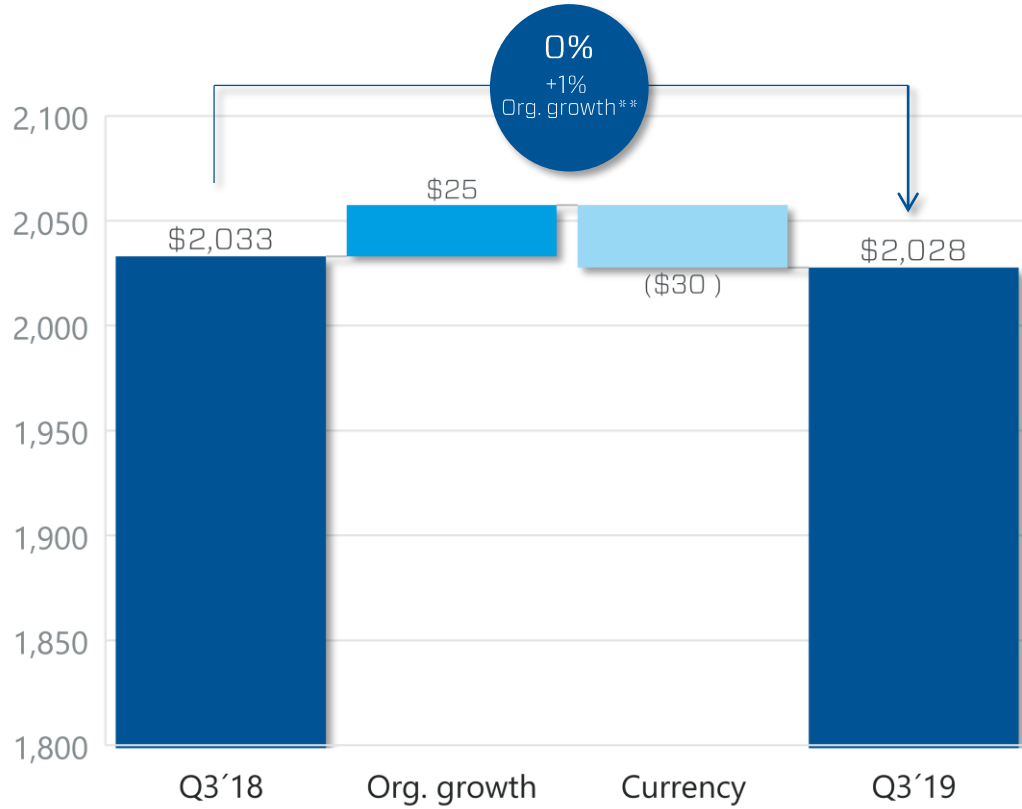
Q3'19 global LVP fell 3.4%, or by ~700 k units YoY

(*) Light Vehicle Production (LVP) according to IHS @ October, 2019; Year over Year (YoY); Rest of Asia (RoA); Western Europe (WEU); Eastern Europe (EEU); Last Twelve Months (LTM),

(**) Source: ACEA, Ward's Auto, CAAM, CADA.

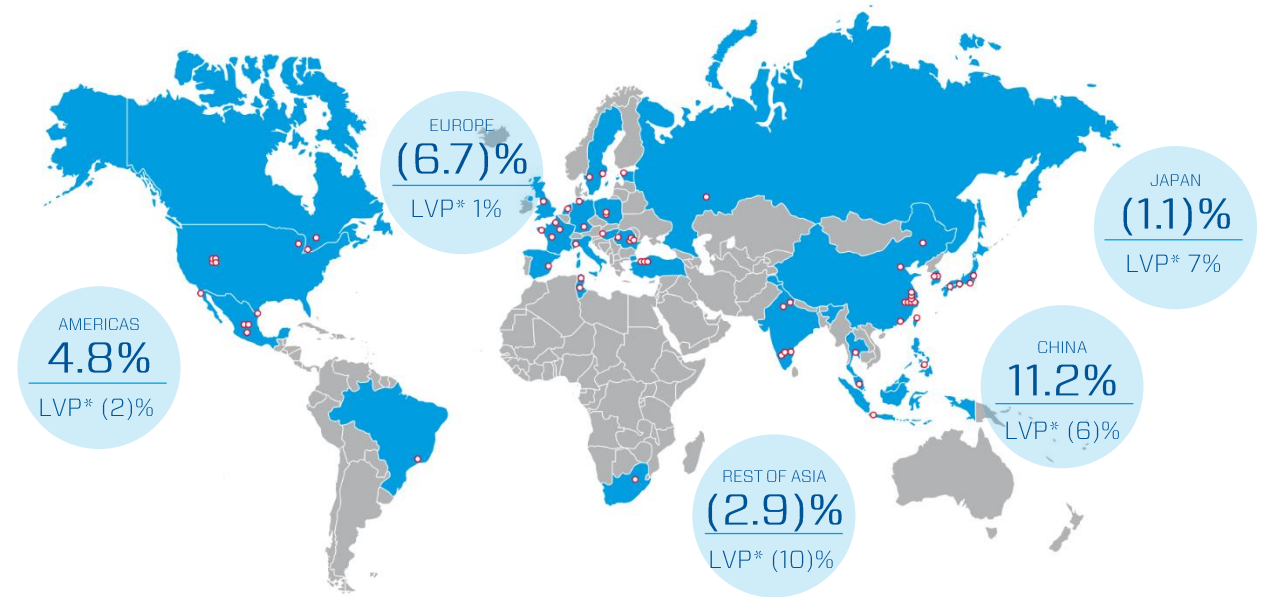
Q3 '19 Sales Growth

Sales Bridge
US\$ (Million)



(**) Non-US GAAP measure.

Regional Organic Growth**



(*) Light Vehicle Production (LVP) according to IHS @ October, 2019.

Q3'19 - Key Model Launches



Subaru Legacy



Land Rover Defender



BMW 1-Series



Peugeot 208



Chevrolet Trailblazer



Cadillac CT5



Ford Puma



BYD Song Pro

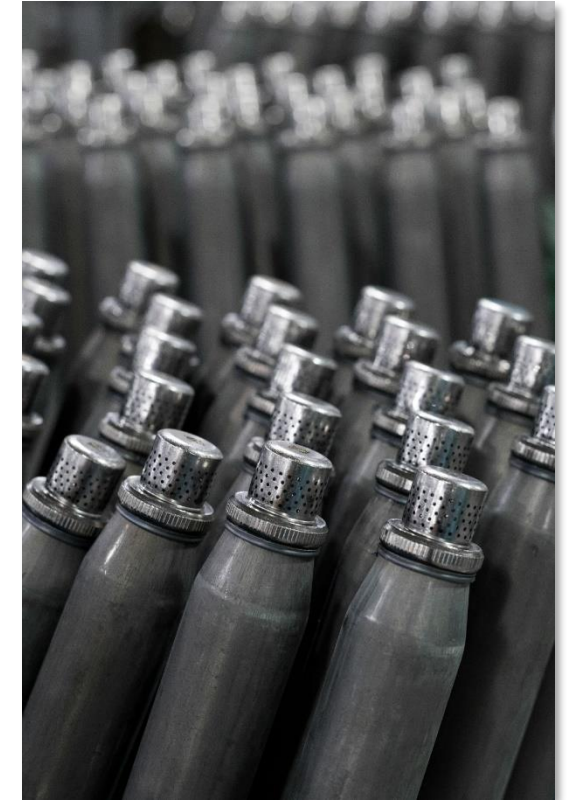


Subaru Outback



Q3 '19 Financial Overview

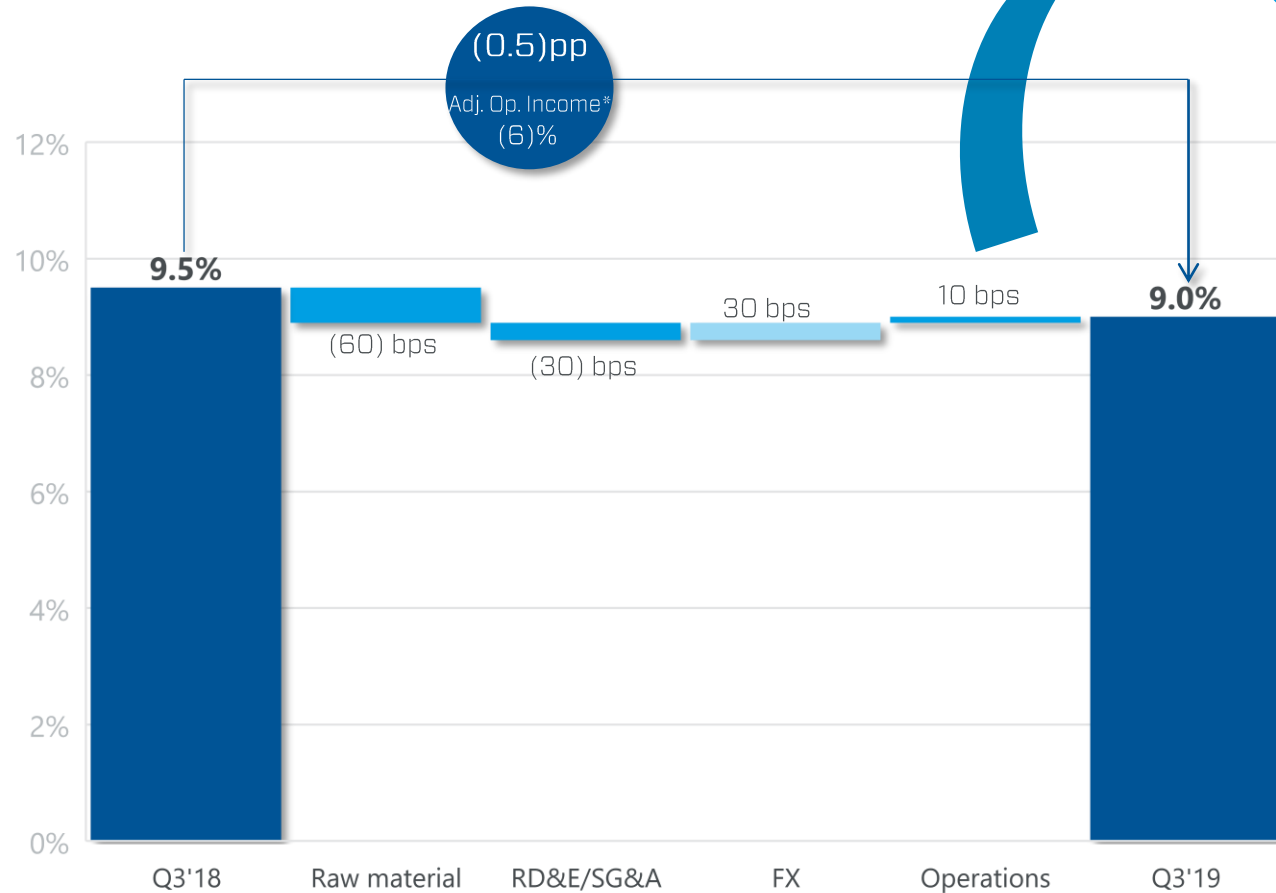
(US \$ Millions unless specified)	Q3'19		Q3'18	
Sales	\$2,028		\$2,033	
Gross Profit	\$379	18.7%	\$386	19.0%
Adj. Operating Income ¹	\$183	9.0%	\$194	9.5%
EPS (assuming dilution)	\$0.98		\$1.34	
Adj. RoCE ^{1,2}	19%		21%	
Adj. RoE ^{1,2}	23%		23%	
Operating cash flow	\$195		\$238	
Dividend per share	\$0.62		\$0.62	
Global LVP ³ (annual rate)	~82M		~85M	



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

Adj. Operating Margin* Bridge

Q3'19 vs. Prior Year



Operations +10 bps

- + Pos Lower launch related costs, business cycle management, structural cost initiatives and sales growth from new launches
- Neg LVP decline with a disproportionate negative impact on mature platforms with normal operating leverage

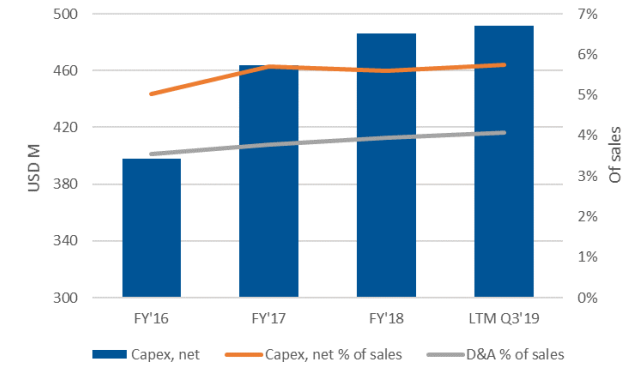
(*) Non-US GAAP measure excludes costs for capacity alignments, antitrust related matters and separation costs.

Cash Flow Continuing Operations

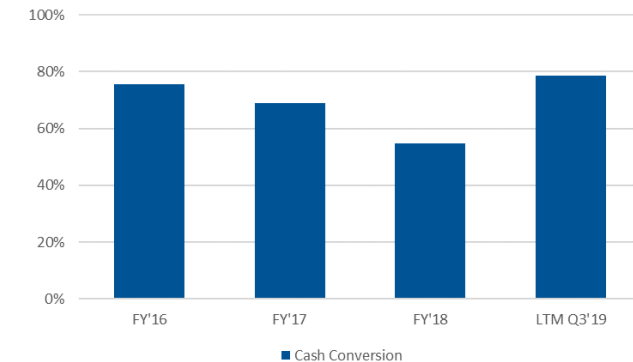
Investments for growth and shareholder returns

(US\$ Millions unless specified)	Q3'19	Q3'18	LTM*	2018*	2017*	2016*
Net Income	86	118	214	378	588	560
Depreciation & Amortization	84	85	349	342	307	280
EC antitrust payment	-	-	(203)	-	-	-
Other, net	9	7	222	236	(6)	27
Change in operating WC**	16	28	34	(148)	(19)	(45)
Operating cash flow	195	238	616	808	870	822
Capital Expenditures, net	(122)	(117)	(492)	(486)	(464)	(398)
Free cash flow**	73	121	124	322	406	424
Dividends paid	54	54	216	214	209	203
Shares repurchased	-	-	-	-	157	-

Capex and D&A



Cash Conversion



Operating cash flow LTM adjusted for the EC antitrust payment was ~\$820M and Cash conversion LTM was ~78%

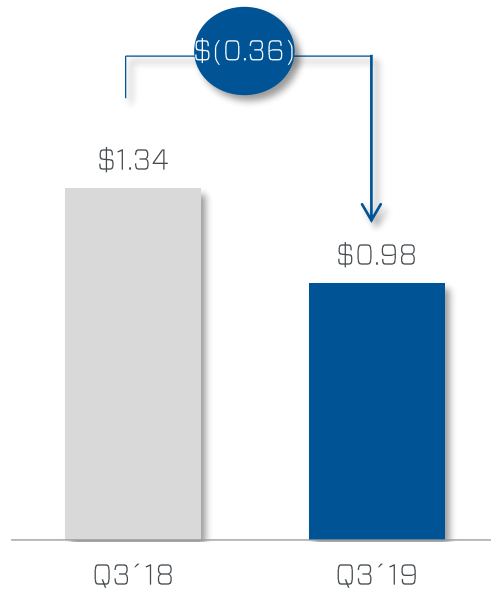
(*) Unaudited figures. Management estimate, (**) Non-US GAAP measure, before acquisitions, reconciliation of free cash flow is provided above.

EPS development

Q3'19 vs. same Quarter Prior Year

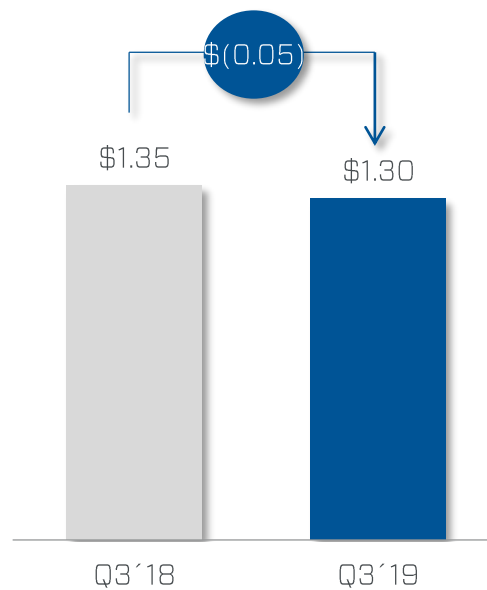
Earnings per Share

US\$



Earnings per Share excluding items affecting comparability*

US\$



The main negative items impacting EPS were

- ~ 31 cents for capacity alignments
- ~ 8 cents from lower adjusted operating income*

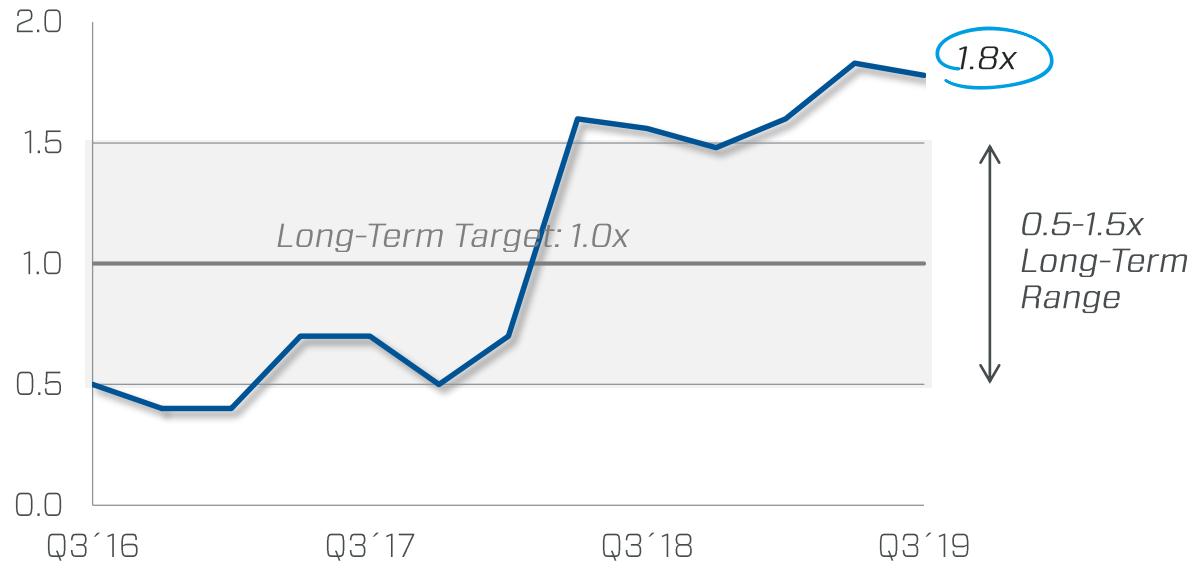
(*) Non-US GAAP measures exclude costs for capacity alignments, antitrust related matters and separation costs. Assuming dilution.

Balance Sheet and Financial Policy

Committed to Maintain “Strong Investment Grade” Rating Supported by High FCF Conversion*

Net Debt/ EBITDA*

x



- Our net debt decreased by \$30M in the quarter
- EBITDA LTM decreased by \$6M from Q2'19

(*) Autoliv Inc. group statistics, prior to spin; Non-US GAAP measure, Leverage Ratio and Net Debt includes Pension Liability.

2019 Light Vehicle Production Outlook

Uncertainty prevails

- Our FY 2019 outlook is based on global LVP declining 6-7%
 - FY19 Light Vehicle production in **North America** is expected to decline largely due to the UAW strike at GM and weaker consumer demand
 - Uncertainty in **Europe** continues with lower consumer confidence, and Brexit
 - In **China**, underlying light vehicle sales trend remains negative due to eroding consumer confidence

IHS: 2019 Light Vehicle Production*			
Region	Q4'19	FY'19	
	YoY Chg.	Millions Units	YoY Chg.
China	(1)%	23.2	(9)%
Japan	(10)%	9.1	0%
RoA*	(11)%	12.2	(7)%
North America	(10)%	15.1	(4)%
South America	(2)%	3.3	(3)%
Europe	(2)%	21.2	(3)%
Global	(5)%	85.9	(6)%

(*) Light Vehicle Production (LVP) according to IHS @ October, 2019, Year over Year (YoY), Rest of Asia (RoA).

Financial Outlook 2019

	Full year indication
Sales, net	~(2)%
Organic sales growth ¹	~1%
Org. sales outperformance vs. LVP	~7pp
Global LVP	(6)% - (7)%
FX	~(3)%
Adjusted Operating margin ¹	~9.0%
Tax rate ²	~28%
Operating Cash flow ²	\$700M - \$800M
Capex, net % of sales	In line with 2018 ³
R,D&E, net % of sales	In line with 2018 ³
Leverage ratio by year end	~1.7x

Exchange rates ⁴	FY19
EUR / US\$	1.1016
US\$ / JPY	107.43
US\$ / KRW	1195
US\$ / MXN	19.52
US\$ / CNY	7.12

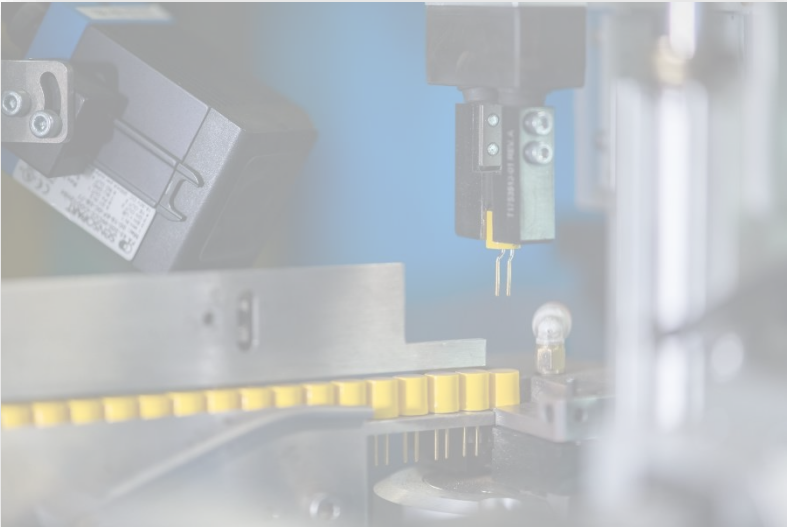
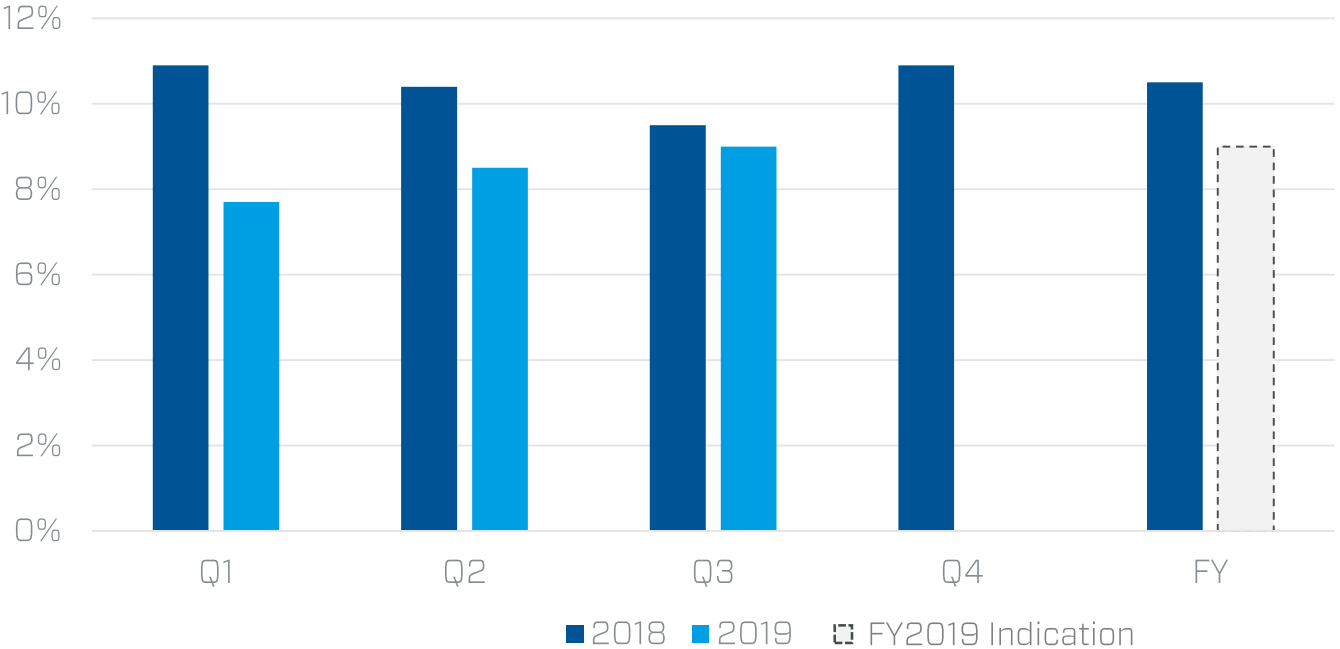


- (1) Non-US GAAP measures. Adjusted Operating margin excludes costs for capacity alignments, antitrust related matters and separation costs,
 (2) Excluding unusual items,
 (3) Compared to 2018 Continuing Operations,
 (4) Mid-October 2019 exchange rates.

Adjusted Operating Margin* Progression

Performance spread vs. last year improving sequentially

Adjusted Operating Margin*
%



(*) Non-US GAAP measures exclude costs for capacity alignments, antitrust related matters and separation costs.

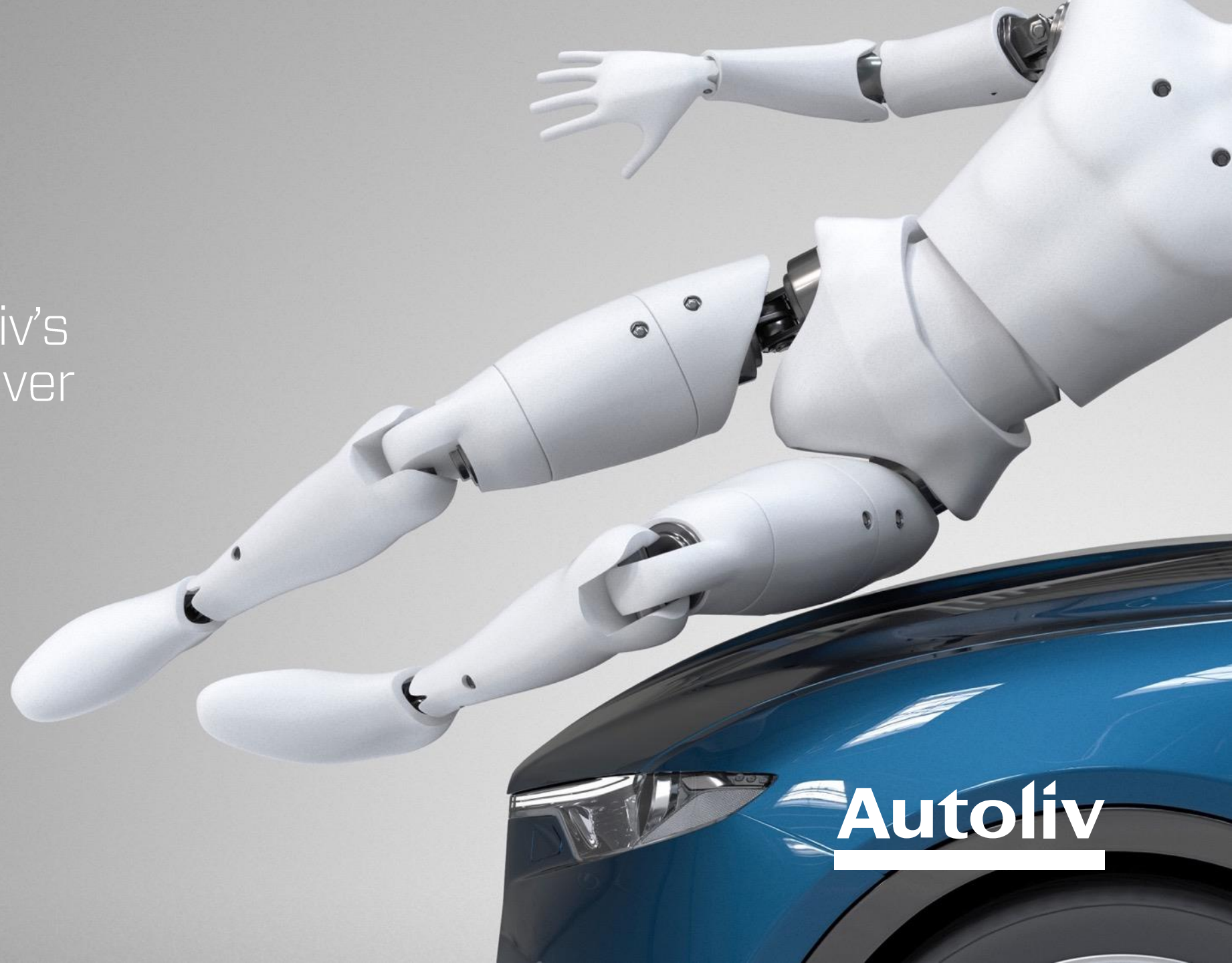
Welcome to Autoliv Capital Markets Day 2019

November 19 in Ogden in the Salt Lake Area, Utah



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

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Q3'19 Product Volumes

Volume growth in Driver airbags & Steering Wheels continues

Autoliv Quantities Delivered (Millions unless specified)	Q3'19	vs. PY** (%)
Seatbelts	34.3	(1)%
▪ Pretensioners (of which)	18.8	10%
▪ Active Seatbelts (of which)	1.4	20%
Frontal Airbags	13.6	1%
▪ Knee Airbags (of which)	1.3	(5)%
Side Airbags	23.2	(1)%
▪ Chest (Thorax)	12.7	(0)%
▪ Head (Curtain)	10.5	(2)%
Steering Wheels	5.0	5%
LVP* (Global)	20.5	(3.4)%



(*) Light Vehicle Production (LVP) according to IHS @ October, 2019,
(**) 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