Earnings Conference Call and Webcast

4th Quarter 2017 Financial Results

January 30, 2018

Safe Harbor Statement*

This presentation contains statements that are not historical facts but rather forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include those that address activities, events or developments that Autoliv, Inc. or its management believes or anticipates may occur in the future. All forward-looking statements, including without limitation, management's examination of historical operating trends and data, as well as estimates of future sales, operating margin, cash flow, effective tax rate or other future operating 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. 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 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.

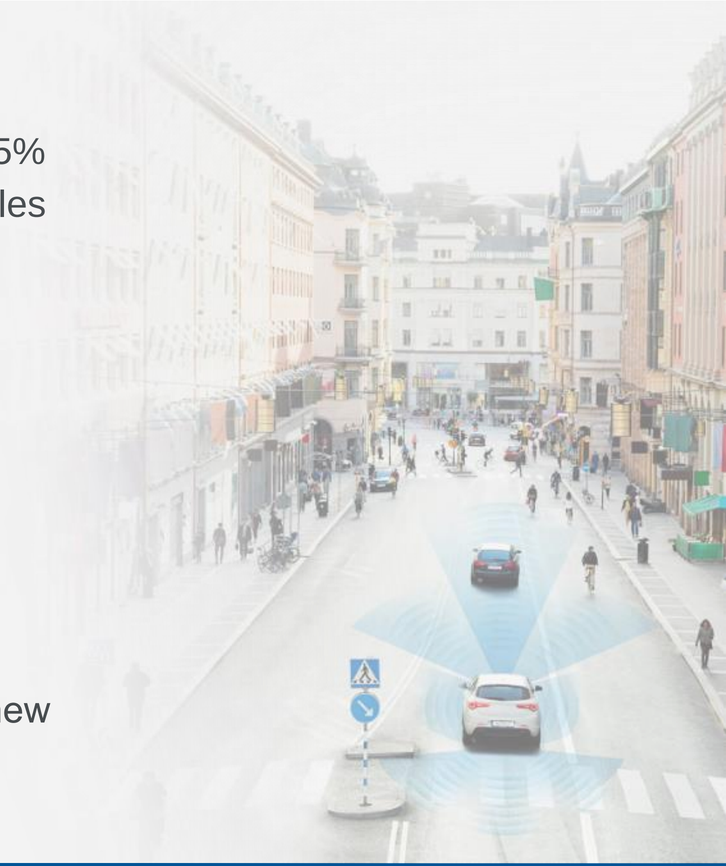
(*) Non-US GAAP reconciliations are disclosed in our regulatory filings available at www.sec.gov or www.autoliv.com

Autoliv

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).

Autoliv

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 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.

Autoliv

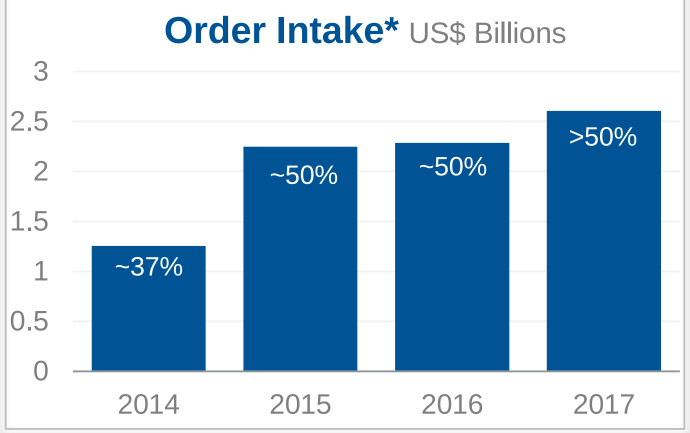
FY’17 Recap

Strong order intake in both segments

Passive Safety

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

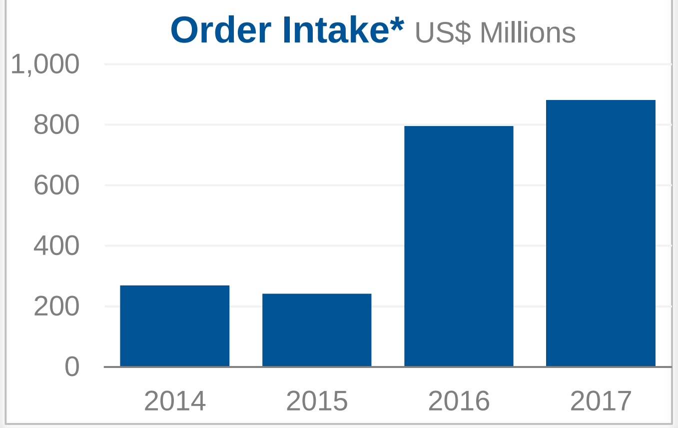
Life-time Sales ~$13B for the 2017 order intake



Electronics

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

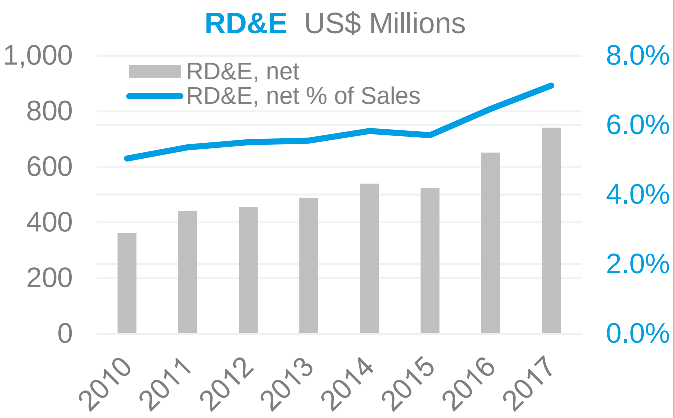
Life-time Sales ~$4B for the 2017 order intake



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



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

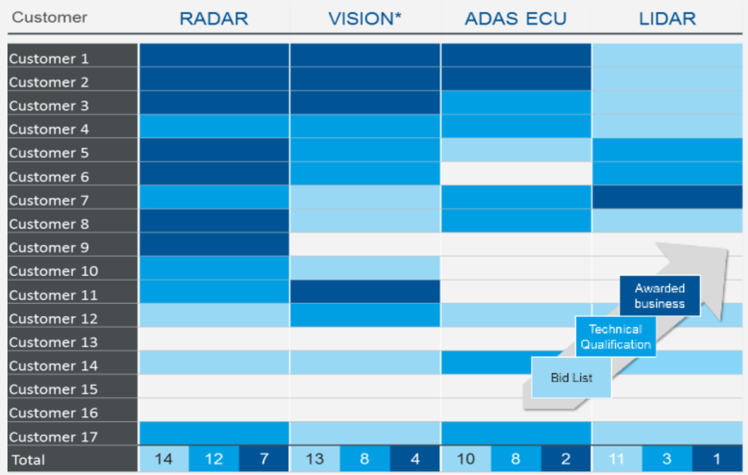
(*) $ value represents expected average annualized sales from respective years order intake, disclosure of orders will not be made regularly, based on when the orders were awarded, (**) Non-US GAAP measure.

FY'17 Recap

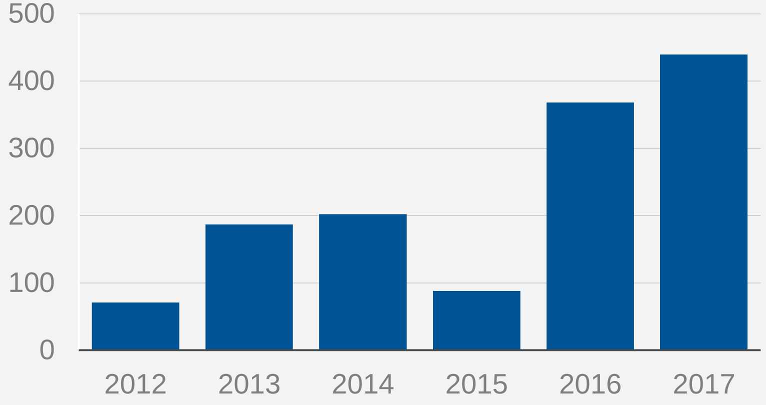
Active Safety and Zenuity Update

- **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 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**



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).

Autoliv

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).

Autoliv

FY’18 - Key Models in Passive Safety

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


Honda Accord


Tesla Model 3

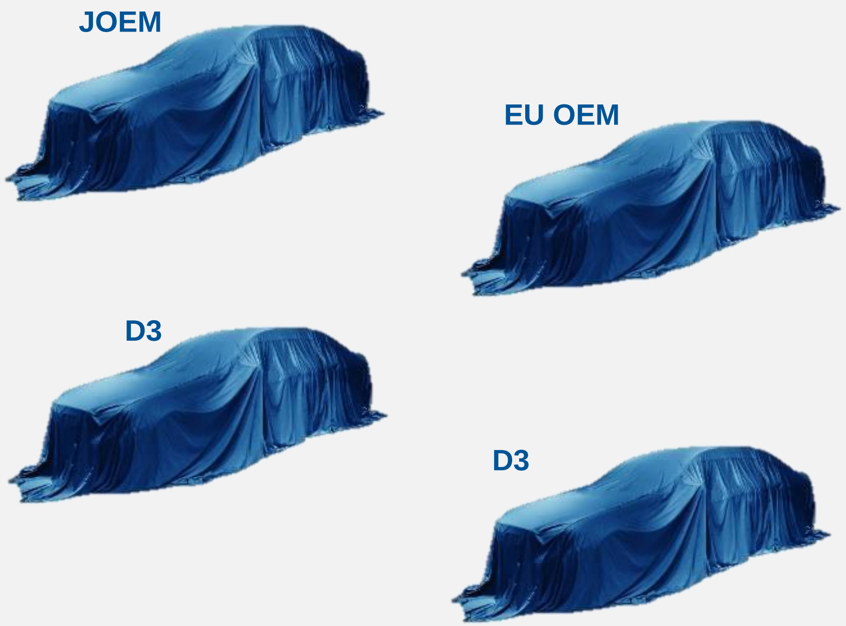

Honda Odyssey


VW Polo


Honda CR-V


Nissan Qashqai / Rogue


Hyundai Genesis G70



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

(*) Non-US GAAP measure.

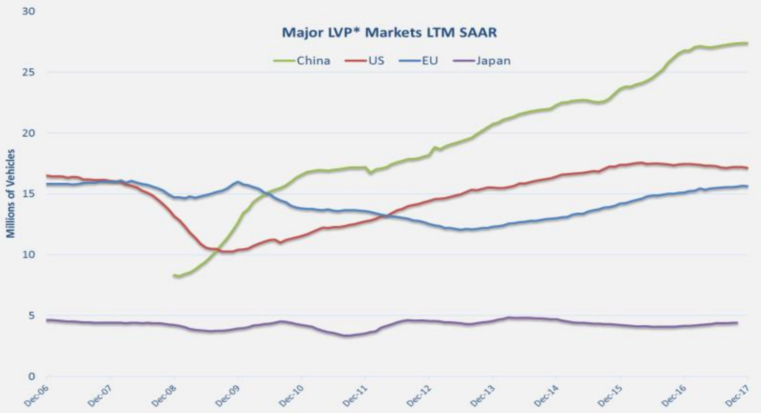
Autoliv

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.

Autoliv

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

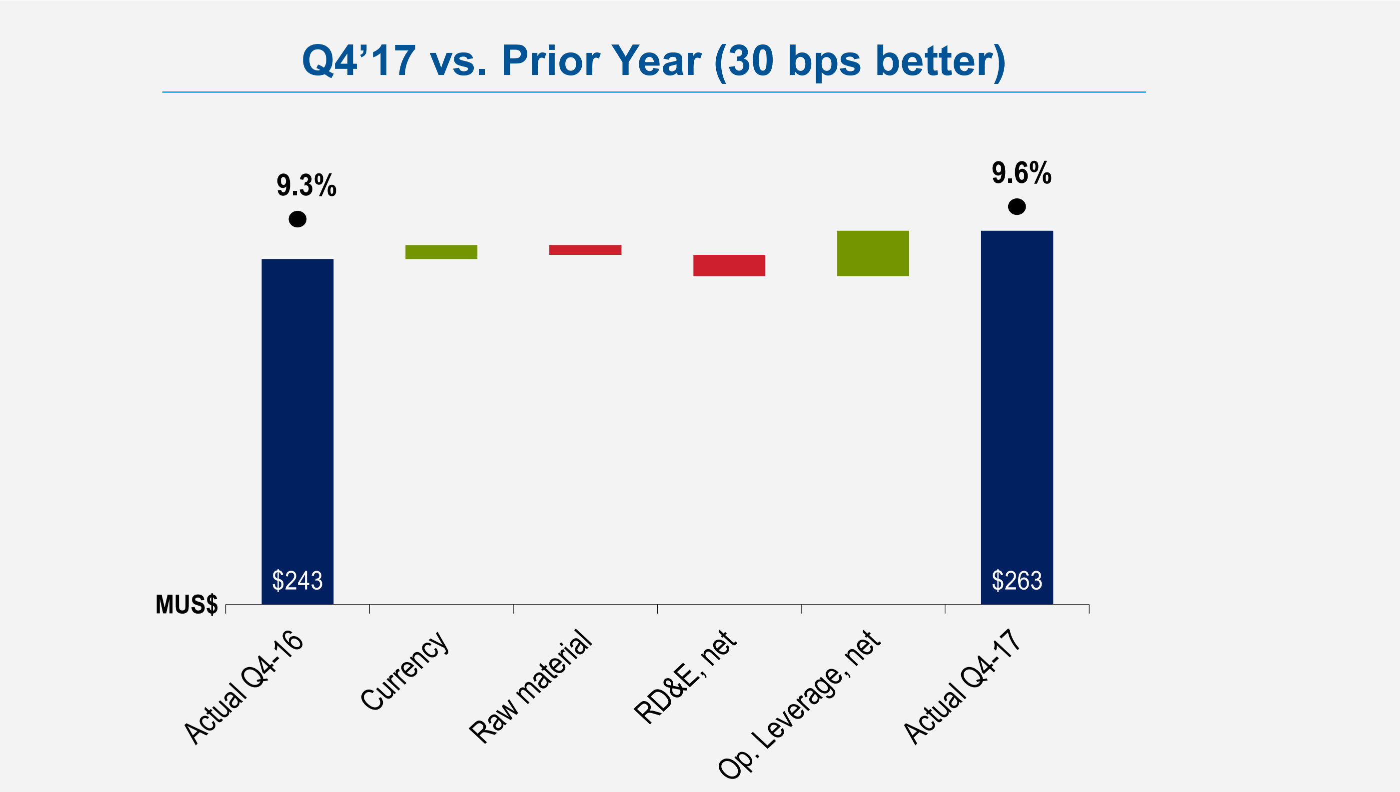
Exceeded our adjusted Operating Margin and Organic Sales growth guidance resulting in a strong adjusted EPS

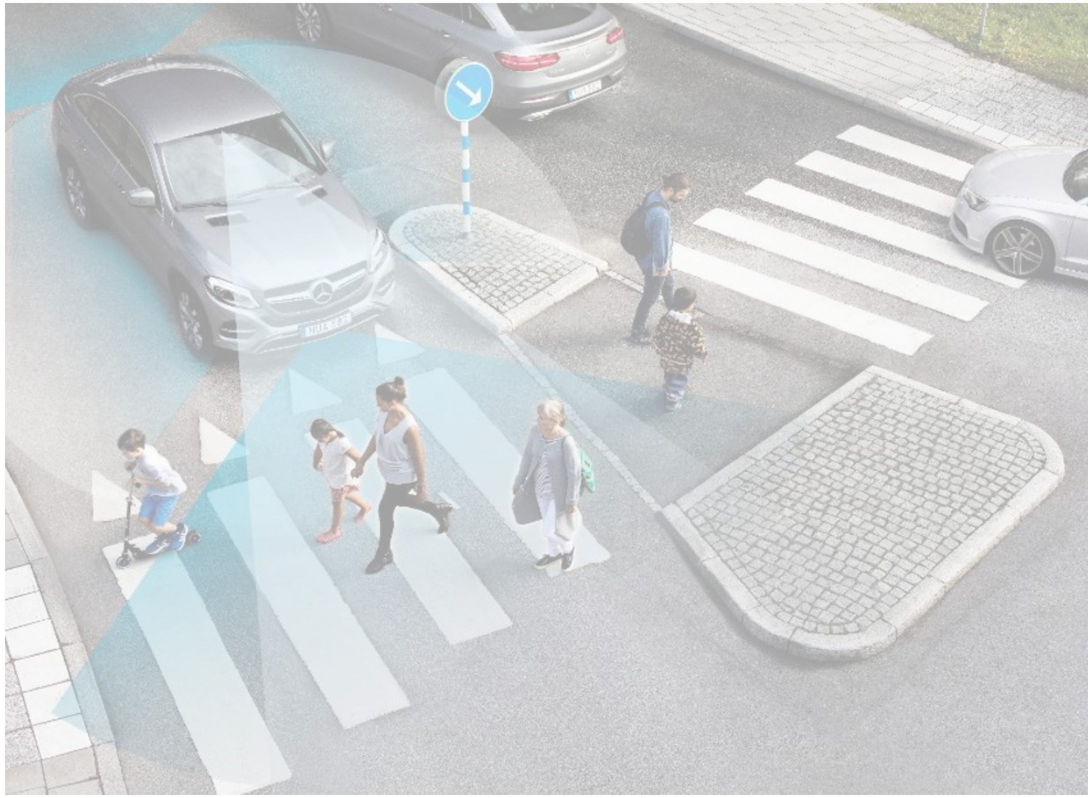
(*) Non-US GAAP measures exclude costs for capacity alignments, antitrust related matters, separation of our business segments and Goodwill impairment, Earnings per share (EPS), Return on Capital Employed (RoCE), Return on Equity (RoE), (**) Global Light Vehicle Production (LVP) according to IHS @ January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

Autoliv

Operating Income* and Margin* Bridge

Q4’17 vs. Prior Year





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.

Autoliv

Q4 Product Volumes

Strong volume growth in high value-added Seatbelts

Autoliv Quantities Delivered (Millions unless specified)	**2017**	**vs. PY**** (%)
Seatbelts	**39.9**	**4%**
▪ Pre-tensioners (of which)	19.7	10%
▪ Active Seatbelts (of which)	1.2	18%
Frontal Airbags	**13.7**	**2%**
▪ Knee Airbags (of which)	1.4	(5)%
Side Airbags	**25.3**	**4%**
▪ Chest (Thorax)	14.0	5%
▪ Head (Curtain)	11.3	3%
Steering Wheels	**5.0**	**5%**
Restraint Control Units	**4.7**	**(15)%**
Brake Systems Units	**0.5**	**(12)%**
Active Safety Units	**2.5**	**4%**
LVP* (Triad)	**10.0**	**0.8%**
LVP* (Global)	**24.4**	**0.5%**

Unit volume growth slightly above global LVP in most Passive Safety product areas*

(*) Light Vehicle Production (LVP) according to IHS @ January 16, 2018, TRIAD (Western Europe, North America, Japan), (**) Prior Year (PY).

Autoliv

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.

Autoliv

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%**										

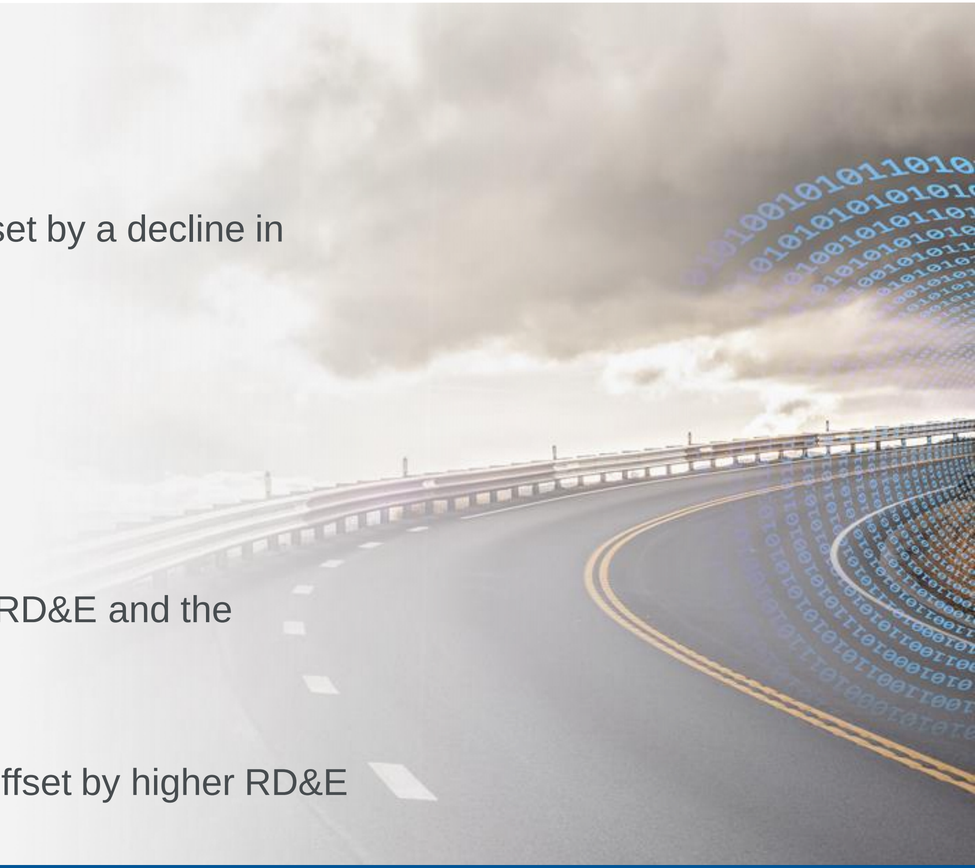
Non-cash, one time Goodwill impairment charge of ~$100M to net income (~$234M operating income) related to ANBS during Q4'17*

(*) 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.

Autoliv

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

Autoliv

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,
(**) 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,
(**) Mid-January 2018 exchange rates.

Autoliv

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

veoneer


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