

CAPITAL MARKETS DAY 2017

Creating more value
Saving more lives

Autoliv

Capitals Markets Day Agenda

08.35-09.20

Strategic Direction

Jan Carlson

09.20-09.50

Technology

Steve Fredin/
Dennis Nobelius

09.50-10.30

Coffee Break & Exhibition

10.30-11.00

Financial Overview and Targets

Mats Backman

11.00-11.50

Q&A

11.50-12.00

CEO Conclusion

12.00-13.00

Lunch served in Palmengarten's Foyer

13.00-14.00

Interactive Exhibition - Free walk around

14.00

CMD ends

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, statements related to the Company's strategic review of its operating structure or the terms, timing or structure of any such transaction as a result of such review, if any; the outlook for Passive Safety and Electronics as separate businesses; statements related to the future performance of the Company or of any such businesses if any such transaction is completed; other targets regarding the Company's performance as a single entity; 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 performance 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; the uncertainty as to which strategic alternatives may be available with respect to the Electronics business, whether any transaction will be commenced or completed as a result of such review, and the timing and value of any such transaction; risks related to the potential separation of the Electronics business; 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*

Our Board has initiated a strategic review

As announced earlier today, Board of Directors has instructed management to conduct a strategic review of its operating structure with the intent to create separate companies of its two current business segments, Passive Safety and Electronics. Certain CMD materials include an illustrative indication of what two standalone companies may look like if our Board were to approve of a separation into two publicly-listed entities. All Passive Safety and Electronics standalone targets presented today include several key assumptions and uncertainties, including among others that following the strategic review initiated today, the Board approves a separation of Passive Safety and Electronics into two publicly traded entities. There is no guarantee that this will occur. All Passive Safety and Electronics standalone targets and assumptions presented illustrate what these businesses may look like as standalone entities and include several key assumptions and uncertainties, including among others (i) that the Board approves a separation of our two operating segments into standalone companies, (ii) an allocation of various corporate costs, which may not be reflective of actual costs of separate companies pursuing their respective strategies, (iii) that it is anticipated that the Electronics business would have additional overhead costs and thus a slight margin compression in the near-term while the Passive Safety business would have a slight margin support from a different allocation of corporate costs, (iv) that the product portfolio will be consistent with current segment portfolios, and (v) that certain items such as transaction costs and costs of any transition services are not reflected in the targets and assumptions.



Welcome

Jan Carlson
Chairman, President & CEO

Creating more value
Saving more lives

Automotive industry in its largest transformation ever

Automotive Mega trends



AUTOMATED DRIVING & CONNECTIVITY



NEW MOBILITY

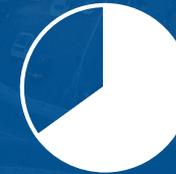


CLEAN MOBILITY

GERMANY
35%



CHINA
65%



Consumers
are ready!

INDIA
62%



USA
45%

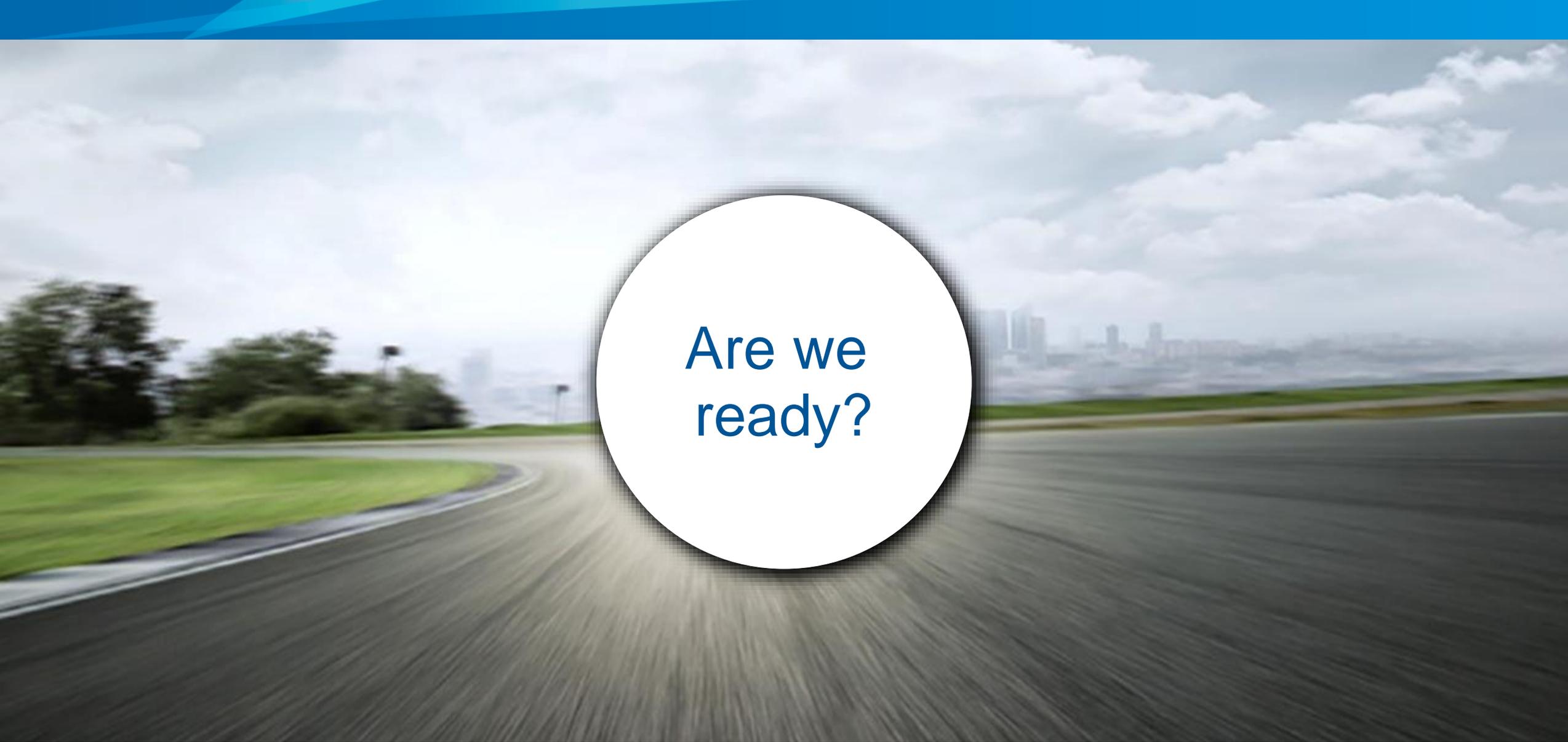




Self
Driving

Technology
is ready



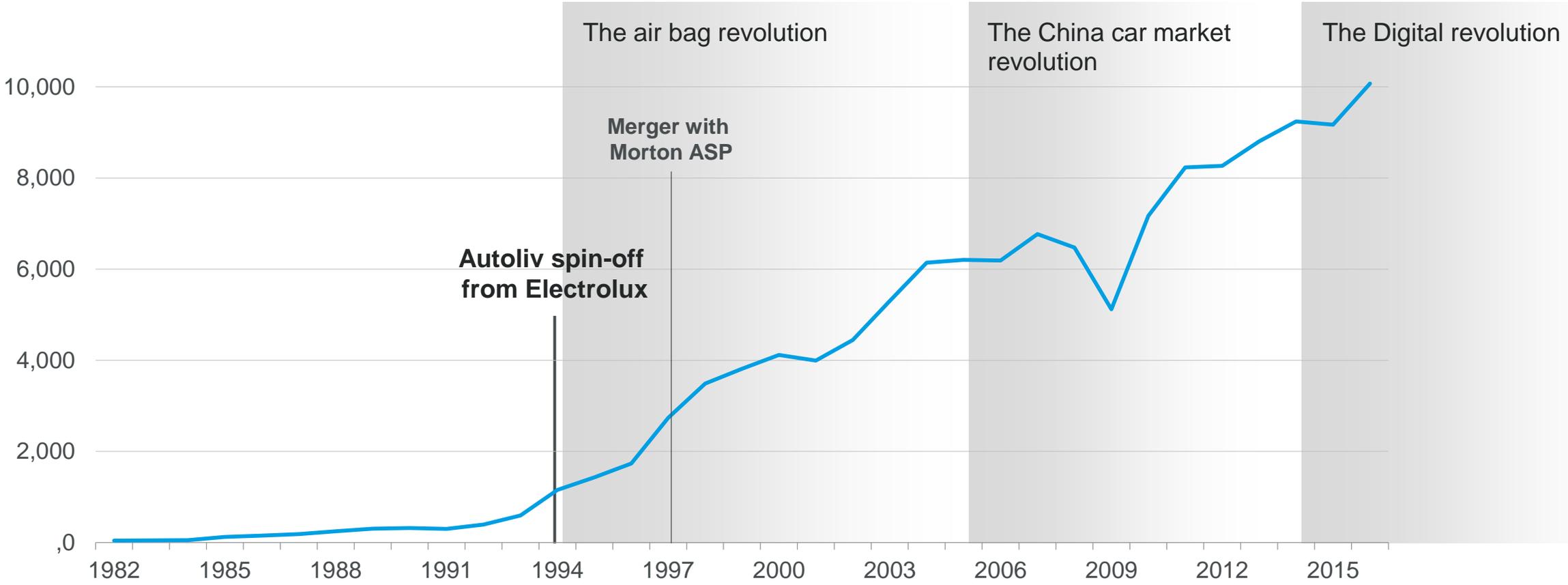


Are we
ready?

A historical decision that resulted in a world leader

Autoliv Group

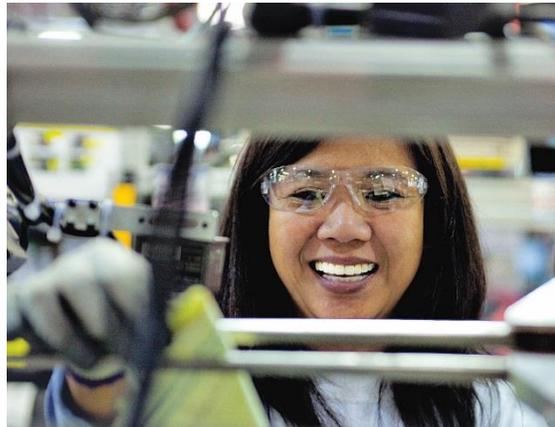
US\$ (millions)



Autoliv – Stronger than ever



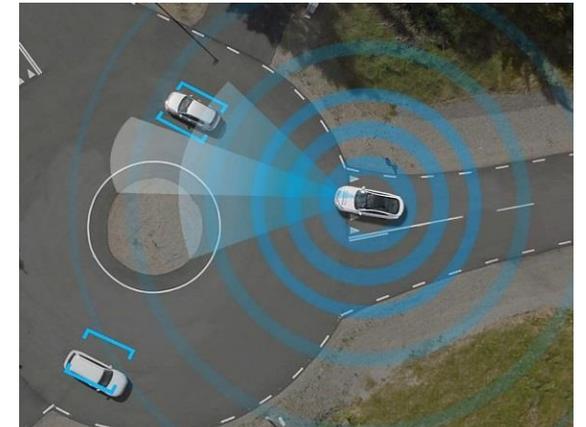
QUALITY LEADER in all parts and aspects of our business



PEOPLE AND CULTURE
We rely on the skills of our people



WORLD LEADING FOOTPRINT
in manufacturing and engineering



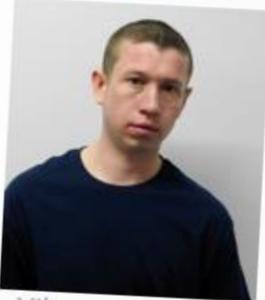
INNOVATION
builds the long term success

Example Q5 Behavior – JIDOKA "automation with a human touch"

A recent example:

- On August 18, Viktor Tsysar noticed a difference in hardness and gloss of a component for an airbag during assembly in Autoliv Poland
- He immediately stopped the production line
- It turns out a that supplier had used incorrect plastic material while molding the part
- Thanks to Viktor's swift reaction, a potential major recall could be avoided

Q5 JIDOKA DATE : 18/08/2017


Viktor Tsysar, KD 02

Viktor has noticed that component which he picked for assembly differs by hardness (flexibility) and gloss from the other he was taking before. He raised a hand up!

Problem Root Cause: Man / Machine / Method / Measurement **Material**

Immediate actions: Stopping defective components
Modules & Components sorting / NCM to supplier

Corrective actions: Under investigation with supplier.

PQM signature: _____

or PS# or NCM #: _____

Created by: _____

Autoliv stronger than ever – with sustainability in focus

Autoliv's vision of Saving More Lives

Directly supports the UN Sustainable Development Goal no 3, Good Health and Well-being, focused on reducing global deaths and injuries from road traffic accidents by 50%.



Our Strategies to Stay Ahead



Quality – Zero defects by flawless execution

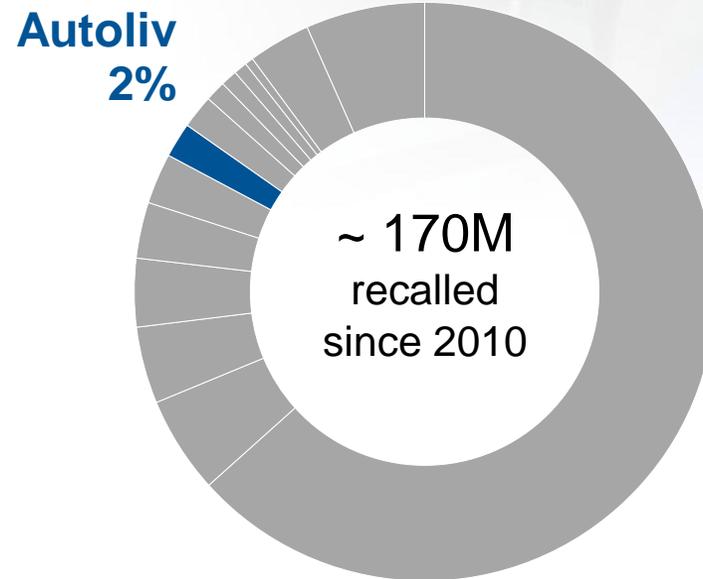


One Product One Process to improve cost effectiveness and robustness

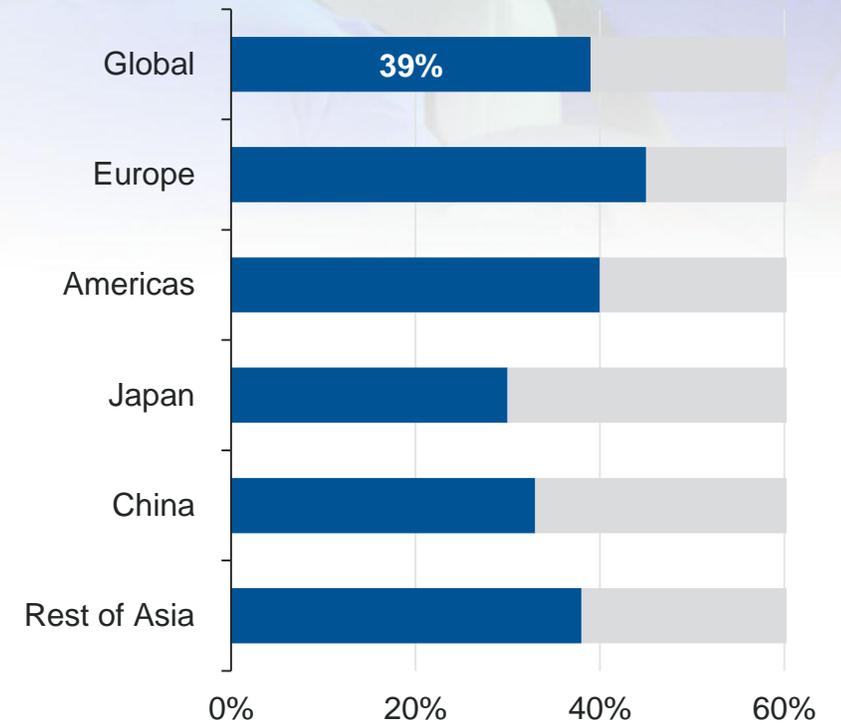


Innovation to lead industry in Real Life Safety

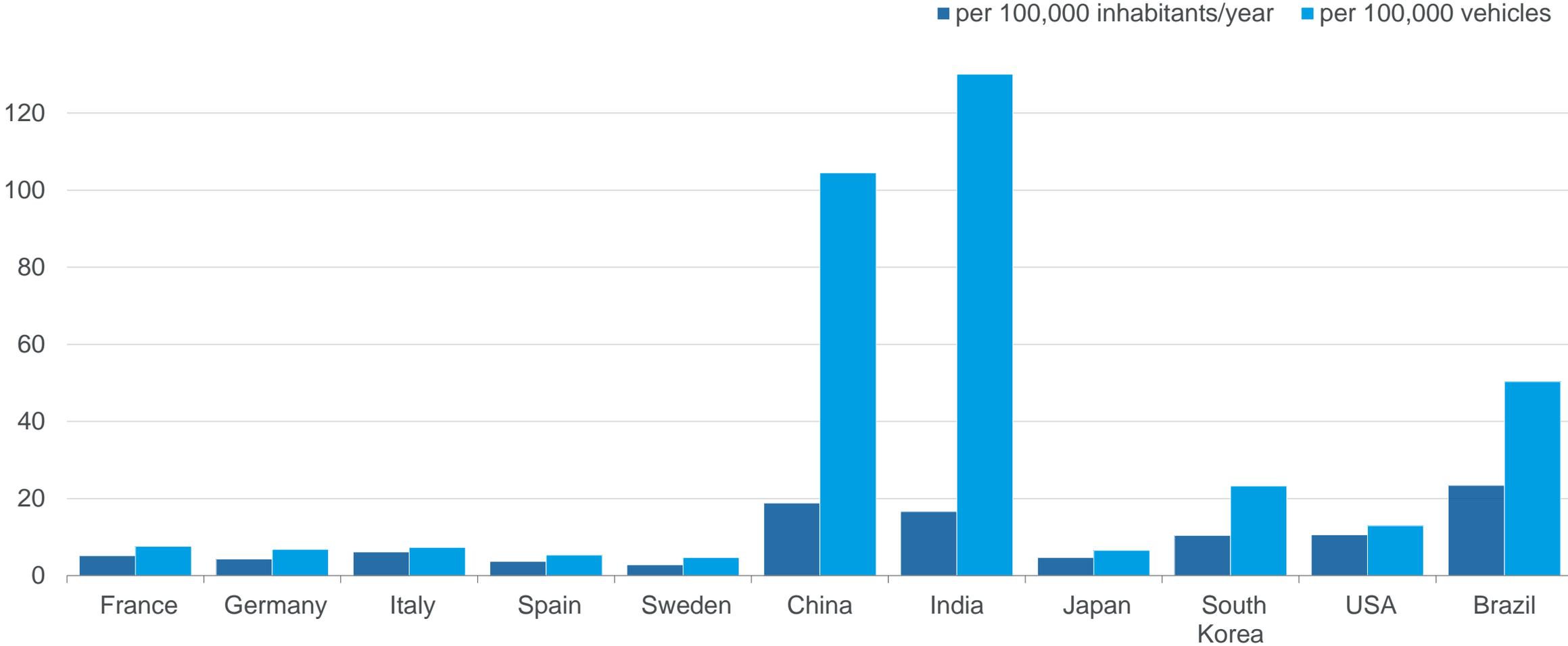
RECALLS*



MARKET SHARE 2016**



Road Fatalities per Country



Source: Autoliv estimates

Additional benefits to consumers

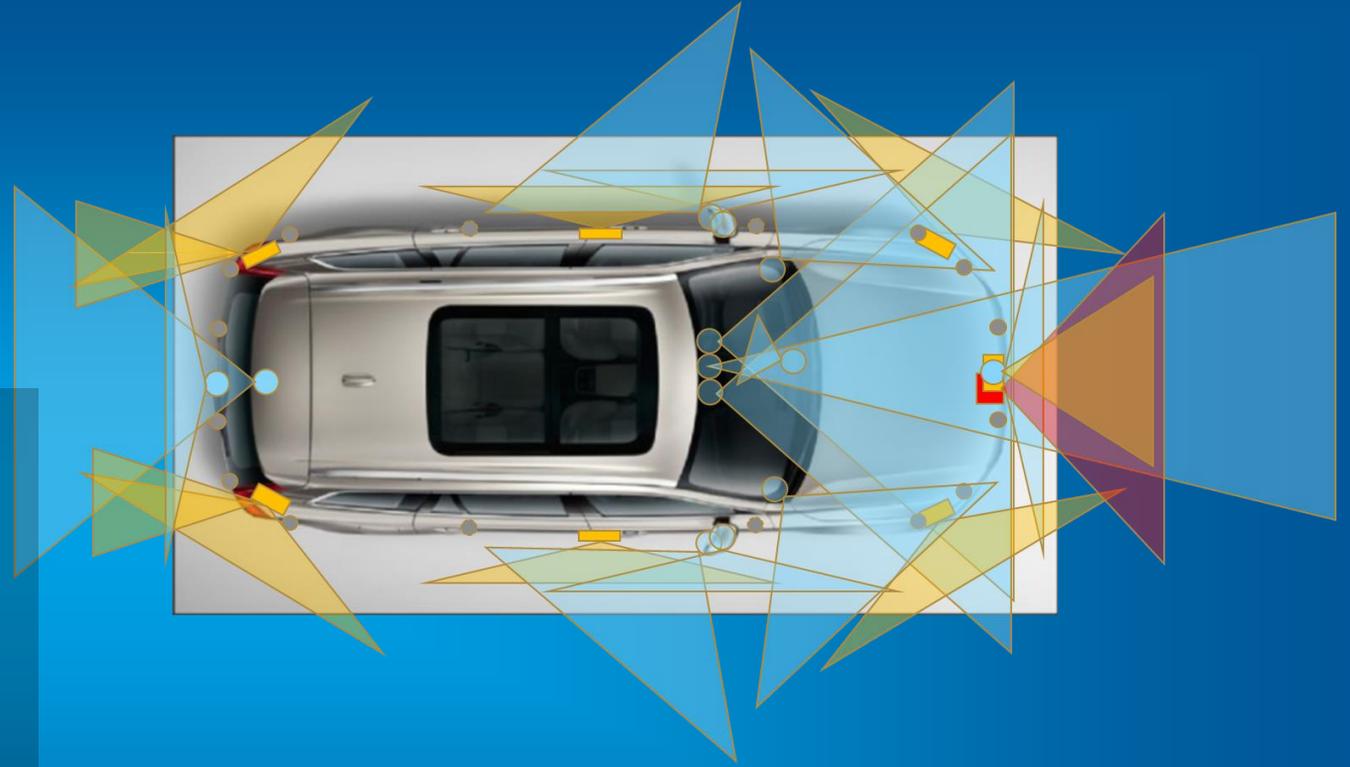


A decade of transformation

- Company transformed for the digital age
- Made substantial investments in technology, capacity and operational efficiency
- Made an already strong company even stronger
- Built Electronics into a world-leading entity
- Invested in vertical integration for cushions and inflators in China
- Supported the industry in difficult times
- Investment in technology for small car safety
- Building up steering wheels capacity in Eastern Europe
- Restructuring in South America
- Capacity alignment in Europe

A new technology shift, a new evolution

Our Transformation continues



Strategic review of transition to stand alone entities

Autoliv

PRESS RELEASE

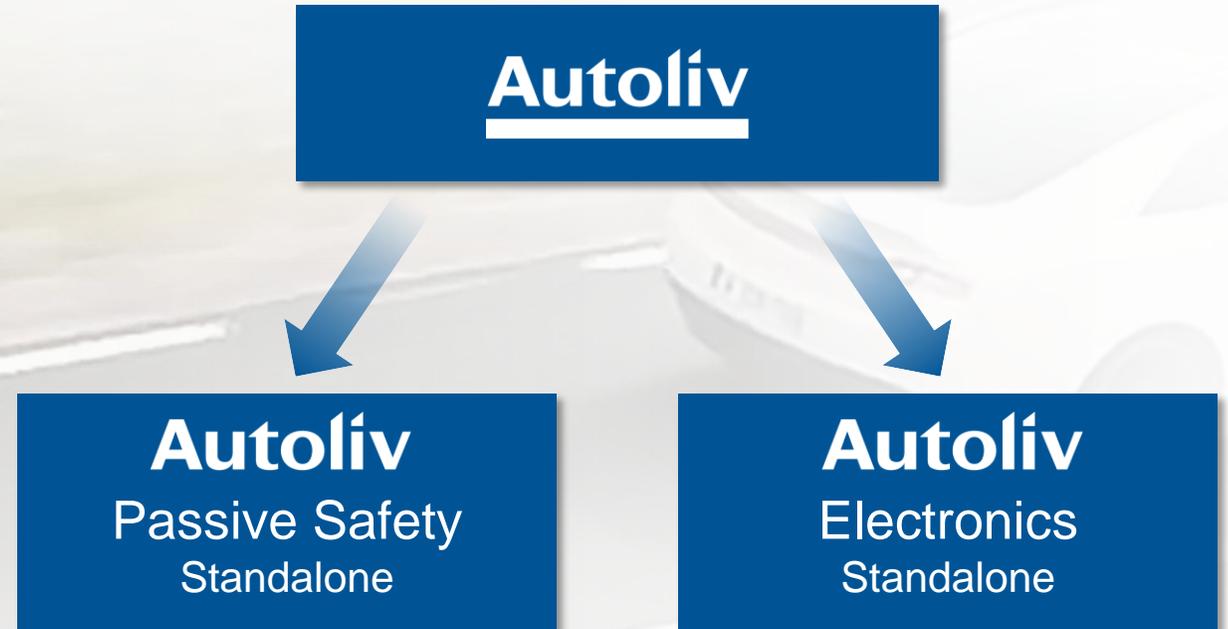
Autoliv initiates strategic review of separating its business segments, Passive Safety and Electronics

(Frankfurt, Germany, September 14, 2017) – Autoliv, Inc. (NYSE: ALV and SSE: ALIVsdb), the worldwide leader in automotive safety systems, today announced that its Board of Directors has instructed management to conduct a strategic review of its operating structure with the intent to create separate companies of its current business segments, Passive Safety and Electronics.

The intent is to create two publicly traded companies capable of addressing two distinct, growing markets with leading product offerings and thereby create additional value to for shareholders, customers and other stakeholders as compared to the current, combined structure of Autoliv. The strategic review process will evaluate this and other options. Although the strategic review has been initiated there is no guarantee that the review will result in any transaction, including a separation or listing of the businesses.

“The current operational model has served Autoliv very well, creating tremendous value for its shareholders and other stakeholders since the initial listing on the Stockholm stock exchange in 1994. Over the last decade our Electronics business has grown and matured next to our world leading Passive Safety business and today we have two distinct, successful businesses, each with its own unique business drivers. We believe it’s time to let them both individually maximize their potential,” said Jan Carlson, Chairman, President and CEO of Autoliv.

Electronics consists of Active Safety Products (automotive radars, cameras with driver assist systems,

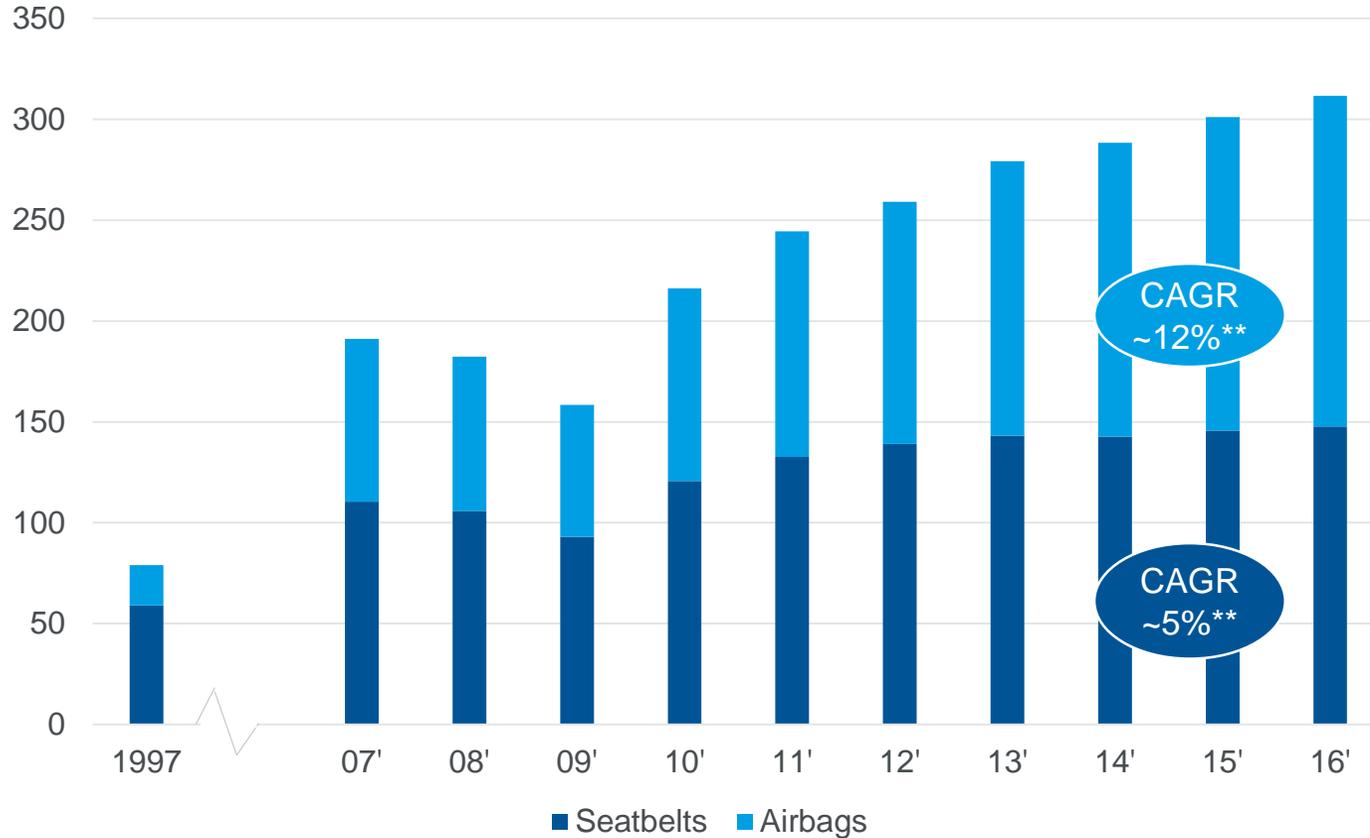




Passive Safety
never in a better
position

A Winning Business Formula

Number of units
(million)*



Statistically, more than **3** airbags and seatbelts from Autoliv have been delivered to every vehicle produced globally last **10** years

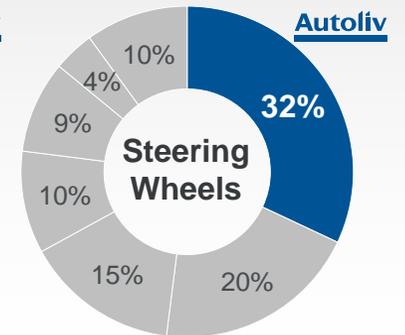
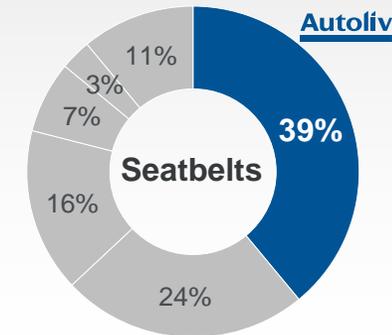
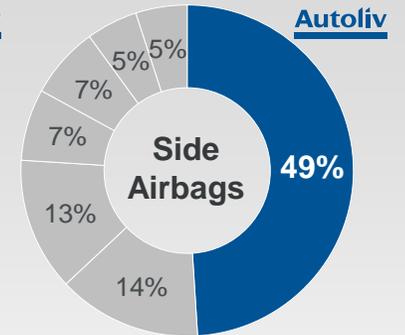
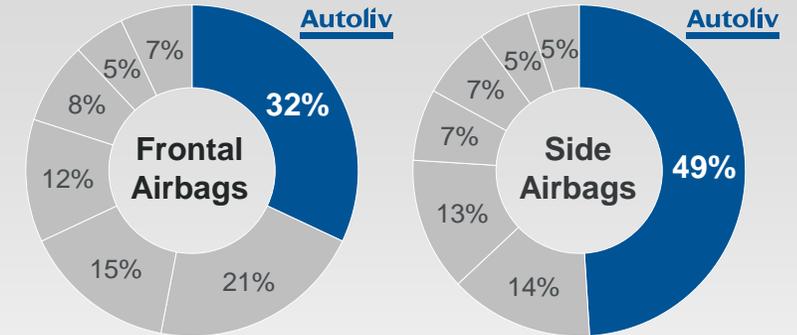
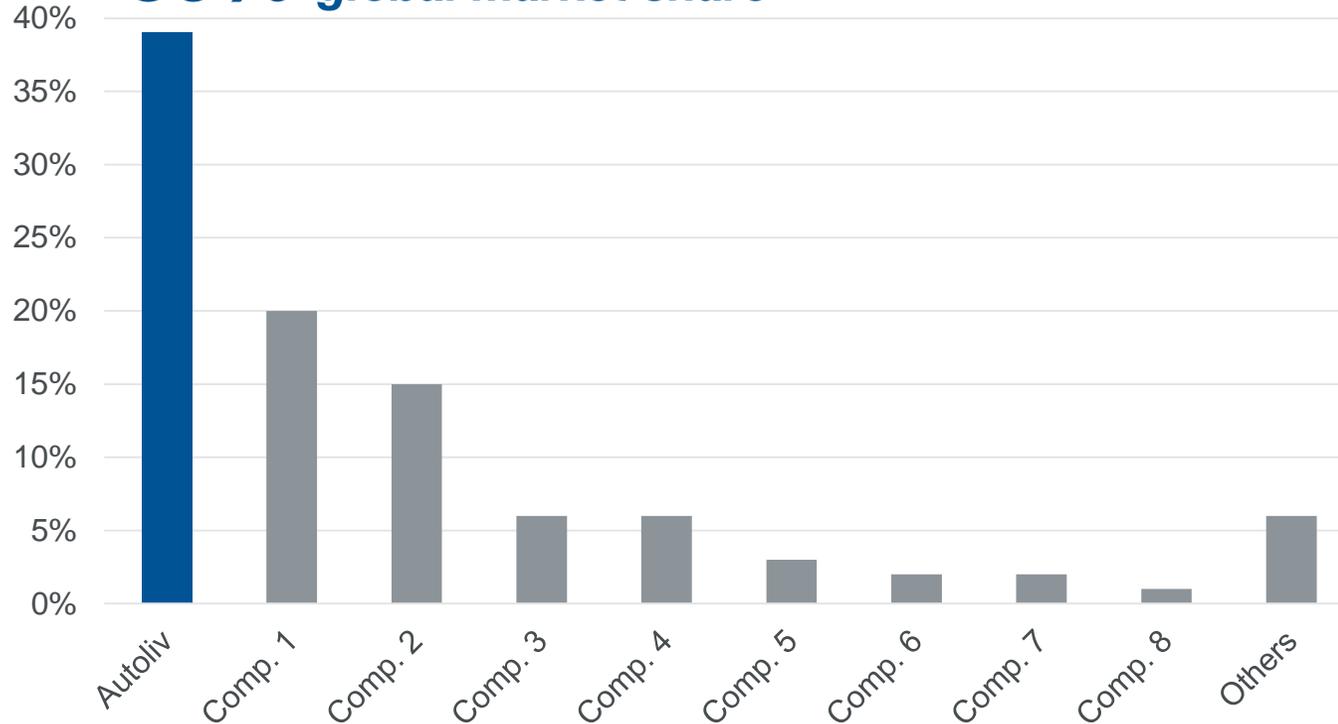
1.3B
Airbags*

1.2B
Seatbelts*

A Winning Business Formula

Today the global leader in passive safety

39% global market share



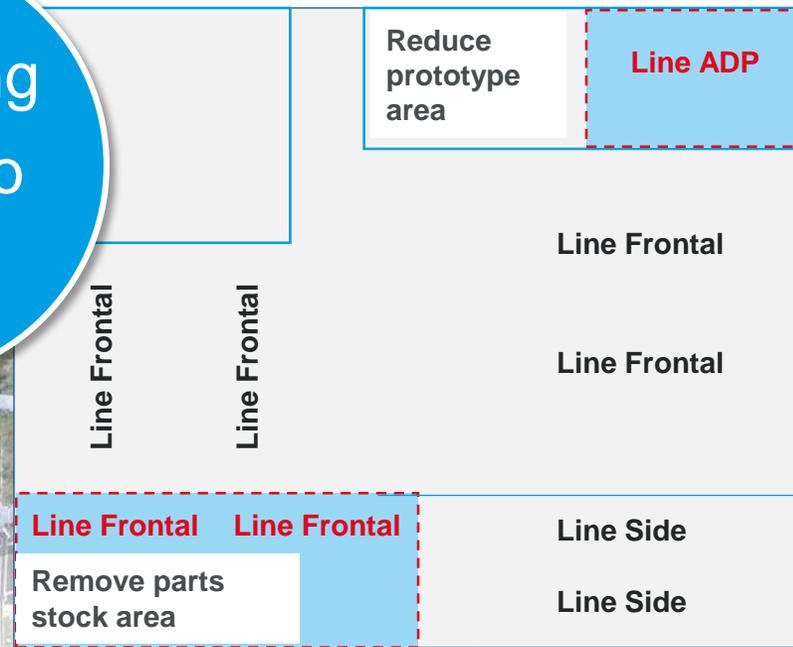
Serving **1,300** models and **100** car brands

Cost Efficiency: Growth Within Existing Footprint

Freeing-up factory space lowers CAPEX and improves RoCE

Pyrotechnic inflator plant in Taketoyo, Japan

Expanding
from **6** to
9 lines



No of production lines
+ 50%

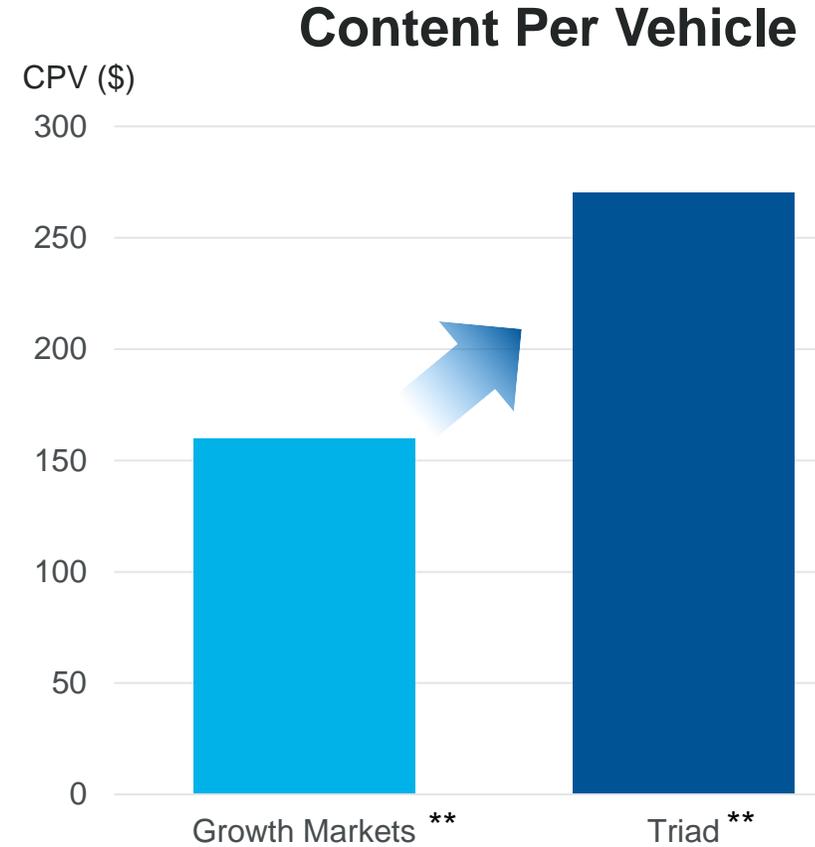
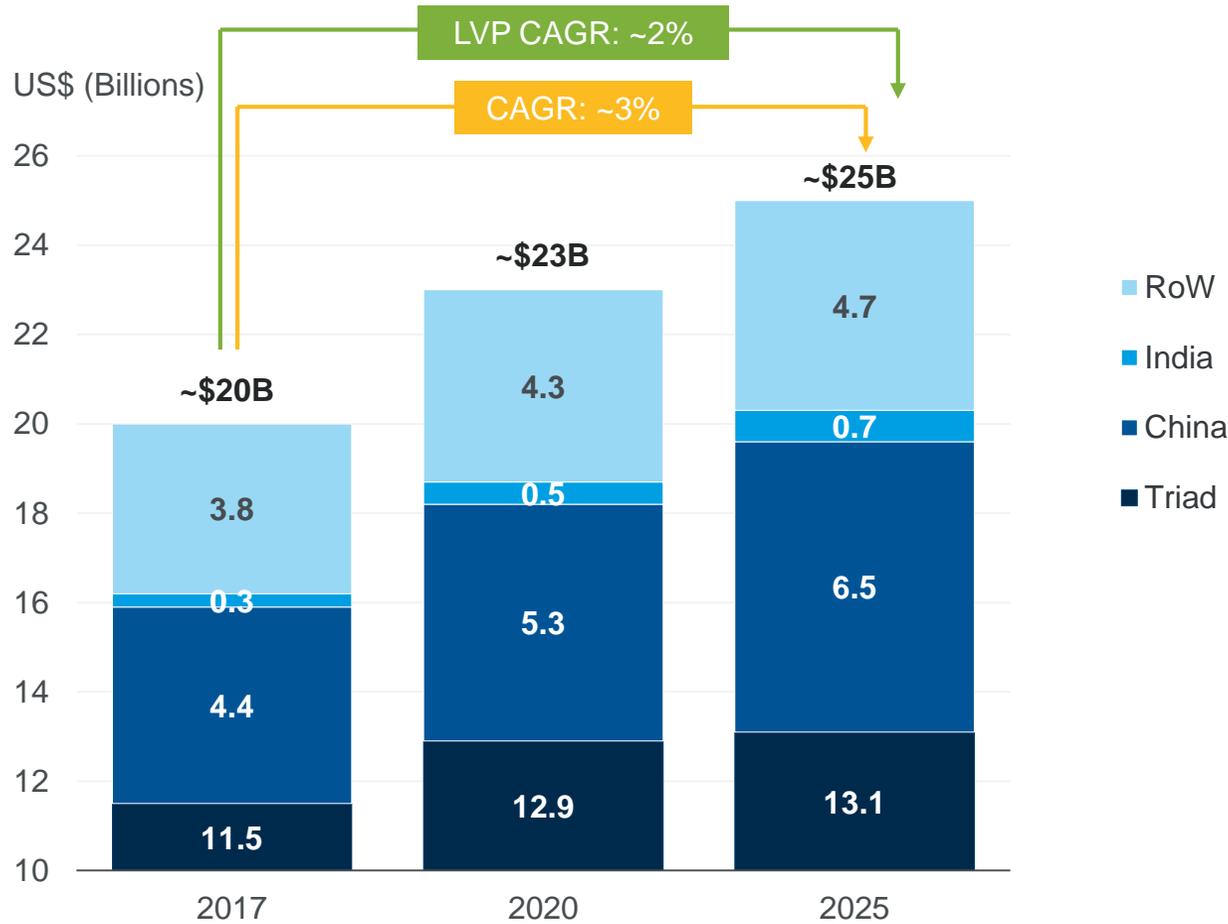
No of products /
production m²
+ 70%

No of material-
handlers
- 33%



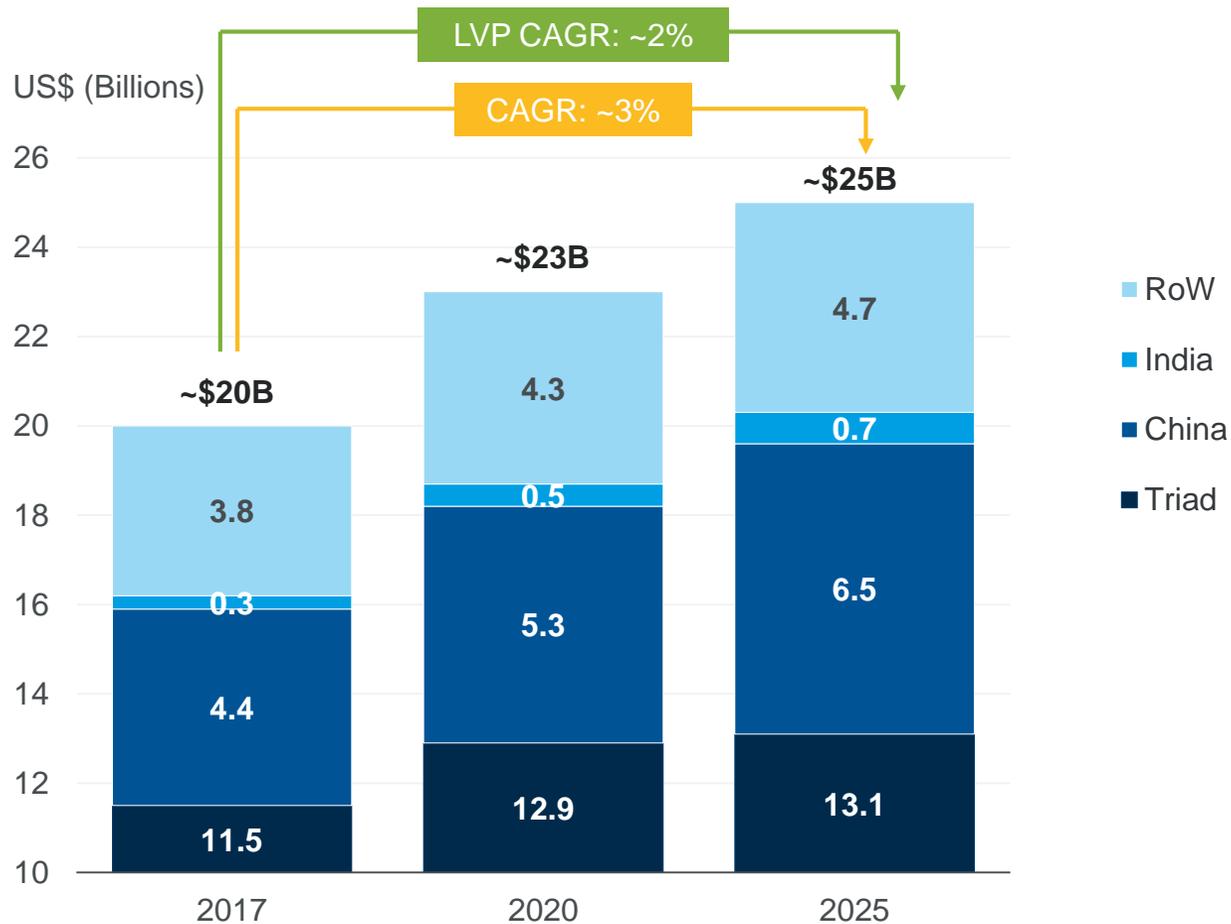
Passive Safety a ~\$25B Market in 2025

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



Passive Safety a ~\$25B Market in 2025

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



New opportunities in the AD World

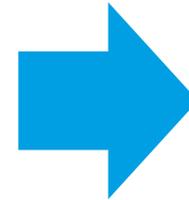
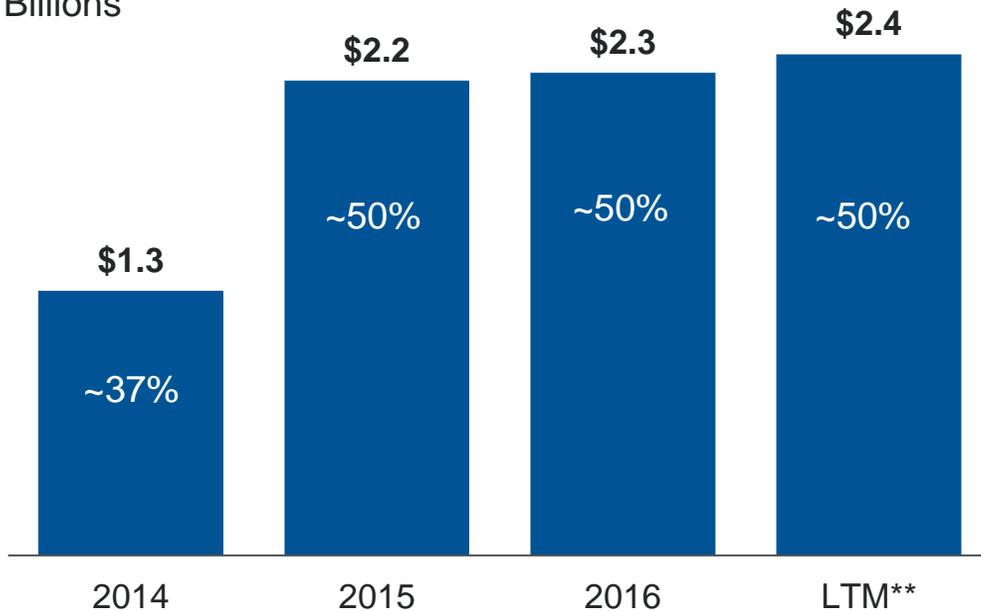


Passive Safety

~50% of Industry Order Wins in 2015 to 2017 YTD

Order Intake*

Billions



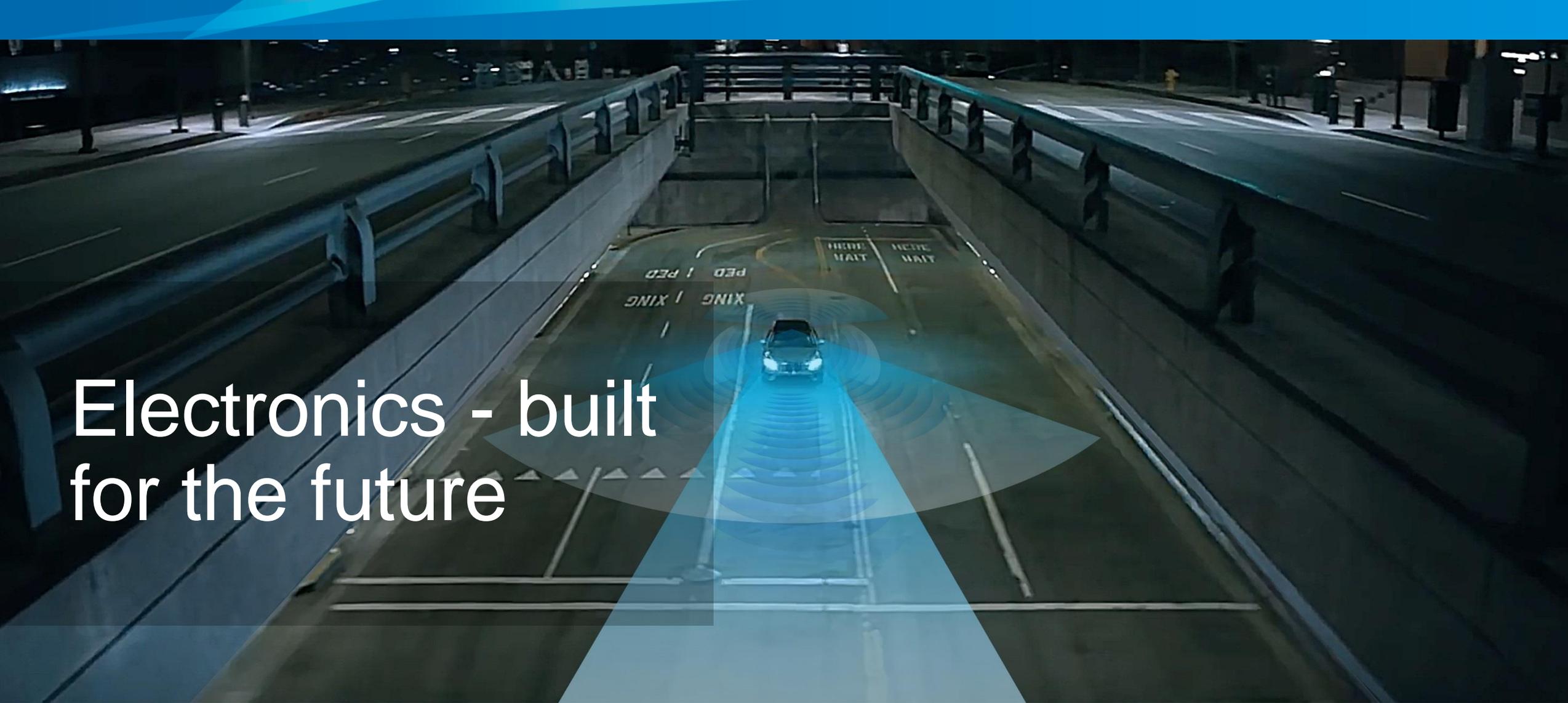
Stand alone targets 2020:

- >\$10B = 8% CAGR** 2017 - 2020
- ~13% adj Operating Margin***

Beyond 2020:

- At least maintain market share and grow at least with LVP plus 1 percentage point

Successfully capturing the market opportunity while supporting the industry



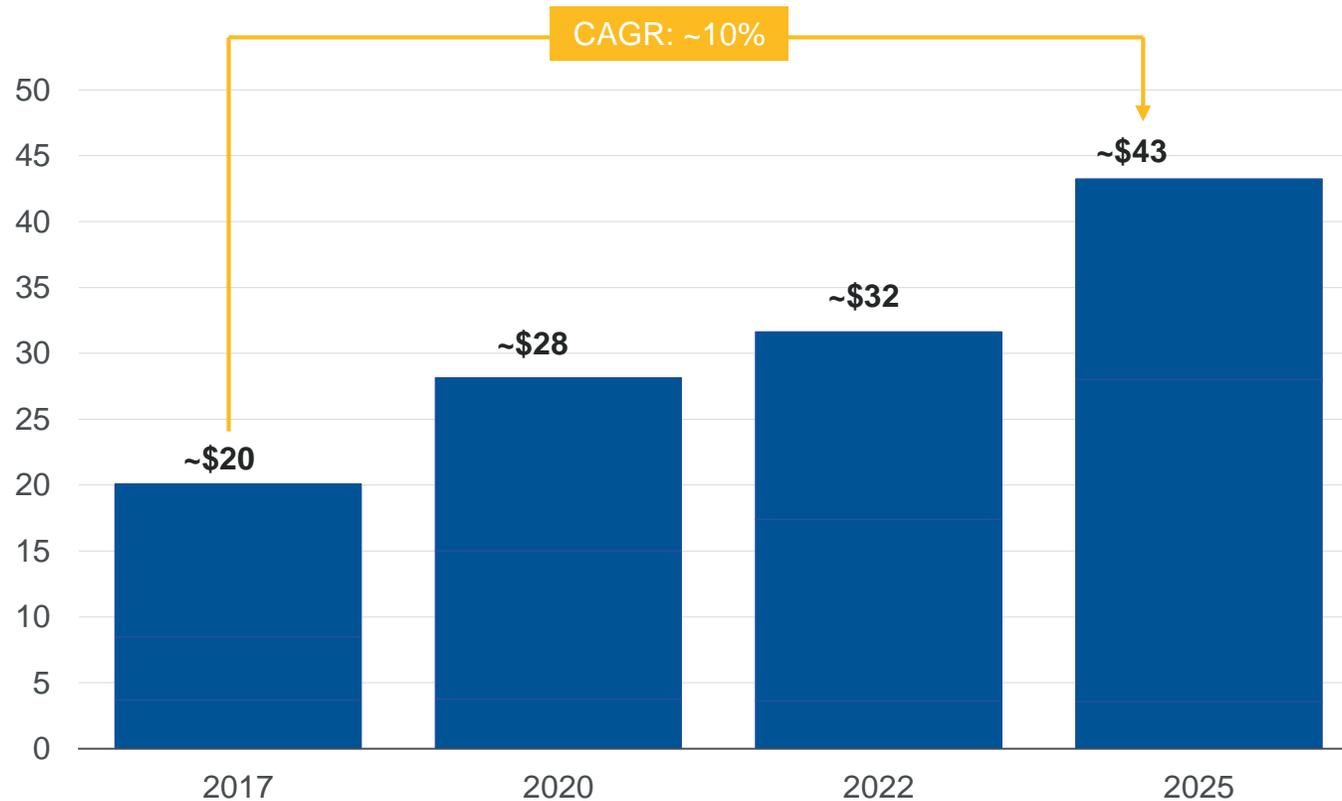
Electronics - built for the future

Electronics – a ~\$43B Market in 2025

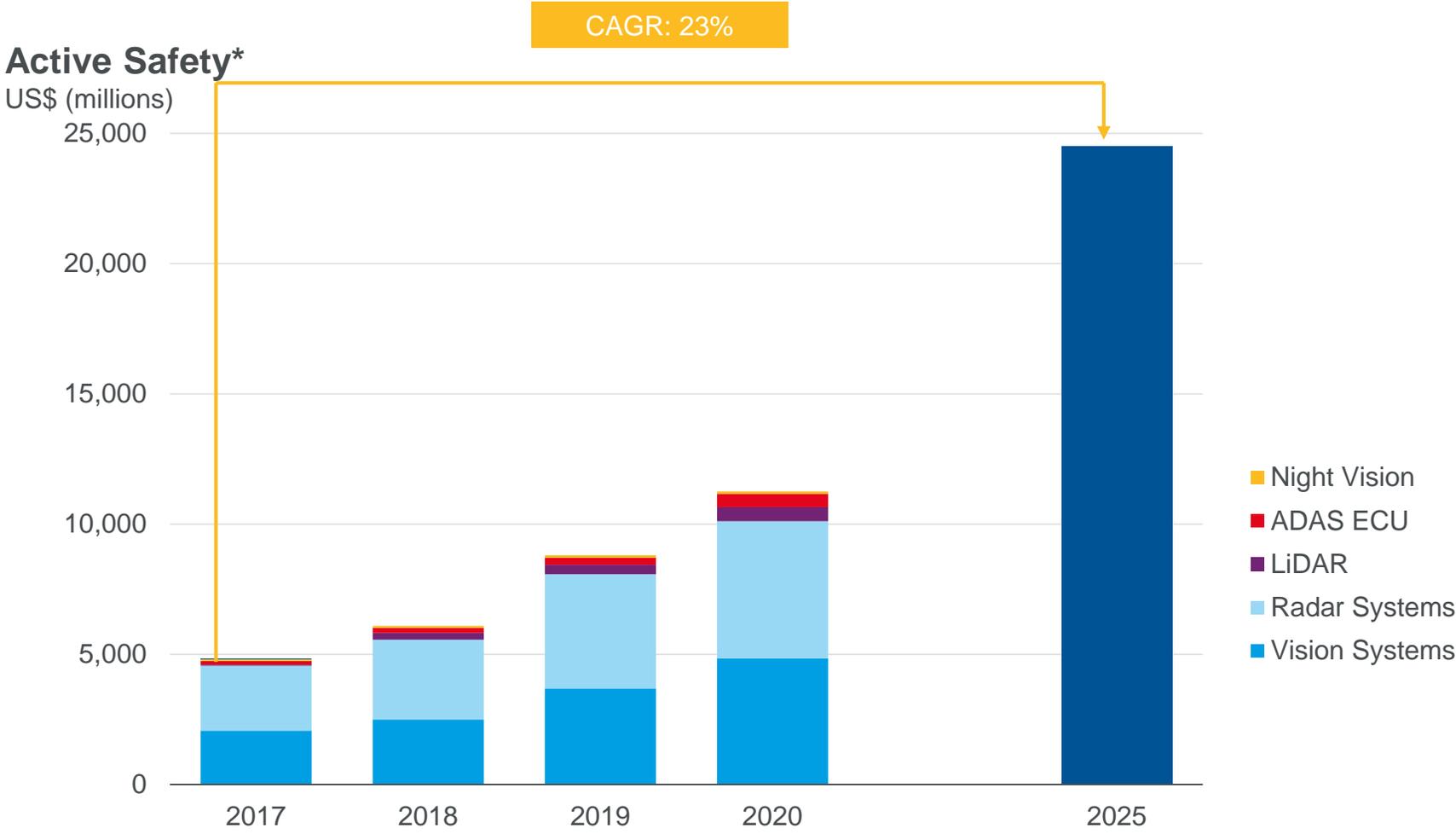
~10% CAGR 2017 to 2025

Electronics TAM*

US\$ (Billions)

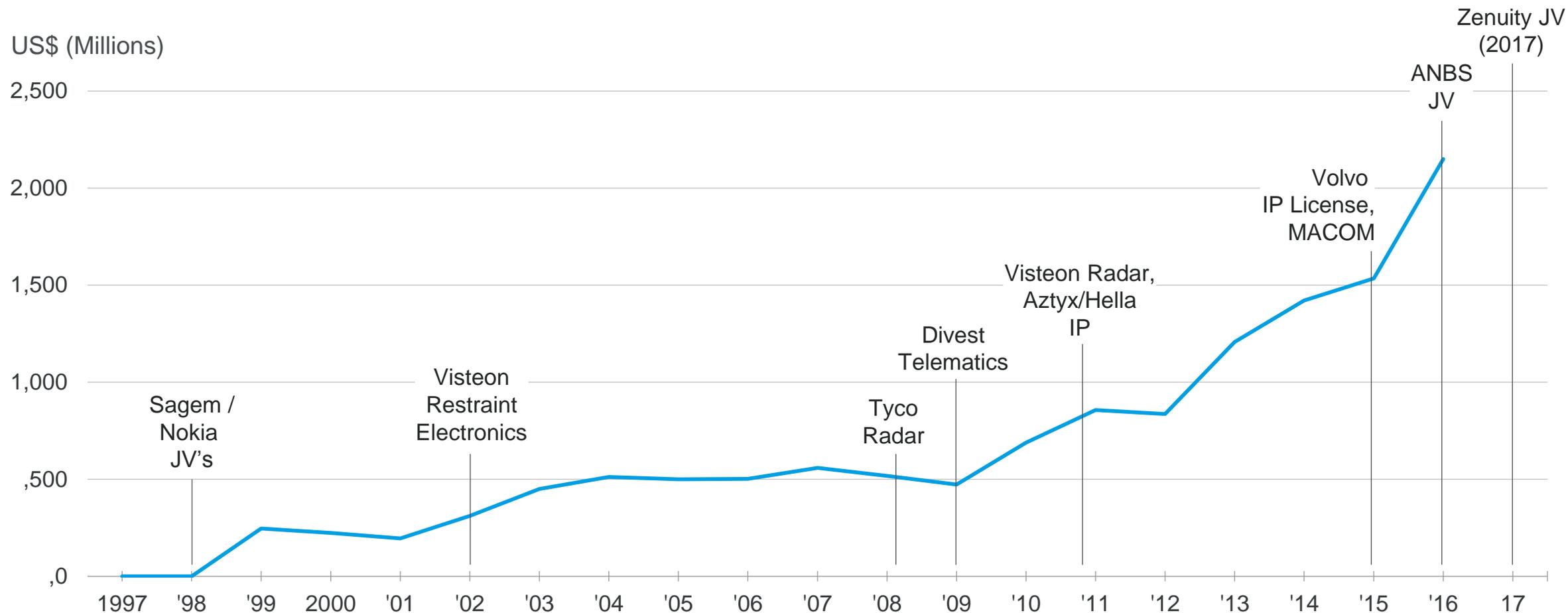


Active Safety Sensor market



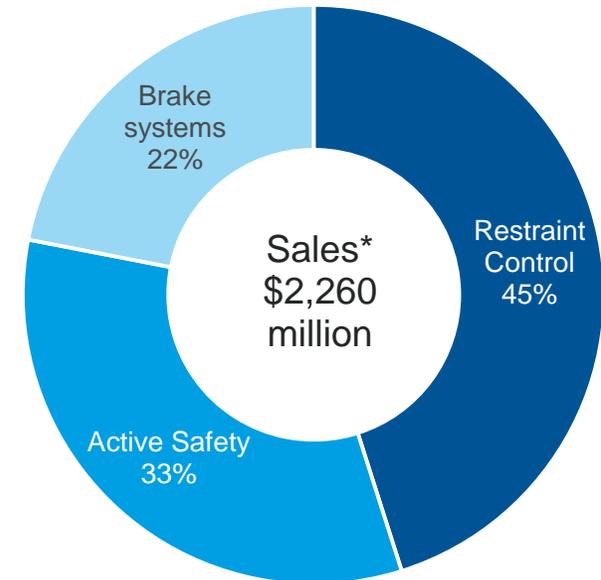
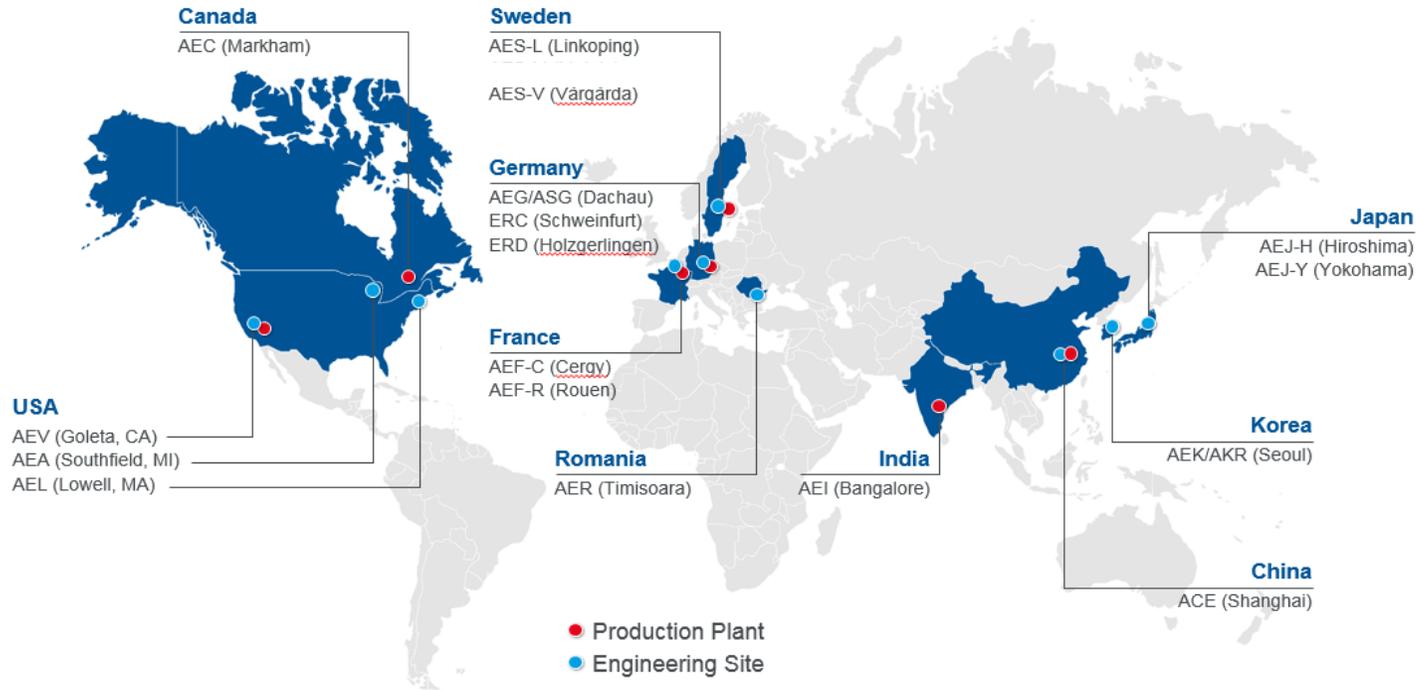
*) Active Safety Market includes Radar (Front/side/rear), Forward looking Cameras (Mono/Stereo/Night Vision), Other (Advanced Driver Assist Electronic Control Unit, LiDAR).

Electronics – Our Journey so far



(*) Active Safety includes: Radar, Vision (Forward looking Mono/Stereo/Night), Advanced Driver Assist Electronic Control Unit, Positioning Modules.

Autoliv Electronics



7,100 EMPLOYEES
in 10 countries

3,200 ENGINEERS
of which 65% software

31 OEM CUSTOMERS
and 7 new entry customers

20 FACILITIES

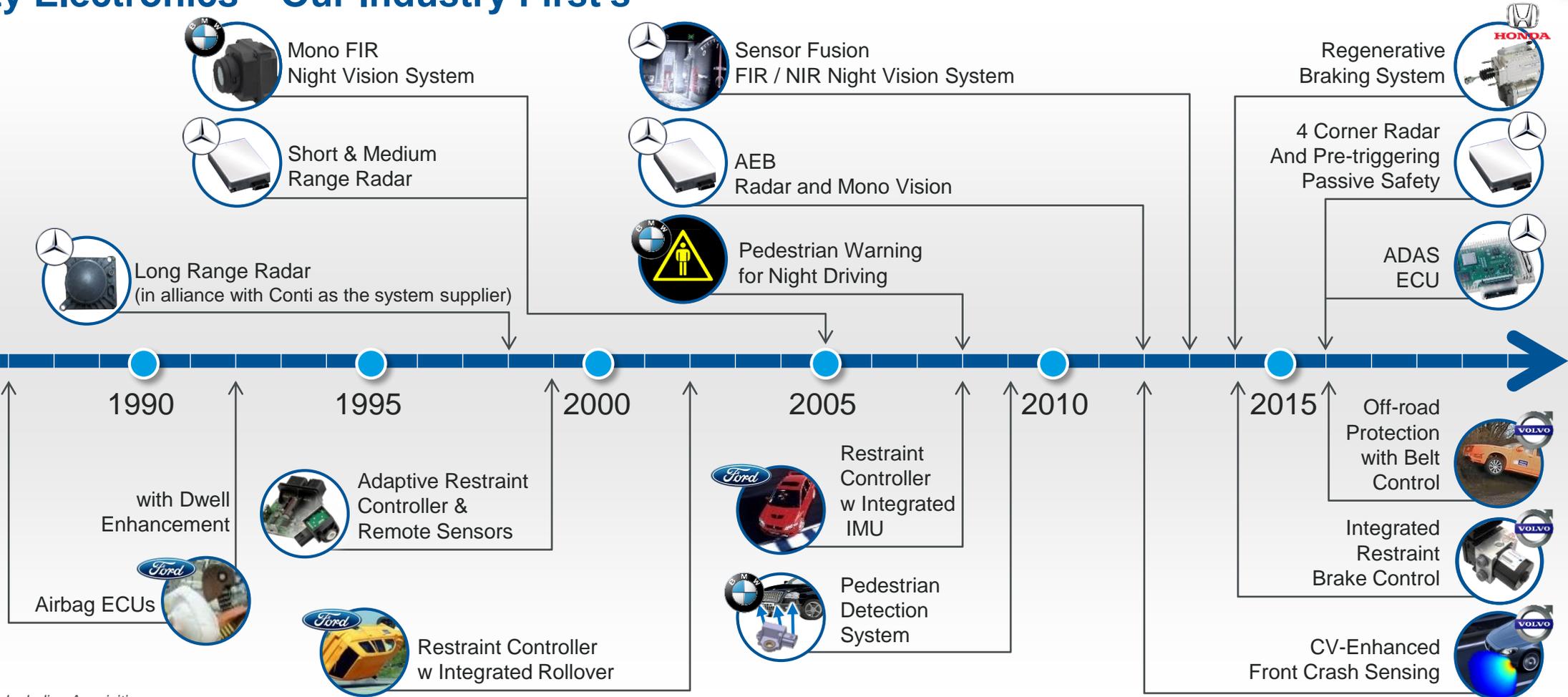
Customer trust

Safety Electronics – Our Industry First's*



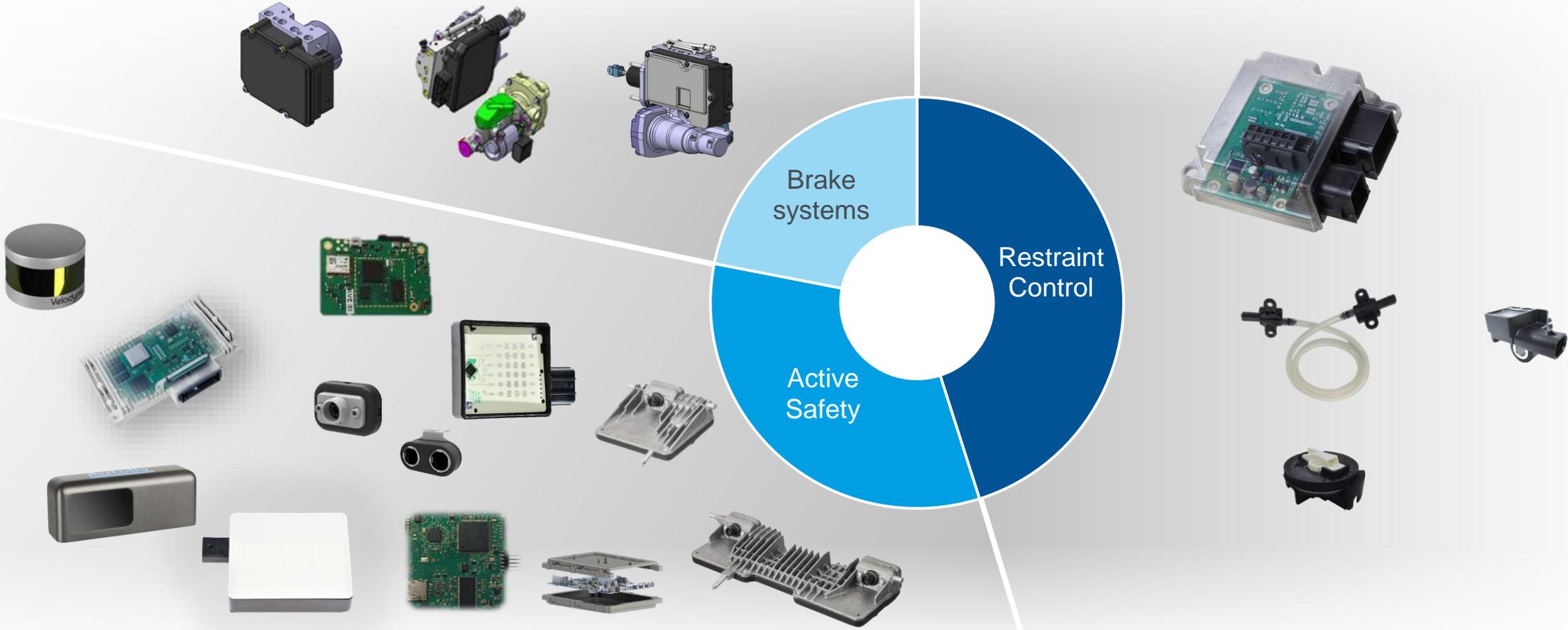
Active Safety
and Braking

Restrain Control
and Sensing

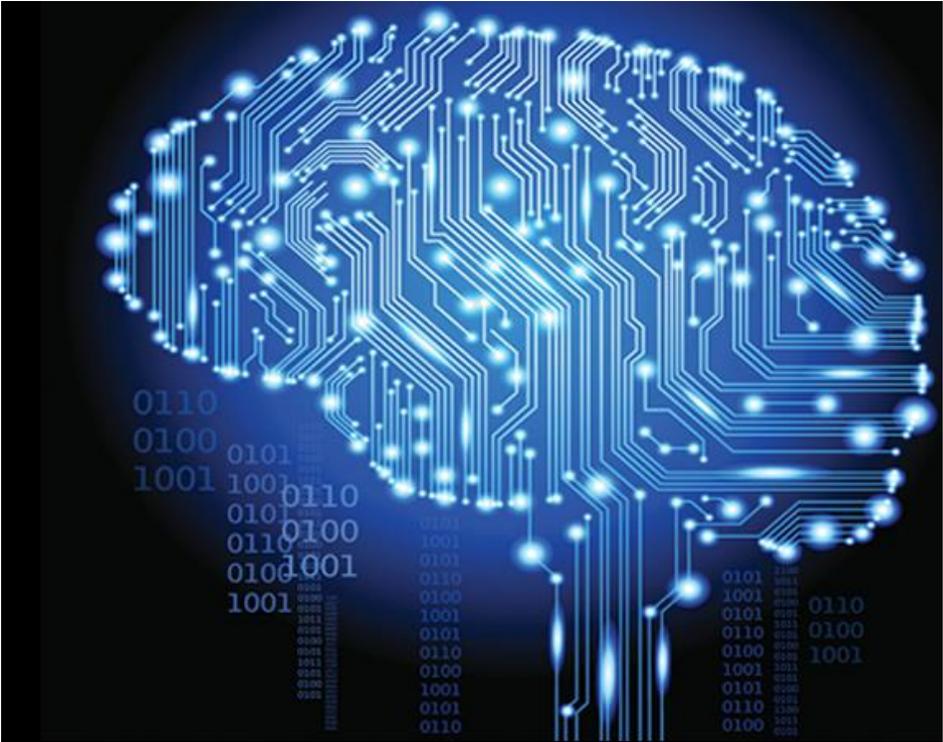


(* Including Acquisitions)

One of the world's broadest safety electronics product range



Electronics success factor: Technology, Innovation and Agility



The Road Towards Saving More Lives

Some Pre-Requisites for Success

REAL
LIFE
SAFETY

Building Trust...

...in Every Day Traffic



USER
EXPERIENCE

MOBILITY

ARTIFICIAL
INTELLIGENCE

QUALITY

ROBUSTNESS

INNOVATION

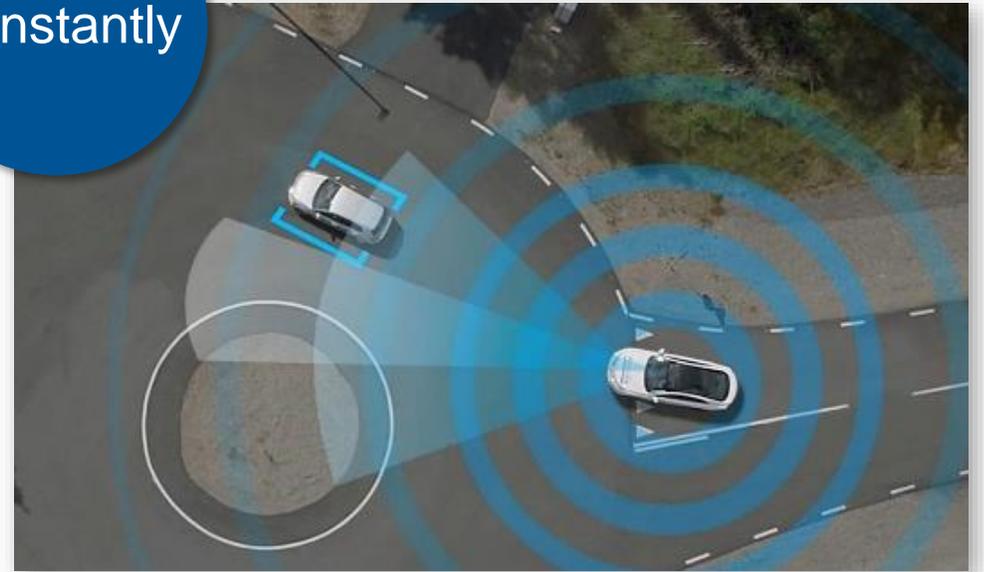
Robustness never more important

Electronics products needs Robustness at least as much as Passive Products

Rarely



Constantly

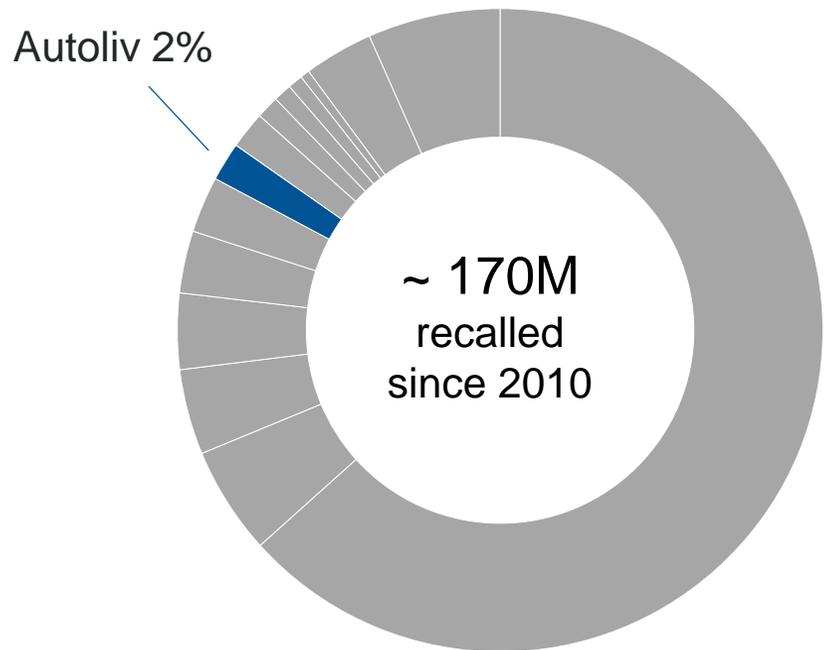


Customer trust

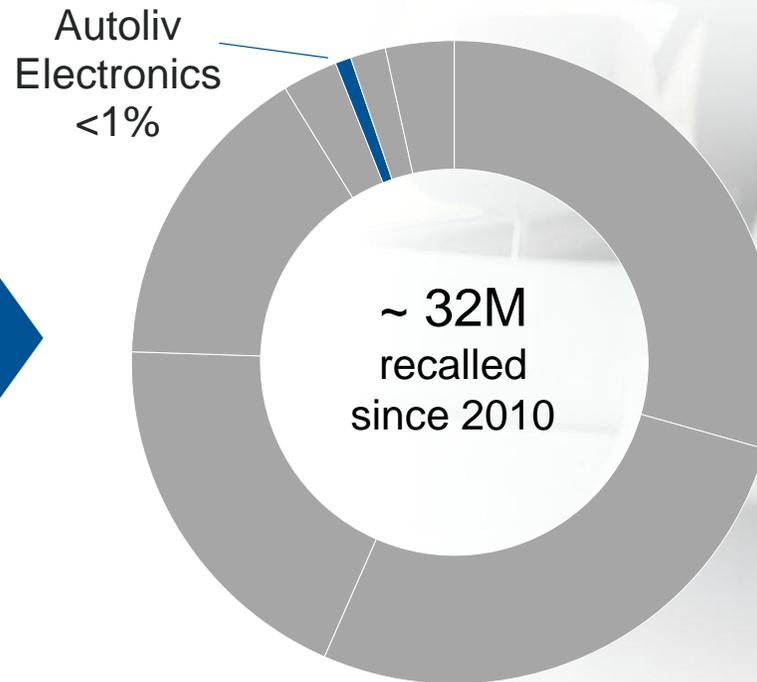
Our Passive Safety quality journey extends really well into Electronics



All Safety Products

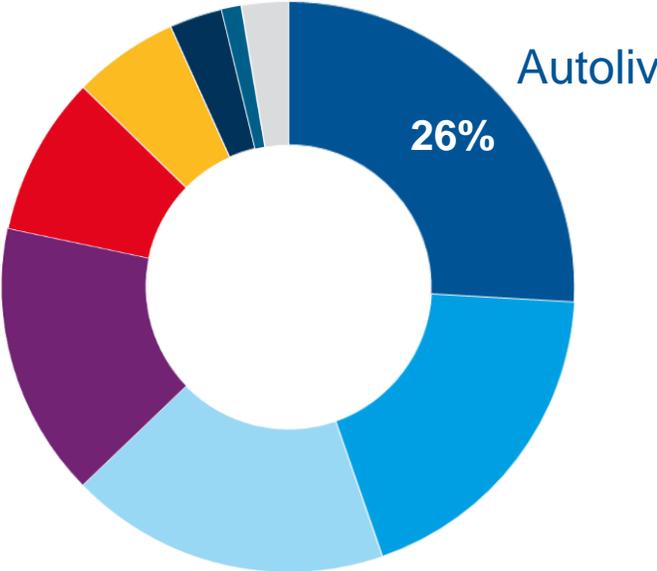


Electronics

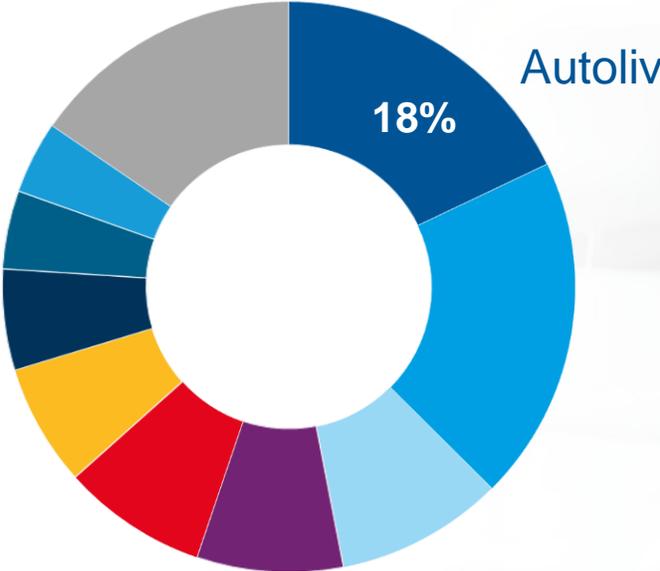


Autoliv Electronics – Market Shares 2016

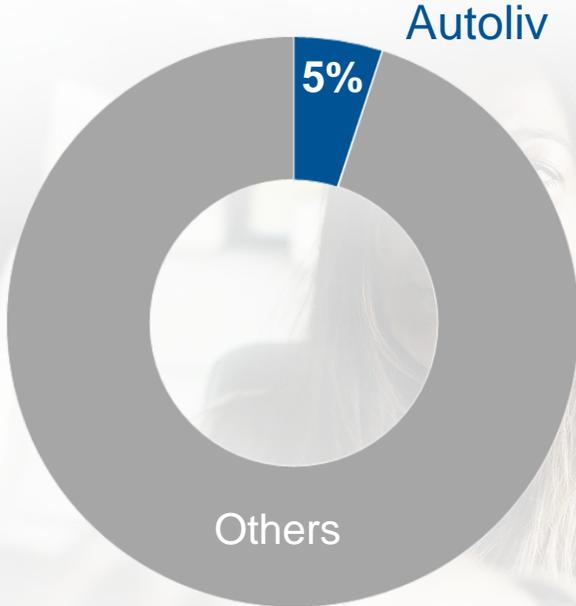
RESTRAINT CONTROL SENSING



ACTIVE SAFETY



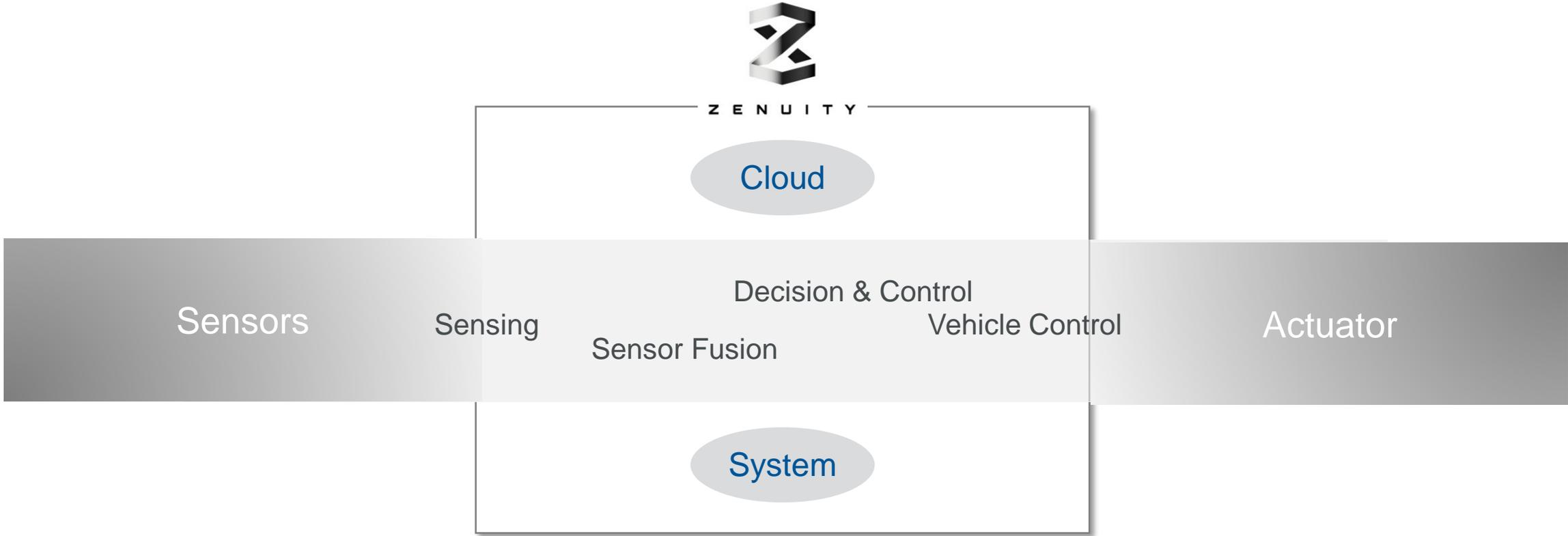
BRAKE CONTROL





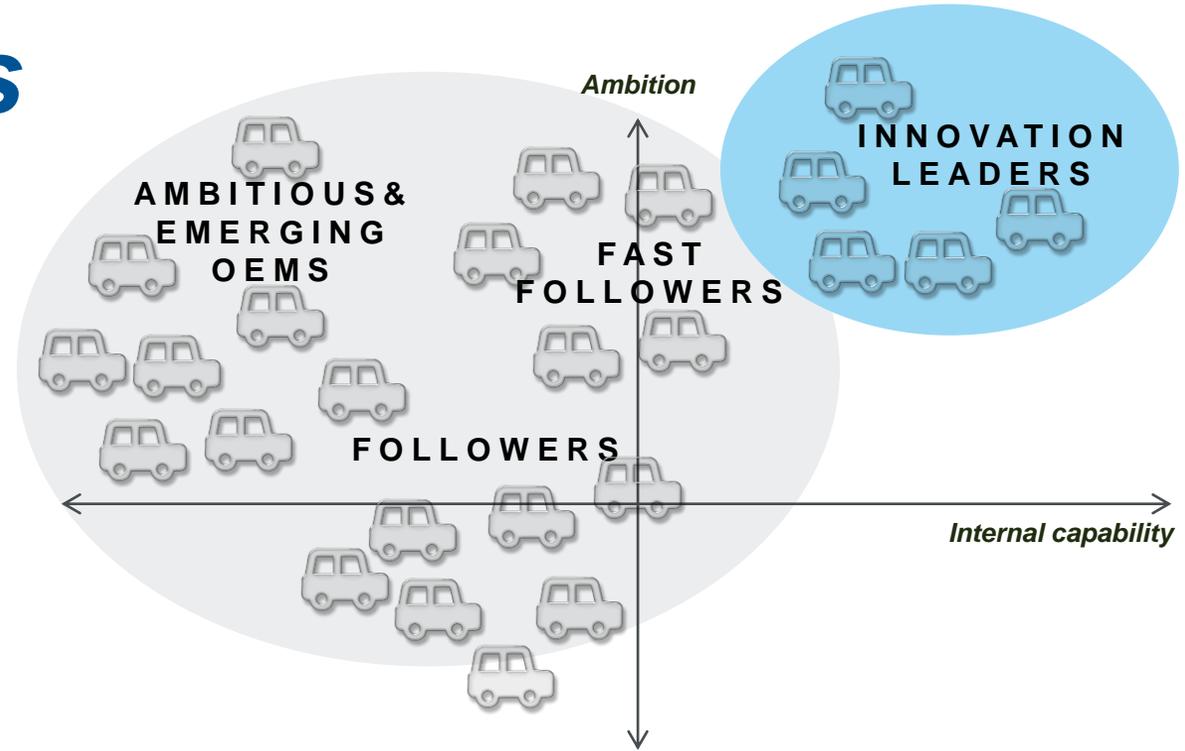
Clusters for AD

Zenuity bringing Sensor Fusion, Decision and Control



ZENUITY – *the customers*

- ✓ Exciting business model
- ✓ Impressed by feature offer
- ✓ Legislation positive for ADAS
- ✓ Total system key for AD
- ✓ ZENUITY media positioning 👍



- **SYSTEM OFFER**
⇒ Followers, Fast followers, and Ambitious / Emerging OEMs
- **COMPONENTS OFFER**
⇒ Innovation Leaders

Technology Cooperations

Recently announced

Velodyne LiDAR®

LiDAR

Volume production of automotive grade LiDAR systems



COMPUTING PLATFORM

Collaborate on AI computing platform



DRIVER MONITORING

Collaboration to develop driver monitoring systems



CLOUD SOLUTIONS

Zenuity are collaborating to develop Connected Cloud

Comprehensive tech scouting through investment in Autotec

The developing eco-system

Autoliv

Cloud



Autoliv

Sensors



Partners



Decision & Control

Sensor Fusion



ZENUITY System



Actuators



Partner



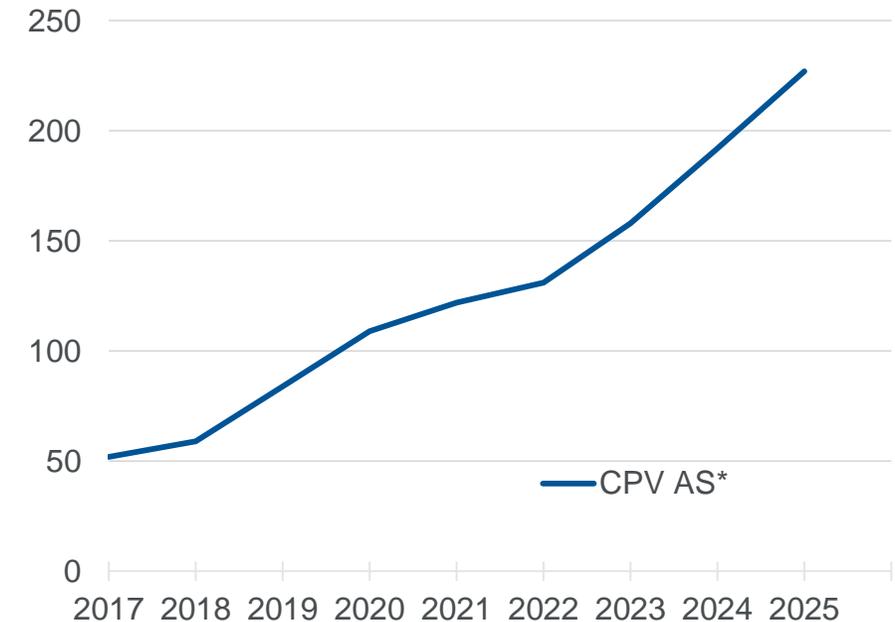
Electronics – Market Trends and Growth Drivers

Increasing levels of software in the future are required to enhance safety

- ✓ **Consumers are ready**
 - Safety
 - Comfort and assistance
 - Convenience (AD)
- ✓ **Technology is ready**

Market Growth

Content per Vehicle \$

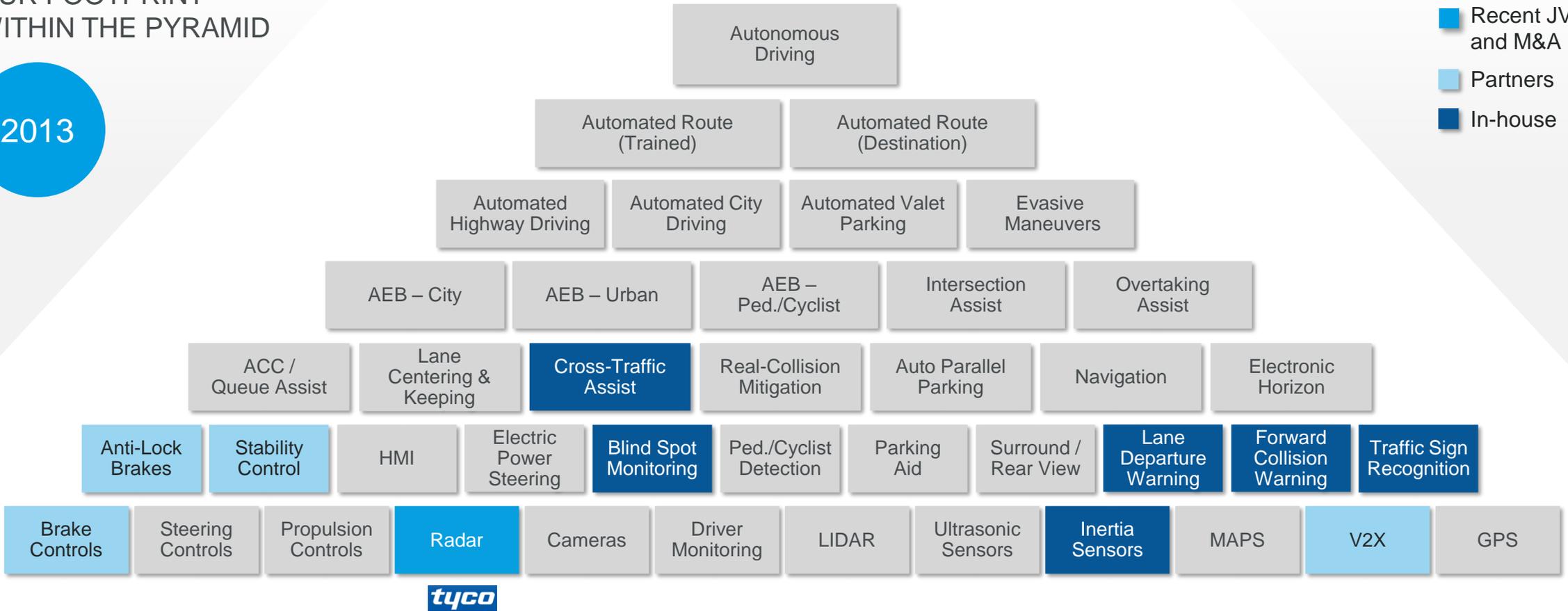


Electronics Active Safety – Building for the long-term

OUR FOOTPRINT
WITHIN THE PYRAMID

2013

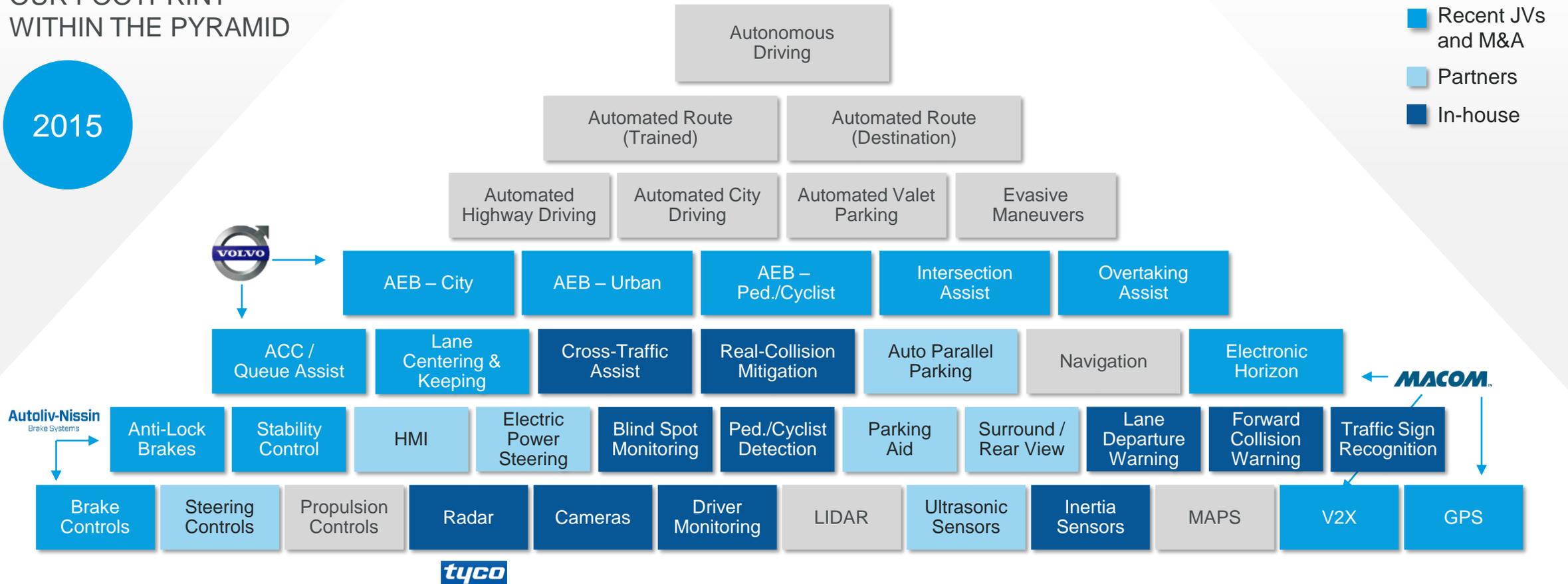
- Recent JVs and M&A
- Partners
- In-house



Electronics Active Safety – Building for the long-term

OUR FOOTPRINT
WITHIN THE PYRAMID

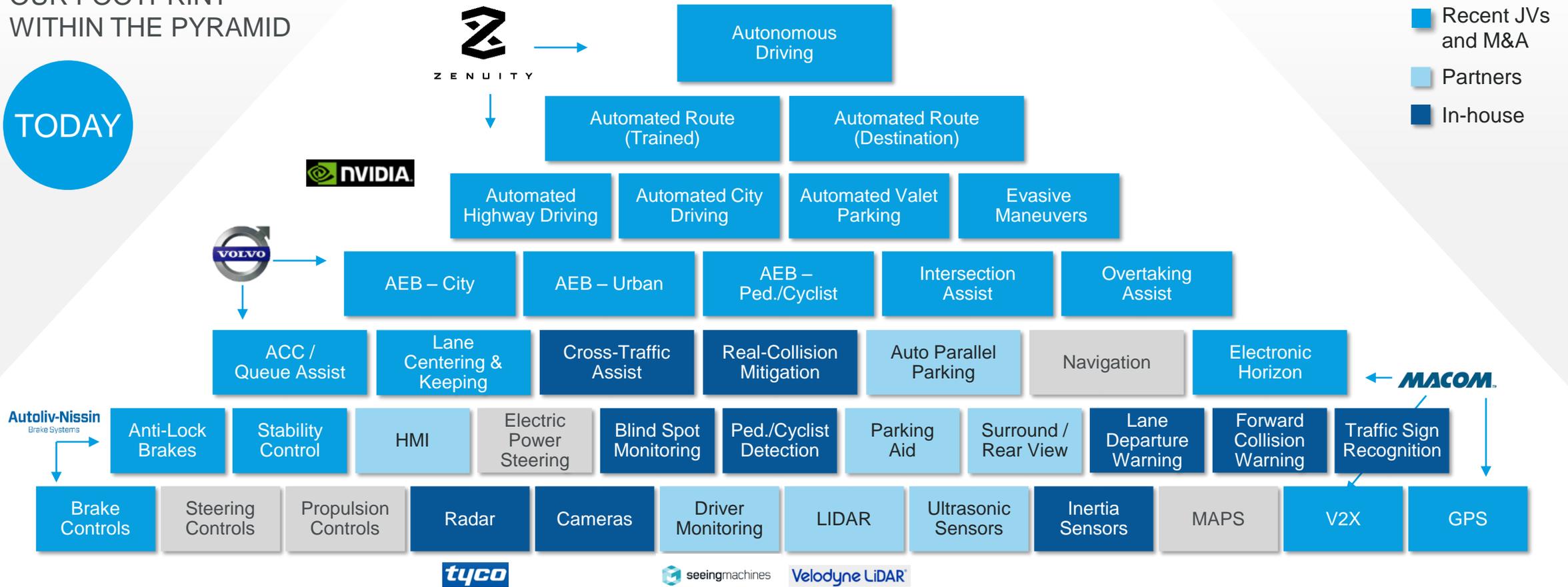
2015



Electronics Active Safety – Building for the long-term

OUR FOOTPRINT
WITHIN THE PYRAMID

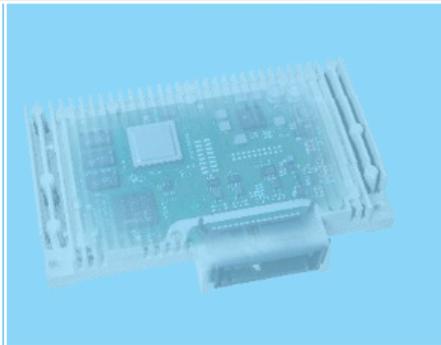
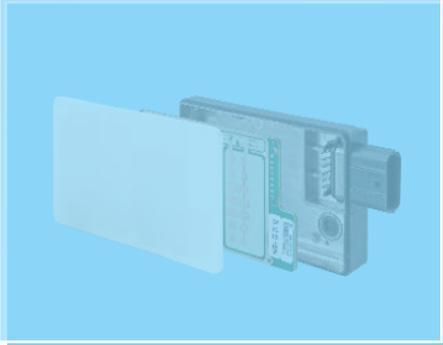
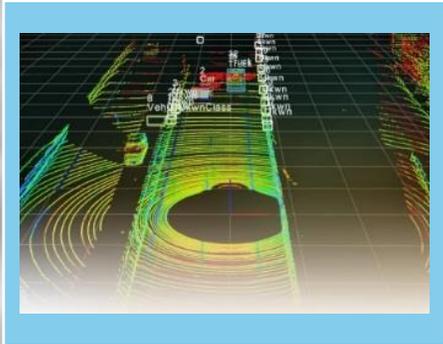
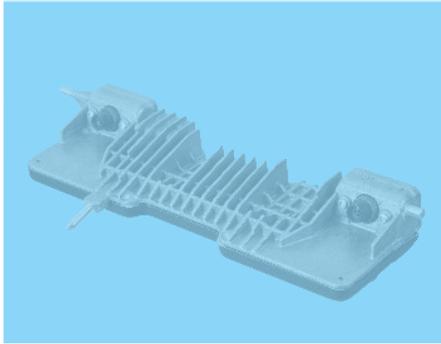
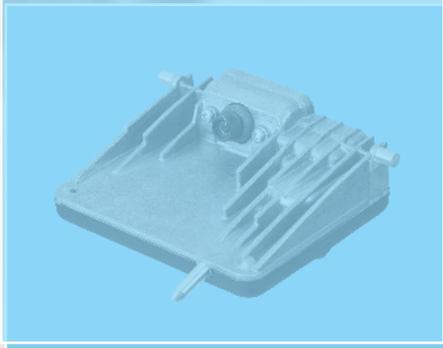
TODAY



2013

2015

2017

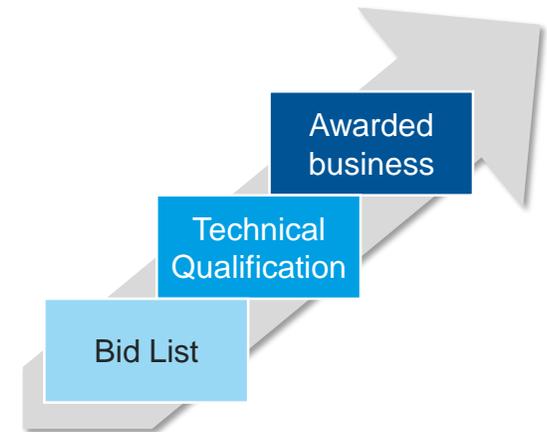


Active Safety – Customer snapshot

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



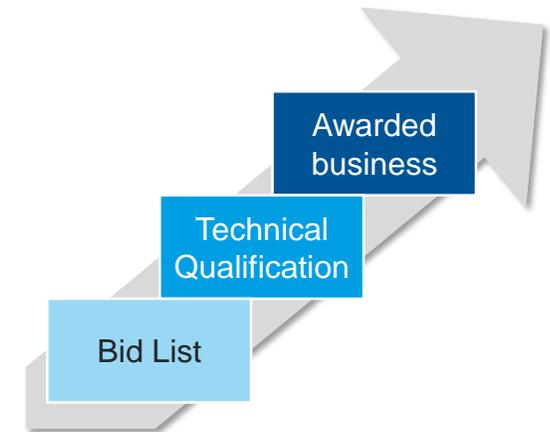
*Vision based on Autoliv developed algorithms,

Active Safety – Customer snapshot

2015

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	10	5	4	4	1	1	3	2	2	0	0	0



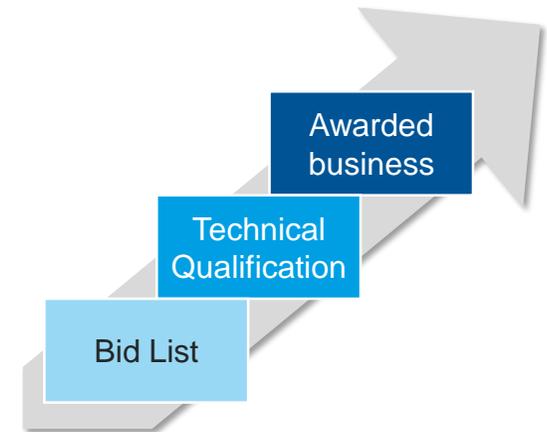
*Vision based on Autoliv developed algorithms,

Active Safety – Customer snapshot

2017
YTD

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	14	11	7	13	8	3	9	5	2	9	2	0

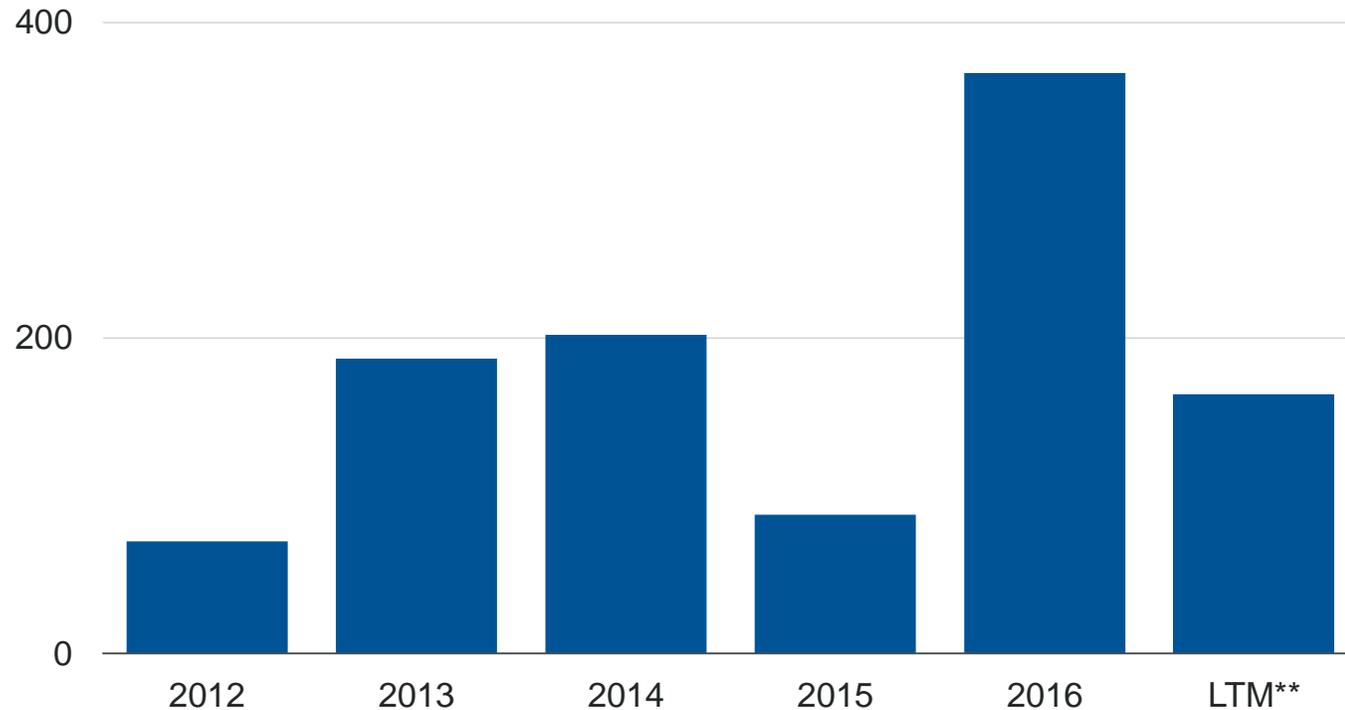


Active Safety – Order Intake

Expect to increase sales beyond 2018

ALV Active Safety – Order Intake*

US\$ (Millions)



- Due to a significant broadening of the product offering and customer bid-list, order intake in 2016 increased substantially over previous years
- Active Safety order intake in 2016 of around \$0.4B was almost twice as high as in any previous year
- Lead time from time of order to start of production is usually around 3 years
- Targeted 2017 orders towards end of the year

* \$ value represent expected average annualized sales from respective years order intake, Disclosure of orders will not be made regularly

** Last Twelve month order intake, as of August 31, 2017

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)



PRESS RELEASE



Autoliv to supply Geely radar systems for autonomous driving

(Stockholm, Sweden, 14 September, 2017) – Autoliv, Inc. (NYSE: ALV and SSE: ALIVsdb), the worldwide leader in automotive safety systems, has been selected by Geely to develop an industry leading 77GHz high-resolution radar systems for autonomous driving.

Geely, a leading Chinese car manufacturer, awarded Autoliv a 77GHz high-resolution radar contract for its commitment and unique strength in technology development, innovation and manufacturing of high quality products. Earlier this year, Geely awarded Autoliv a mono-vision camera system contract. Radar and vision systems are essential to the advancement of autonomous driving.

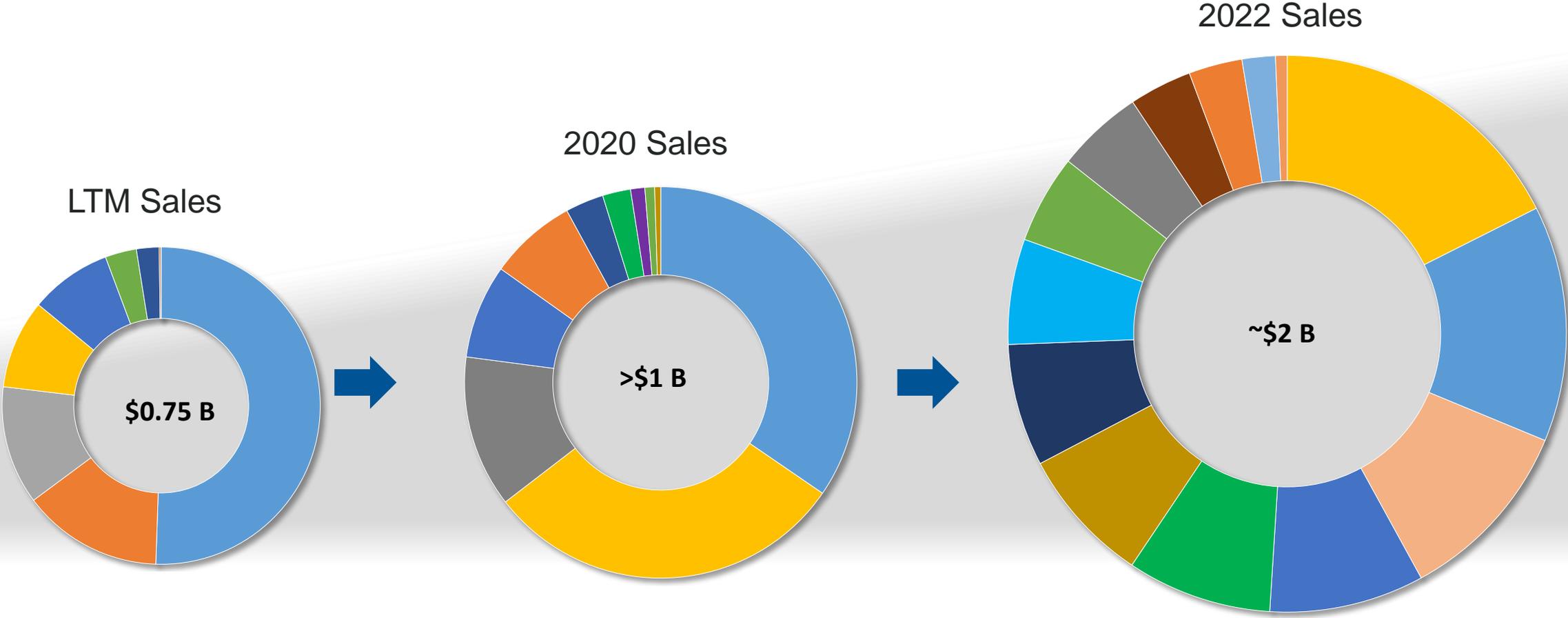
Autoliv's high-resolution radars allow for increased detection points, leading to improved ability to understand free space, better object separation in multiple target environments, and more precise detections in blind spot warning and rear cross traffic alert. Autoliv's 77GHz radar systems see oncoming vehicles and autonomously manage lane changes during highway driving.

Autoliv's mono-vision systems are comprised of advanced image-processing algorithms that identify objects such as vehicles, road markings and road signs. Autoliv's mono-vision cameras can detect children and bicyclists, enable the vehicle to brake automatically and classify objects in the front and rear of the vehicle. Autoliv's mono-vision systems achieve 5-Star NCAP safety in North America, Europe and China.

Awarded by Geely- announced today

- 77GHz high-resolution radar systems
- Complements the Mono Vision camera award
- For autonomous driving

Active Safety Revenue by OEM group

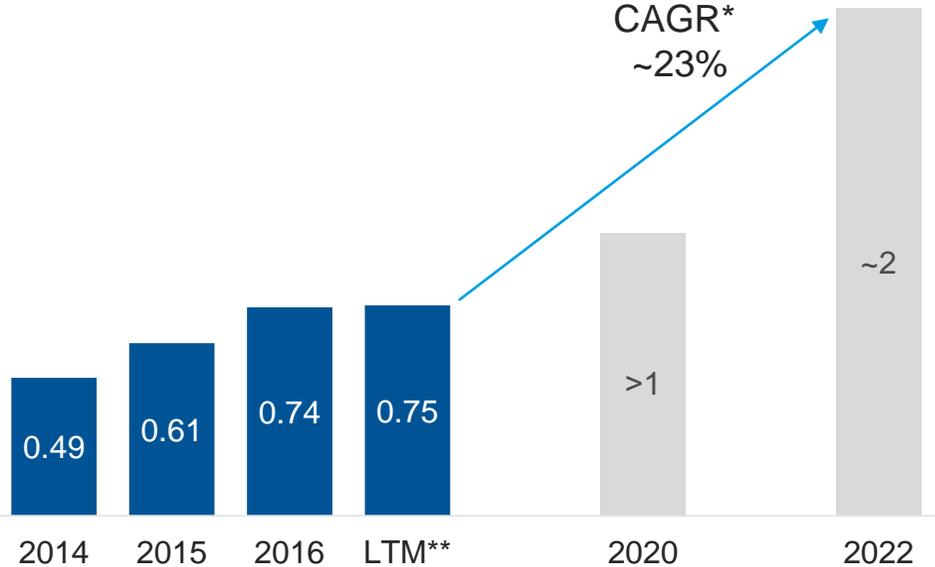


Autoliv Active Safety Sales Growth

2020 Sales target of >\$1B

Active Safety Sales – US\$ Billion

- High market growth
- Strong product offering
- Strong bid-list presence
- New order wins during 2016-17



2025 Ambition

- Active Safety sales ~\$4B

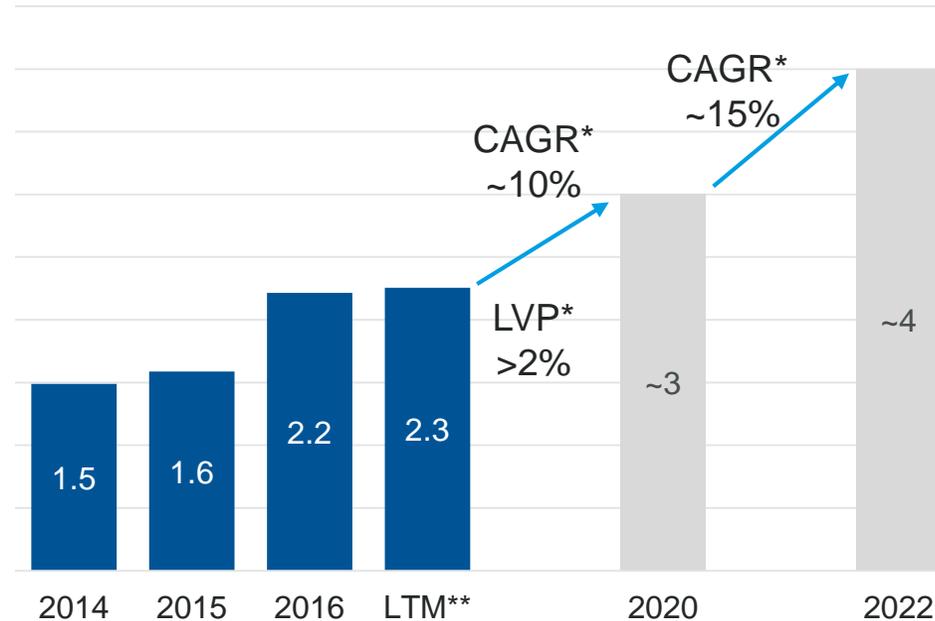
(** CAGR Compound Annual Growth Rate.
(**) Last Twelve month sale as of June 30, 2017.

Autoliv Electronics Sales Growth

2020 Sales target of ~\$3B corresponds to a ~10% CAGR from 2017

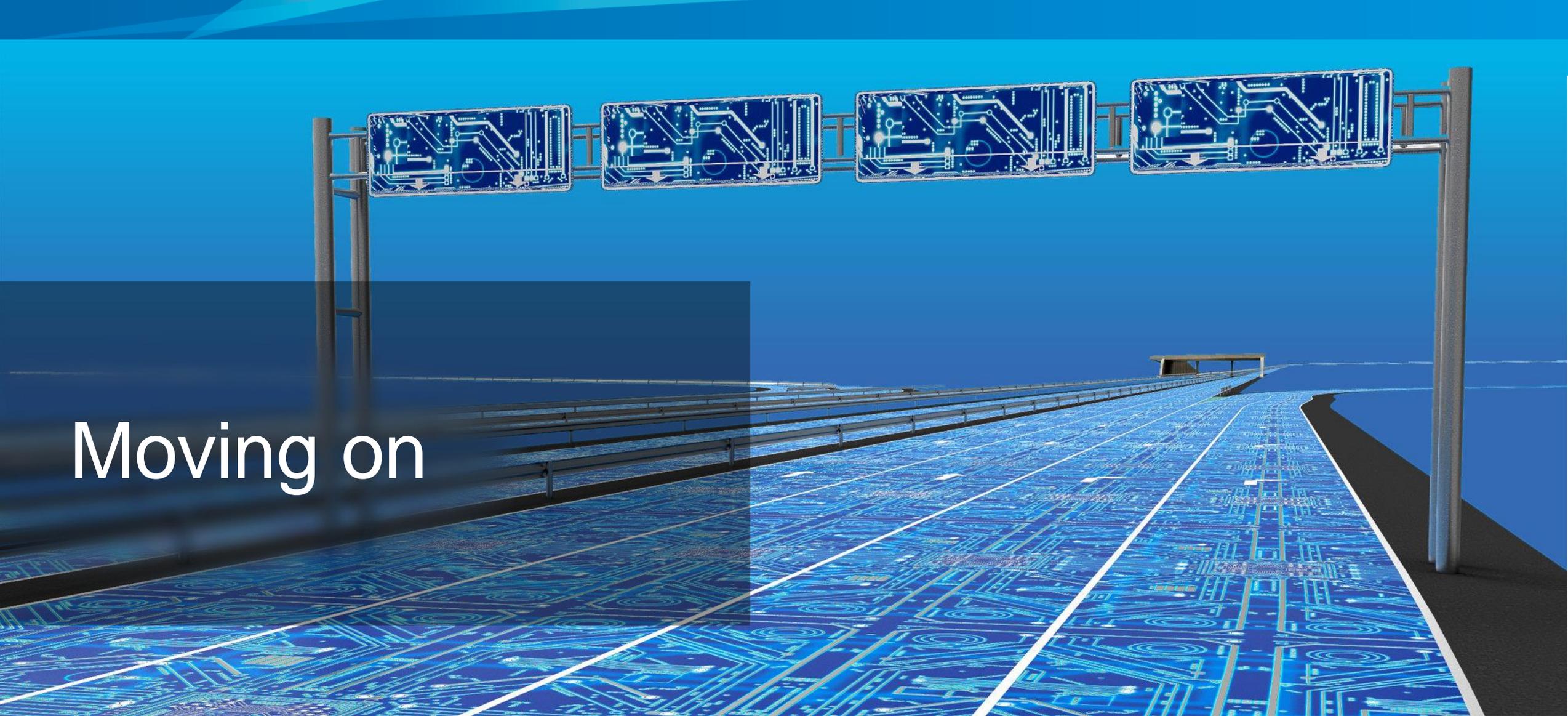
- High market growth
- Strong product offering
- Strong bid-list presence
- New order wins during 2016-17

Electronics Sales – US\$ Billion



2025 Ambition

- Electronics sales >\$6B
- Active Safety sales ~\$4B



Moving on

Different success factors shaping the future

PASSIVE SAFETY



MARKET & TECHNOLOGY

KEY PRIORITIES

*CRITICAL
COMPETENCES*

ATTRACT TALENT

MANAGEMENT

*WORKING
ENVIRONMENT*

KEY SELLING POINTS

*CAPITAL MARKETS
ATTRACTION*

ELECTRONICS





Creating more value
Saving more lives