

More Lives Saved

More Life Lived

Investor Day 2023

Financials

June 12, 2023

Fredrik Westin, Chief Financial Officer

Safe Harbor Statement*

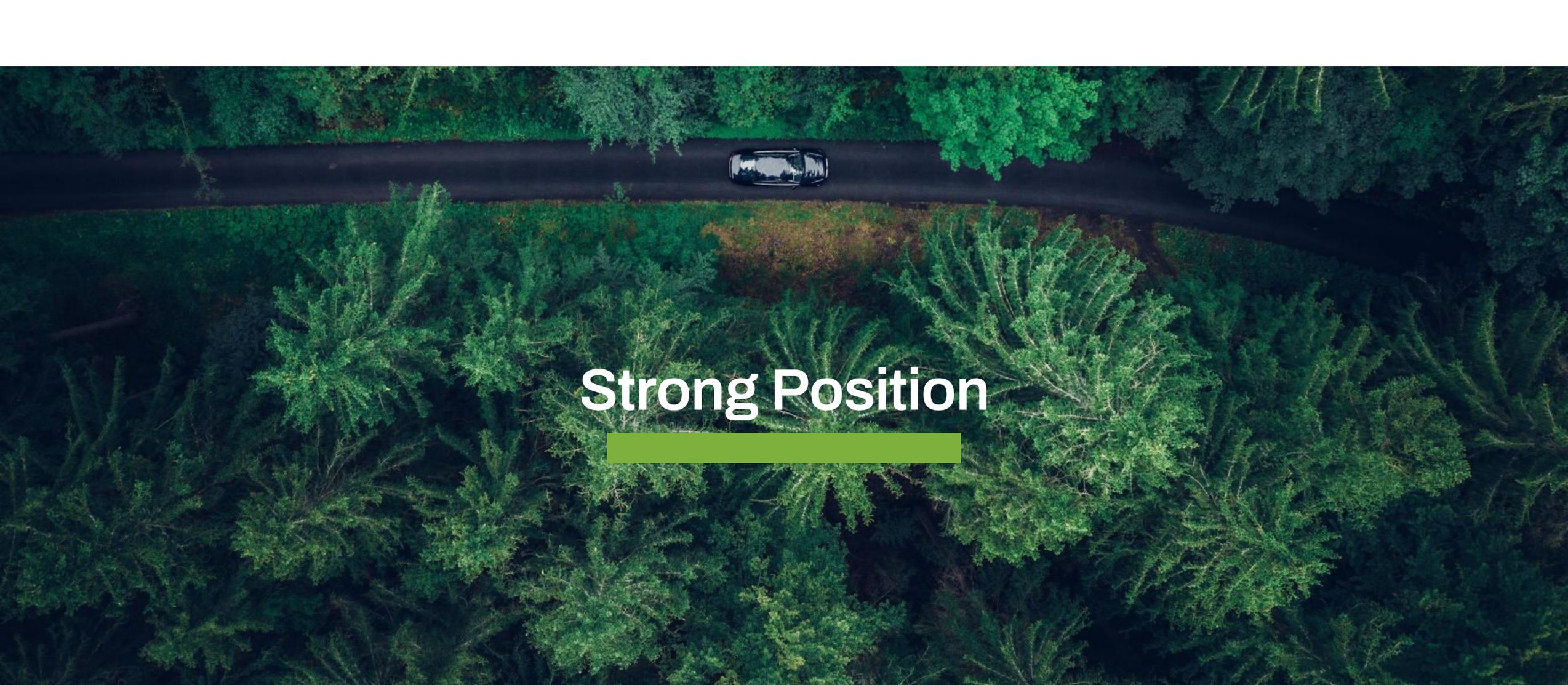
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(*) Non-US GAAP reconciliations are disclosed in our regulatory filings available at www.sec.gov or www.autoliv.com

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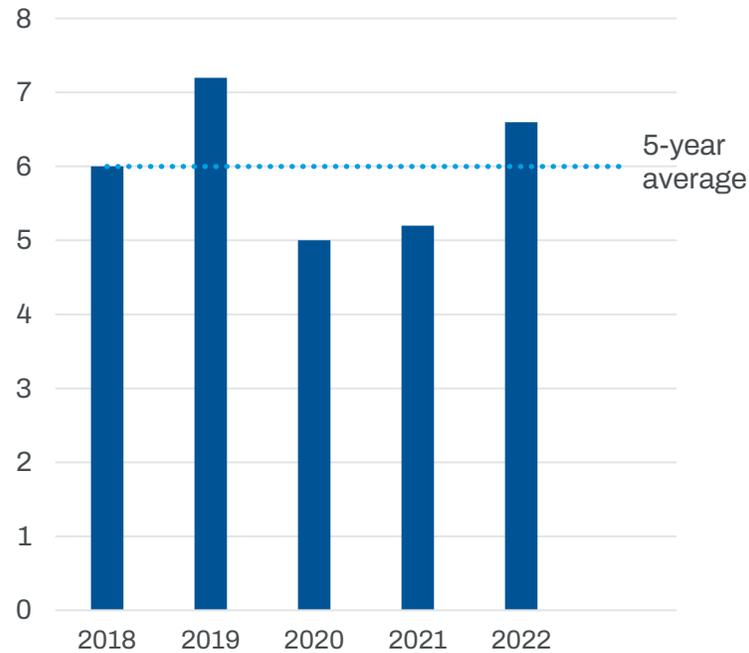


An aerial photograph showing a dark asphalt road winding through a dense forest. A dark-colored car is driving on the road. The forest is composed of various types of trees, including tall evergreens and shorter deciduous trees. The overall scene is lush and green.

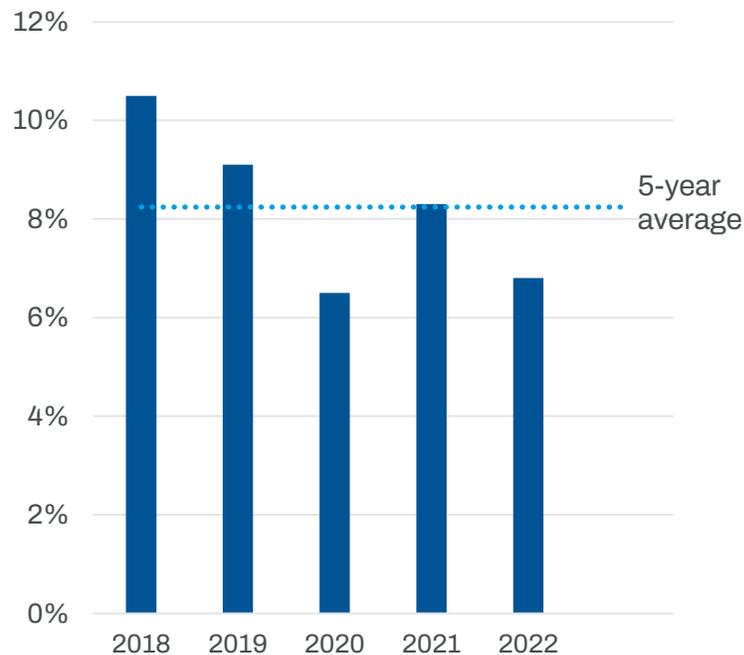
Strong Position

Strong Financial Position

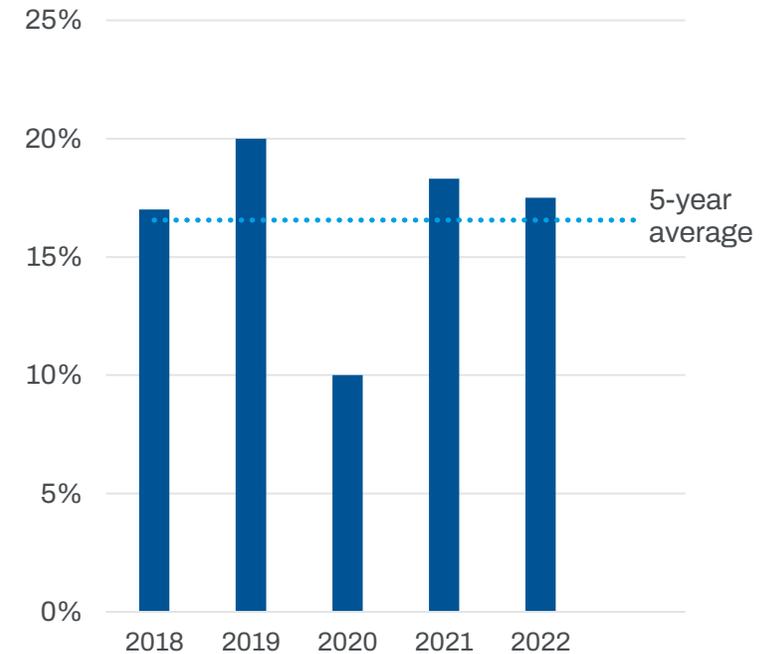
Organic sales¹ growth above LVP growth pp



Adjusted operating margin¹ %



Return on Capital Employed² %

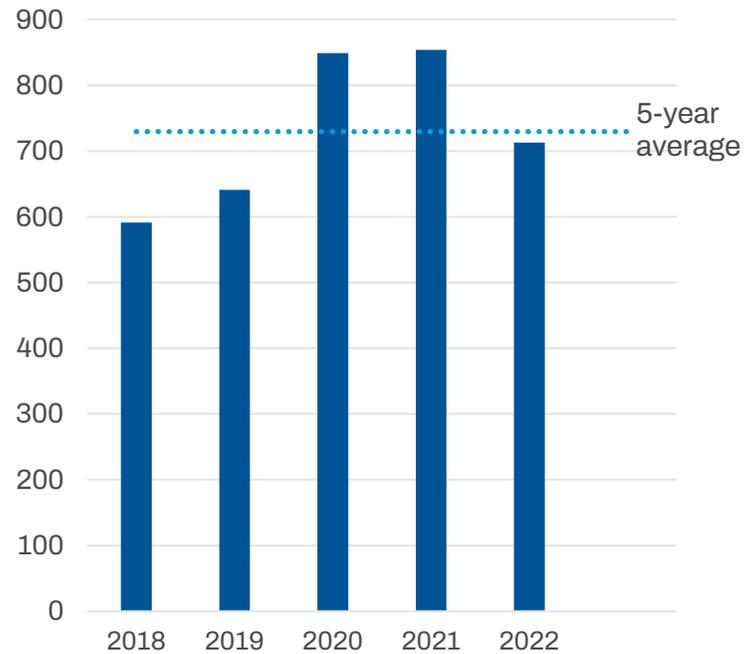


¹) Non-US GAAP measures excluding effects from capacity alignment and antitrust related matters

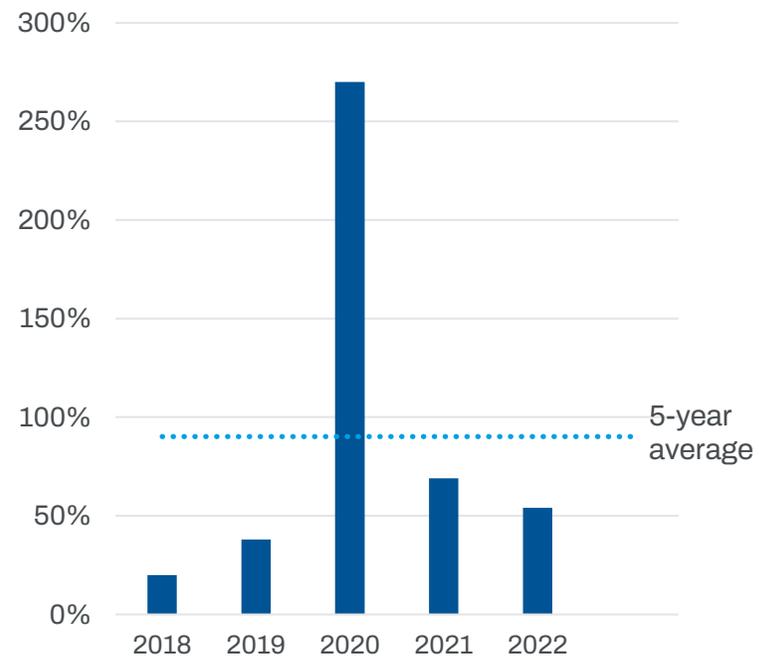
²) Annualized operating income and income from equity method investments, relative to average capital employed.

Strong Financial Position

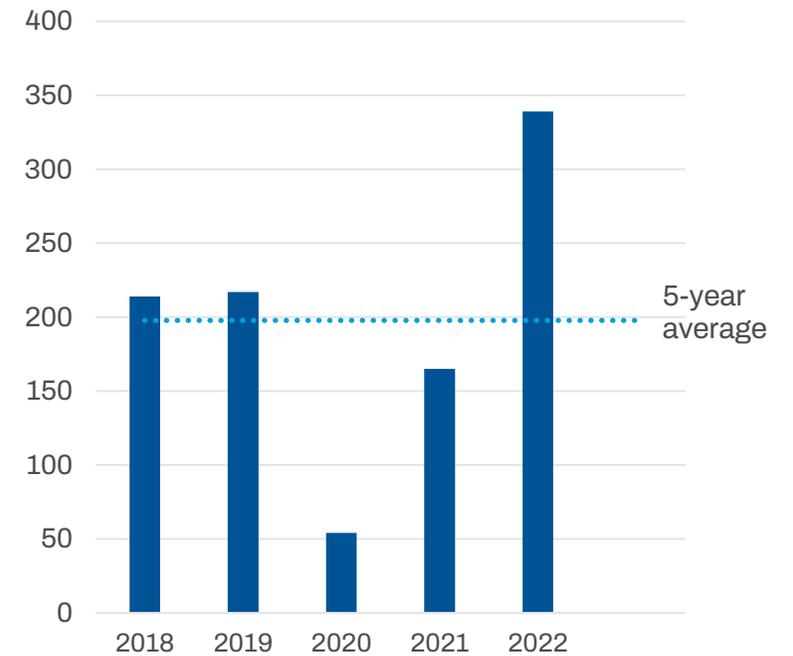
Operating cash flow \$ million



Cash conversion¹ %



Direct shareholder returns² \$ million



¹⁾ Non-US GAAP measure. Defined as free cash flow in relation to net income adjusted for EC antitrust accrual in 2018 and payment in 2019.

²⁾ Represents Dividends paid and Shares repurchased; includes Discontinued Operations 2018.

Our Key Financial Targets Remain Unchanged

Organic Sales Growth
LVP ~+4%
2022-2024

Adj. Operating Margin*
~12%
Medium Term

Organic Sales Growth
4-6%
From 2025

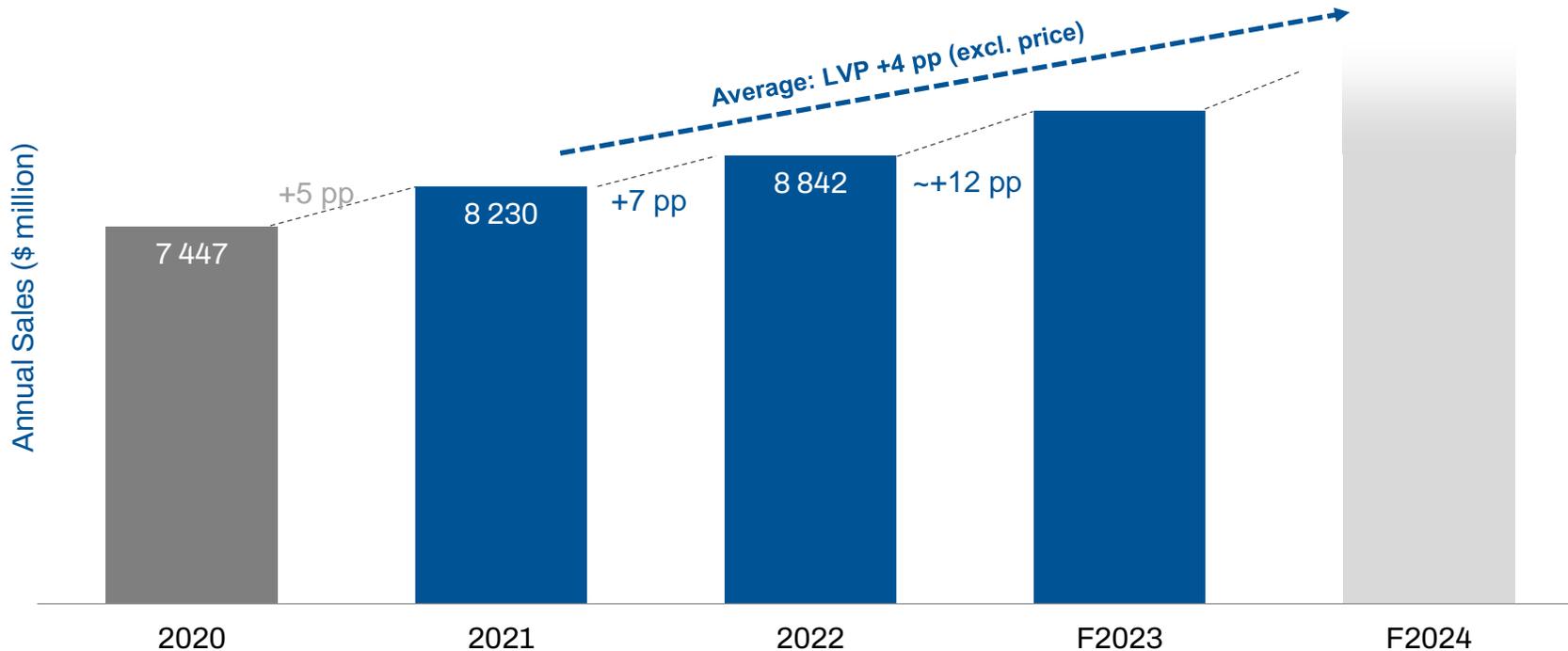
Ambition
Adj. Operating Margin*
~13%
Long Term

(*) Non-US GAAP measure. Excluding costs for capacity alignments and antitrust related matters

2022-2024 Organic Growth Target on Track

2022 and 2023

Organic Growth* expected to average slightly more than LVP+ 4pp excluding price compensations



Growth Drivers

- Market Share gains
- Accelerated growth of safety content per vehicle
- Pricing

2022 and 2023

- Well above LVP ~+4pp average growth target including price increases
- Slightly above growth target also adjusted for price increases

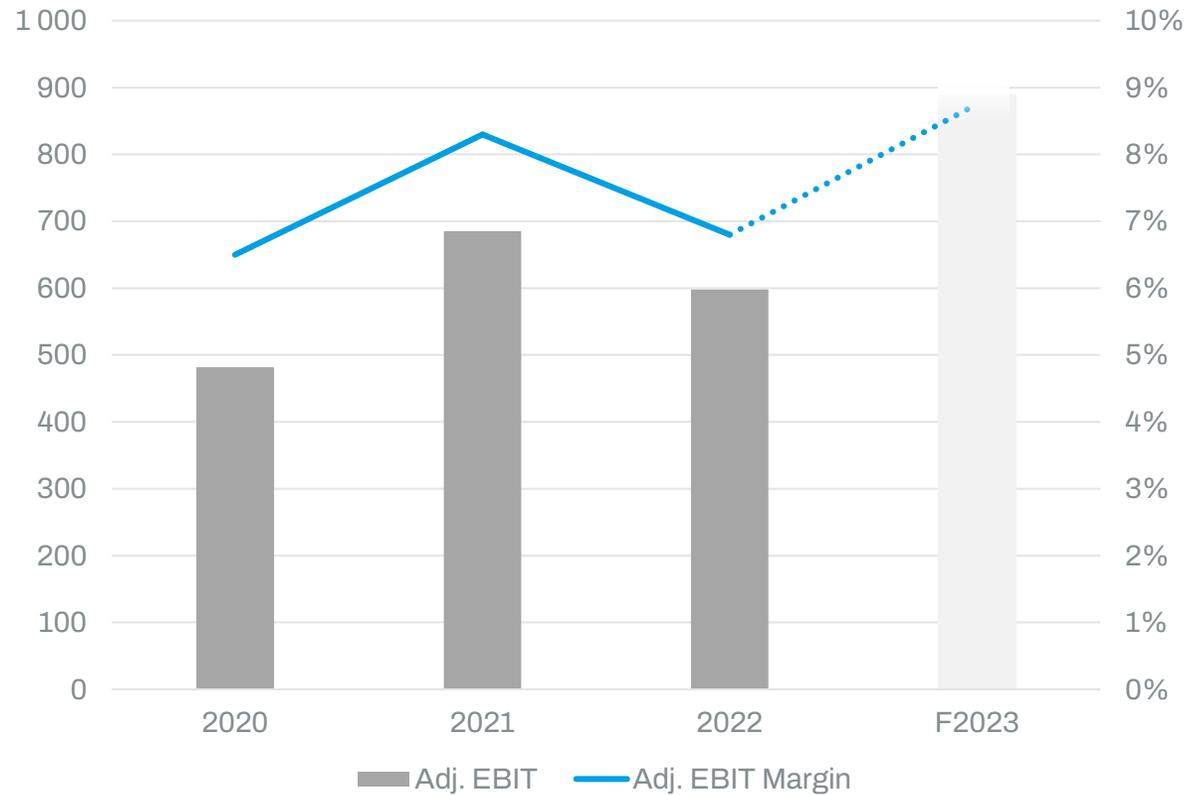
(* Non-US GAAP measures)

Adjusted Operating Margin* Progression

2023 sets the base for reaching the medium-term target

Adjusted Operating Margin* development

%



(*) Non-US GAAP measures excluding effects from capacity alignment and antitrust related matters

Key Drivers

External Environment

- Market recovery in second half 2020
- Supply chain instability and high call-off volatility from early 2021
- Raw material inflation in 2021 and 2022
- Labor, energy and logistic cost inflation in 2022 and 2023

Autoliv actions

- Strong sales outperformance from new launches and CPV growth throughout the period
- Cost reduction actions with focus on automation, digitalization, indirect workforce and footprint
- Price increases as compensation for excess cost inflation in 2022 and ongoing for 2023



Financial Outlook - 2023

Adjusted Operating Margin* Progression in 2023

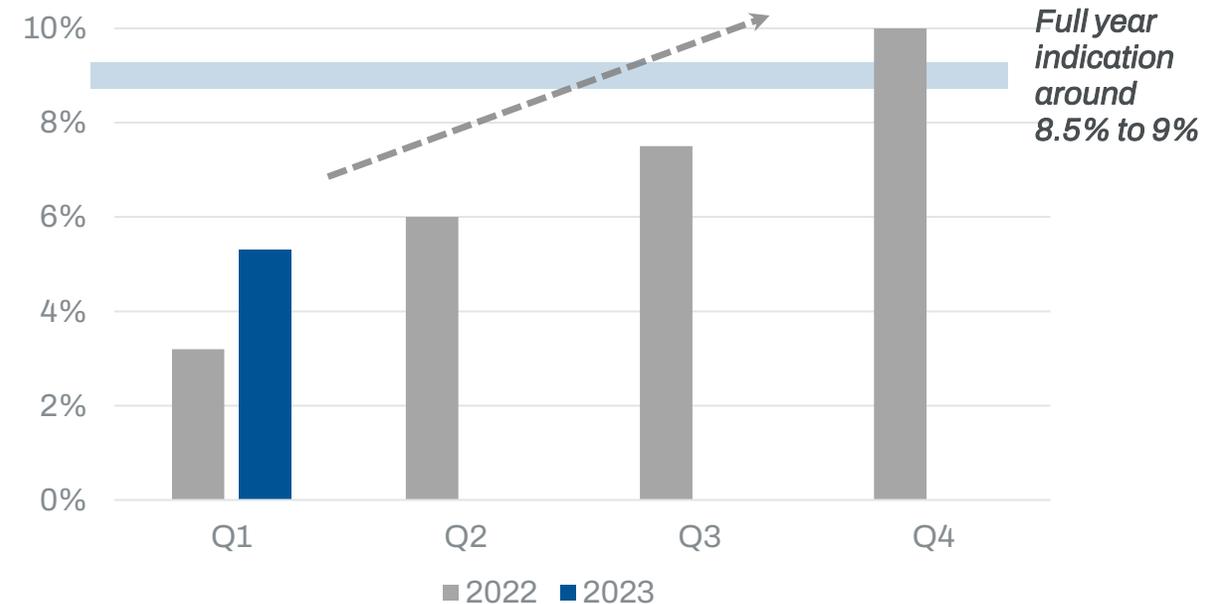
Gradual improvement quarter by quarter – expecting similar quarterly pattern in 2023 as in 2022

Sequential margin improvement expected from:

- Gradually increasing cost compensations through price increases and other recoveries
- Cost and headcount reduction activities
- Improving LVP stability and visibility
- Higher engineering income in second half
- Higher leverage on sales increases as launches mature

This should allow us to deliver a significant increase in cash flow and adjusted operating income for the full-year

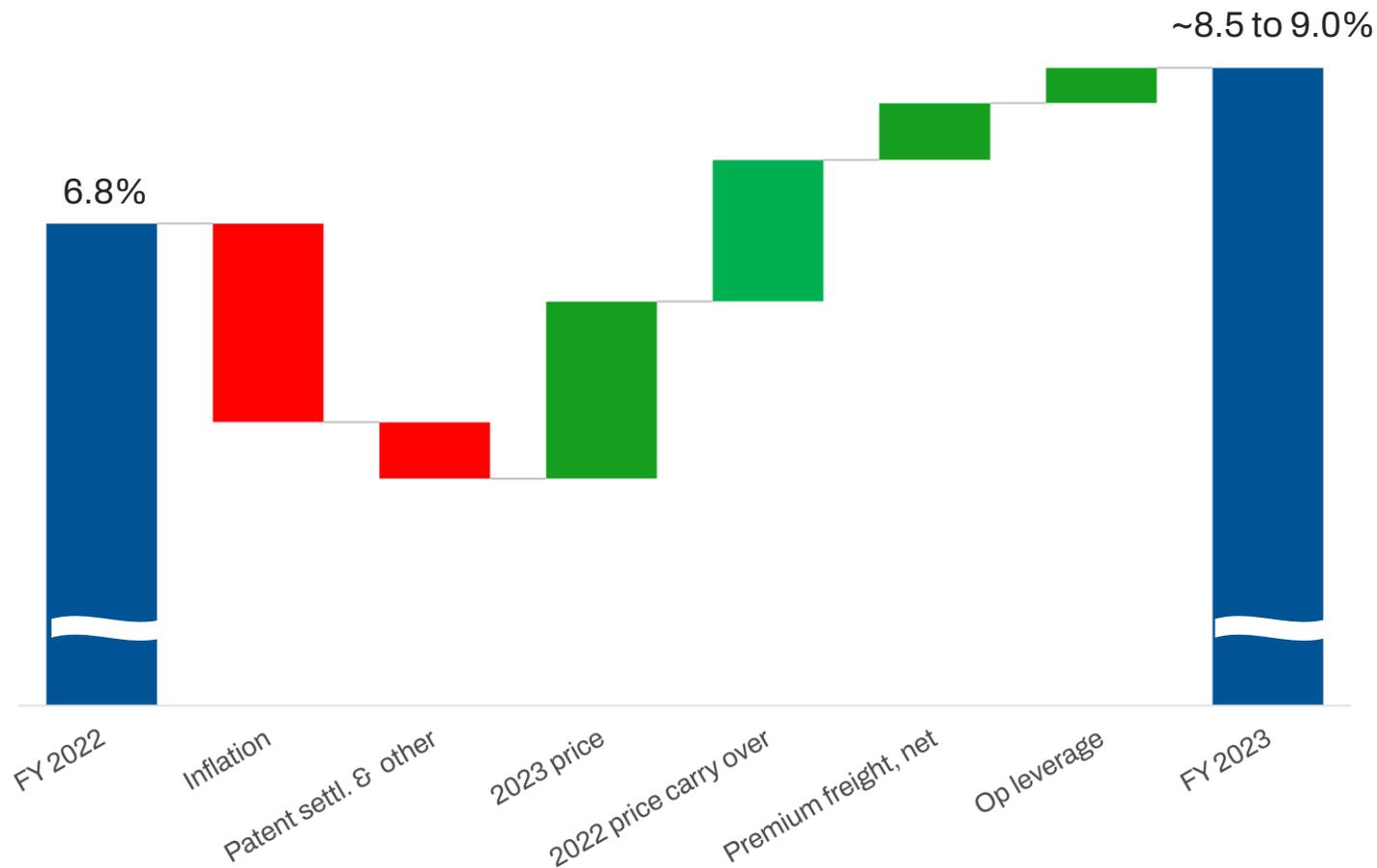
Adjusted Operating Margin* %



(*) Non-US GAAP measures excluding effects from capacity alignment and antitrust related matters

Full year 2023 Adjusted Operating Margin Walk

FY 2023 vs FY 2022 bridge





Financial Outlook - Growth

Organic Growth* 2022-2023

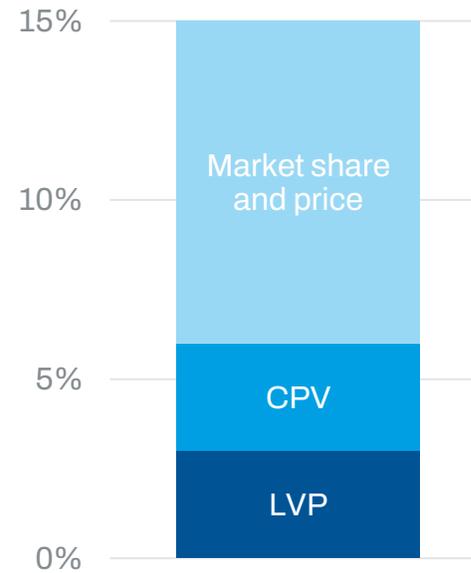
Trending above LVP+4pp target

- Well above target for 2022 and 2023 including price increases
- Above target also excluding price increases

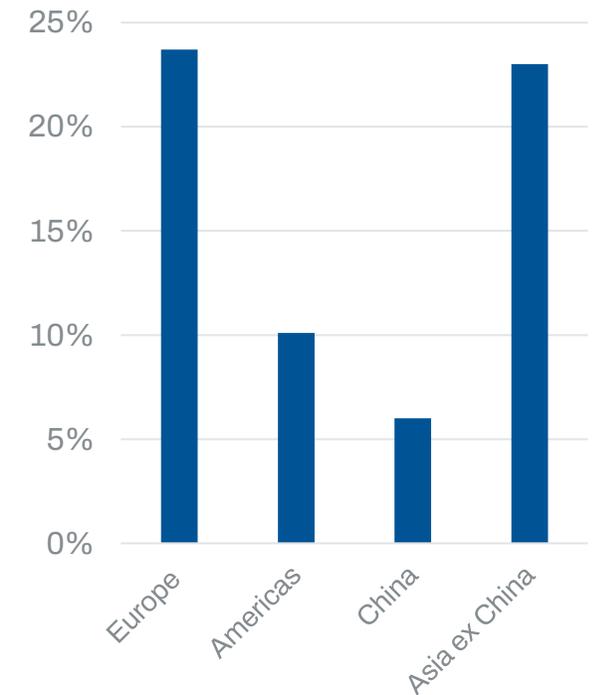
Strong growth in 2023 expected

- Content per vehicle growing faster
- Market share growth more pronounced
- Broad based growth in all regions
- Strengthening our position with domestic Chinese OEMs

2023F Organic Growth* Drivers %



2023F Organic Growth* by Division %



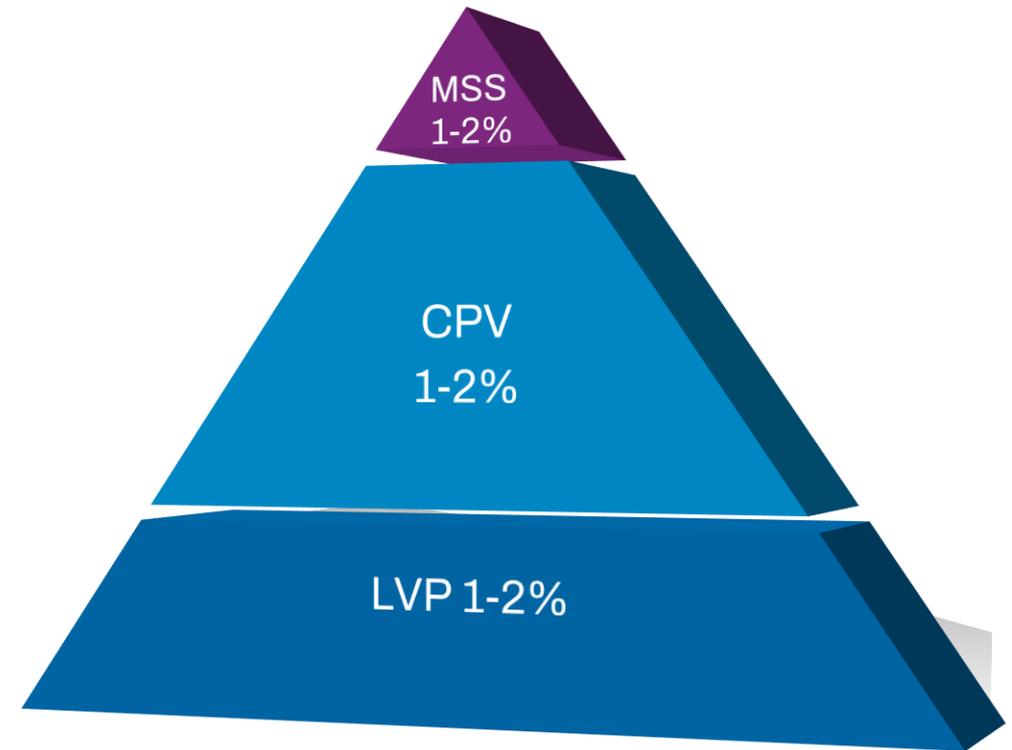
(* Non-US GAAP measure presents the increase or decrease in the overall U.S. dollar net sales on a comparable basis)

Organic Growth* from 2025

Growth Drivers

- LVP
 - S&P Global forecasts almost 2% CAGR 2024-2030
- CPV
 - Continued updates of government regulations
 - Continued updates of crash test ratings
 - Changes to drive train, interior designs and increased vehicle intelligence opens up for new and more advanced products
- MSS
 - Limited contribution at first, gradually more
 - First SOP for bag-on-bike 2025
 - Commercial Vehicles, Pyro Safety Switches and Pedestrian Safety also key focus areas

Organic Growth* 4-6% per year over time

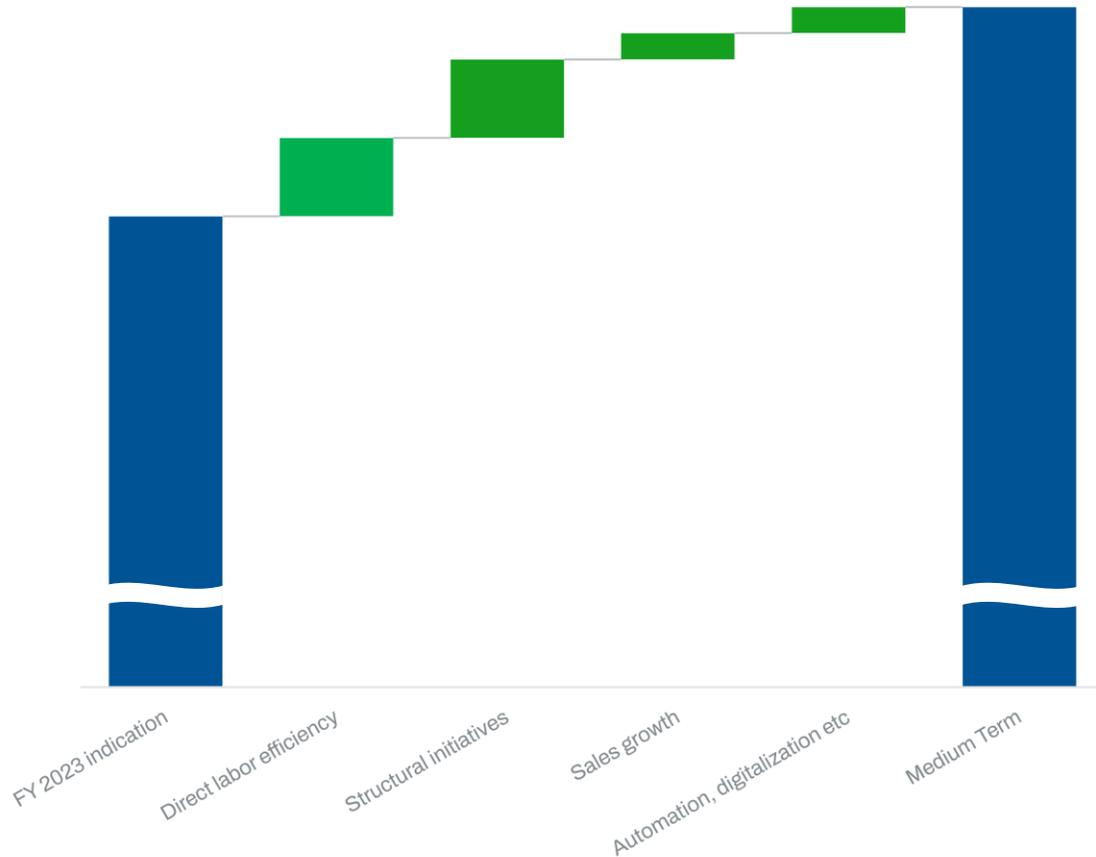


(*) Non-US GAAP measure presents the increase or decrease in the overall U.S. dollar net sales on a comparable basis



Financial Outlook – Profitability

Medium term Adjusted Operating Margin* Walk



Key drivers towards our 12% adjusted operating margin* medium term target

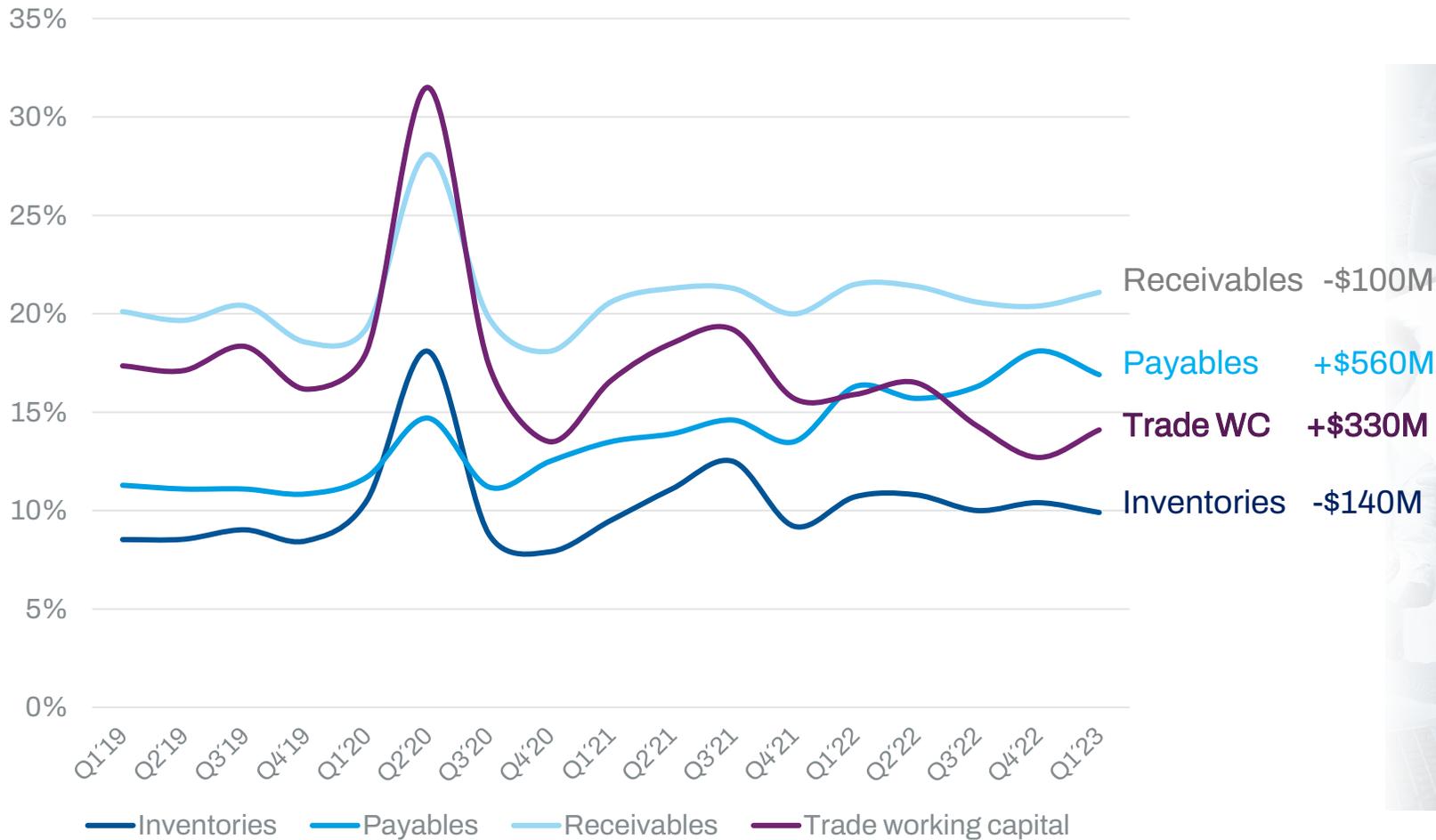
- Call-off stability – direct labor efficiency
- Structural initiatives
 - Including workforce reductions, footprint optimization
- Sales growth
 - GLVP 85M or more
 - CPV and market share
- Automation and digitalization
 - E.g. gradual implementation of flexible automation lines

(* Non-US GAAP measure excluding effects from capacity alignment and antitrust related matters)

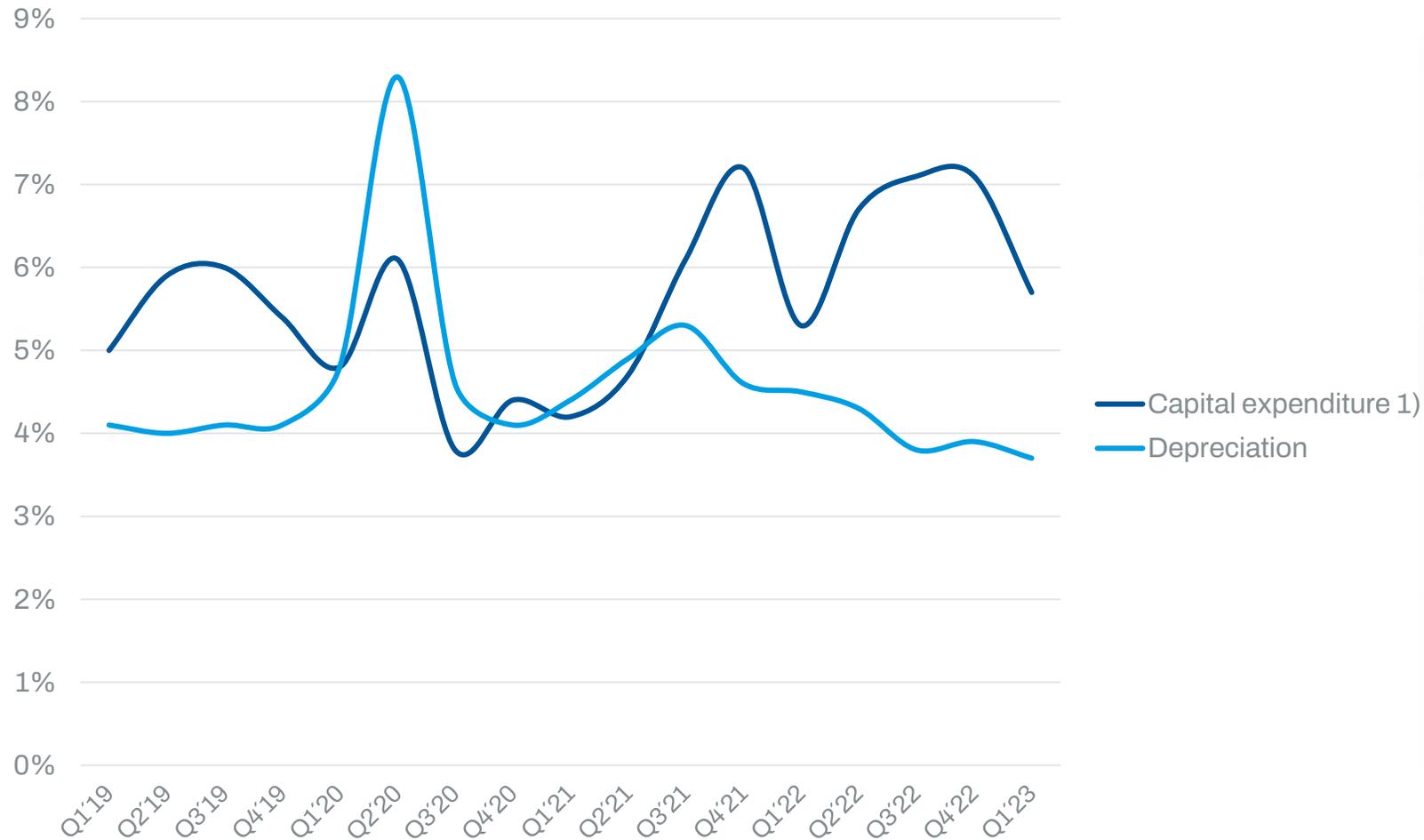


Capital Management

Trade Working Capital in Relation to Sales

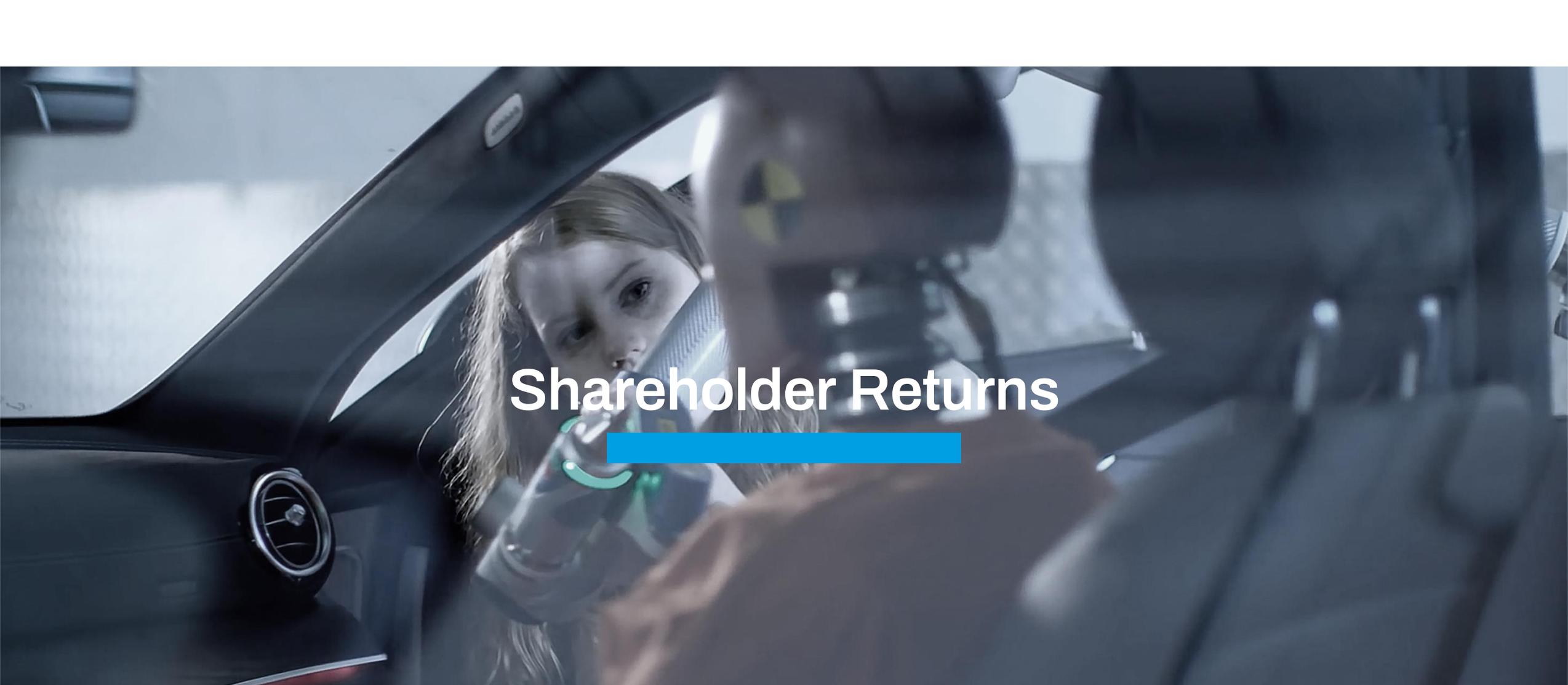


Capex and Depreciation in Relation to Sales



1) Excluding income from sale of property in Japan in Q1 2022



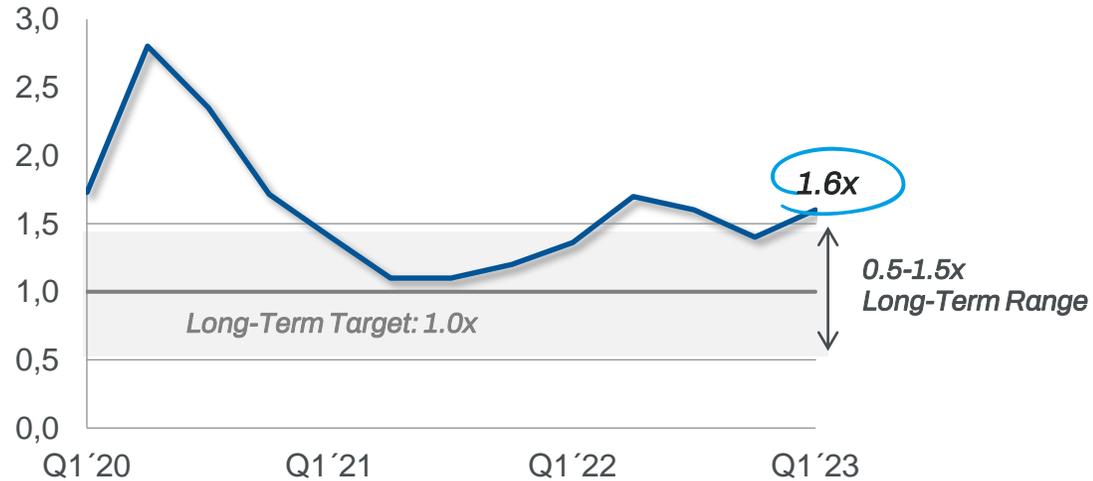
A woman with blonde hair is sitting in the driver's seat of a car. She is looking at a handheld device that has a glowing green light. The car's interior is visible, including the steering wheel and dashboard. The text "Shareholder Returns" is overlaid on the image in white, with a blue horizontal bar underneath it.

Shareholder Returns

Shareholder Returns

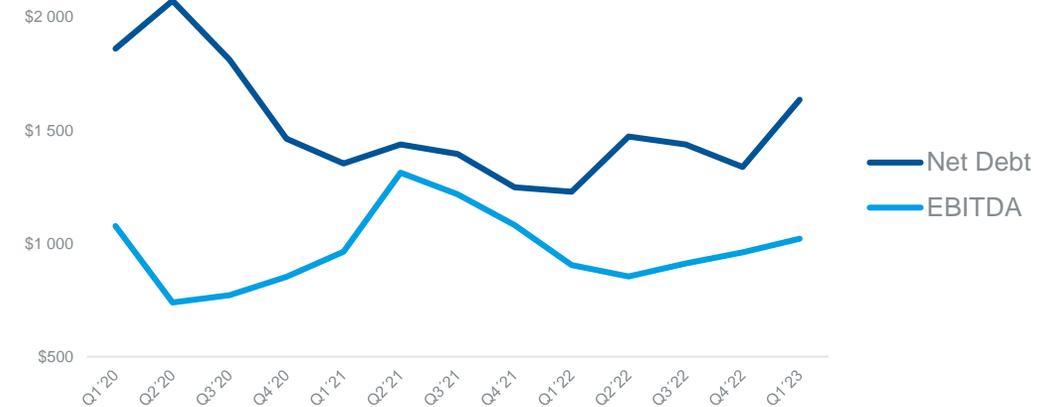
Net Debt*/EBITDA*

x



Net Debt* and EBITDA* per the Policy

US\$ Millions



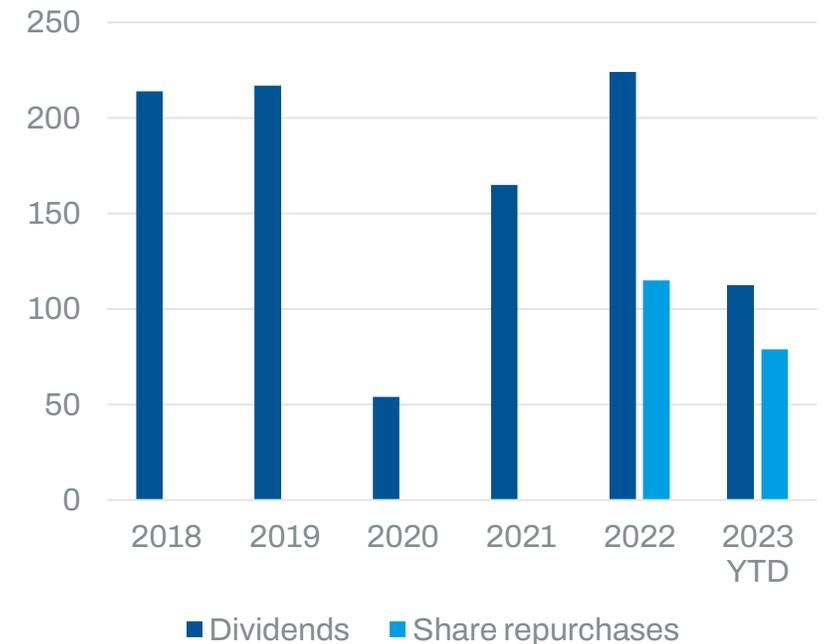
- Committed to maintaining a strong investment grade company credit rating and currently has a credit rating from S&P Global Ratings (“S&P”) of BBB (stable)
- Long-term target for the leverage ratio is 1.0x with the aim to operate within the range of 0.5x to 1.5x

(* 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

Shareholder Returns

- Share repurchases have historically been a common tool for shareholder returns
- Share repurchase mandate of up to \$1.5bn between 2022 and end of 2024
 - Key components:
 - Operating and free cash flow outlook
 - Credit rating
 - Net debt to adjusted EBITDA
 - Business and macroeconomic outlook
 - Share price
 - M&A a low priority
- As we deliver on indications and targets
 - Increased capacity for repurchases and dividend growth
 - 2023 indications → adds around \$900million in shareholder return capacity for 2023 at Net Debt*/Adjusted EBITDA* of 1.5x

Direct shareholder returns
\$ millions



(* 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



Saving More Lives

