

Autoliv
Mizuho Auto Technology Seminar
May 19, 2021



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 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; the impacts of the coronavirus (COVID-19) pandemic on the Company’s financial condition, business operations and liquidity and the global economy; fluctuation in vehicle production schedules for which the Company is a supplier; supply chain disruptions and component shortages impacting the Company or the automotive industry; supply chain disruption and shortages impacting the Company or the automotive industry; 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 restructuring or divestiture of customer brands; unfavorable fluctuations in currencies or interest rates among the various jurisdictions in which we operate; 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; 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

Q1 '21 Highlights

Operational excellence and solid growth drives strong financial performance

▪ **Market development**

- Resource bottlenecks in global supply chains hamper industry growth
- Headwinds from raw material and commodities prices

▪ **Strong organic sales growth**

- Strong sales development despite market headwinds and negative geo-mix
- Record sales for a first quarter for the passive safety business, as we executed on our strong order book

▪ **Strong improvement in operating income**

- Structural efficiency programs and other cost reduction actions continued to yield positive results
- Building towards our medium-term targets

▪ **Strong cash flow**

- Net debt* declined substantially
- Our leverage ratio* is now inside our target range

▪ **FY2021 guidance unchanged**



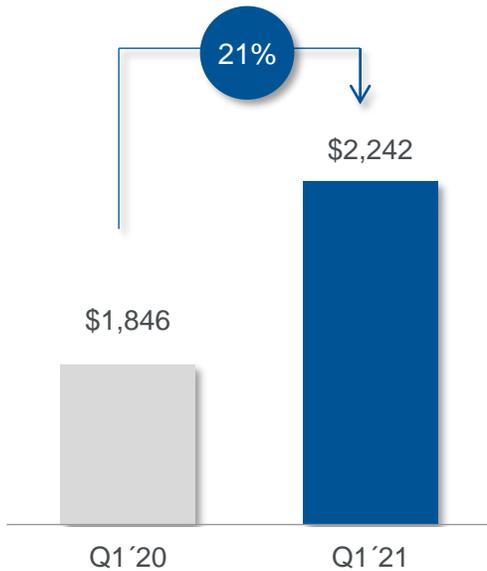
(*) Non-US GAAP measures

Q1'21 Financial Highlights

Strong sales and margin recovery from last year

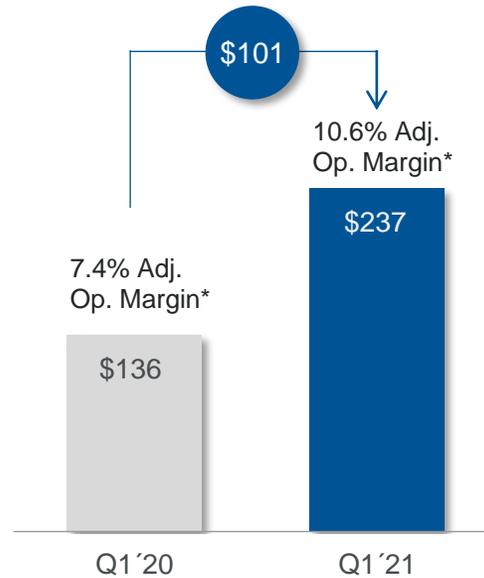
Consolidated Sales

US\$ (Millions)



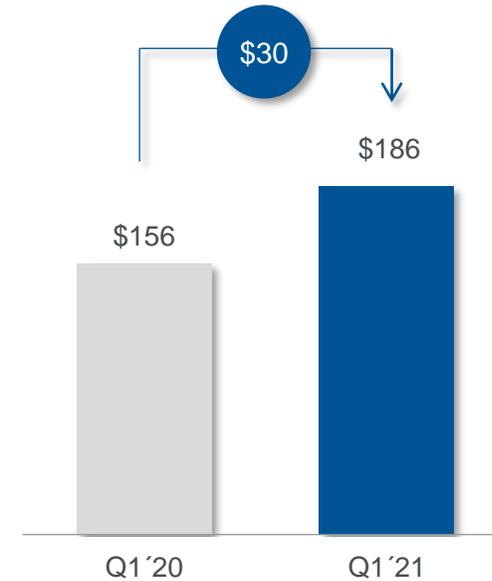
Adjusted Operating Income*

US\$ (Millions)



Operating Cash Flow

US\$ (Millions)

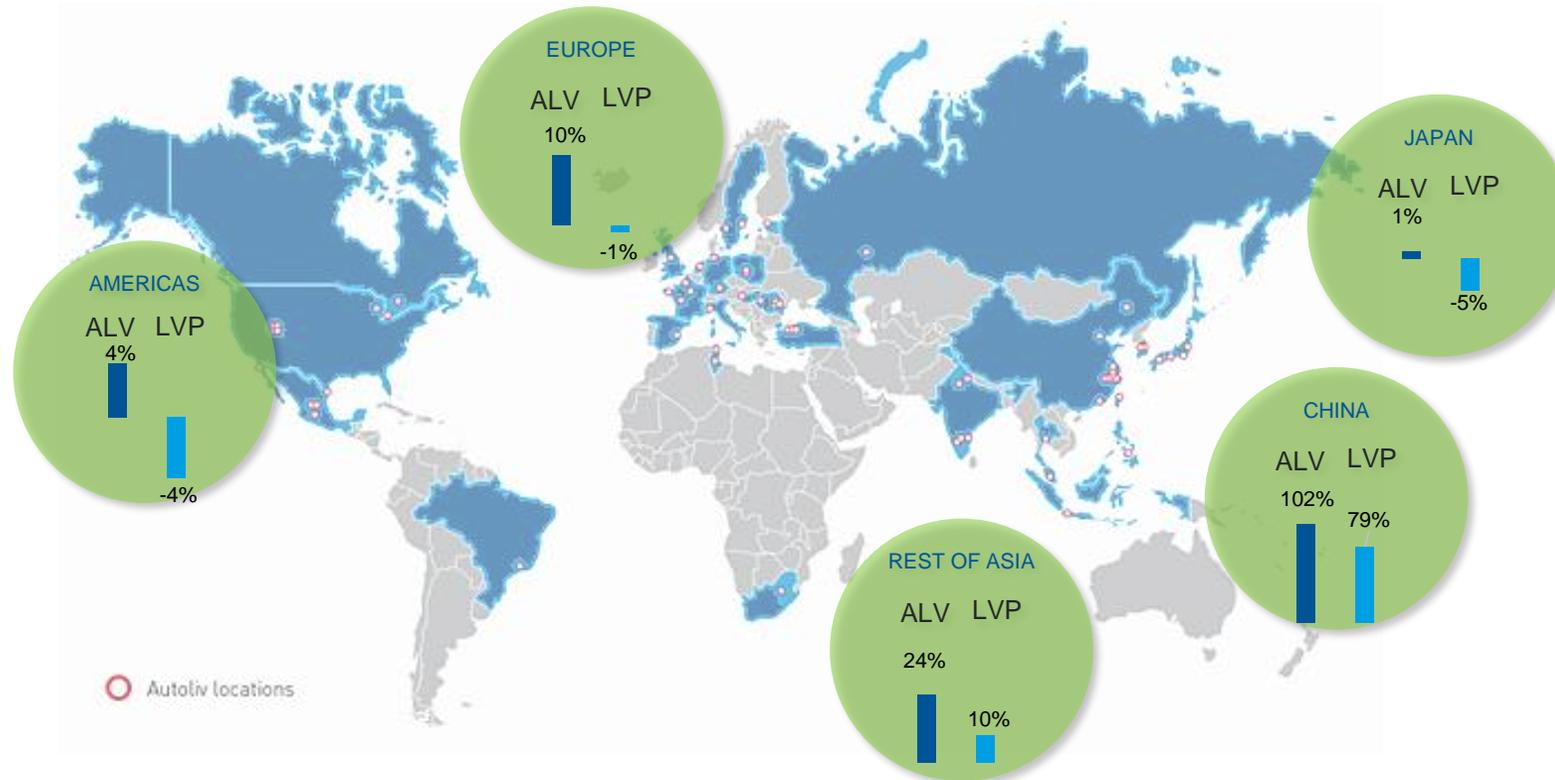


(*) Non-US GAAP measures exclude costs for capacity alignments

Q1'21 Sales Growth

Outperforming global LVP by more than 4 percentage points

Regional Organic Growth* vs. LVP**

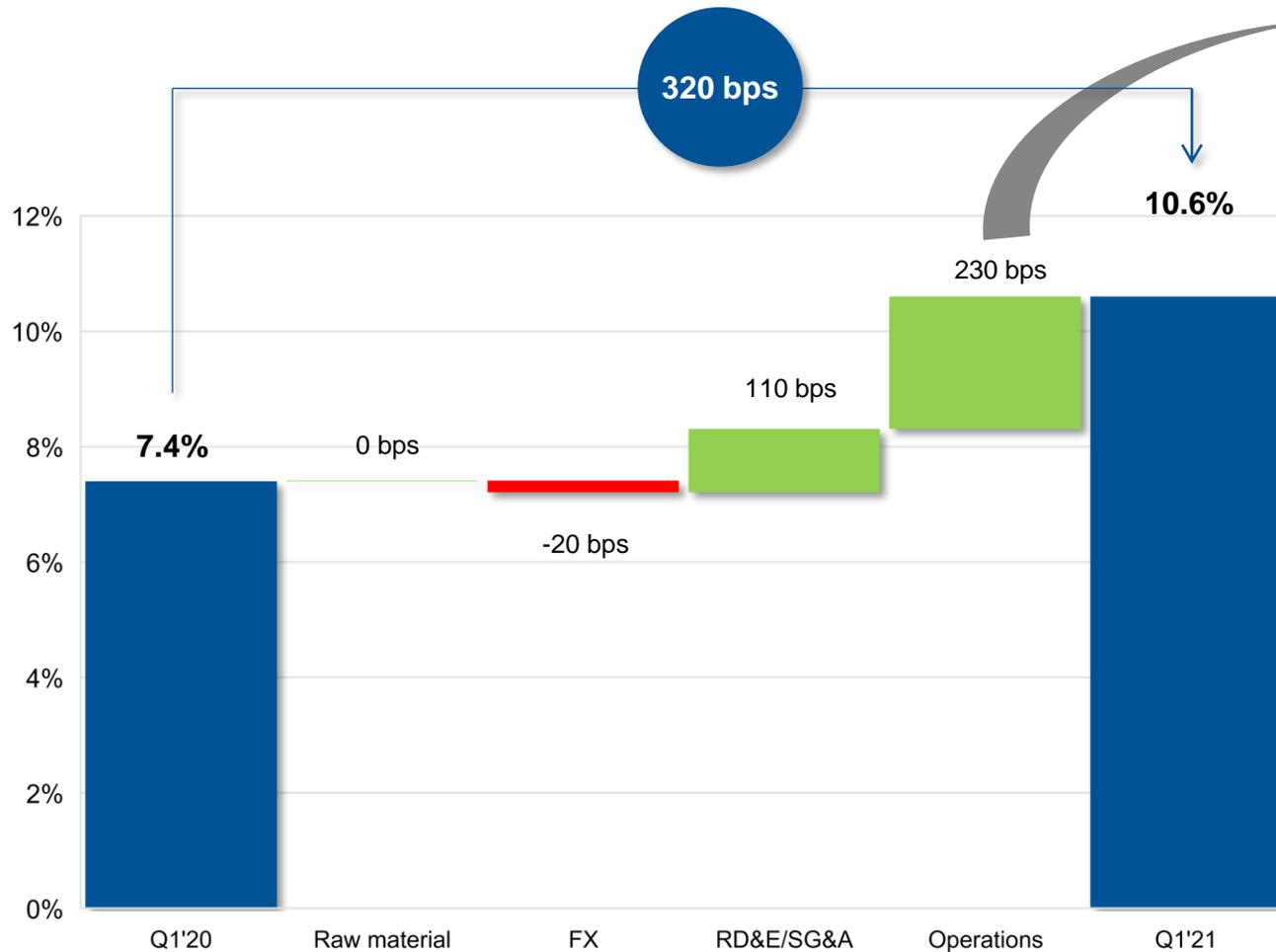


(*) Non-US GAAP measure

(**) Light Vehicle Production (LVP) according to IHS Markit @ April 2021

Q1'21 Adj. Operating Margin* Bridge

vs. Prior Year



Operations

+ Pos

- Higher sales
- Productivity in labor and component costs
- Structural efficiency programs

- Neg

- COVID-19 related inefficiencies in supply chain and manufacturing
- Direct costs related to COVID-19
- Volatile LVP

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

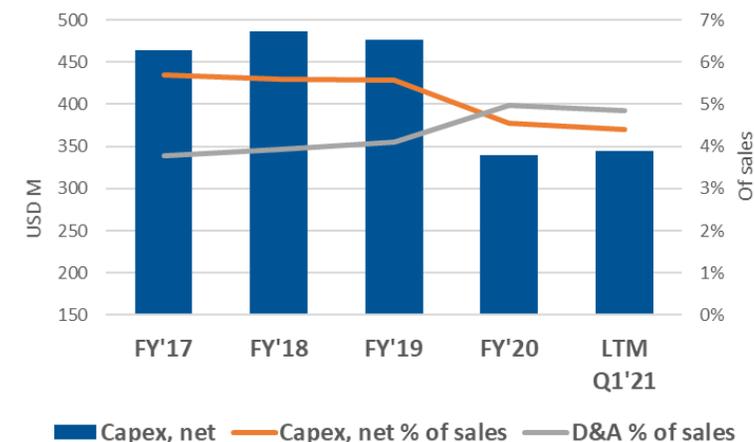
Cash Flow

(US\$ Millions unless specified)	Q1'21	Q1'20	LTM	2020	2019
Net Income	\$157	\$75	\$271	\$188	\$463
Depreciation & Amortization	99	89	381	371	351
EC antitrust payment	-	-	-	-	-203
Other, net	19	11	21	13	-17
Change in operating WC	-89	-19	207	277	47
Operating cash flow	186	156	879	849	641
Operating cash flow excl. EC antitrust payment¹	186	156	879	849	844
Capital Expenditures, net	-93	-88	-344	-340	-476
Free cash flow¹	93	68	534	509	368
Dividends paid	-	\$54	-	\$54	\$217

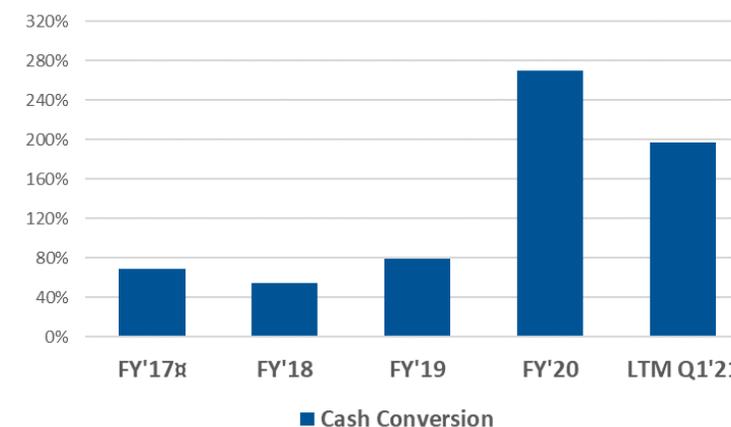
(1) Non-US GAAP measure, adjusted for EC antitrust payment in Q2 2019, reconciliation is provided above

(2) Non-US GAAP measure, adjusted for EC antitrust accrual in 2018 and payment in Q2 2019

Capex and D&A



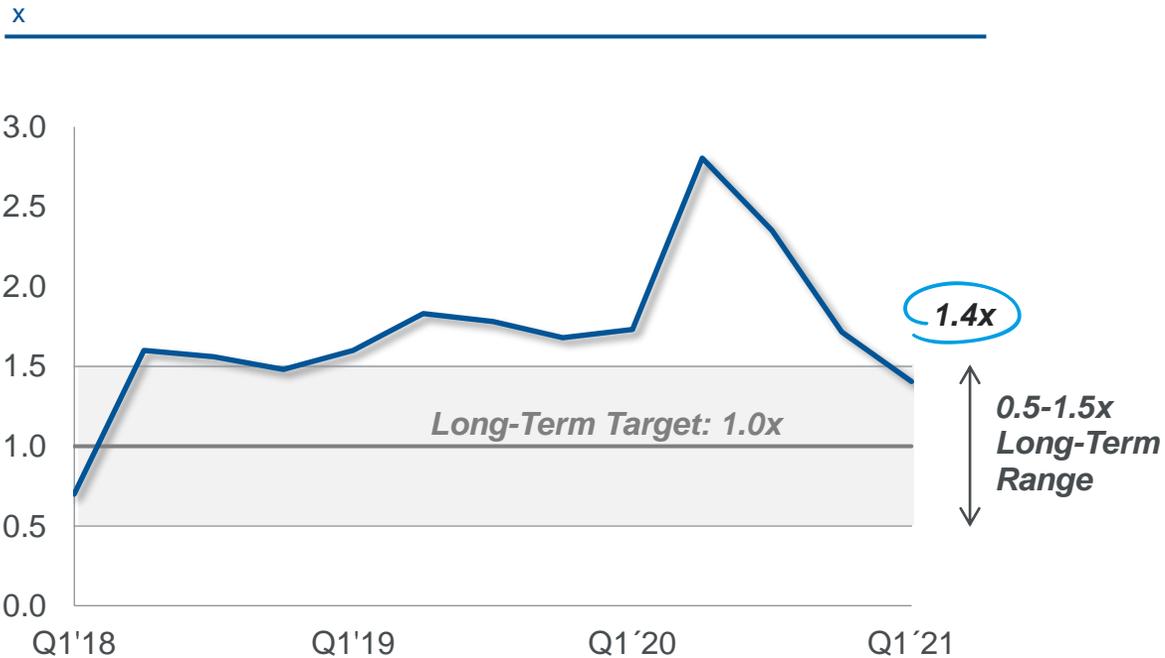
Cash Conversion²



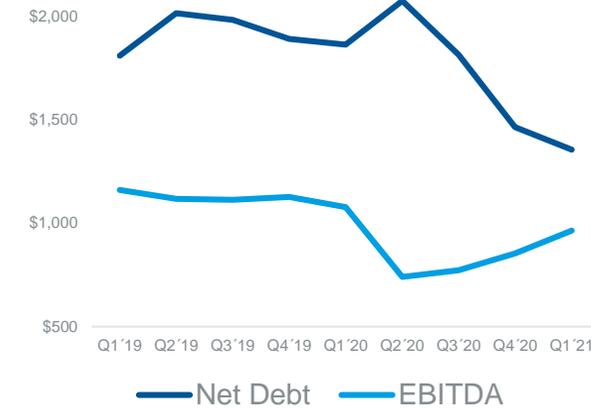
Leverage Ratio

Within target range

Net Debt/ EBITDA *



Net Debt and EBITDA per the Policy



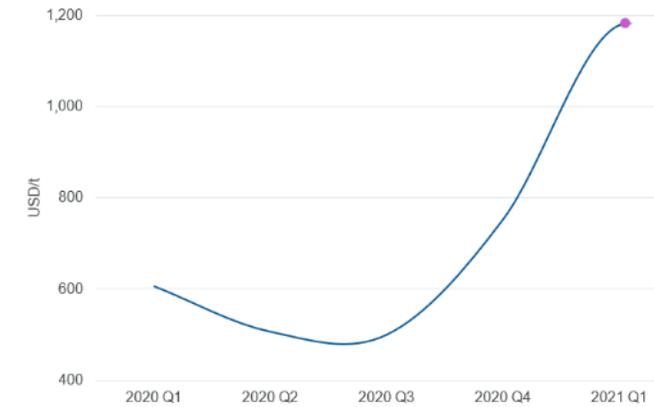
- Our **Net Debt*** decreased by **\$109M** from Q4'20
- EBITDA LTM** increased by **\$111M** from Q4'20

(* Prior to Q2'18 includes the electronics segment; Non-US GAAP measure, Leverage Ratio and Net Debt includes Pension Liability
EBITDA calculation redefined to exclude other non-operating items and income from equity method investments

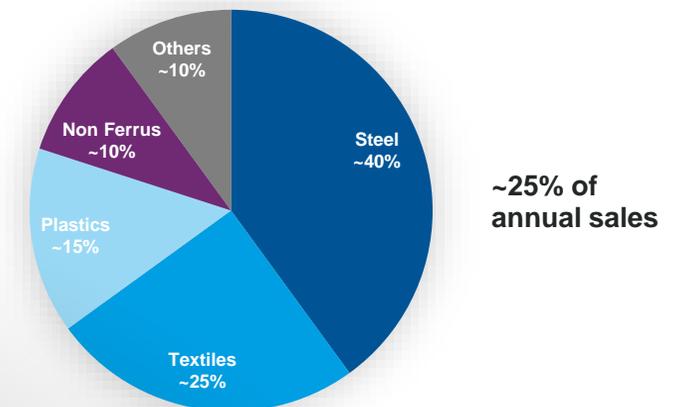
Substantial Raw Material Headwinds

- We mainly buy components and not pure raw material
- The effects from changes in spot market prices are mitigated and delayed through longer-term supply contracts:
 - The delay is typically 6 to 12 months
 - Our volatility is usually substantially less than the volatility in the spot market
- Some, but limited, contractual passthroughs to customers
- Raw material prices impact is also mitigated through:
 - Consolidation of supply base
 - Negotiations with suppliers
 - Redesign of products

IHS Markit: U.S. hot-rolled sheet steel

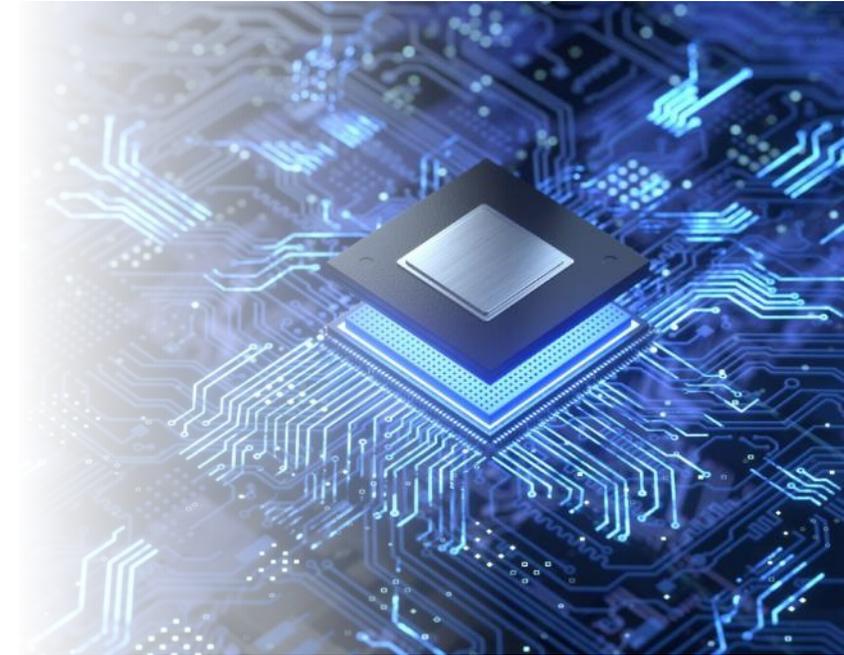


Spend by commodity



Global Semiconductor Shortage

- Our direct exposure is limited
- Vehicle manufacturers are experiencing increased disruption to the supply of systems using semiconductors
- Chipmakers rushing to expand their production capacity, but long lead times mean the supply issues will extend well into Q2-Q3
- Note that varying levels of visibility across customers persist

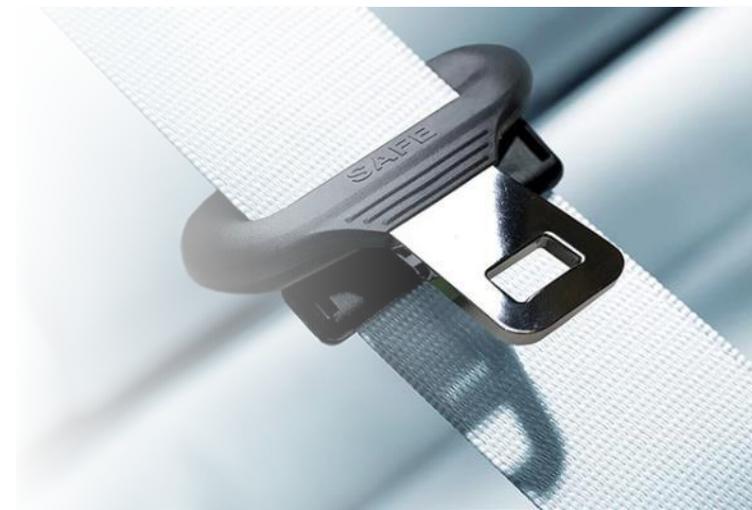


What is essential for Autoliv is to efficiently adapt to any sudden changes in our customers' production plans

Full year 2021 indications from April 23

	Full year indication
Sales, net	Around 23%
Organic sales increase ¹ Org. sales outperformance vs. LVP	Around 20% Mid-single digits
FX	Around 3%
Adjusted Operating margin¹	Around 10%
Tax rate ²	Around 30%
Operating Cash flow ²	Similar level as 2020
Capex, net % of sales	Below 6%
R,D&E, net % of sales	Around 4.5%

Exchange rates ³	FY'21
EUR / US\$	1.20
US\$ / JPY	108.16
US\$ / KRW	1115
US\$ / MXN	20.12
US\$ / CNY	6.52



Our full year guidance is based on our customer call-offs and light vehicle production outlook according to IHS Markit

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

Our focus for 2021

- Health and Safety continue to be top priority
- Executing our Strategic initiatives
- Deliver on our strong order book
- Manage Light Vehicle Market Volatility
- Defend our Medium-term Market Share Position
- Saving More Lives





Safety in future mobility

A new era of mobility – game changers

ELECTRIFICATION



CONNECTIVITY



AUTOMATION

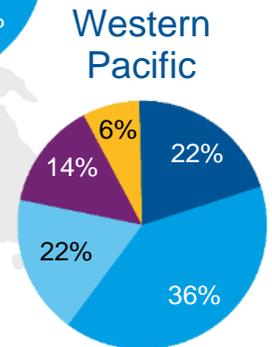
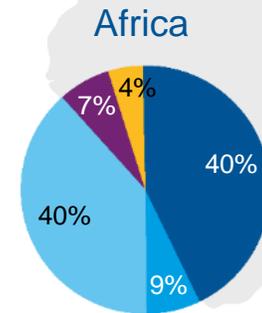
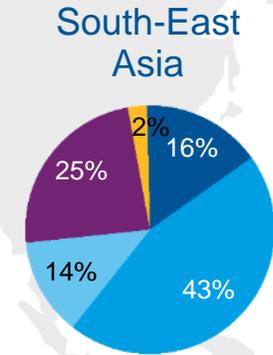
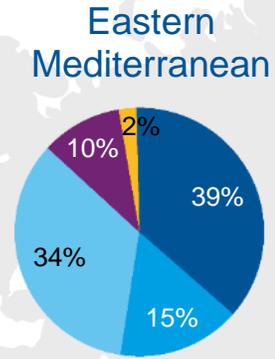
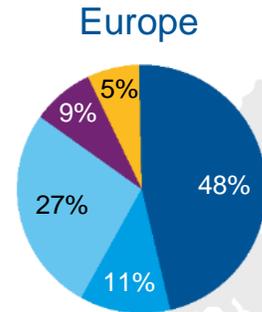
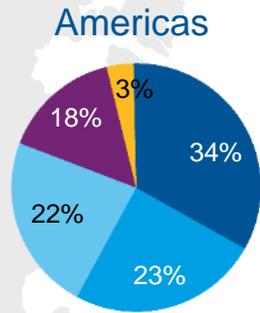
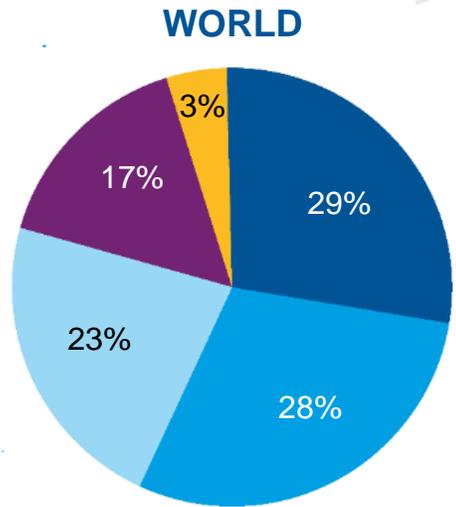


SHARED MOBILITY



1 350 000 reasons to do MORE

- Driver/passengers of 4-wheeled vehicles
- Motorized 2 and 3-wheelers
- Cyclists
- Pedestrians
- Others/Unknown



Source: WHO Road Safety report 2018

How to Accelerate Technology Adoption

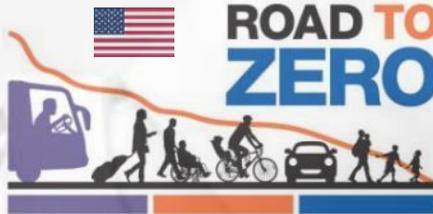


GLOBAL
ROAD SAFETY
PARTNERSHIP



Sweden India Transport,
Innovation & Safety

China Sweden Research
Centre for Traffic Safety



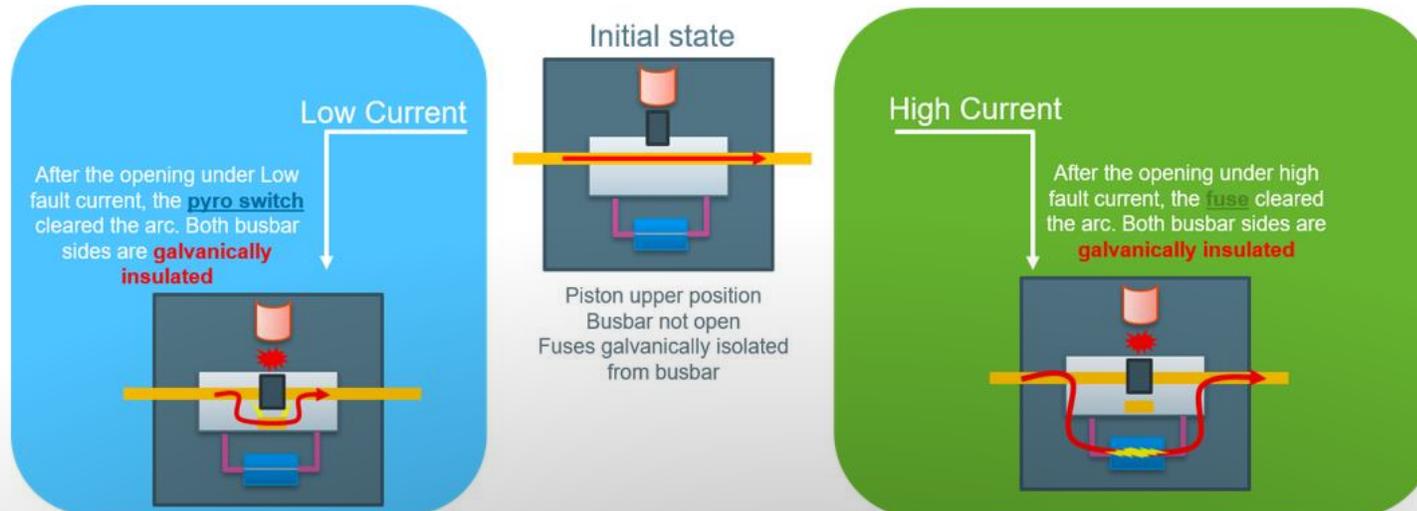
Adjacent Opportunities

High Voltage Disconnect Devices for Electric Vehicles

- **Market:** Many new EVs have batteries with >500 V (ex. Porsche, Audi, Hyundai.....)
- **Advantages:** cost and packaging size for high voltage batteries
- **Development and Industrialization:**
 - Mersen will bring pyro-switch - fuse hybridization concepts and fuse expertise
 - Autoliv will bring pyro-switch and high-volume automotive manufacturing expertise
 - Product development to be led by Autoliv with support from Mersen team
 - Industrialization and Manufacturing to be led by Autoliv



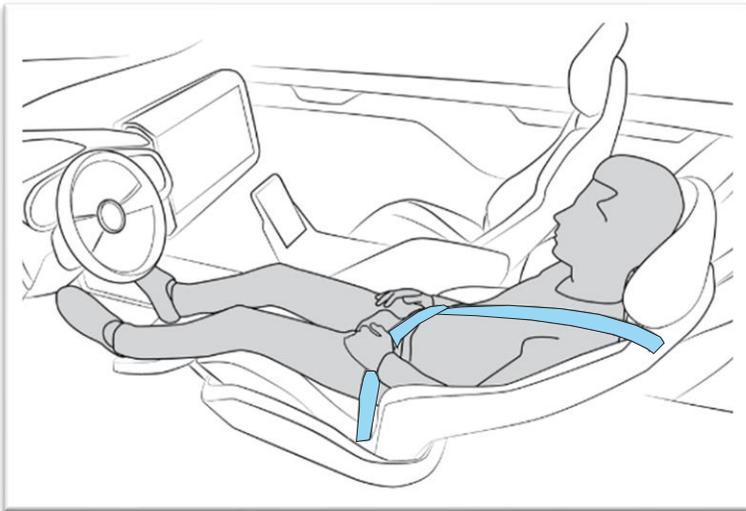
Hyundai Ioniq 5 with 800V battery



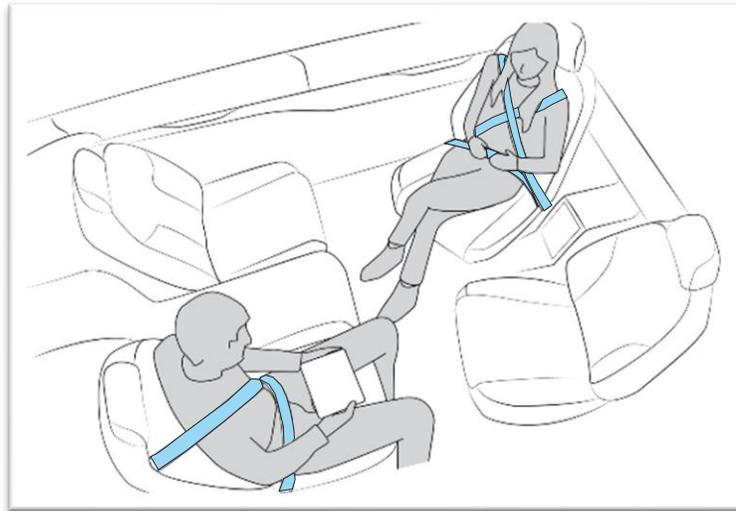
To protect occupants in the future, we need to:

- Understand how cars will crash
- Understand which sitting positions the end user wants
- Define Operational Design Domain (ODD) for new sitting positions
- Protect all occupants in any alternative planned sitting position in the ODD

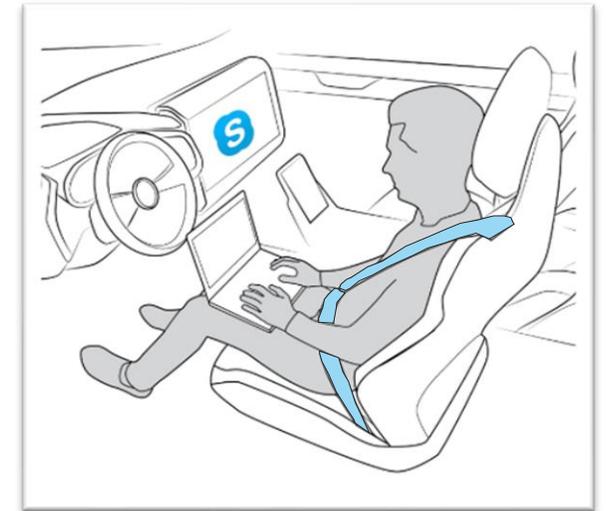
Relaxing



Socializing – Rotated seats



Working



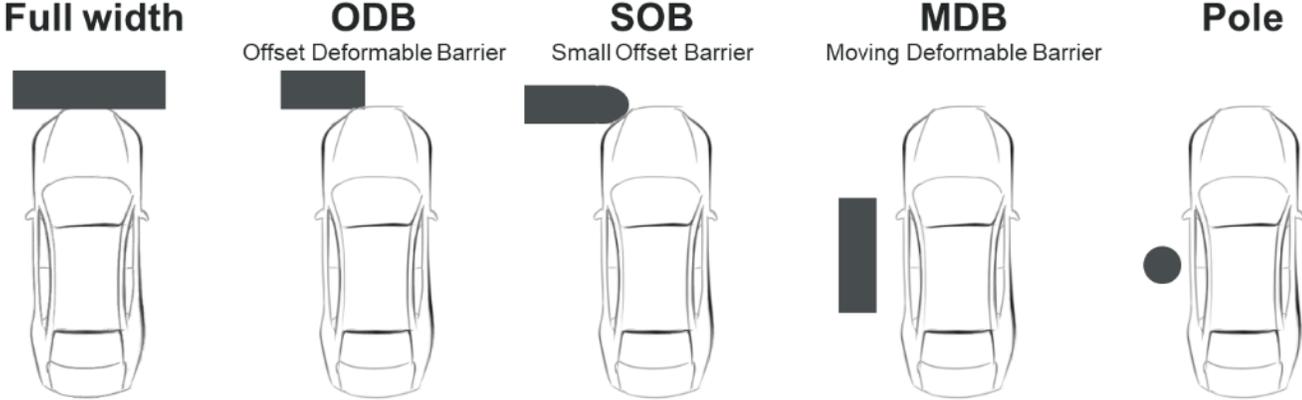
Occupant protection: Today and Tomorrow

Today

Standardised ATD position



Traditional crash configurations

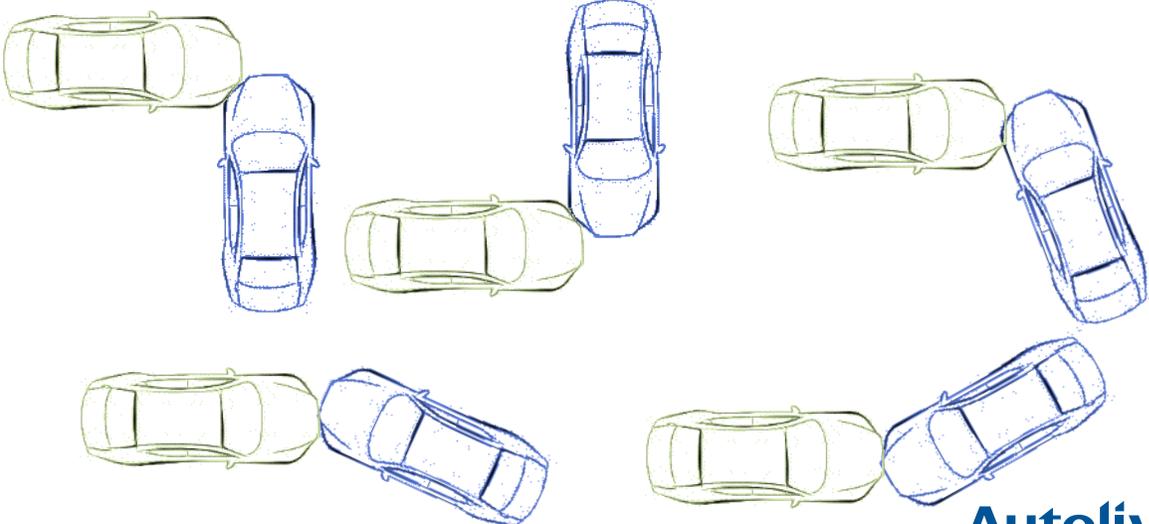


Tomorrow

New seating positions



New identified crash configurations



Reclined Seating Requires Belt in Seat

- **Benefits**

- Protection for a diverse population requires increased adaptivity
- AEB and real-life safety need additional/reversible pretensioners
- Improved comfort and convenience

- **Belt in Seat 2025**

- Premium – Reversible Electric Pretension/Load limiting

- **Compact Lap Retractor Pretensioner**

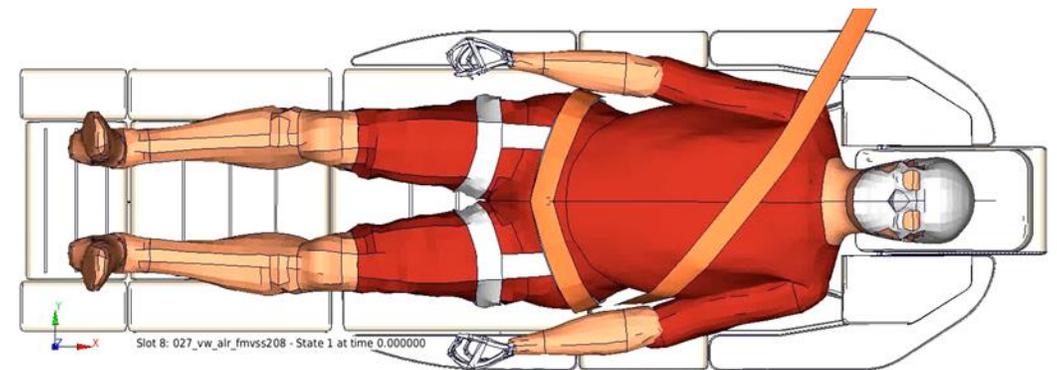
- Small seat integrated retractor for dual retractor solutions to prevent submarining
- Use of separation tongue to connect both webbing paths

Occupant Protection

- Restraint systems for new seating positions
- Seat Integrated Restraints
- Adaptive belts and airbags for size and age
- Digital Services for Safe Driving

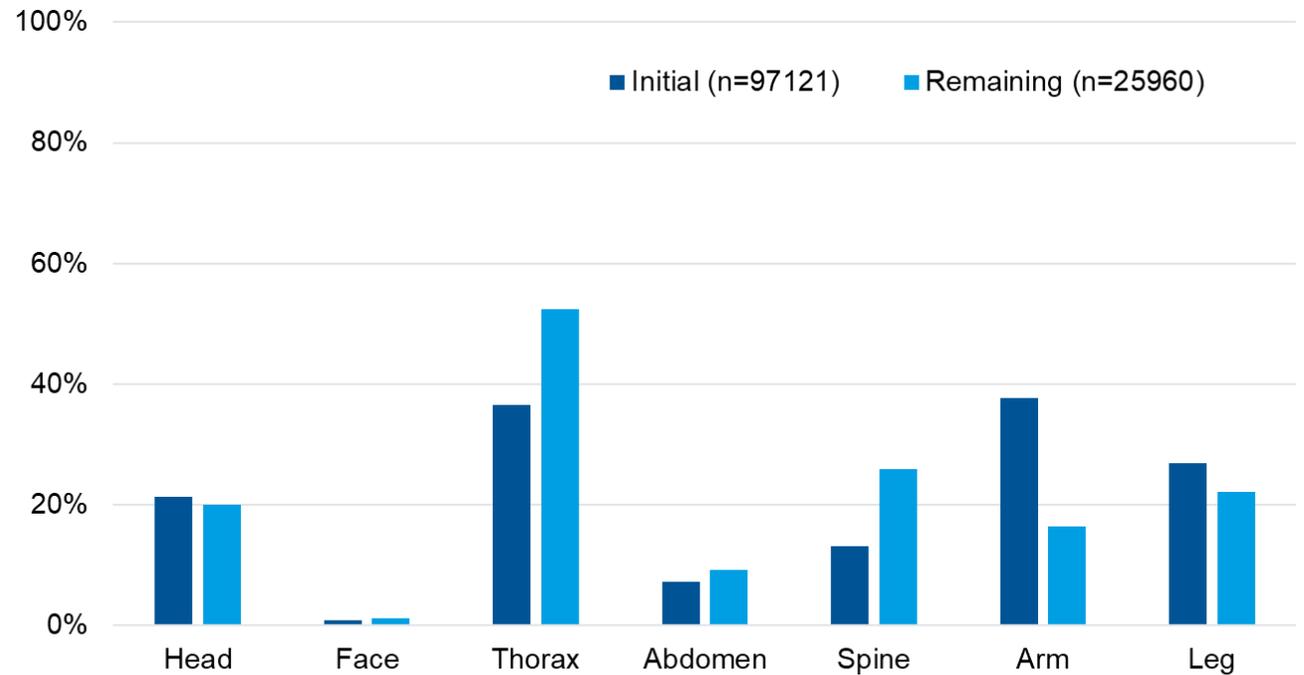
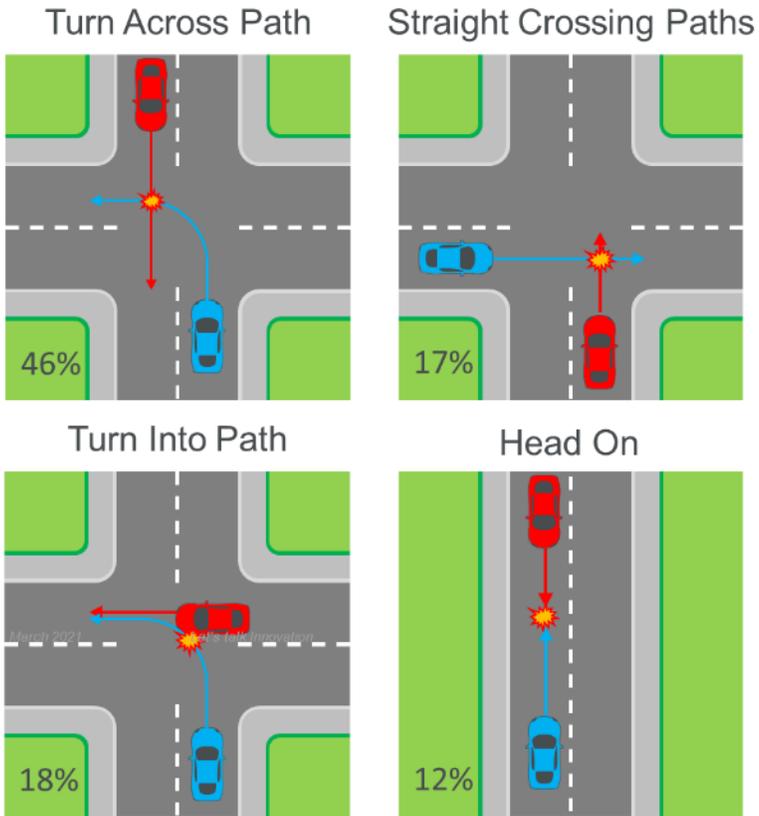


3 Stage Adaptive Seat belt Load Limiter (LL3)



Future crashes “100% ADAS” – Analysing the residue

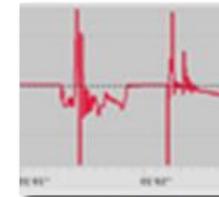
Four scenarios cover 90% of future crashes resulting in severe and fatal injury



Most frequent injuries will be on head, thorax, and spine

HMI, User Experience and Driver Monitoring

- **Steering Wheel 2025** with HoD, heating, multi-modal HMI and contextual touch pads
- **Stowable steering wheel** to allow for flexibility
- **Driver monitoring** by vital measurements
- **Multi-functional seat belt** for comfort, vital signs and HMI

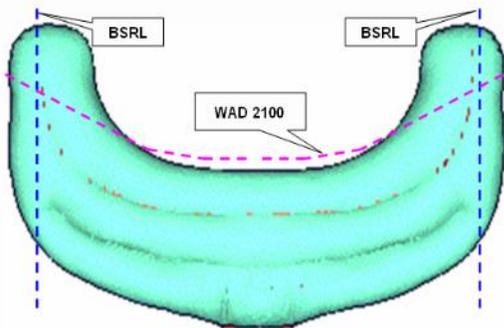


Health monitor
(Driver Status)

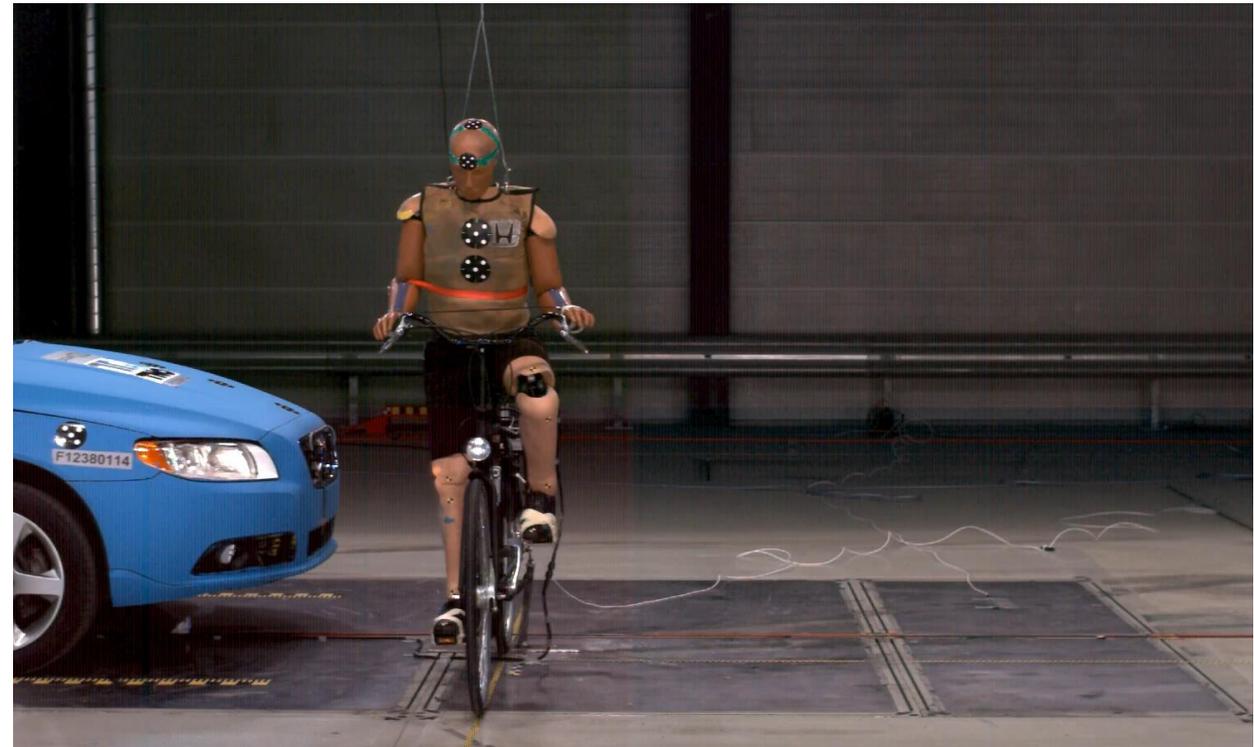
Pedestrians and bicyclists - Countermeasures

- **External airbags** to prevent head injuries (30% risk reduction)
- **Hood lifter** to prevent head, chest and upper extremity injuries

Cushion coverage area overview



CAR (40 KM/H) TO CYCLIST (15 KM/H)



Safety for Motorcycle Riders



PTW Rider Protection With and Without Airbag



46% risk for concussion with unconsciousness

100% risk for 2 or more fractured ribs



12% risk of concussion with unconsciousness

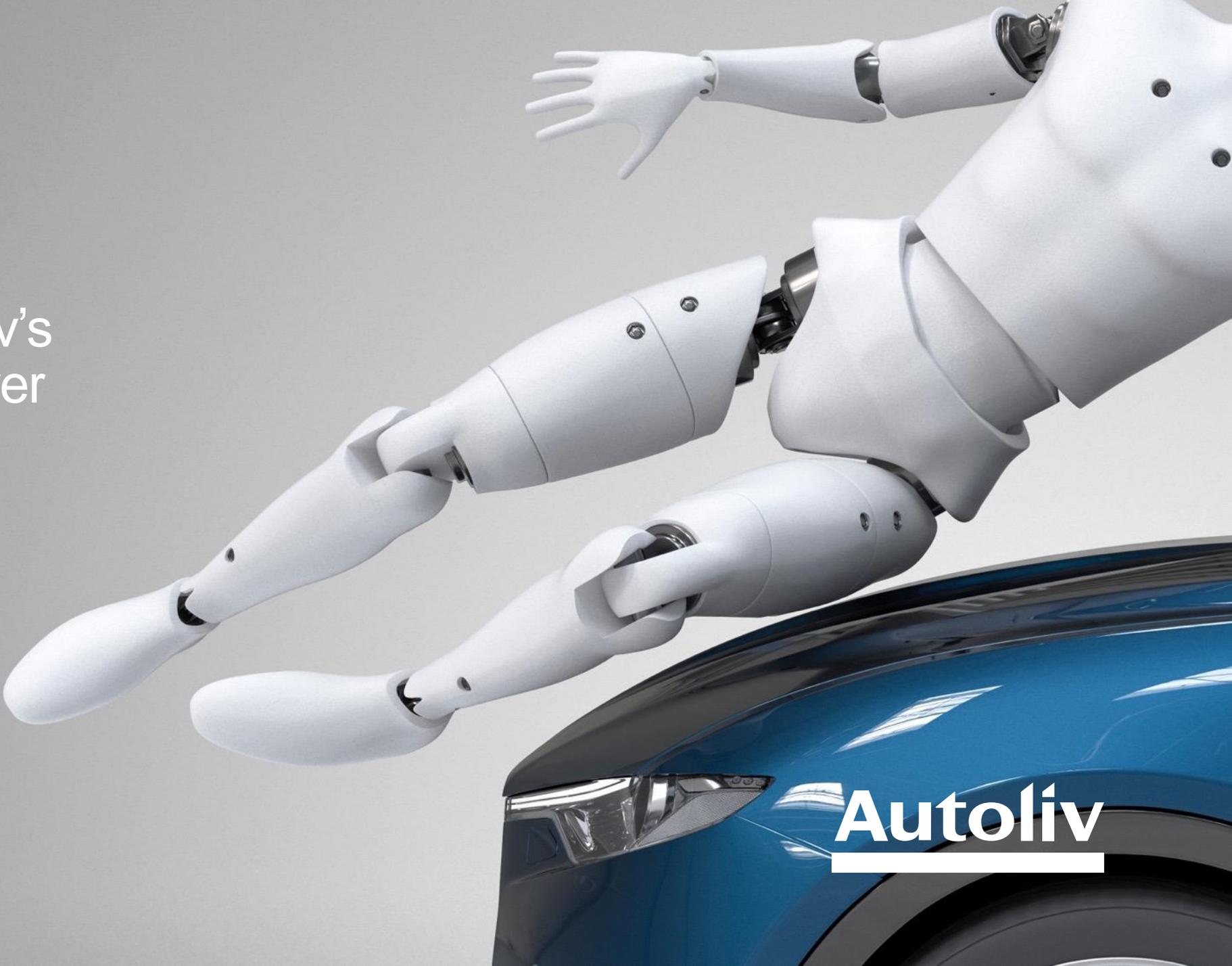
3% risk of 2 or more fractured ribs

Autoliv providing life saving solutions for mobility and society



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

autoliv.com

A white humanoid robot arm is shown in a dynamic, reaching pose, extending from the upper right towards the lower left. The arm is composed of several segments, including the upper arm, forearm, and hand, with visible joints and a sleek, futuristic design. The hand is open, with fingers slightly spread. In the bottom right corner, the front end of a blue car is visible, showing the headlight and part of the hood. The background is a plain, light gray color.

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