

Autoliv Earnings Call Presentation

3rd Quarter 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

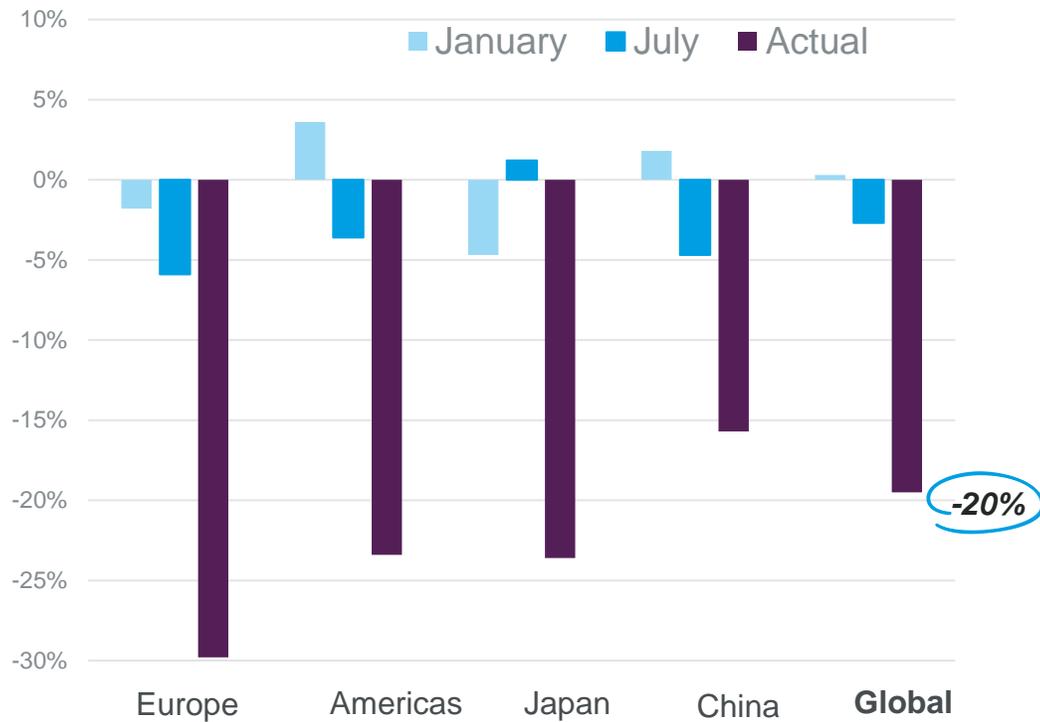
This presentation Includes content supplied by IHS Markit Automotive; Copyright © Light Vehicle Production Forecast October, 2021. All rights reserved.

IHS Markit is a global supplier of independent industry information. The permission to use IHS Markit copyrighted reports, data and information does not constitute an endorsement or approval by IHS Markit of the manner, format, context, content, conclusion, opinion or viewpoint in which IHS Markit reports, data and information or its derivations are used or referenced herein.

Q3'21 Highlights

Dramatic changes in the light vehicle market

LVP Outlooks & Actuals for Q3'21 by IHS Markit



Q3'21 Highlights cont'd

Solid sales outperformance vs. global LVP

▪ Market developments

- Resource bottlenecks in global supply chains limits industry volumes more than expected
- Unpredictable changes in customer call-offs creating operational challenges and inefficiencies

▪ Operating income declined on lower sales and higher raw materials cost

▪ Strong sales outperformance vs. global LVP

▪ Order intake for the first nine months remained strong

▪ Continued strict cost control measures

- Capacity alignment actions
- Headcount reductions

▪ Cash flow and balance sheet remained strong

- Debt leverage ratio* unchanged at 1.1x

▪ Dividend of \$0.62 per share paid



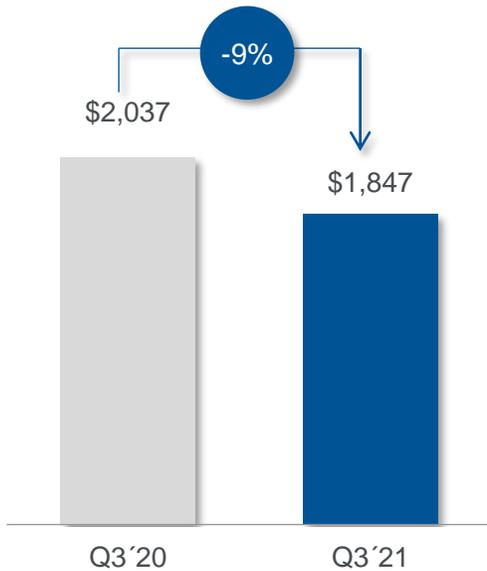
(*) Non-US GAAP measures

Q3'21 Financial Overview

Massive drop in LVP and low call-off visibility limited our operating efficiency

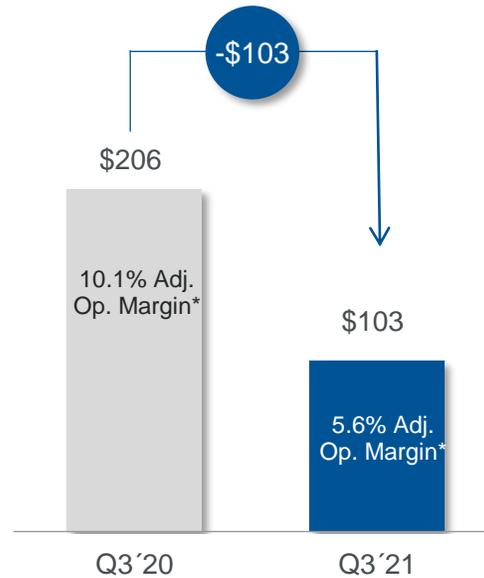
Consolidated Sales

US\$ (Millions)



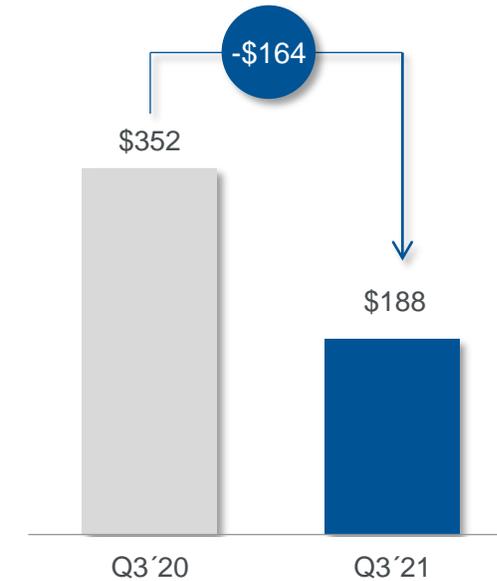
Adjusted Operating Income*

US\$ (Millions)



Operating Cash Flow

US\$ (Millions)

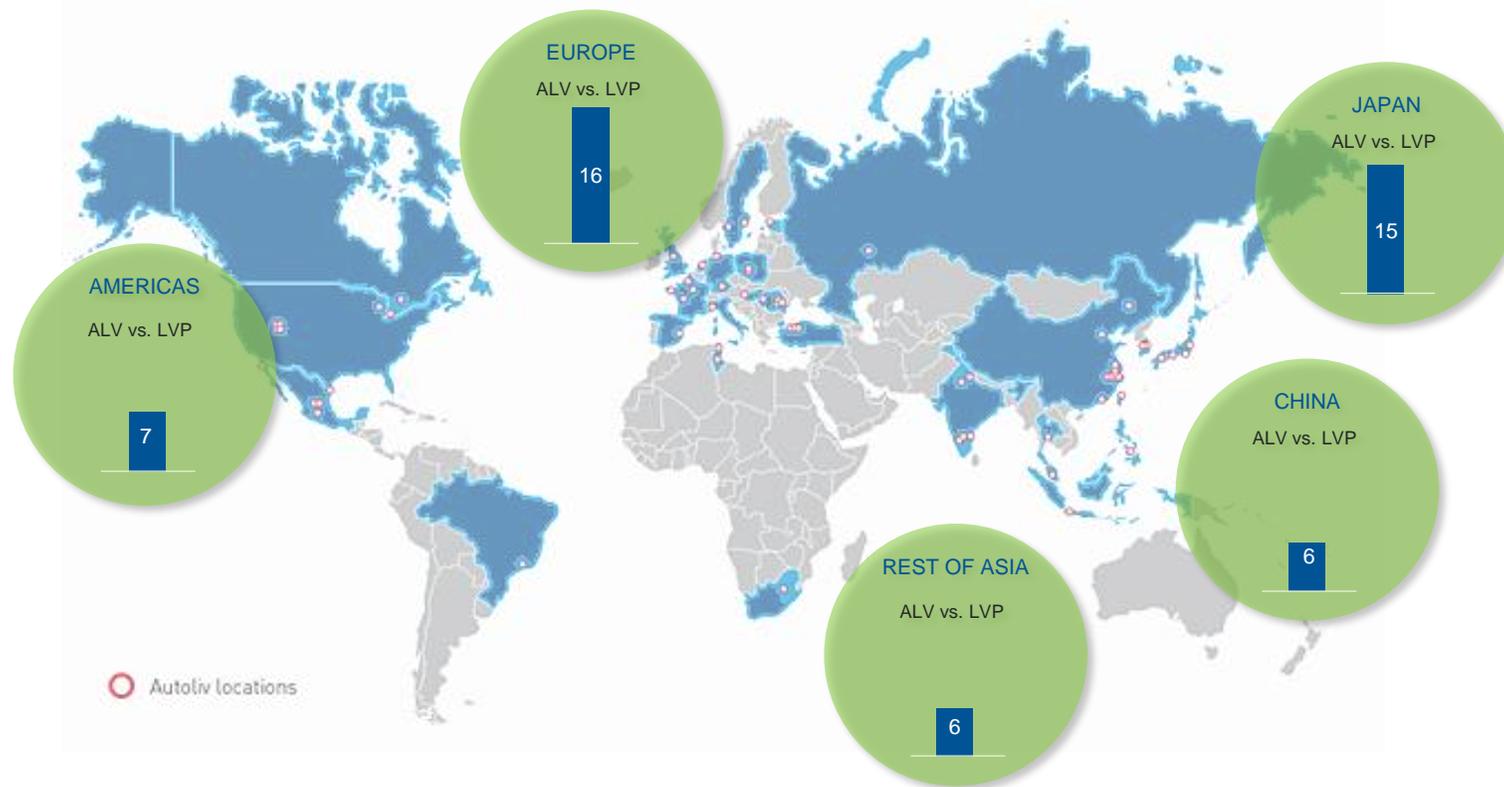


(*) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters in 2020

Q3'21 Sales Growth

Outperforming global LVP by 8 percentage points

Organic Growth* vs. LVP**
(percentage points)



(*) Non-US GAAP measure

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

Q3'21 - Key Model Launches

Strengthening our EV & PHEV exposure



Jeep Grand Wagoneer



Kia Sportage



Toyota Corolla Cross



VW Taigo



Fiat Pulse



Rivian R1T



Nissan Frontier



WEY Latte



Toyota Aqua



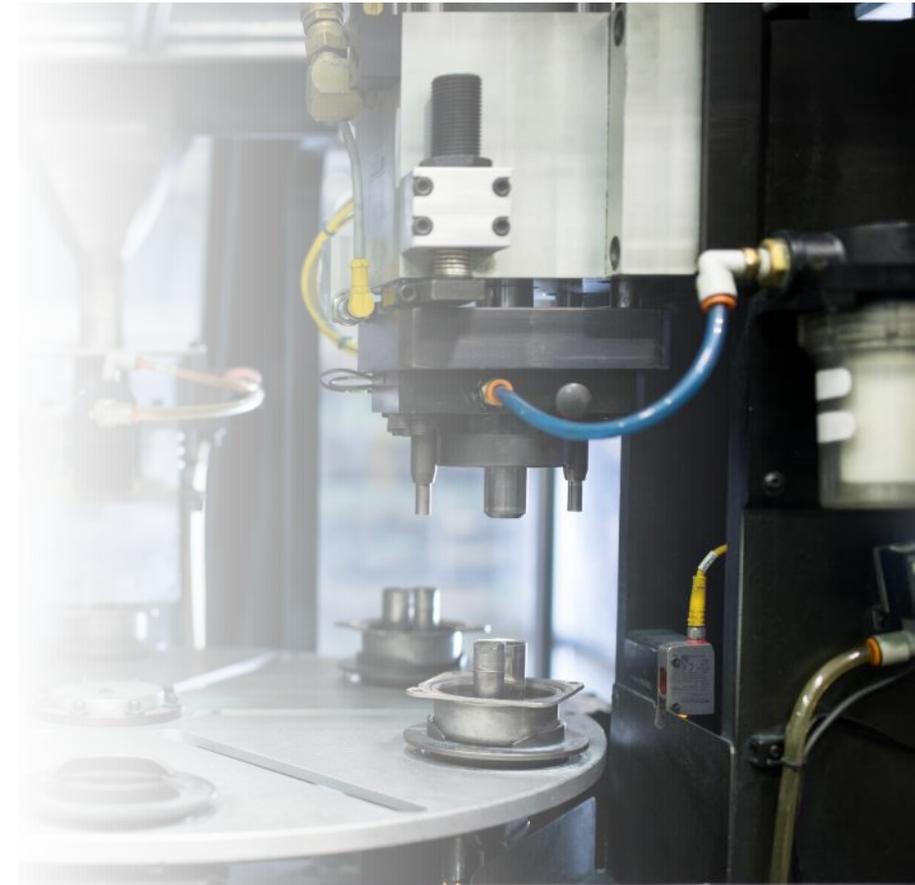
Q3'21 Financial Overview

(US \$ Millions unless specified)	Q3'21		Q3'20	
Sales	\$1,847		\$2,037	
Gross Profit	\$301	16.3%	\$400	19.6%
Adj. Operating Income ¹	\$103	5.6%	\$206	10.1%
EPS (assuming dilution)	\$0.68		\$1.12	
Adj. RoCE ^{1,2}	11%		22%	
Adj. RoE ^{1,2}	10%		25%	
Operating cash flow	\$188		\$352	
Dividend paid per share	\$0.62		-	
Global LVP ³ (annual rate)	~64M		~78M	

(1) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters in 2020

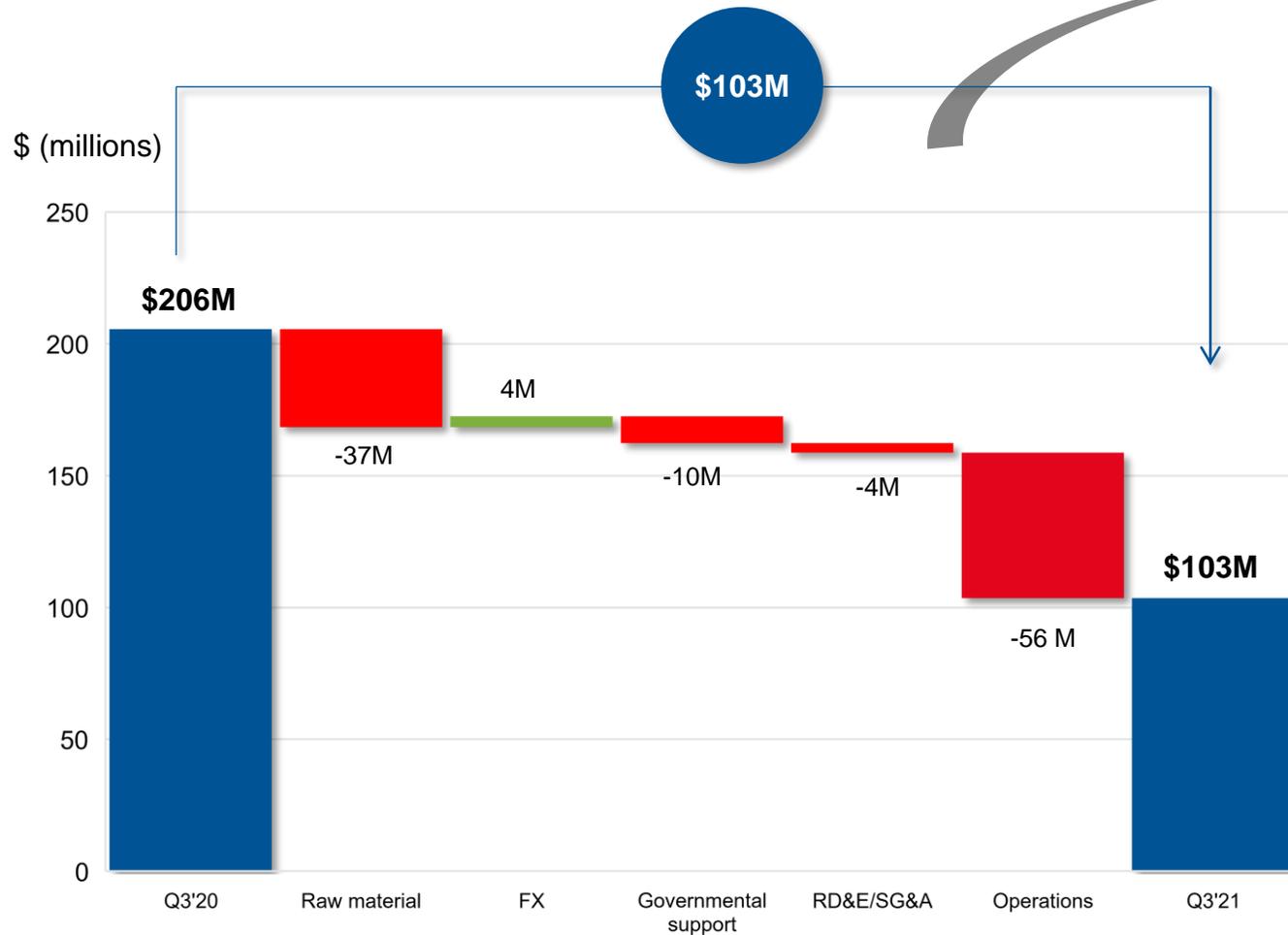
(2) Return on Capital Employed (RoCE) and Return on Equity (RoE)

(3) Light Vehicle Production (LVP) according to IHS Markit @ October 2021



Q3'21 Adj. Operating Income* Bridge

vs. Prior Year



~25% leverage (excl. FX, raw mtrl and gov. support) on the organic sales change, impact from increased call-off volatility and cost inflation related to logistics and utilities etc.

(* Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters in 2020)

Continued strict cost control

■ Margin Focus

- General hiring freeze
 - ✓ Reduced headcount by over 4,500 since Q1 '21
- Accelerate cost saving and footprint initiatives
 - ✓ Capacity alignment activities ongoing in North America and Europe
- Use short time labor schemes and governmental support tools
- Lost volume claims made to customers
- Volume planning based on customer behaviors in Q2/Q3
- Commercial recoveries for raw material cost increases

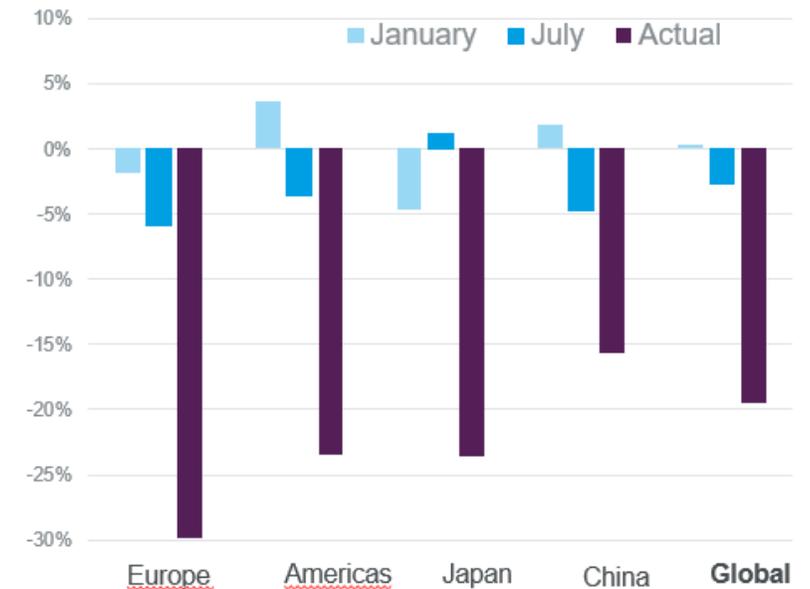
■ Supply Chain Management

- Raw material cost increase avoidance
- Accelerate redesign of products

■ Capital Management

- Capital expenditures delays
- Inventory management

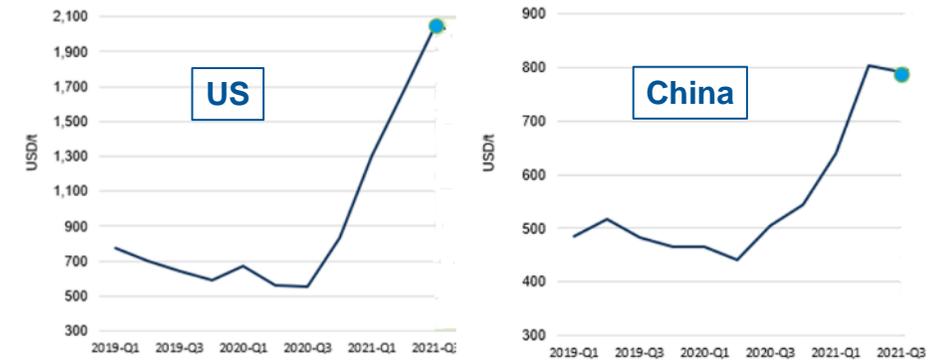
LVP Outlooks & Actuals for Q3 '21 by IHS Markit



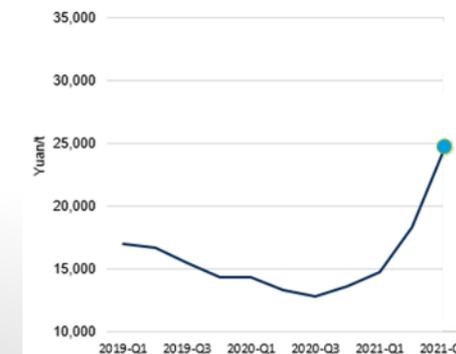
Headwinds from Raw Materials

- Raw material prices have continued to increase
- New headwinds including magnesium and resin for example
- Through successful mitigation actions, the raw material headwind in the third quarter was slightly lower than expected
- We still expect a full year operating margin headwind from raw materials of around 130 basis points
- Commercial Recovery
 - Compensation negotiations with customers ongoing
 - Some, but limited, compensations expected in 2021
 - More significant compensation expected in 2022

IHS Markit: Hot-rolled sheet steel



IHS Markit: China Magnesium



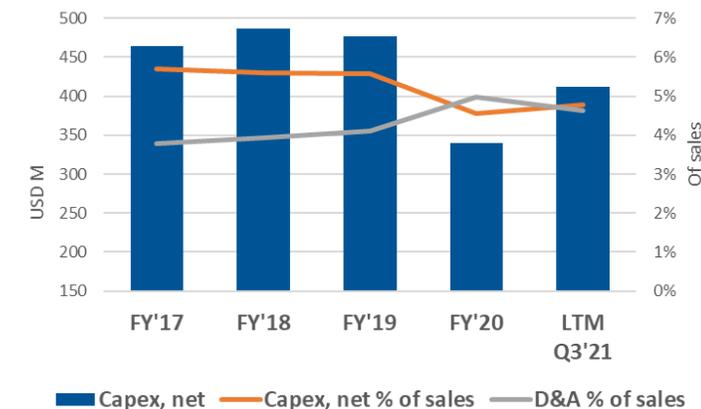
Cash Flow

(US\$ Millions unless specified)	Q3'21	Q3'20	LTM	2020
Net Income	\$60	\$99	\$511	\$188
Depreciation & Amortization	98	93	400	371
Other, net	-5	23	61	13
Change in operating WC	35	138	-65	277
Operating cash flow	188	352	906	849
Capital Expenditures, net	-112	-76	-412	-340
Free cash flow¹	77	276	494	509
Dividends paid	\$54	-	\$109	\$54

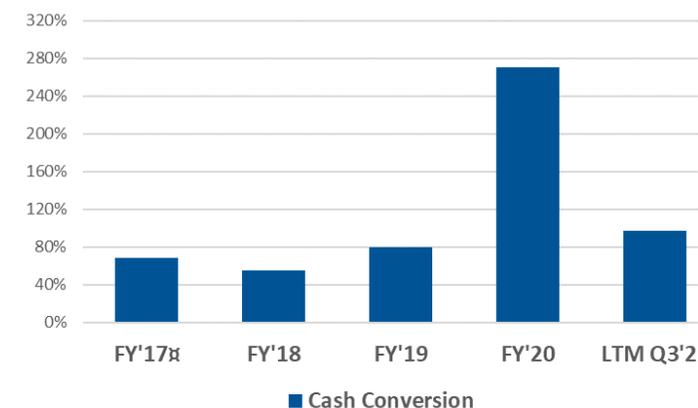
(1) Non-US GAAP measure, reconciliation is provided above

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

Capex and D&A



Cash Conversion²

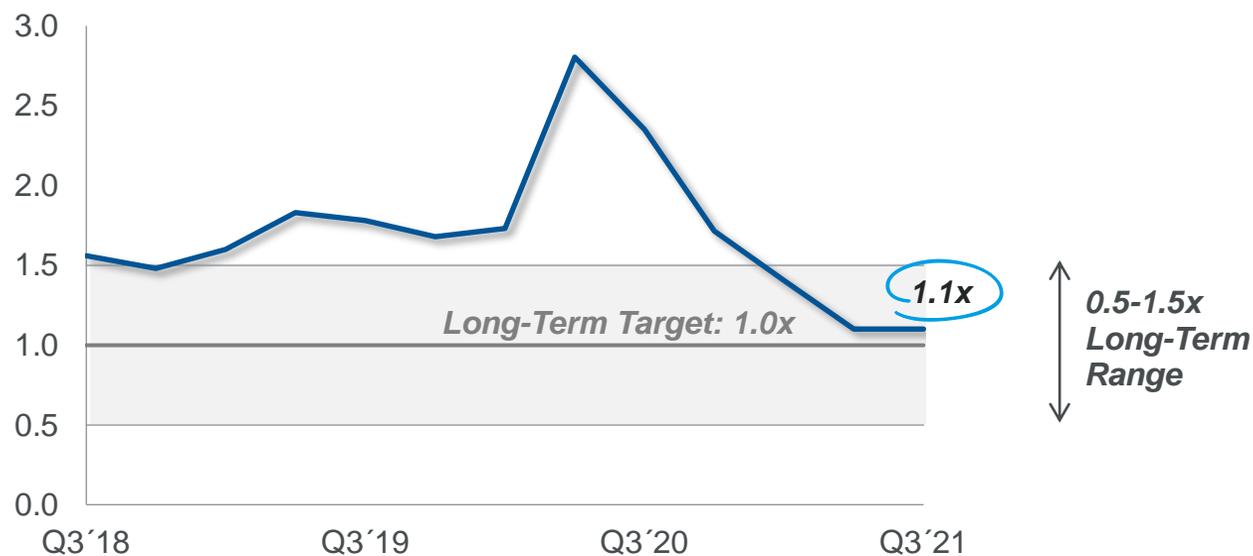


Leverage Ratio

In line with long-term target

Net Debt*/ EBITDA*

x



Net Debt* and EBITDA* per the Policy

US\$ (Millions)



- Our **Net Debt*** decreased by **\$42M** from Q2'21
- **EBITDA LTM** decreased by **\$96M** from Q2'21

(*) 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

Light Vehicle Production Outlook

Heightened disruption continues through third quarter with little visibility of improvement

FY21:



North American Continued strong demand for new vehicles. However, the industry continues to struggle to meet consumer demand due to the shortage of semiconductors. Production is expected to remain volatile, although some improvements have been seen lately.



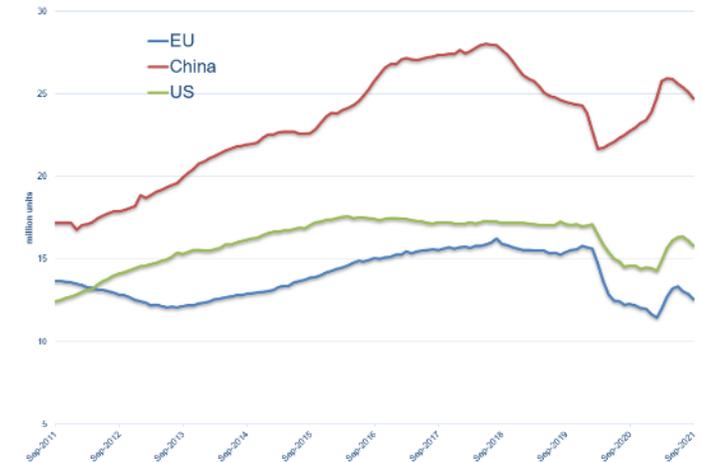
European Registrations continues to remain low compared with the pre-pandemic level, mainly due to chip shortages limiting supply of new vehicles.



China Semiconductor and energy constraints are affecting production. Demand is also being impacted by monetary policy and rising concerns about property prices.

In the near term, the outlook will mainly be determined by the evolution of the situation around semiconductors

Light Vehicle Sales LTM (Million units)



IHS Markit: Light Vehicle Production*			
Region	Q4'21	FY'21	
	YoY Chg.	Million Units	Y-o-Y Chg.
China	-19.2%	22.0	-0.7%
Japan	-20.5%	7.2	-5.2%
Rest of Asia	-20.8%	10.6	10.3%
North America	-17.1%	11.9	-0.6%
South America	-17.9%	2.5	12.7%
Europe	-23.1%	15.9	-3.5%
Global	-19.7%	72.0	0.4%

(* Light Vehicle Production (LVP) according to IHS Markit @ October 2021 Year over Year (Y-o-Y)

Revised full year 2021 Indications

	Full year indication
LVP growth	~0%
Consolidated sales increase, net	Around 11%
Organic sales increase ¹ Org. sales outperformance vs. LVP	Around 8% Around 8 pp
FX	Around +3%
Adjusted Operating margin¹	Around 8%
Tax rate ²	Around 30%
Operating Cash flow ²	~700 million
Capex, net % of sales	Below 6%
R,D&E, net % of sales	Around 5%

Exchange rates ³	FY'21
EUR / US\$	1.1939
US\$ / JPY	108.77
US\$ / KRW	1136
US\$ / MXN	20.11
US\$ / CNY	6.47



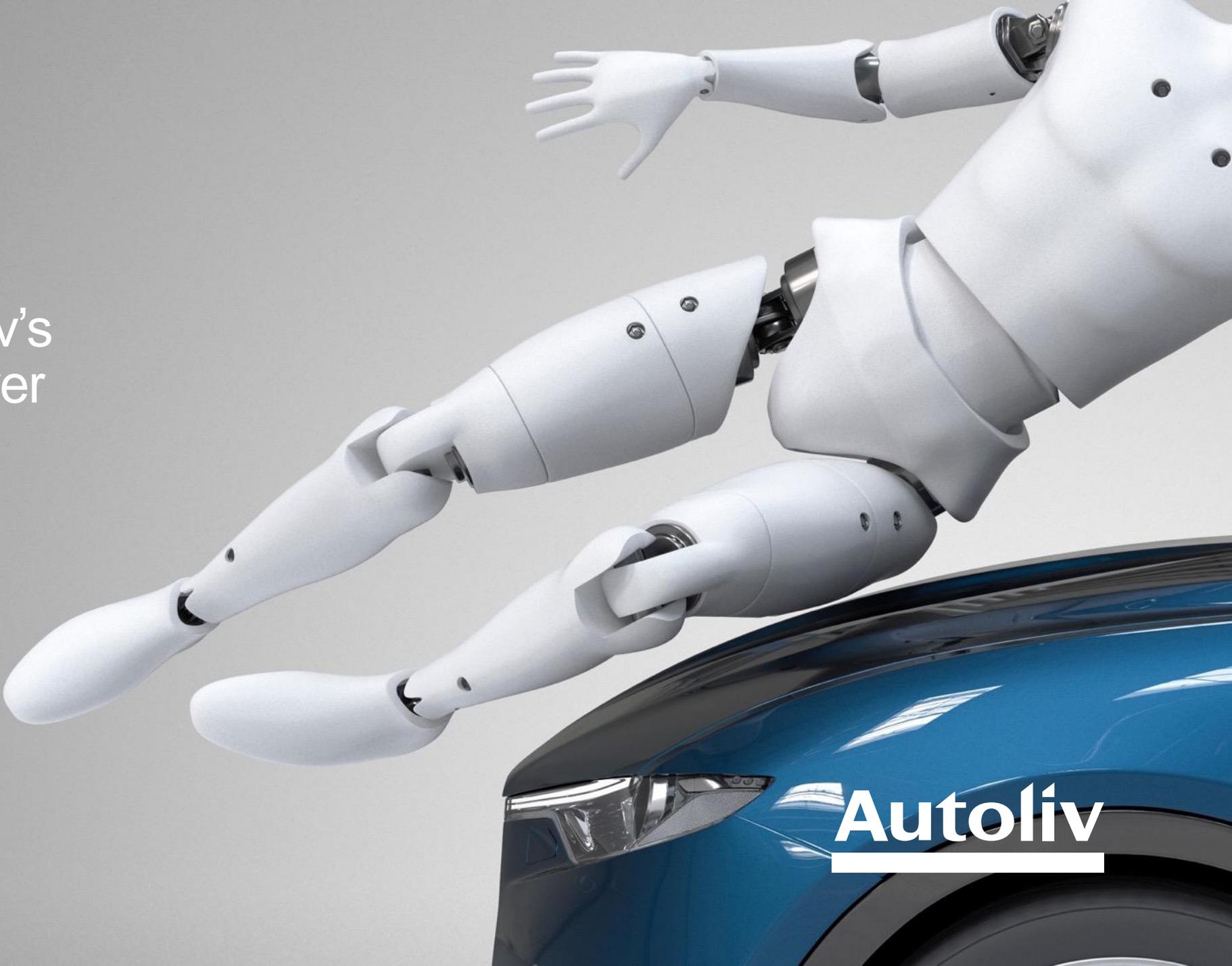
(1) Non-US GAAP measures. Adjusted Operating margin excludes costs for capacity alignments and antitrust related matters, (2) Excluding unusual items, (3) End-September 2021 exchange rates

Capital Market Day 2021



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 shoulder, upper arm, elbow, forearm, and hand. The hand is open, with fingers slightly spread. The robot is positioned above the front corner of a blue car, which is visible in the bottom right corner of the frame. The car's body is highly reflective, showing highlights and shadows. The background is a plain, light gray color.

Autoliv

Q3'21 Product Volumes

Outperforming LVP with all product types

Autoliv Quantities Delivered (Millions unless specified)	Q3'21	vs. PY** (%)
Seatbelts	28.8	-15%
▪ Pretensioners (of which)	17.5	-14%
▪ Active Seatbelts (of which)	1.2	-18%
Frontal Airbags	11.6	-12%
▪ Knee Airbags (of which)	1.4	-5%
Side Airbags	20.6	-14%
▪ Chest (Thorax)	10.9	-17%
▪ Head (Curtain)	9.4	-11%
Steering Wheels	3.9	-18%
LVP* (Global)	15.8	-20%



(* Light Vehicle Production (LVP) according to IHS @ October 2021, (**) 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



- Front Center Airbag



- Bag-in-Belt



- EV / PHEV