Earnings Call Presentation

4th Quarter and Full year 2020

January 26, 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, 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 restructuring or 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 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

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Q4´20 Highlights
Record sales drive solid financial performance

- **Record sales**
  - Sales developed stronger than expected
  - Record sales, for the passive safety business, in all regions as we executed on our strong order book
  - Economic uncertainty, risk for further lockdowns, and the threat of increasing unemployment temper the outlook for 2021
- **Record profits**
  - Structural efficiency programs and other cost reduction actions yielded results
  - Additional plant closure in Europe announced
  - Building towards our medium-term targets
  - Increased accrual for warranty and recalls primarily related to Toyota recall issue from 2016
- **Record cash flow and strengthened balance sheet**
  - Operating and free cash flow* were the highest ever
  - Net debt decreased by ~$360 million
- **2020 Order intake supports a prolonged period of outgrowth**
  - Raising our medium-term growth target to LVP + 4-5%

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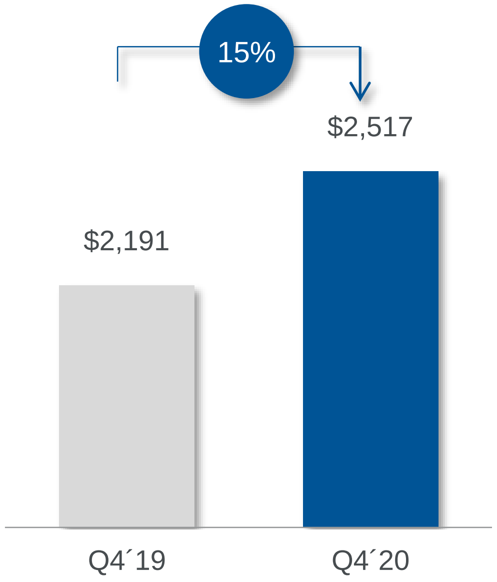
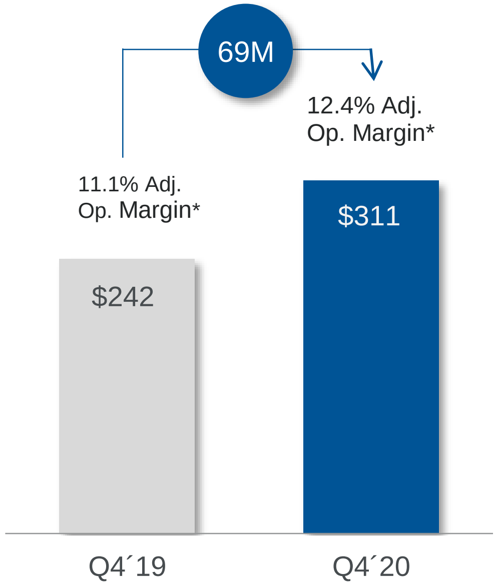
Q4´20 Financial Highlights

Record sales, profits, and operating cash flow

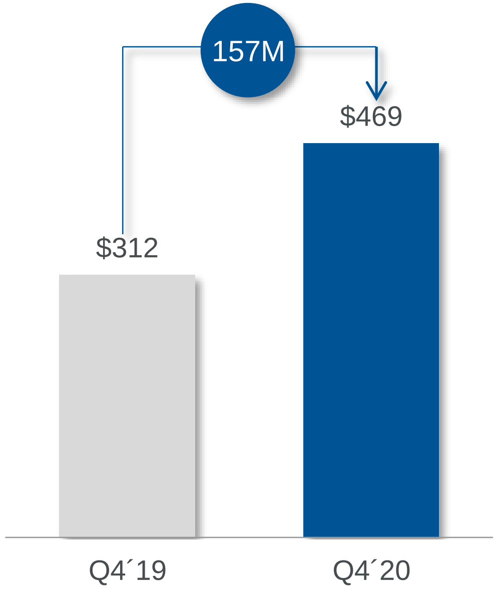
Consolidated Sales
US$ (Millions)



Adjusted Operating Income*
US$ (Millions)



Operating Cash Flow
US$ (Millions)



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

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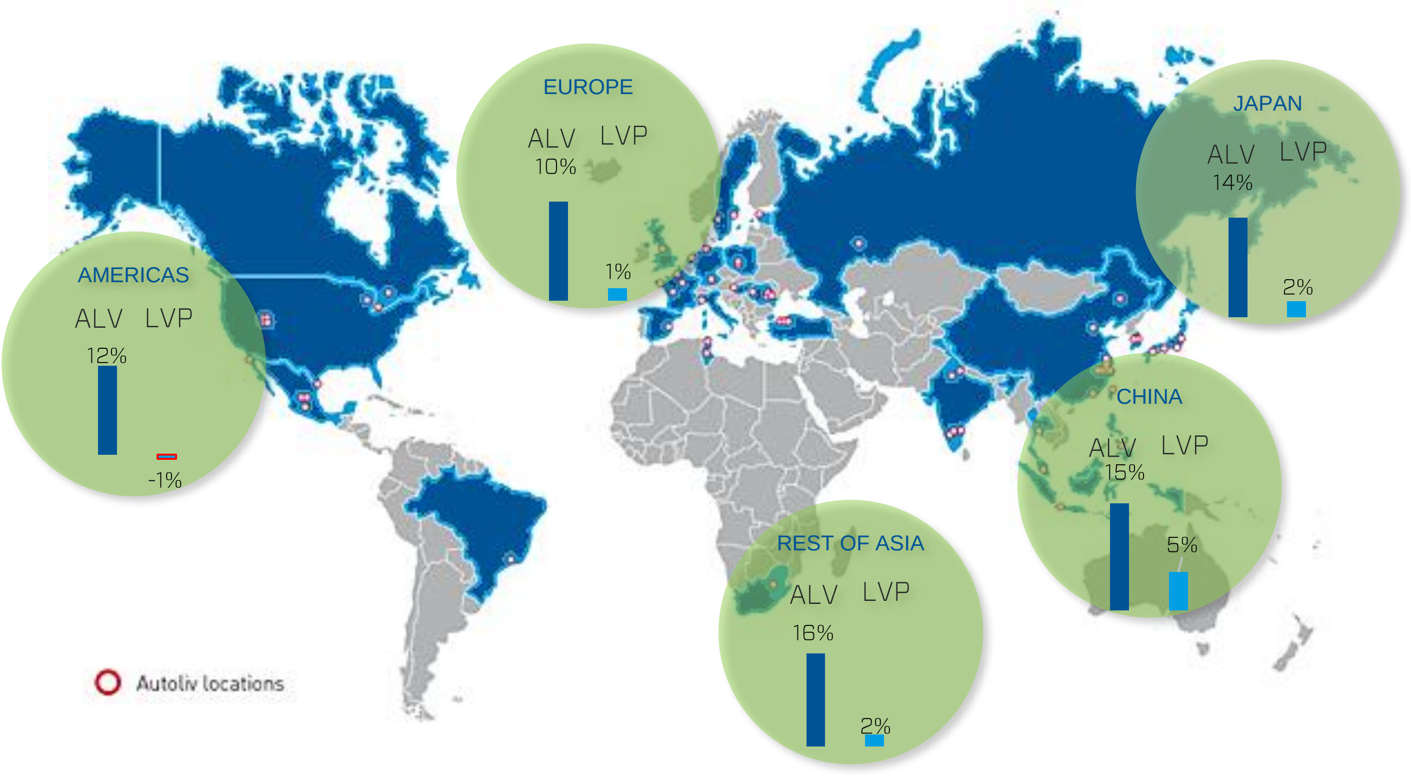
Q4'20 Sales Growth
Outperforming global LVP by 11 percentage points

Regional Organic Growth* vs. LVP**



(*) Non-US GAAP measure
(**) Light Vehicle Production (LVP) according to IHS Markit @ January 2021

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Q4’20 - Key Model Launches

Toyota Sienna

Dacia Sandero

VW ID.4

VW Taos

Isuzu MU-X

Subaru Levorg

Haval 初恋 “First Love”

Arcfox Alpha-T

Toyota Yaris Cross

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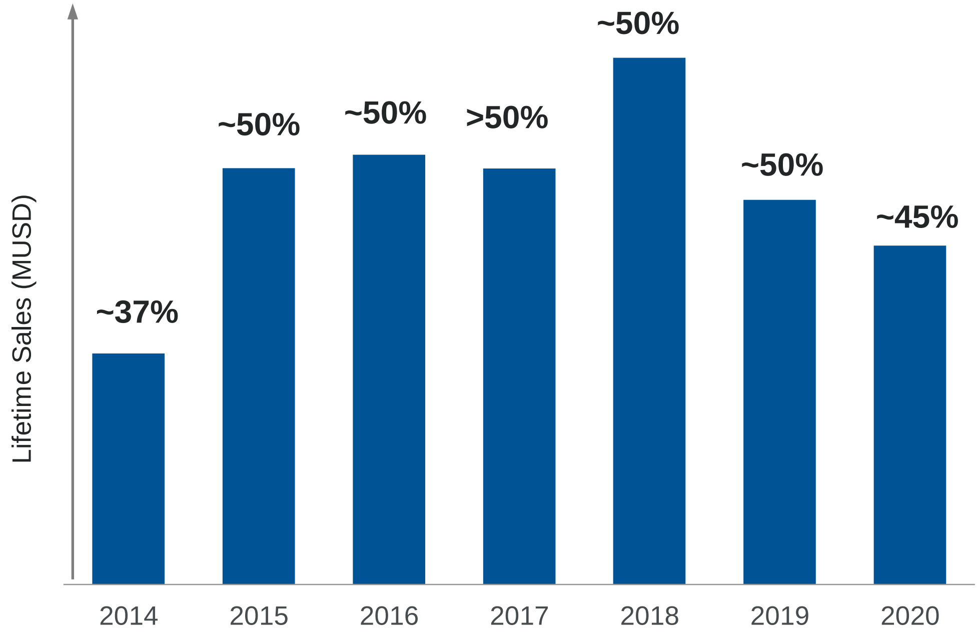
FY´20 Order intake share remains Strong

Around 45% Order Intake Share

- Win-rate higher than today's market share level
- Substantially lower sourcing activities than in previous years
- Wins with all leading OEMs including pure EV makers
- Sourcing of several business awards delayed into 2021

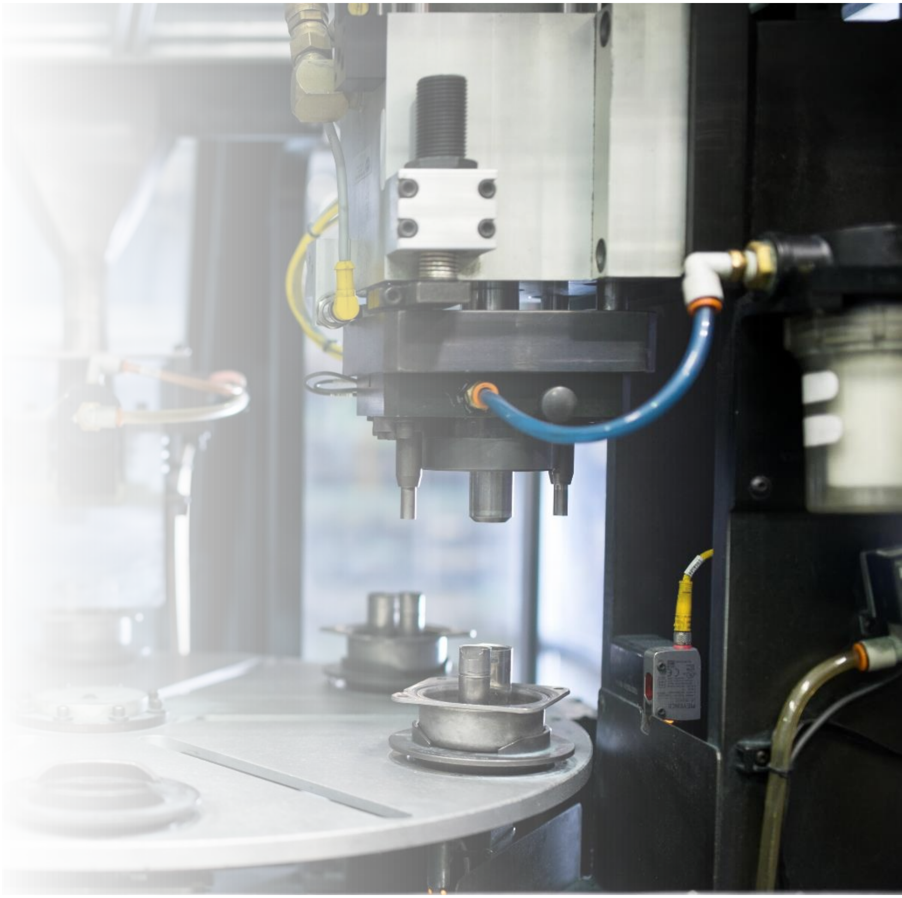
Order Intake Lifetime Sales* and Share



* Previous year's lifetime sales not adjusted for recent LVP forecast updates with lower volumes

Q4´20 Financial Overview

(US $ Millions unless specified)	Q4'20		Q4'19	
Sales	$2,517		$2,191	
Gross Profit	$502	19.9%	$427	19.5%
Adj. Operating Income[1]	$311	12.4%	$242	11.1%
EPS (assuming dilution)	$2.15		$1.78	
Adj. RoCE[1,2]	33%		26%	
Adj. RoE[1,2]	33%		31%	
Operating cash flow	$469		$312	
Dividend paid per share	-		$0.62	
Global LVP[3] (annual rate)	~90M		~88M	



(1) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters
(2) Return on Capital Employed (RoCE) and Return on Equity (RoE)
(3) Light Vehicle Production (LVP) according to IHS Markit @ January 2021

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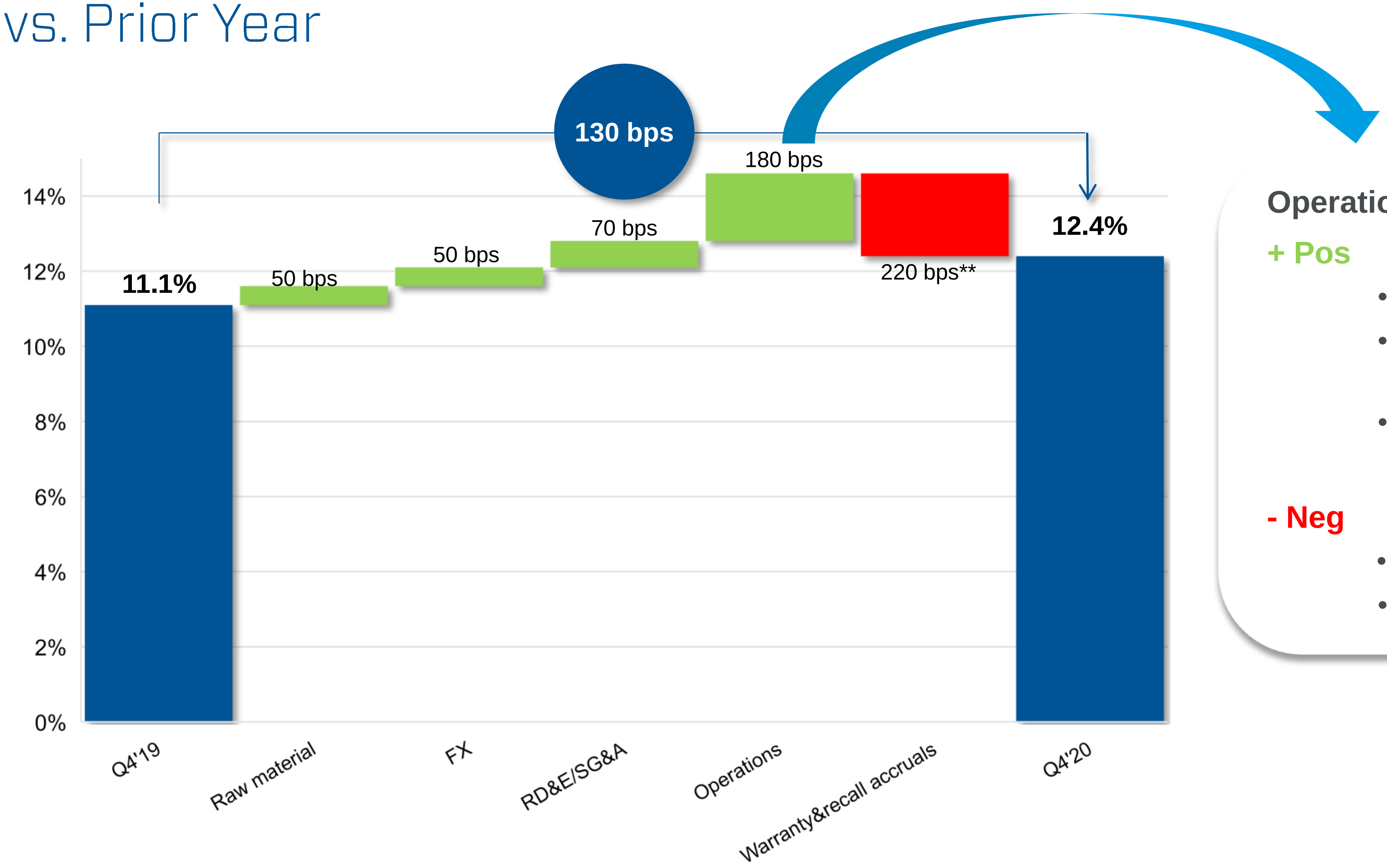
Q4´20 Adj. Operating Margin* Bridge
vs. Prior Year



Operations

+ Pos

- Higher sales
- Productivity improvement in material and personnel cost
- Structural efficiency programs

- Neg

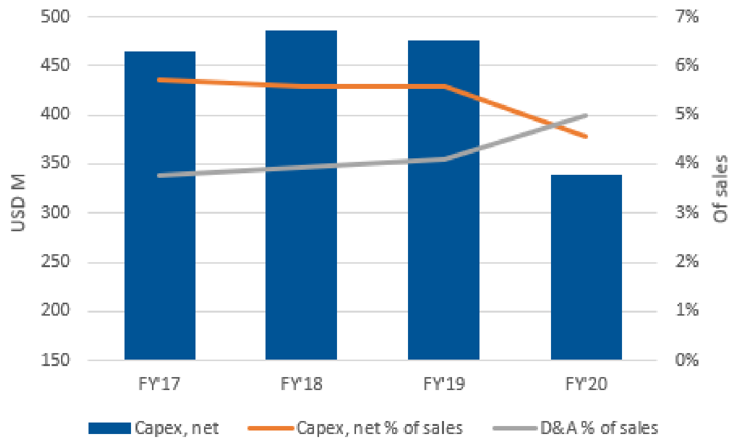
- Inefficiencies related to COVID-19
- Direct costs related to COVID-19

(*) Non-US GAAP measures exclude costs for capacity alignments and antitrust related matters
(**) The automotive insurance market has become more challenging, with increased insurance premiums and self risks which could lead to higher average costs for recalls

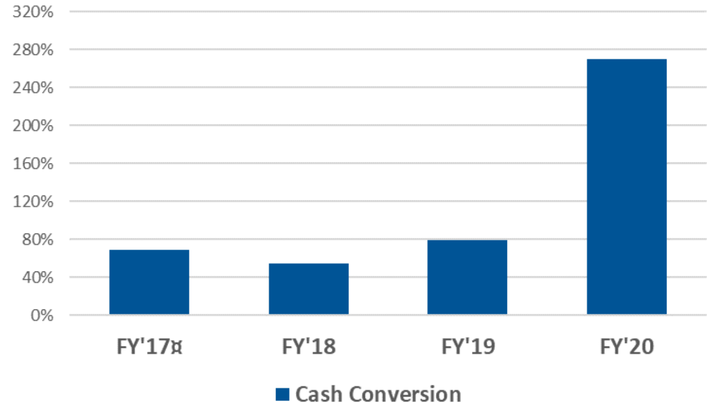
Cash Flow

(US$ Millions unless specified)	Q4'20	Q4'19	2020	2019
Net Income	$189	$156	$188	$463
Depreciation & Amortization	103	91	371	351
EC antitrust payment	-	-	-	-203
Other, net	64	(19)	13	-17
Change in operating WC	113	85	276	47
Operating cash flow	469	312	849	641
Operating cash flow excl. EC antitrust payment[1]	**469**	**312**	**849**	**844**
Capital Expenditures, net	-111	-118	-340	-476
Free cash flow[1]	**358**	**194**	**509**	**368**
Dividends paid	-	$54	$54	$217

Capex and D&A



Cash Conversion[2]



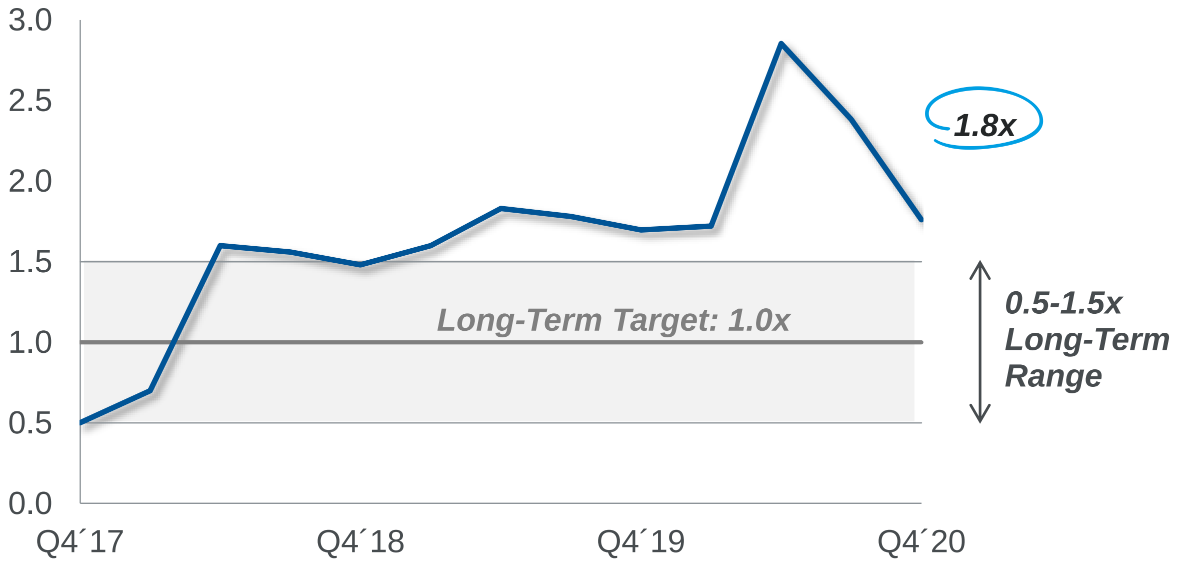
(1) Non-US GAAP measure, adjusted for EC antitrust payment in Q2 2019, reconciliation is provided above
(2) Non-US GAAP measure, adjusted for EC antitrust accrual in 2018 and payment in Q2 2019

Leverage Ratio

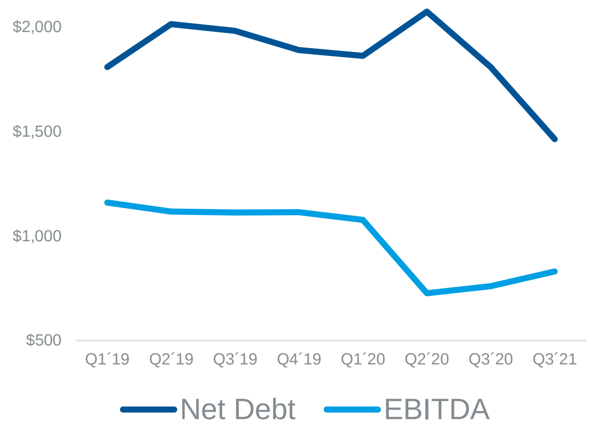
Improving Net Debt

Net Debt/ EBITDA*

x



Net Debt and EBITDA per the Policy



- Our **Net Debt*** decreased by **$350M** from Q3’20
- **EBITDA LTM** increased by **$75M** from Q3’20

(*) Autoliv Inc. group statistics, prior to spin-off of Veoneer; Non-US GAAP measure, Leverage Ratio and Net Debt includes Pension Liability

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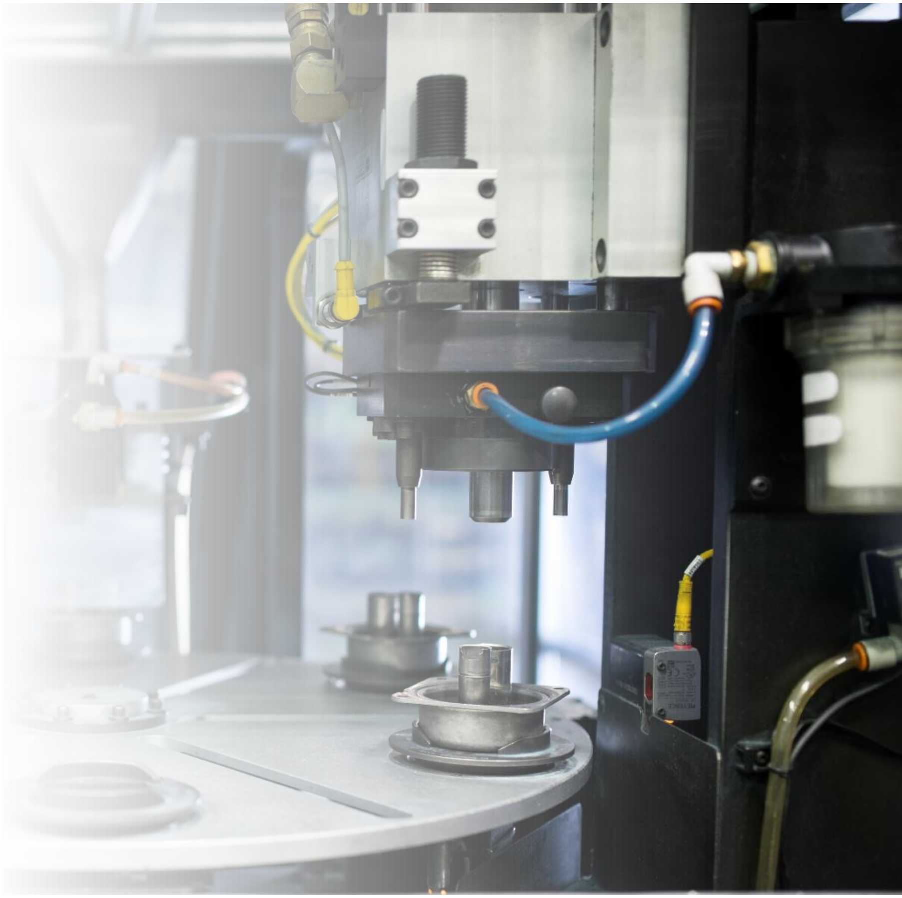
2020 Financial Overview

(US $ Millions unless specified)	2020		2019	
Sales	$7,447		$8,548	
Gross Profit	$1,247	16.7%	$1,584	18.5%
Adj. Operating Income[1]	$482	6.5%	$774	9.1%
EPS (assuming dilution)	$2.14		$5.29	
Adj. RoCE[1,2]	13%		21%	
Adj. RoE[1,2]	13%		25%	
Operating cash flow[1]	$849		$844	
Dividend paid per share	$0.62		$2.48	
Global LVP[3] (annual rate)	~72M		~86M	



(1) Non-US GAAP measures exclude costs for capacity alignments, antitrust related matters and in 2019 separation of our business segments
(2) Return on Capital Employed (RoCE) and Return on Equity (RoE)
(3) Light Vehicle Production (LVP) according to IHS Markit @ January 2021

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Light Vehicle Production Outlook
Uncertainty prevails

Assumption for the FY21:

North American LV sales are forecast to bounce back in 2021 with a ~10% increase to ~18.5 million units. Rebuilding inventory should push production gains above sales increases in 2021.

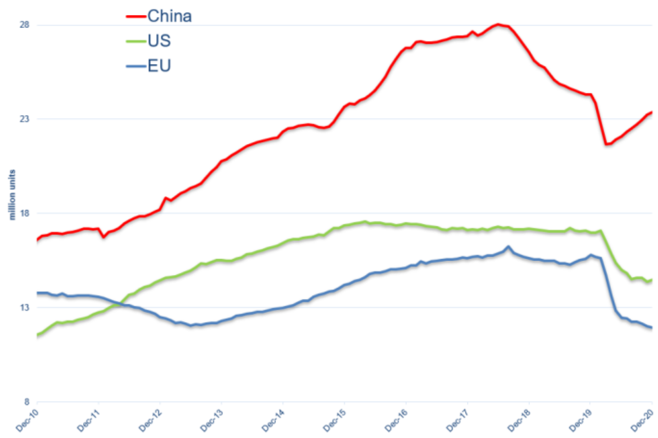
In the near term**, European** LVP is under increasing pressure with the global semiconductor shortage and COVID-19 related lockdowns. However, the overall production outlook remains constructive given the need to rebuild inventories and support the ongoing domestic sales recovery and increased export activity.

In **China**, positive economic fundamentals are supporting the ongoing recovery in consumer demand. Light vehicle production is now forecasted to grow by 7% for 2021 after a 5% decline posted for 2020. The semiconductor supply shortage and the potential for COVID-19 outbreaks can negatively impact production in the first quarter.

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

IHS Markit: Light Vehicle Production*			
Region	Q1´21	FY´21	
	YoY Chg.	Million Units	Y-o-Y Chg.
China	67.9%	23.6	6.7%
Japan	-0.3%	8.2	7.6%
Rest of Asia	-0.1%	11.0	15.6%
North America	7.9%	15.0	25.4%
South America	4.5%	3.0	32.6%
Europe	1.7%	18.8	14.4%
Global	**14.1%**	**81.5**	**13.9%**

Light Vehicle Sales LTM
(Million units)



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

FY'21 - Key Models
Contributing to the ramp-up of sales growth

Peugeot 208 and 2008

Citroen C4

Tesla Model Y

U.S. Crossover

Audi A3

Toyota Sienna

VW ID.4

Japanese Crossover

Ford Bronco Sport

Dacia Sandero/Logan

Ford F-150

Japanese Crossover

FY’21 vs. FY’20 Improvement supporting our adj. operating margin target

Tailwinds
- Expected higher LVP
- Executing from strong order book
- Structural Efficiency Programs
- Strategic initiatives

Headwinds
- Raw materials
- Normalization of discretionary spending
- Higher D/A

Tailwinds greater than headwinds ~350bps

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Full year 2021 indications

	Full year indication
Sales, net	**Around 25%**
Organic sales increase[1] Org. sales outperformance vs. LVP	Around 20% Mid-single digits
FX	Around 5%
Adjusted Operating margin[1]	**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%
Leverage ratio[1] at year end	Within target range

Exchange rates[3]	FY'21
EUR / US$	1.213
US$ / JPY	103.7
US$ / KRW	1099
US$ / MXN	19.80
US$ / CNY	6.47

Outlook assumes that the current LVP outlook prevails

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

Creating Value for Shareholders

Visible Short-term and Long-Term Growth vs. LVP

Profitability Improvement and Over-the-Cycle Resilience

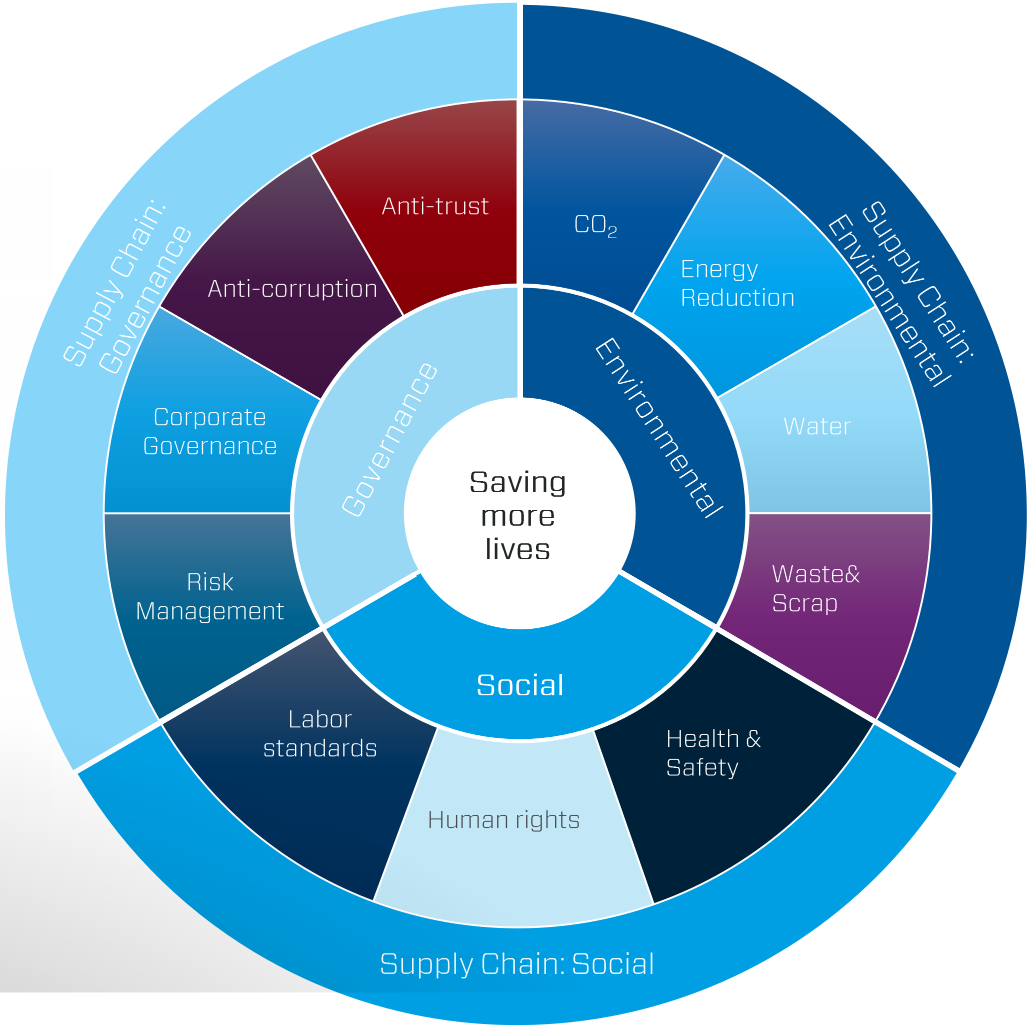
Cash Flow Generation Focus for Shareholder Returns

Strong Balance Sheet and Prudent Leverage Policy

ESG Strategy

Our Priorities

- **Saving more lives**
- **Health & Safety** – Zero Accidents
- Increase **resource efficiency** and reduce **carbon footprint**
- Prevent **corruption** and **anti-competitive** behavior
- Manage the sustainability risks in our **supply chain**



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CMD 2019 - Autoliv Key Targets and Ambitions

2020

Medium term

Organic growth vs. LVP

+3-4% per year

2020

Medium Term

Cash conversion[2]

≥80%

Medium Term

Adj. Operating Margin[1]

~12%

Medium Term

~1.0x Leverage Ratio[3]

(0.5-1.5x Range)

Long-Term

Grow at least in line with market

Adj. Operating Margin(1) ~13%

Targets | Ambitions

(1) Non-US GAAP measure excludes costs related to Antitrust matters. The forward looking non-U.S. GAAP financial measures herein are provided on a non-U.S. GAAP basis. Autoliv has not provided a U.S. GAAP reconciliation of these measures because items that impact these measures, such as costs related to capacity alignments and antitrust matters, cannot be reasonably predicted or determined. As a result, such reconciliation is not available without unreasonable efforts and Autoliv is unable to determine the probable significance of the unavailable information.

(2) Non-US GAAP measure. Operating cash flow less capex, net in relation to net income excluding anti-trust related costs and payments

(3) Non-US GAAP measure. Leverage Ratio = Debt per the Policy/ LTM EBITDA; Debt per the Policy = Net Debt + Pension Liabilities

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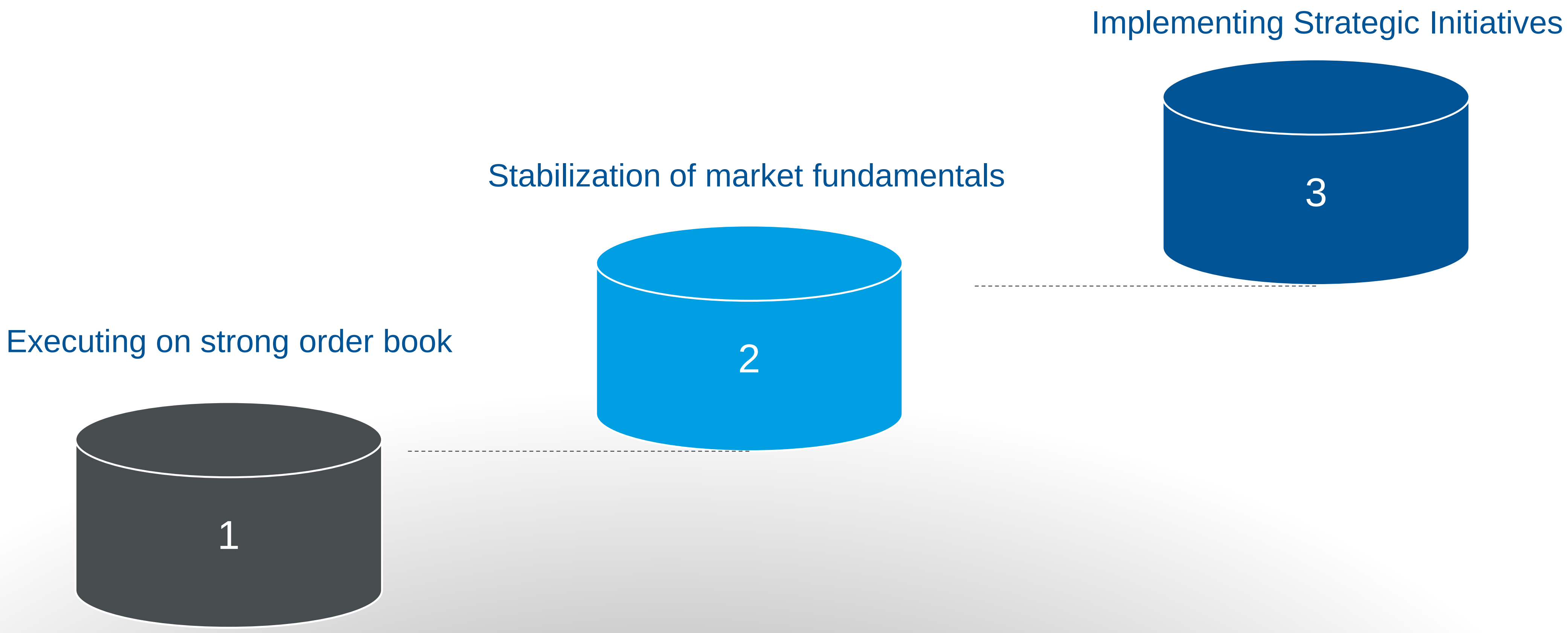
Financial Strategy - Operating margin Drivers

Strategic Plan outlined in 2019



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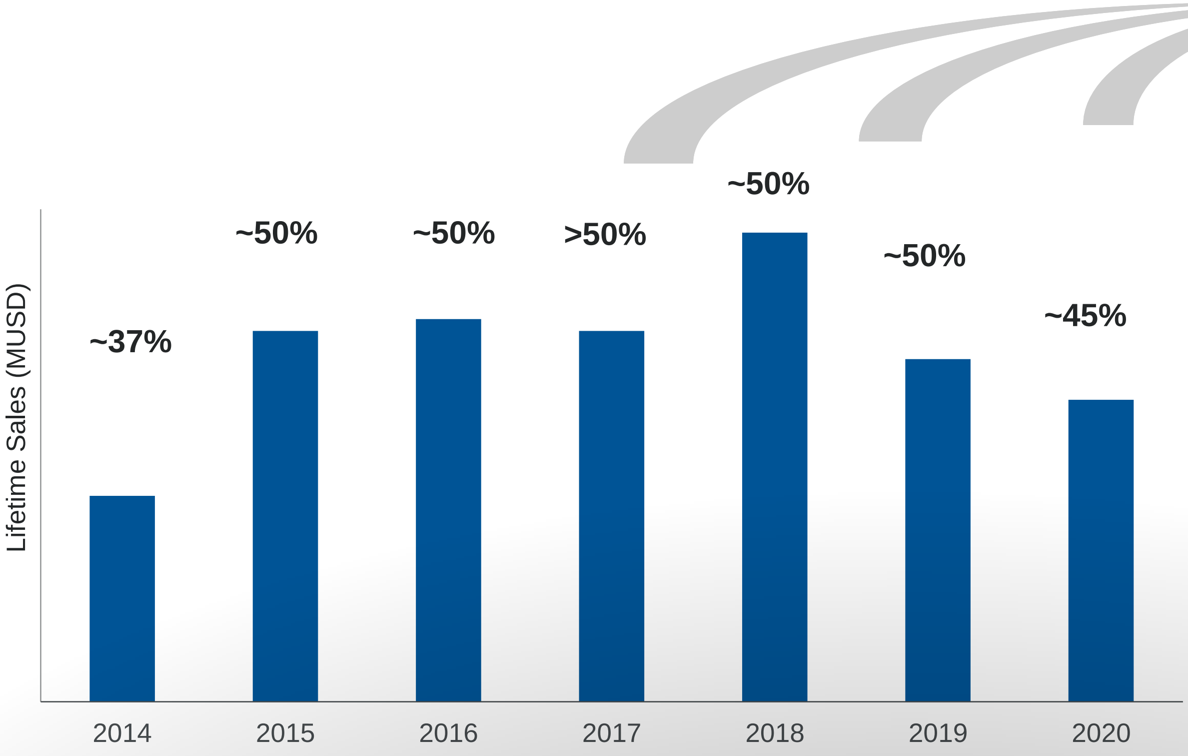
1

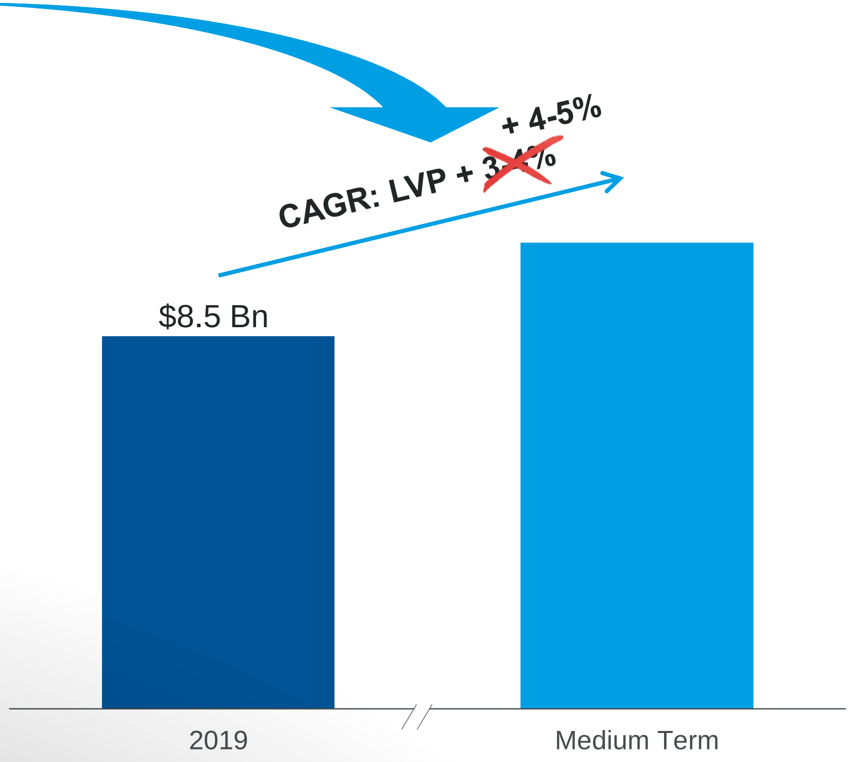
Progress Report- Sales Growth

Continued strong order intake extends growth outperformance

Order Intake



Sales: Medium term organic growth



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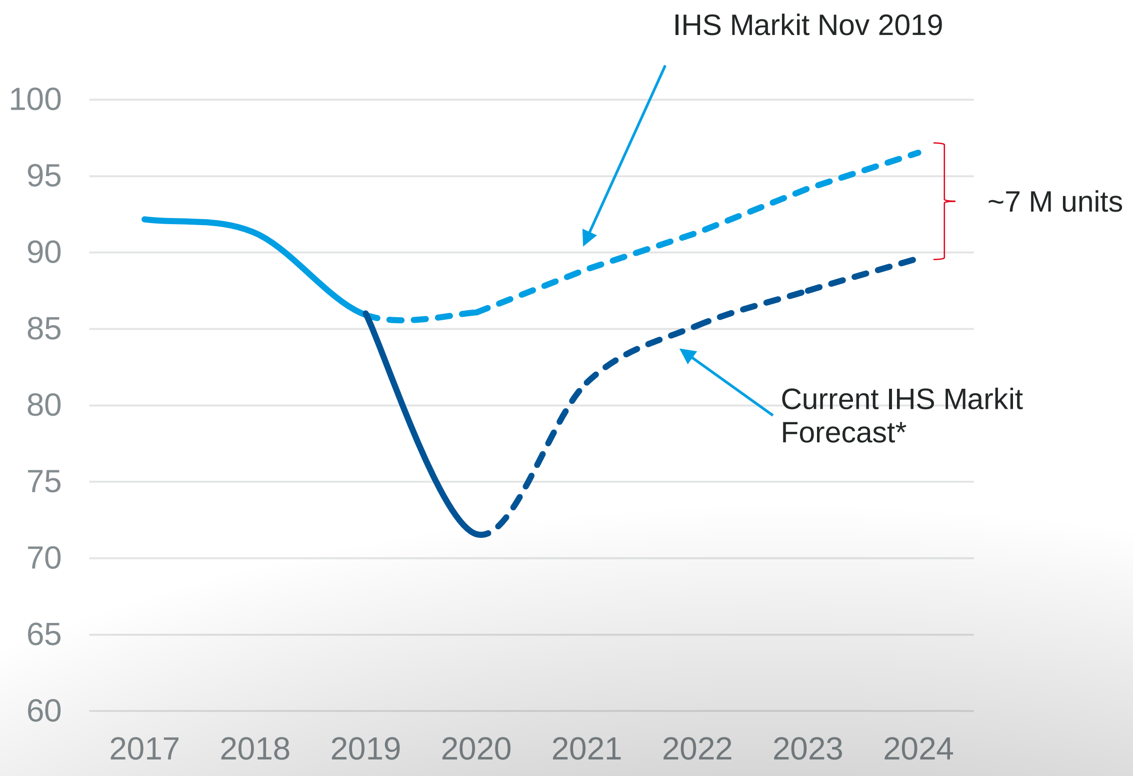
Financial targets –Market fundamentals

IHS Markit's LVP Assumption

Units Millions



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

2

Offsetting the expected lower LVP

Footprint optimization and Structural Efficiency Programs

SEP 2

- Substantially completed by second quarter 2021

	2020		FY2021	Expected for program
	FY	Q4		
Cost	~$65M	-	-	~$65M
Cash out	~$8M	$2M	~$55M	~$65M
Headcount reduction	~670	~150	~180	~850
Savings Y-o-Y	~$15M	~$8M	~$40M	~$60M annually

- Y-o-Y Savings from previous program (SEP 1) :
  - Q4´20 ~$14M
  - 2021 ~$10M

Footprint optimization

- Cost in Q4´20 was ~$5 million
- Announced plant closure plans
  - ~200 employees affected in Germany
  - ~150 employees affected in Sweden
- Evaluating further footprint optimization

Make some 2020 temporary cost reduction permanent

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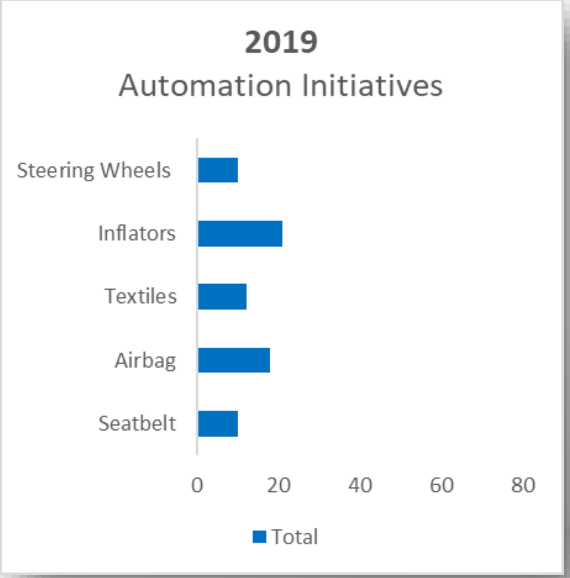
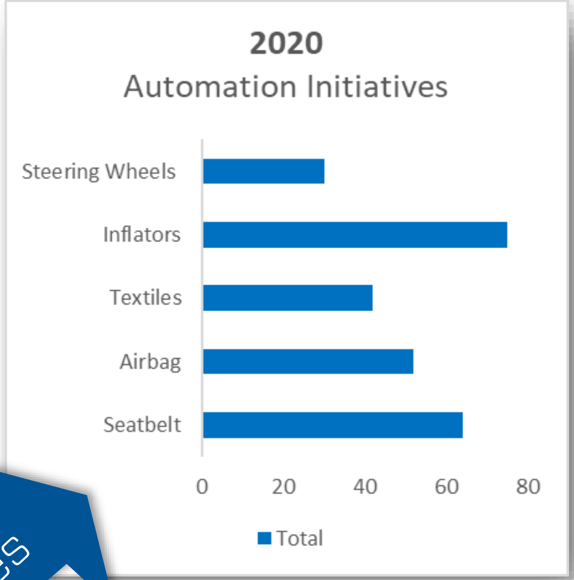
Progress Report - Operations
Increasing number of Automation Initiatives



+200 initiatives



Example of implementations:

- Textile Assembly Automation
- Initiator molding
- Steering wheel Foaming
- Quality Inspection
- Textile Material handling
- AIV for component deliveries

….. more in the pipeline supported by end-to-end activities to achieve set targets

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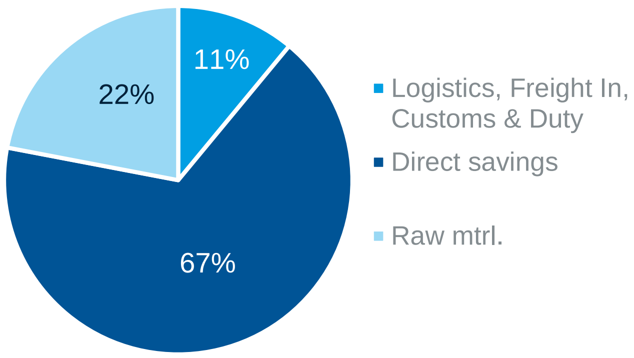
Progress Report - Supply Chain Management (SCM)

Year-on-Year cost reduction

2020 Y-o-Y Savings:



~$160M (-4.1%)

Supply Risk Management

- Expanded supplier monitoring on Direct Material in the full Supply Chain
- Digitalized real-time data intelligence & early warning detection through visual monitoring
- Used financial monitoring software to predict supplier health & viability
- Third party risk management, to monitor supply base

Days Payable Outstanding

- Working capital improvement from improved DPO

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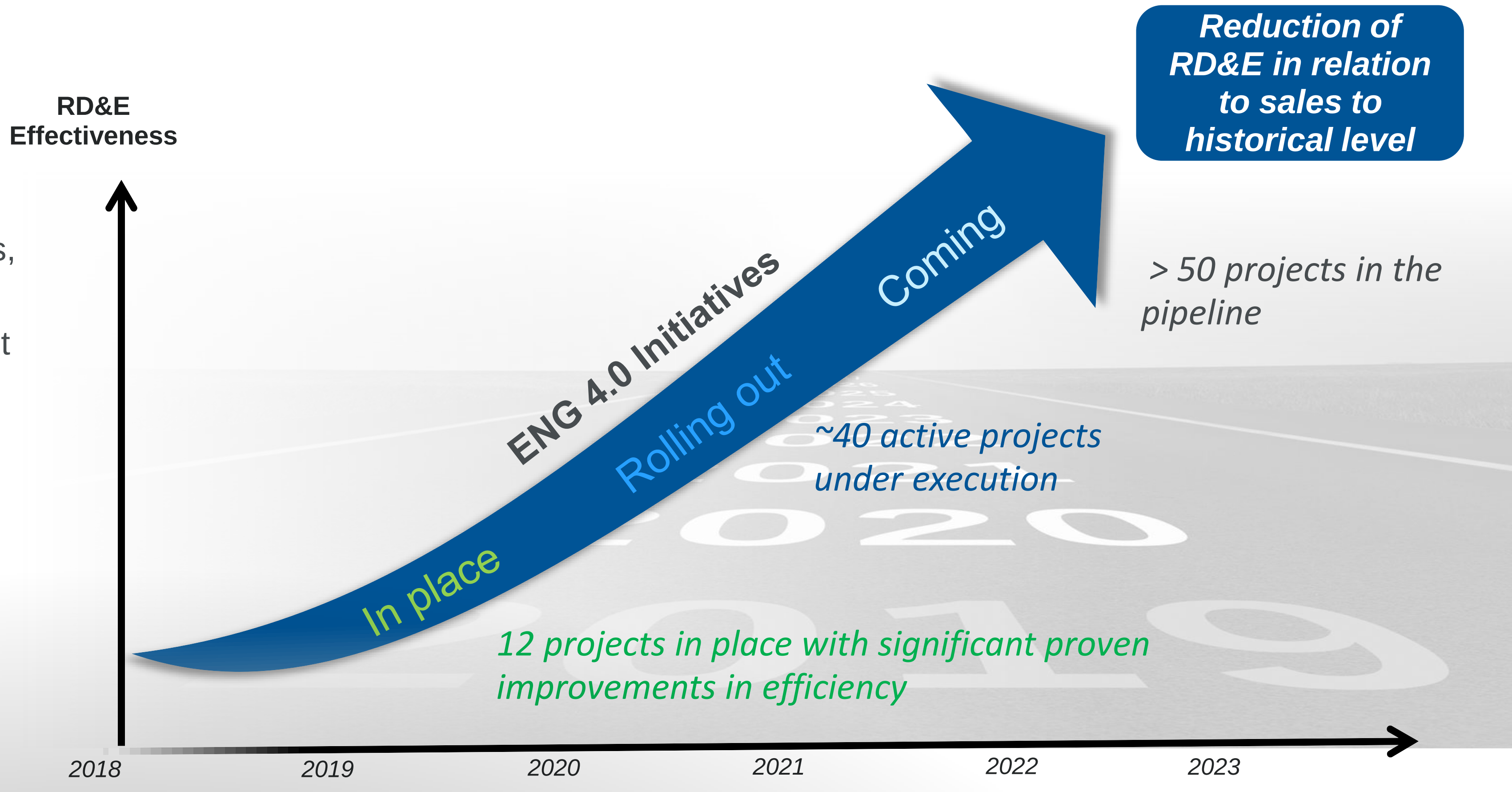
Progress Report - Transforming the way we do Engineering

- **Engineering 4.0 Strategy:** simplification, automation, and smart connection of systems, data, processes & tools
- **Strong pace** in the execution of improvement projects
- **Specific developed CAE and simulation tools** for significant reduction of prototypes and testing



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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

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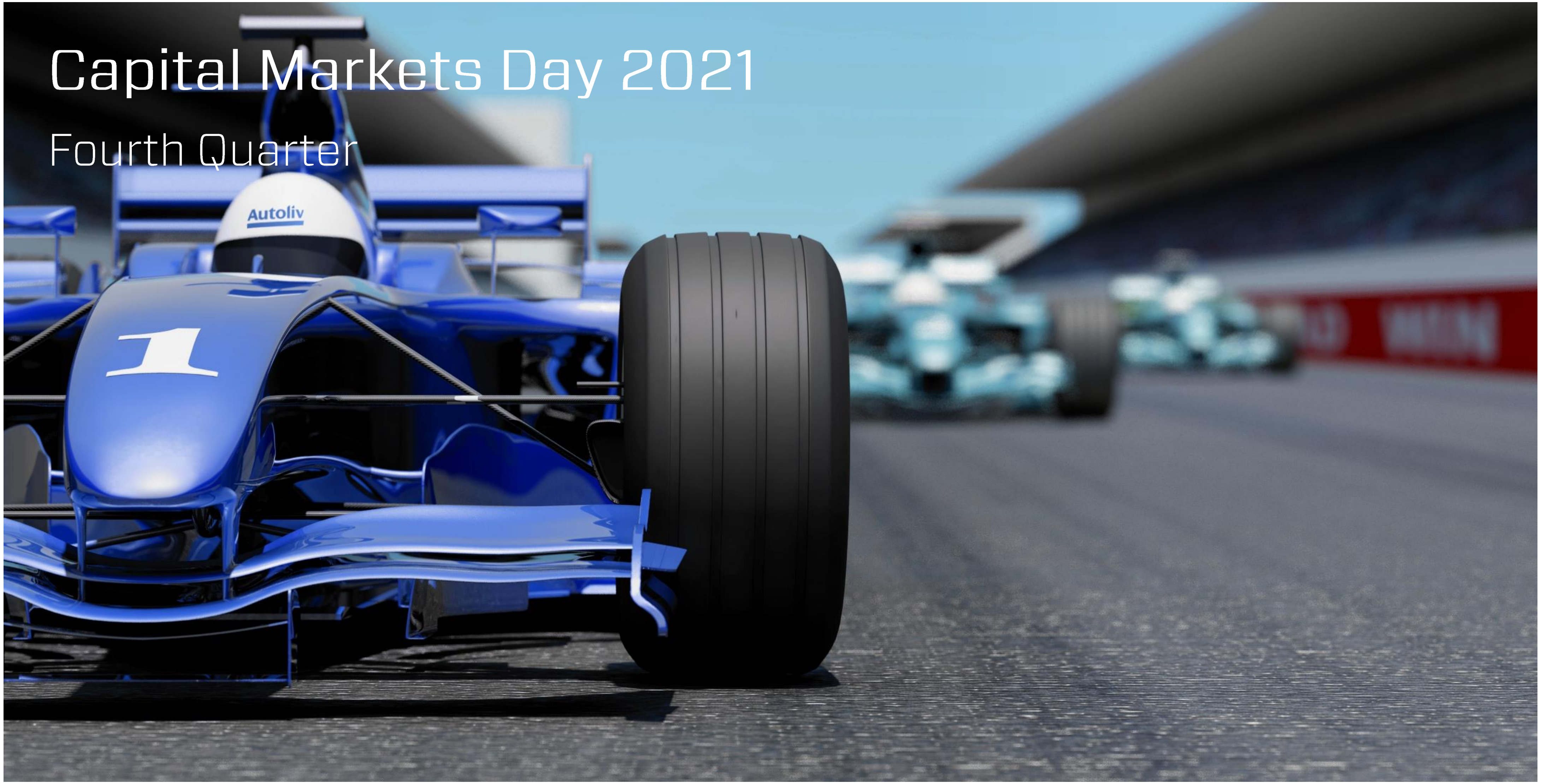
Capital Markets Day 2021

Fourth Quarter



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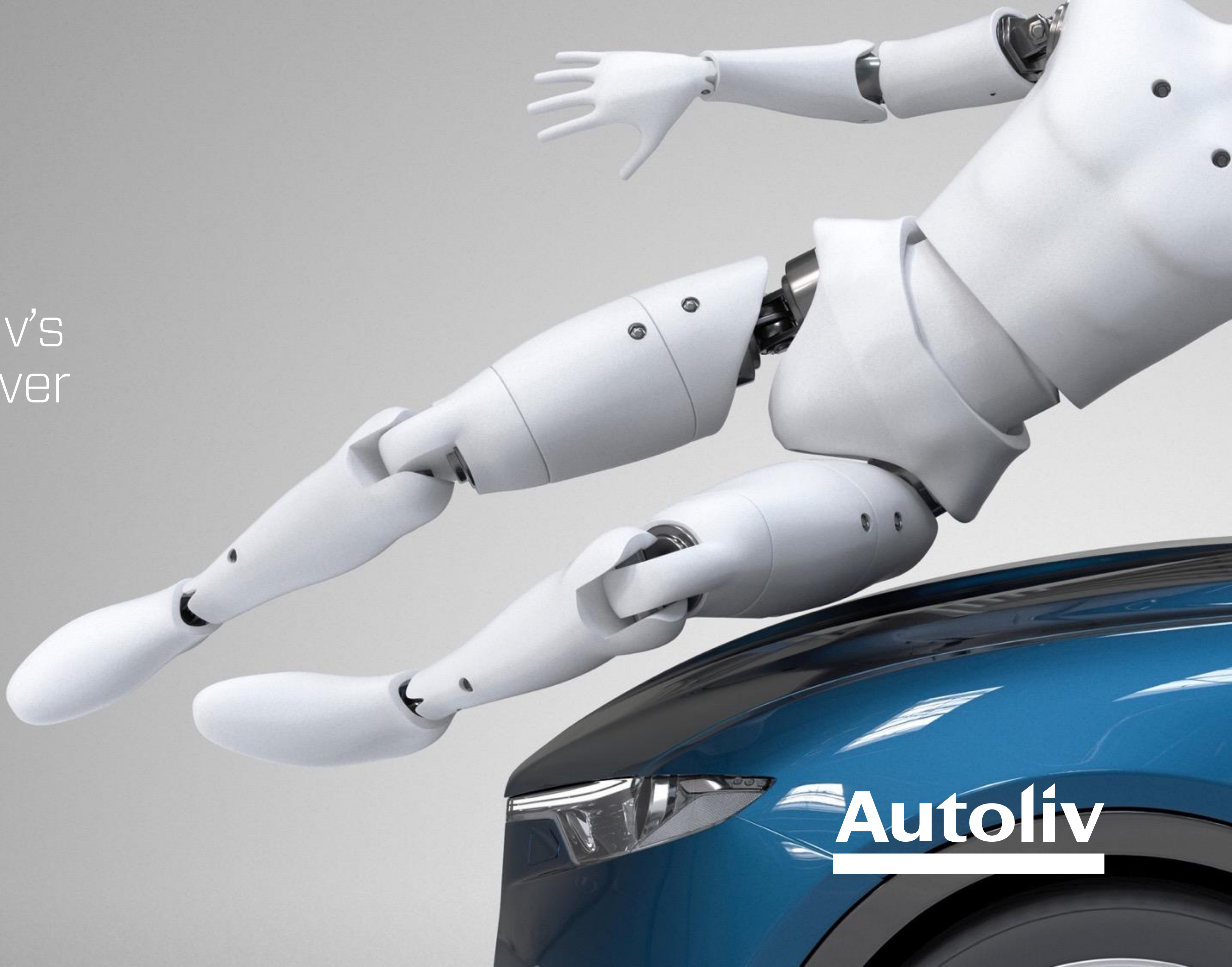
Each year, Autoliv's products save over 30,000 lives

autoliv.com



Q4´20 Product Volumes

Outperforming LVP with all product types

Autoliv Quantities Delivered (Millions unless specified)	Q4´20	vs. PY** (%)
Seatbelts	**40.5**	**6%**
▪ Pretensioners (of which)	24.5	12%
▪ Active Seatbelts (of which)	1.7	16%
Frontal Airbags	**16.5**	**9%**
▪ Knee Airbags (of which)	1.8	21%
Side Airbags	**28.5**	**14%**
▪ Chest (Thorax)	15.7	12%
▪ Head (Curtain)	12.7	15%
Steering Wheels	**5.8**	**8%**
LVP* (Global)	**22.5**	**2.1%**

(*) Light Vehicle Production (LVP) according to IHS @ January, 2021, (**) Prior Year (PY).

FY´20 Product Volumes

Autoliv Quantities Delivered (Millions unless specified)	FY´20	vs. PY** (%)
Seatbelts	**125.5**	**-14%**
▪ Pretensioners (of which)	74.8	-6%
▪ Active Seatbelts (of which)	5.4	-5%
Frontal Airbags	**48.6**	**-15.0%**
▪ Knee Airbags (of which)	5.1	-6%
Side Airbags	**86.7**	**-12%**
▪ Chest (Thorax)	47.8	-11%
▪ Head (Curtain)	38.6	-13%
Steering Wheels	**17.2**	**-18%**
LVP* (Global)	**71.6**	**-17%**

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

- Belt-bag

- EV / PHEV

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