



**More Lives Saved
– More Life Lived**

Earnings Call Presentation

2nd Quarter 2023

July 21, 2023

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This report 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, general economic conditions, including inflation; changes in and stability of light vehicle production; fluctuation in vehicle production schedules for which the Company is a supplier; global supply chain disruptions, including port, transportation and distribution delays or interruptions; supply chain disruptions and component shortages specific to the automotive industry or the Company; disruptions and impacts relating to the ongoing war between Russia and Ukraine; changes in general industry and market conditions or regional growth or decline; changes in and the successful execution of our capacity alignment, restructuring, cost reduction, efficiency and strategic initiatives and the market reaction thereto; loss of business from increased competition; higher raw material, fuel and energy, and other 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 and other 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, civil judgements or financial penalties 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 and the availability of insurance with respect to such matters; 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; our ability to meet our sustainability targets, goals and commitments; political conditions; dependence on and relationships with customers and suppliers; the conditions necessary to hit our medium term financial targets; 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

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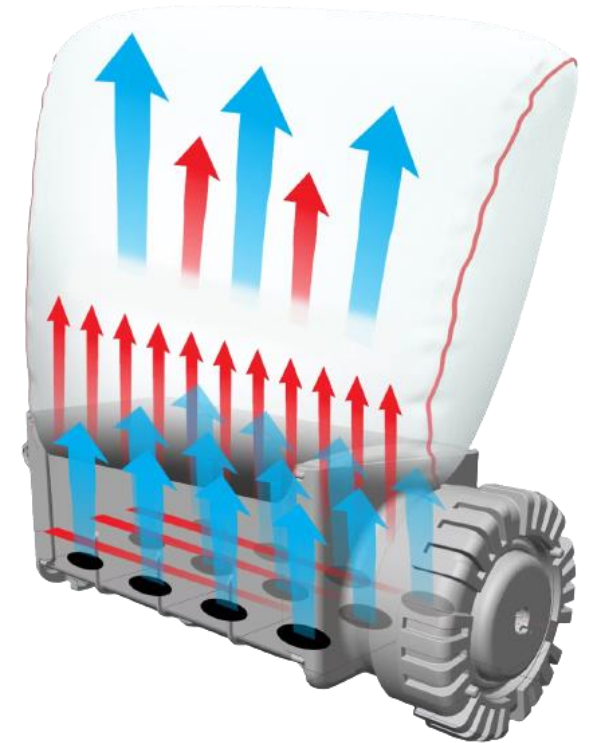
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Q2'23 Key Highlights

Significant steps towards our full year indications

- Sales highest since the Veoneer spin-off
 - Outperforming LVP significantly in all regions due to recent launches and higher safety content
- Adjusted operating income* record for a 2nd quarter
 - Positively impacted by organic growth, cost reduction activities and achieving the customer compensations we planned for in the second quarter
- Operating cash flow record for a 2nd quarter
 - Driven by an improved adjusted operating income* and a reversal of the negative working capital effects from the first quarter
- Debt leverage ratio decreased to 1.3 times, supporting further shareholder returns
- Accelerated structural cost reductions
 - Simplifying our logistics and geographic footprint to significantly lower our cost base
- FY2023 indications: No change to organic growth, adjusted operating margin* or cash flow
 - Expecting greater price compensation and other recoveries in the fourth quarter compared to the third quarter



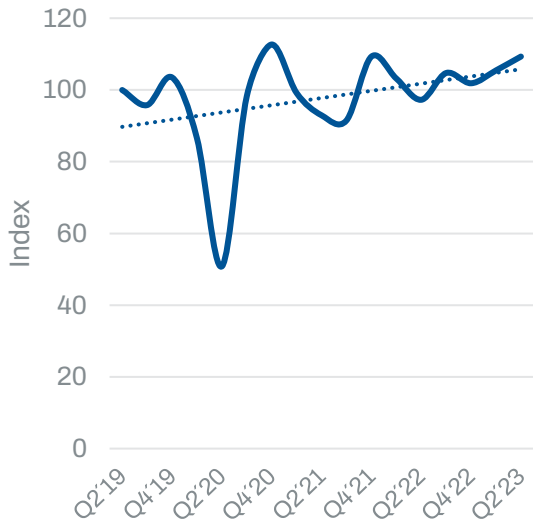
Unveiled Revolutionary Bernoulli™ Airbag based on the Bernoulli principle

(*) Non-US GAAP measures

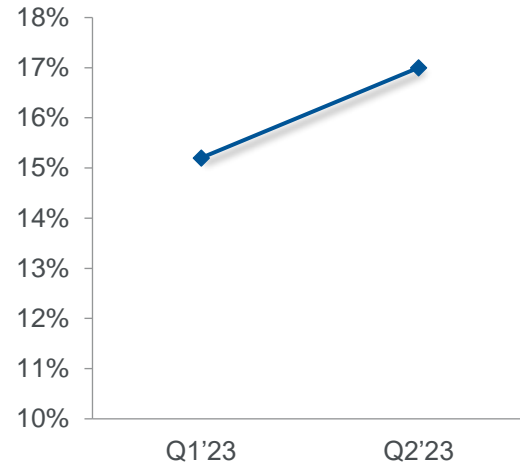
Significant Sequential Improvements since Q1 '23

Towards our Full-year Indications

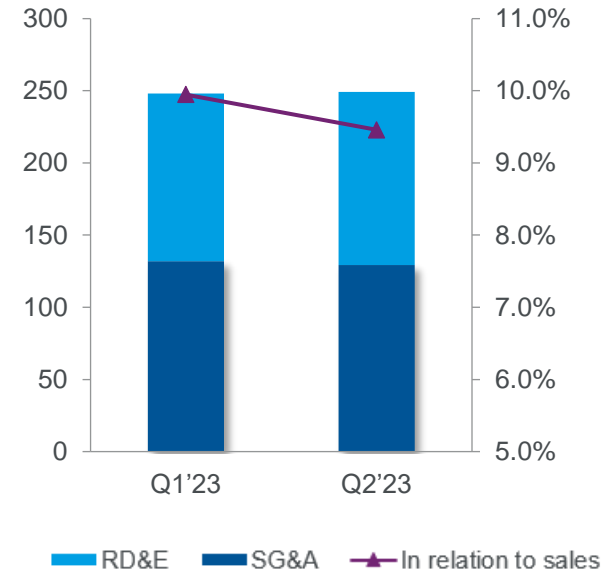
Direct Labor Efficiency Index
Sales in relations to Average Headcount



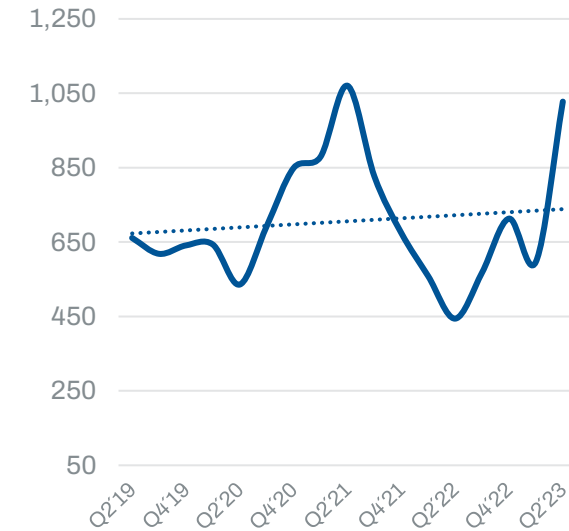
Gross Margin
%



SG&A and RD&E, net
US\$ (Millions) and in relations to sales



Operating Cashflow LTM
US\$ (Millions)



Adjusted Operating Margin* Progression

Gradual improvement quarter by quarter – expect a back-end loaded H2

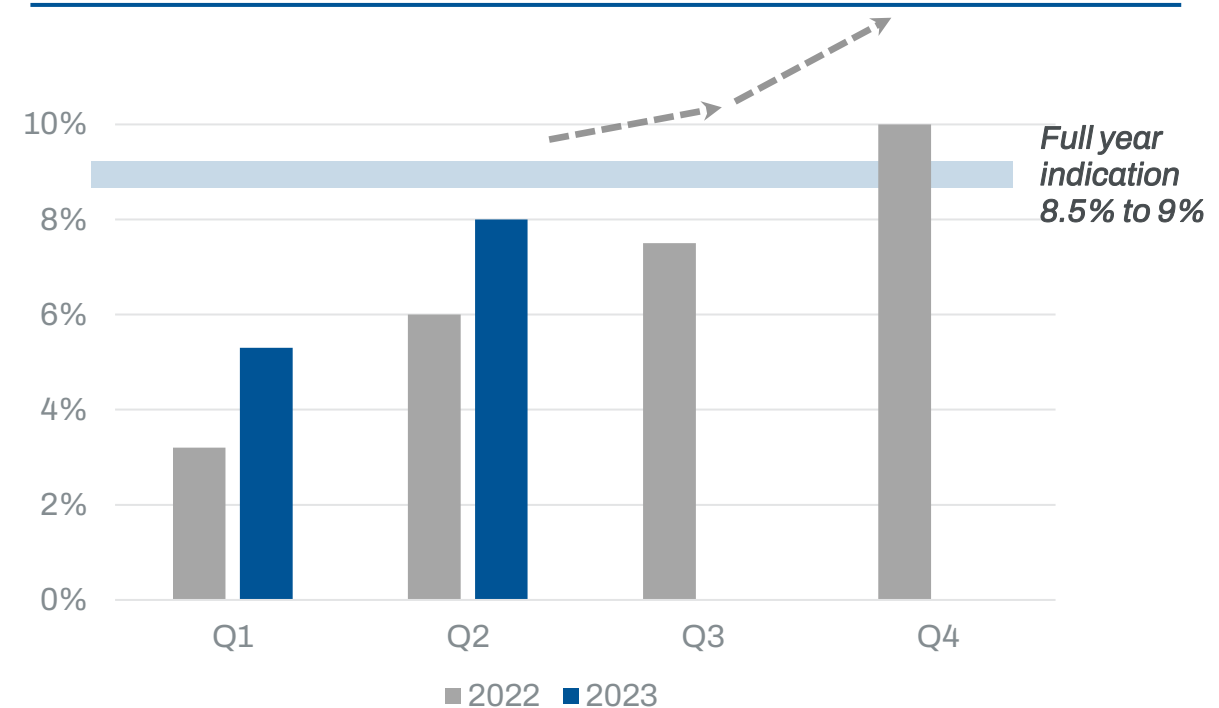
Sequential margin improvement expected from:

- Price compensation and other recoveries, especially in the fourth quarter
- Cost and headcount reduction activities
- Improving LVP stability and visibility
- Higher engineering income in Q4
- Higher leverage on sales increases as launches mature

Second half 2023:

- We expect the adjusted operating margin to be back-end loaded due to normal seasonality and the expected closing of price negotiations

Adjusted Operating Margin*
%

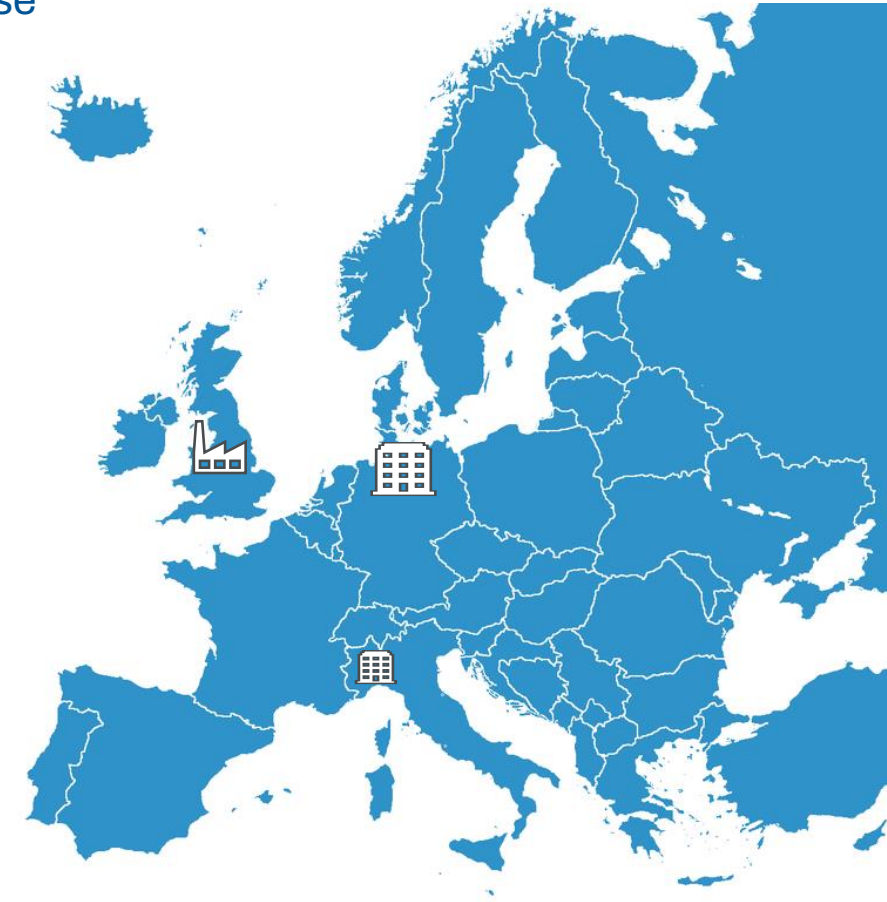


(* Non-US GAAP excluding effects from capacity alignment, antitrust related matters and the Andrews litigation settlement

Autoliv Accelerates Structural Cost Reductions

Simplifying our logistics and geographic footprint to significantly lower our cost base

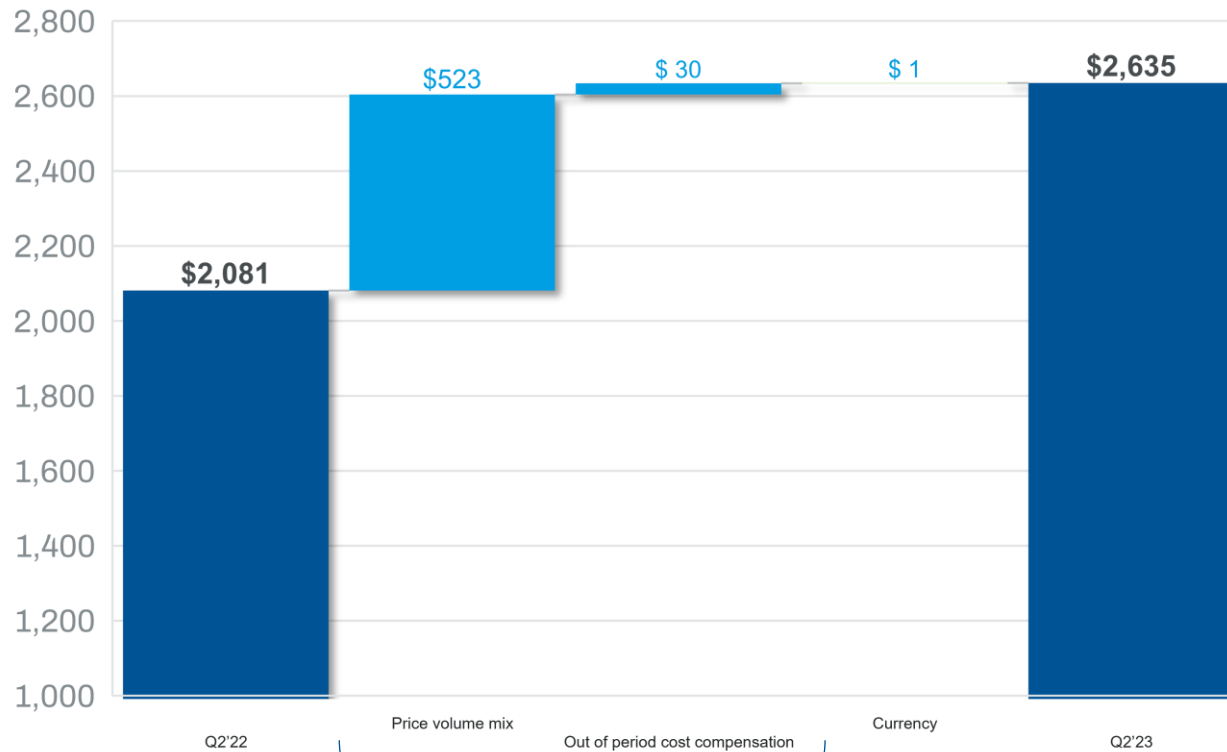
- Continue to actively address our cost base to accelerate the journey towards our medium-term targets
- All divisions and functions will be impacted by the optimization of our footprint and organizational structure
- First step announced
 - Accrued \$109 million in the second quarter of 2023, primarily driven by the planned reduction of around 1,100 employees
 - Limited cash out in 2023
 - This first step is expected to reduce costs by around \$25 million in 2024, increasing to about \$55 million in 2025 and to reach \$75 million when completed.
- Further actions will be announced as plans materialize



As a first step Autoliv aims to close sites in Germany, United Kingdom and in Italy.

Q2'23 Sales Growth and Regional Sales Split

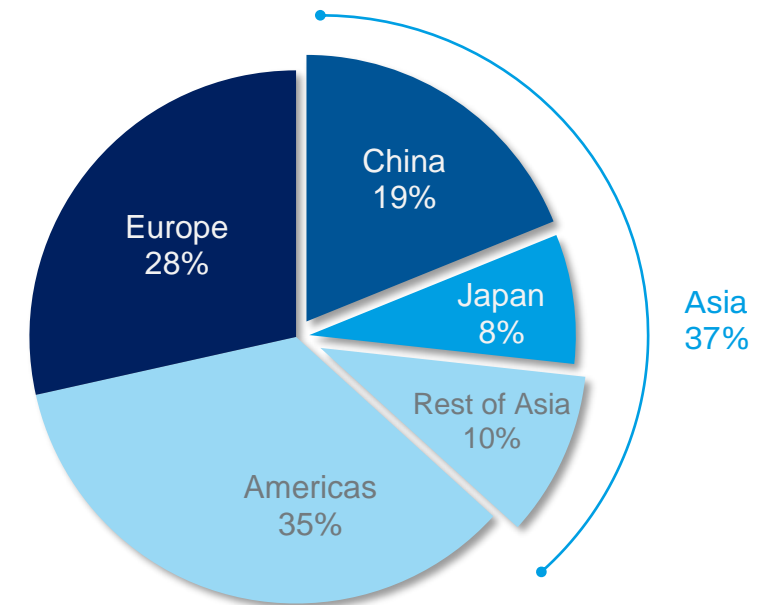
Sales Bridge
US\$ (Millions)



27% Organic growth*

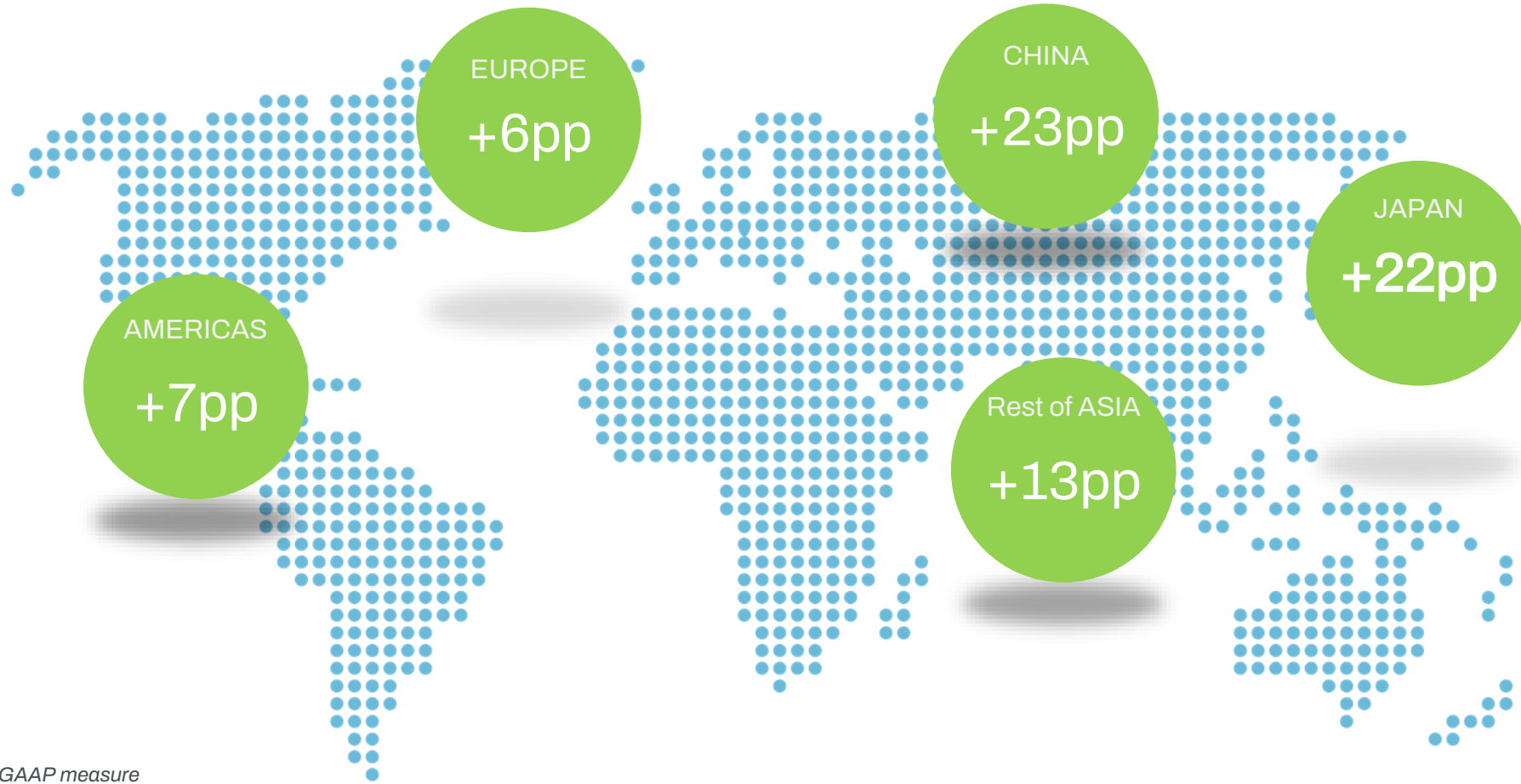
(* Non-US GAAP measure.)

Sales by Region Q2'23
%



Q2'23 Organic Sales* Growth - Outperforming Global LVP by 11pp

Outperformance - Organic growth* vs. LVP**
(Percentage points)



(*) Non-US GAAP measure

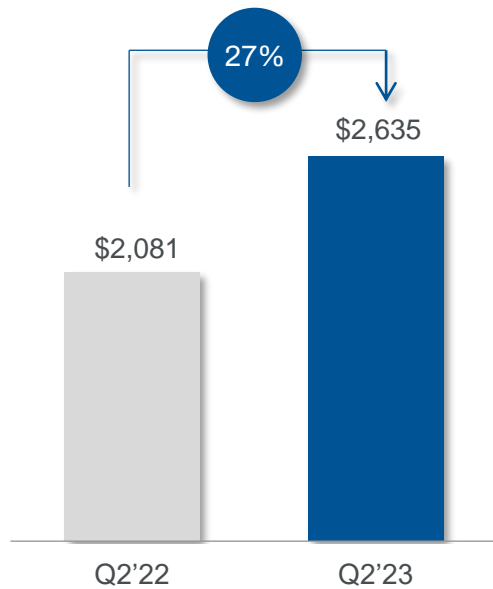
(**) Light Vehicle Production (LVP) up to 3.5 tons according to S&P Global @ July 2023

Q2'23 Financial Overview

Strong sales and profit development

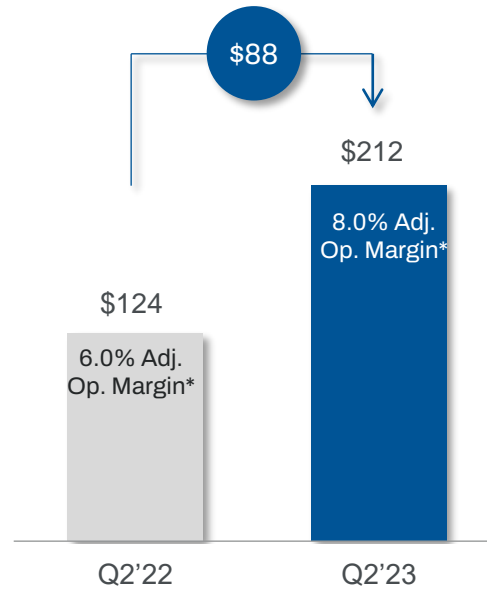
Consolidated Sales

US\$ (Millions)



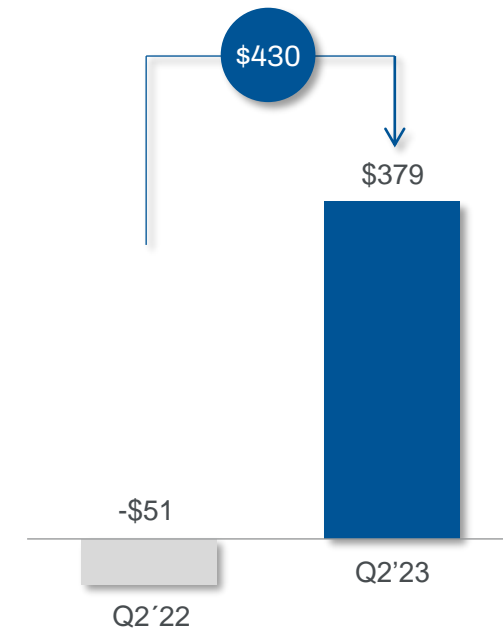
Adjusted Operating Income*

US\$ (Millions)



Operating Cash Flow

US\$ (Millions)



(* Non-US GAAP excluding effects from capacity alignment, antitrust related matters and the Andrews litigation settlement)

Q2'23 Key Model Launches

Kia EV9



Hyundai MUFASA



Zeekr-X



Nio ES6



WEY Blue Mountain



Mercedes E-class



Ford Mustang



Toyota Alphard



VW ID.7



Q2'23 Financial Overview

(US\$ Millions unless specified)	Q2'23		Q2'22	
Sales	\$2,635		\$2,081	
Gross Profit	\$447	17.0%	\$326	15.7%
Adj. Operating Income ¹	\$212	8.0%	\$124	6.0%
Adj. EPS (assuming dilution)	\$1.93		\$0.90	
Adj. RoCE ^{1,2}	21%		13%	
Adj. RoE ^{1,2}	25%		12%	
Operating cash flow	\$379		-\$51	
Dividend paid per share	\$0.66		\$0.64	
Stock repurchases	\$41		\$22	
Global LVP ³ (annual rate)	~85M		~72M	

(1) Non-US GAAP excluding effects from capacity alignment, antitrust related matters and the Andrews litigation settlement

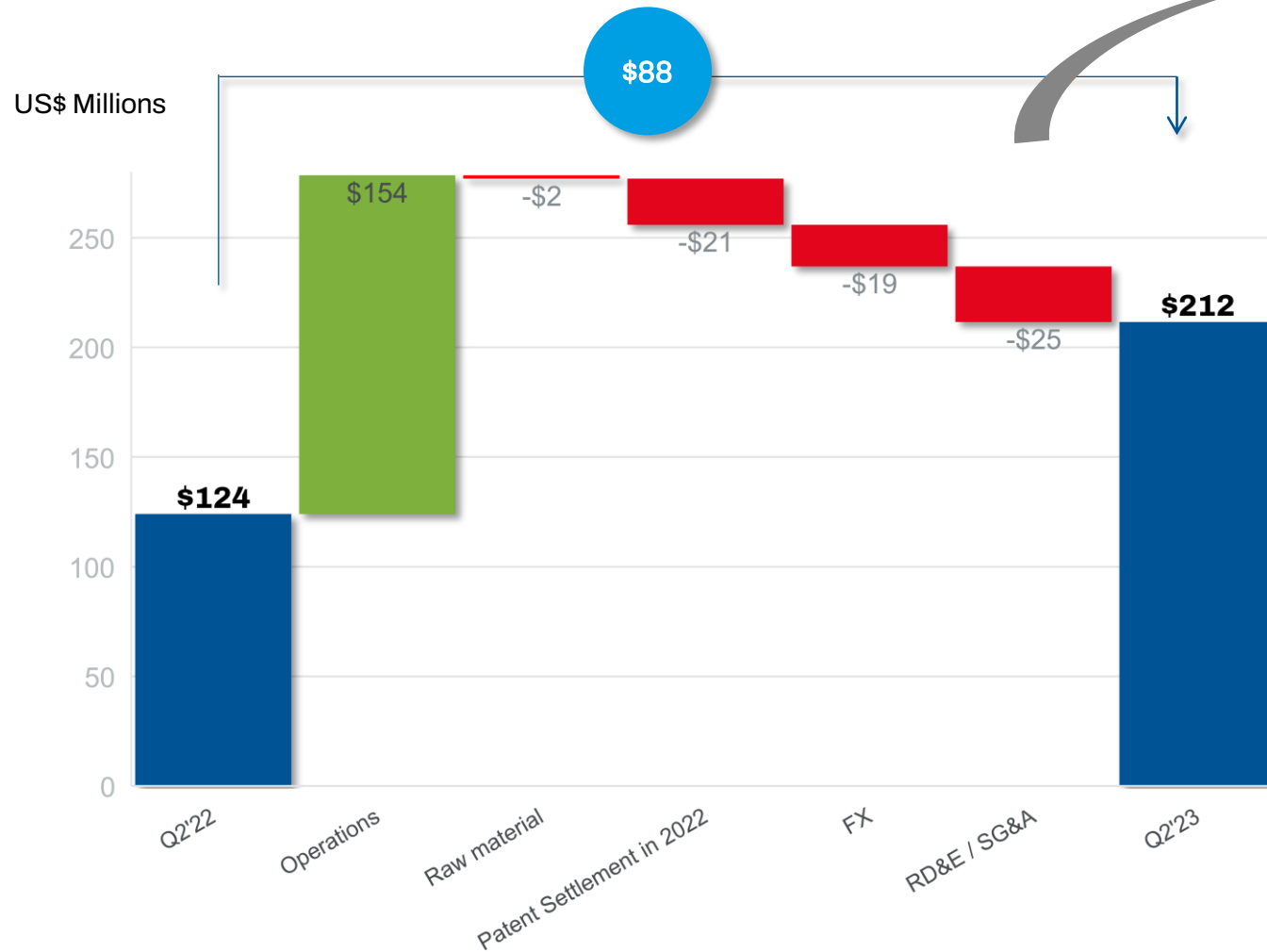
(2) Return on Capital Employed (RoCE) and Return on Equity (RoE)

(3) Light Vehicle Production (LVP) up to 3.5 tons according to S&P Global @ July 2023



Q2'23 Adjusted Operating Income* Bridge

vs. prior year



A result primarily driven by:

- price increases
- cost saving activities
- higher volumes
- lower premium freight

This was partly offset by substantial inflationary pressure from labor cost, logistics, and utilities

(* Non-US GAAP excluding effects from capacity alignment, antitrust related matters and the "Andrews" litigation settlement

Cash Flow

Reversal of the negative working capital effects from the first quarter

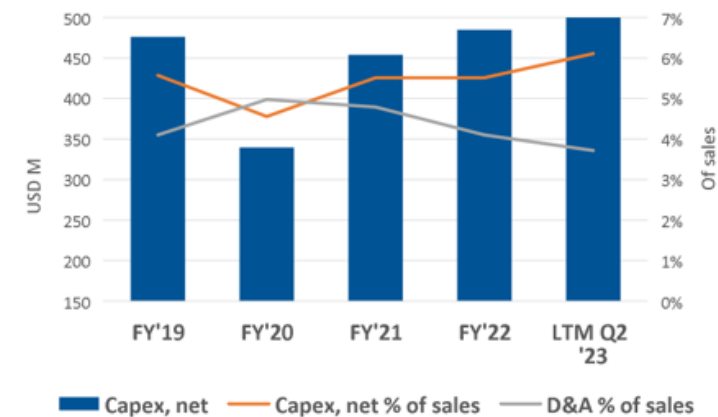
(US\$ Millions unless specified)	Q2 '23	Q2 '22	2022	2021
Net Income	\$53	79	\$425	\$437
Depreciation & Amortization	94	90	363	394
Other, net ³	2	19	-133	-15
Change in operating WC	230	-239	58	-63
Operating cash flow	379	-51	713	754
Capital Expenditures, net ³	-124	-139	-485	-454
Free cash flow¹	255	-190	228	300
Dividends paid	56	56	224	165
Stock repurchases	\$41	\$22	\$115	-

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

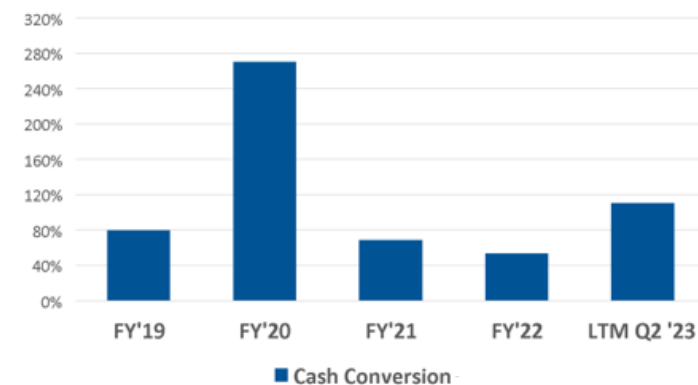
(2) Non-US GAAP measure, adjusted for EC antitrust payment in 2019

(3) Includes income of \$80 million from sale in 2022 of property in Japan

Capex and D&A



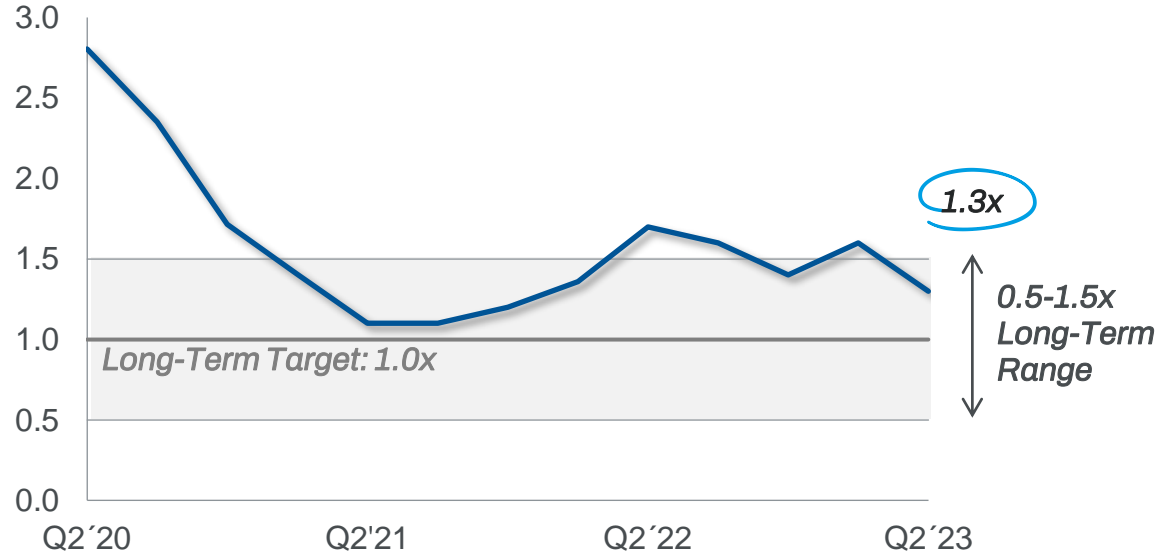
Cash Conversion²



Debt Leverage Ratio*

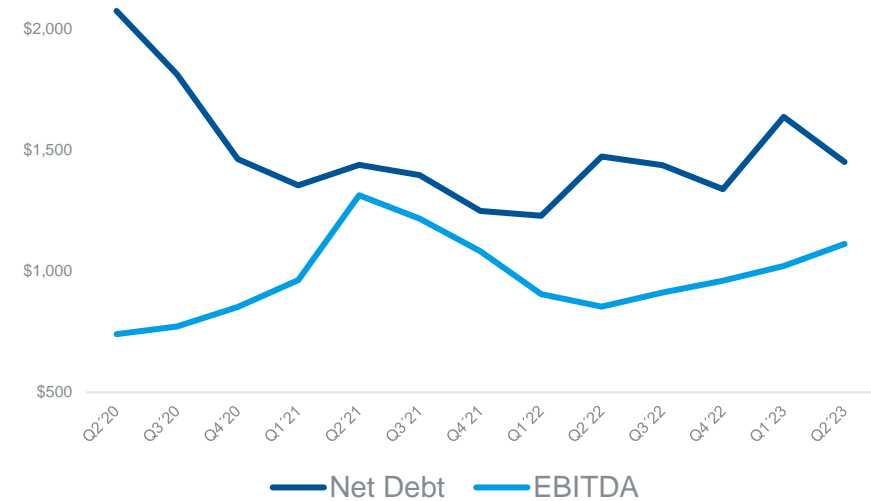
Net Debt*/ EBITDA*

x



Net Debt* and EBITDA* per the Policy

US\$ Millions



- Our Net Debt* decreased by **\$185M** from Q1'23
- EBITDA LTM increased by **\$91M** from Q1'23

(* 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



North America - With persistent demand and improving supply chain conditions, most notable among the Japanese manufacturers, S&P Global has revised the LVP outlook for 2023 upwards by 3% to 14.2 million units. However, there is concern around the upcoming union negotiations when their contracts expire in September 2023.



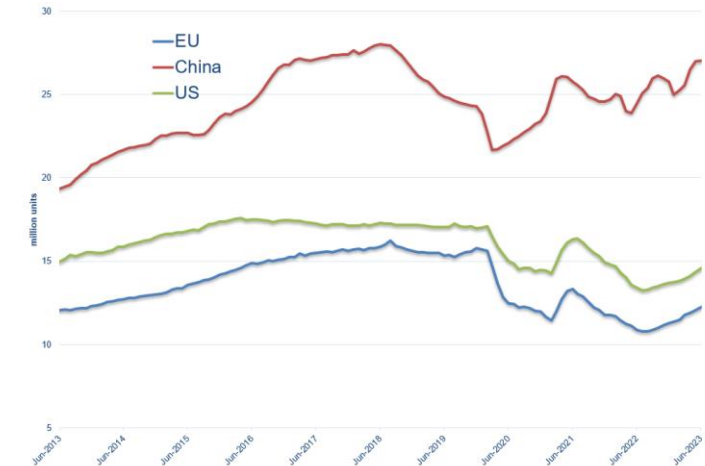
Europe - Production in Europe continues to outperform expectations. Although 2023 volumes are to a large extent secured by inventory restocking and a reduction of OEM sales backlogs, we believe underlying demand has abated given higher vehicle prices and tighter credit conditions.



China - Chinese LVP continued to show relative strength in Q2'23 surging close to 20% compared to prior year owing to both a weak base of comparison as well as strong EV demand and export activity.

Autoliv expects global LVP to increase by ~4 % in 2023.

Light Vehicle Sales LTM (Million units)



S&P Global: Light Vehicle Production*

Region	Q3'23	FY'23	
	YoY Chg.	Million Units	Y-o-Y Chg.
China	-16%	25.3	-0.2%
Japan	10%	8.2	12.7%
Rest of Asia	-1.4%	13.8	3.9%
North America	7.5%	14.2	8.4%
South America	-8.4%	2.8	0.5%
Europe	6.1%	17.3	10.2%
Global	-3.5%	83.7	5.1%

(* Light Vehicle Production (LVP) up to 3.5 ton according to S&P Global @ July Year over Year (Y-o-Y)

Full Year 2023 Indications

	Full year indication
LVP growth	~4%
Organic sales increase¹	Around 15%
FX	Around positive 1%
Adjusted Operating margin¹	Around 8.5 to 9%
Tax rate ²	Around 32%
Operating Cash flow²	Around \$900 million
Capex, net % of sales	Around 6%



⁽¹⁾ Non-US GAAP excluding effects from capacity alignment, antitrust related matters, the Andrews litigation settlement and other discrete items ⁽²⁾ Excluding unusual items



Saving More Lives

July 21, 2023

ALV – Q2-2023 Earnings Call and Webcast

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Public



Q2'23 Product Volumes

Autoliv Quantities Delivered (Millions unless specified)	Q2'23	vs. PY** (%)
Seatbelts	37.4	14%
▪ Pretensioners (of which)	24.7	18%
▪ Active Seatbelts (of which)	1.2	-1%
Frontal Airbags	15.9	15%
▪ Knee Airbags (of which)	2.0	17%
Side Airbags	31.2	29%
▪ Chest (Thorax)	16.6	30%
▪ Head (Curtain)	14.0	27%
Steering Wheels	5.4	20%
LVP* (Global)	21.2	16%

*S&P Global: July 14,2023

