

More Lives Saved

More Life Lived

# Investor Day 2023

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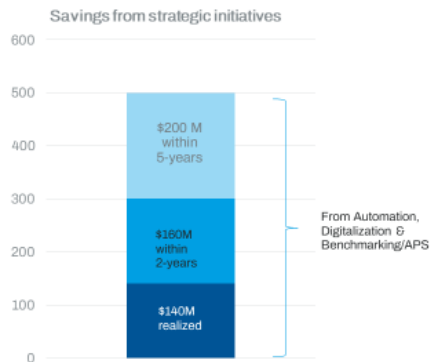
## Operational Excellence

June 12, 2023

Magnus Jarlegren, President Autoliv Europe

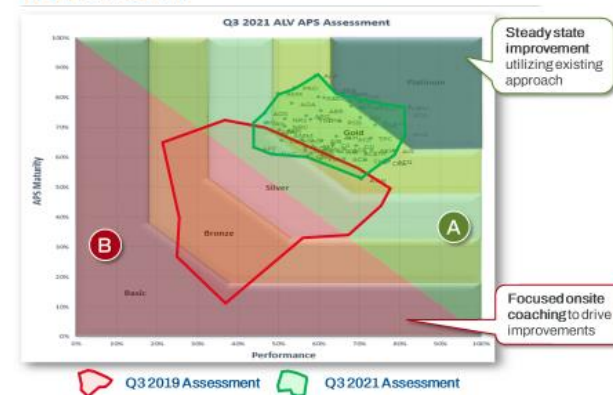
# Recap of 2021 Capital markets day – Well on the way with savings realized according plan

Recap CMD: The Operations Strategy has identified 500 MUSD in savings which is under implementation whereof 140 is already realized



We set our selves clear priorities 2019, and have now an even better foundation to drive automation and digitalization

## APS Development

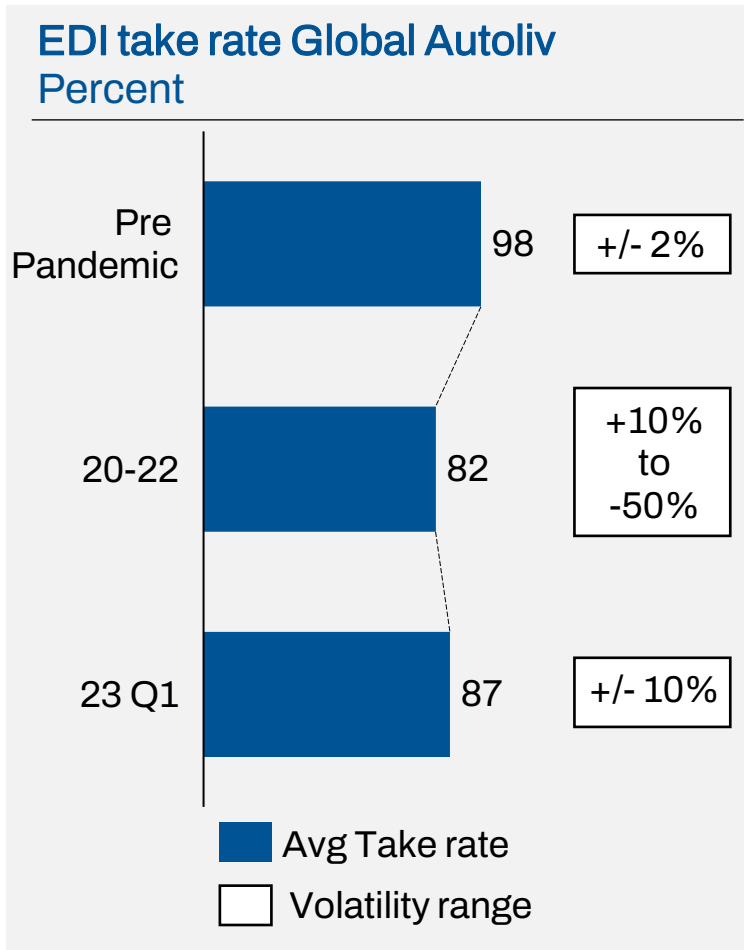


## Applied Focus

	APS	Benchmark best	Automation	Factory of Future
A	✓	✓	✓	✓
B	✓	✓		

- Successful application of focus in 2019 strategy
- APS level has significantly improved
- Foundation to further accelerate Automation and Digitalization in place

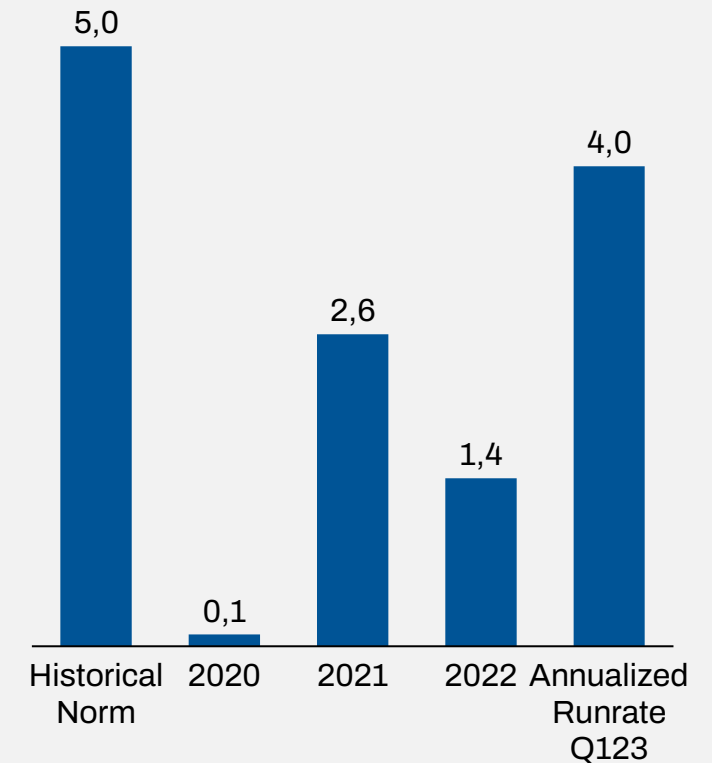
# Since 2020, increased uncertainty and volatility have been experienced but progress have continued with underlying improvements



### Example on mitigated challenges

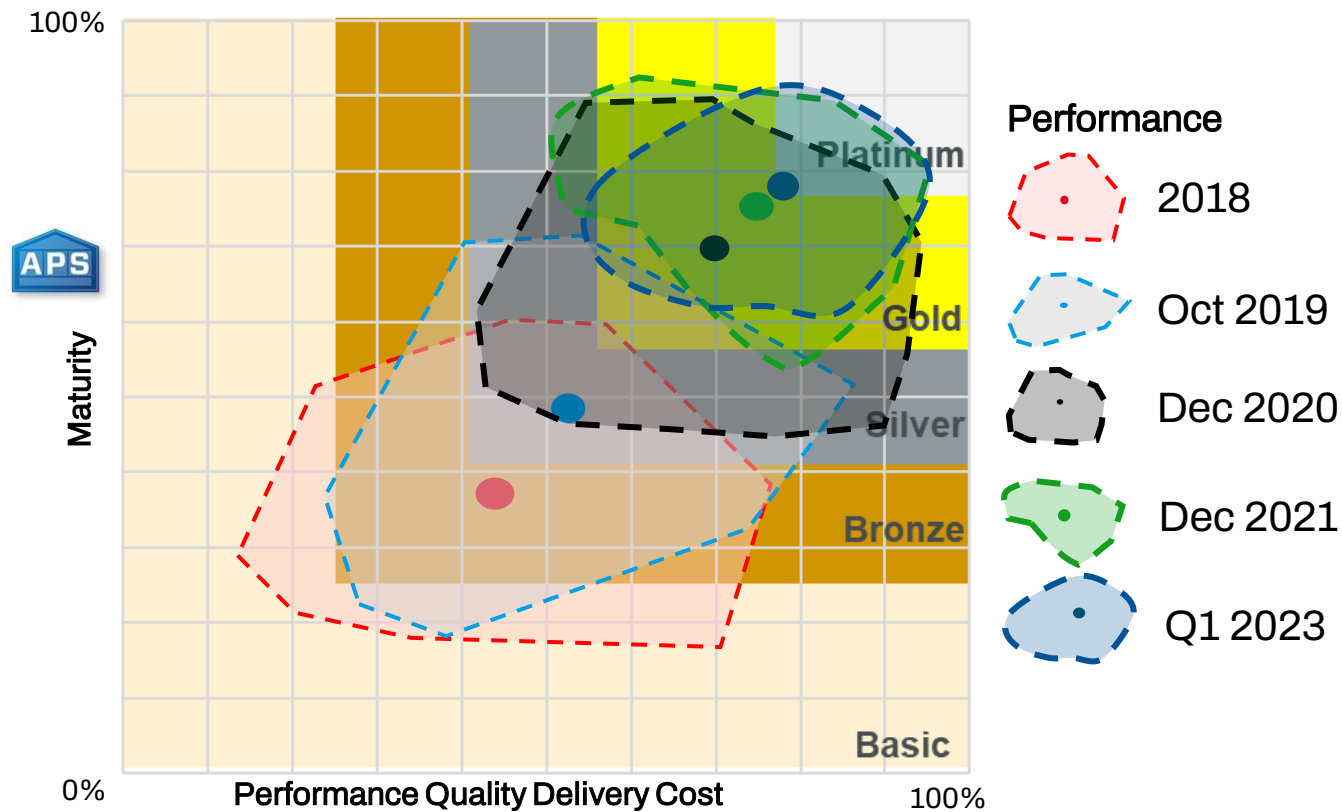
- Significant impact on production between 2020 to 2022
  - Less than a week response time to flex labor to real demand
  - Volatility in workforce during pandemic, driving shortage of labor, increased training time which has negatively influenced productivity
  - Between 10-15% downtime due to incoming material shortage

### Reduction of labor minutes per unit Percent

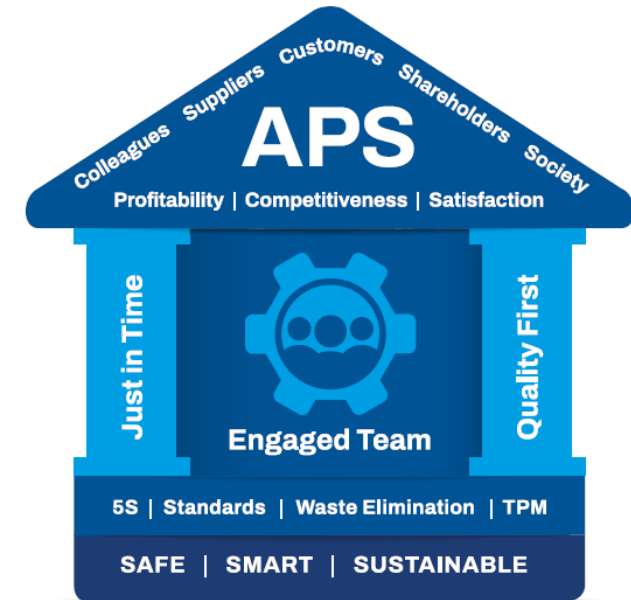


# Steady state development of APS throughout volatile years have built a solid foundation, and sets the start for the new journey

## Autoliv Production System Assessment



## New increased scope for APS excellence

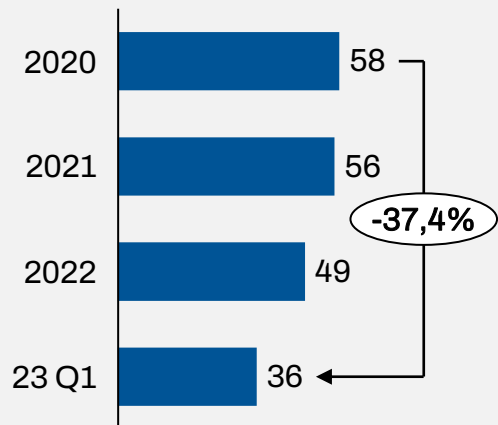


- Much higher emphasis on safety, Sustainability and digitalization
- Significant increase of our ambition level and supporting toolbox for operational excellence

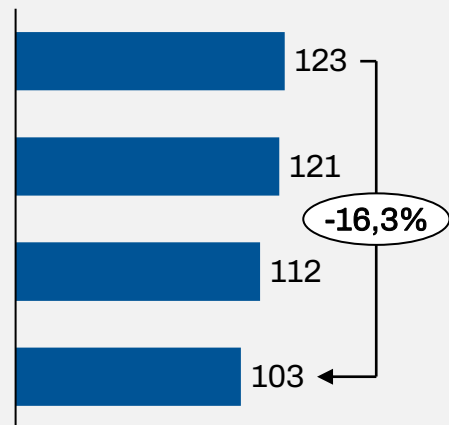
# Example of Sustainability development and digitalization usecase

Renewable energy shift and Green factory implementation drives down energy consumption and CO2 admission

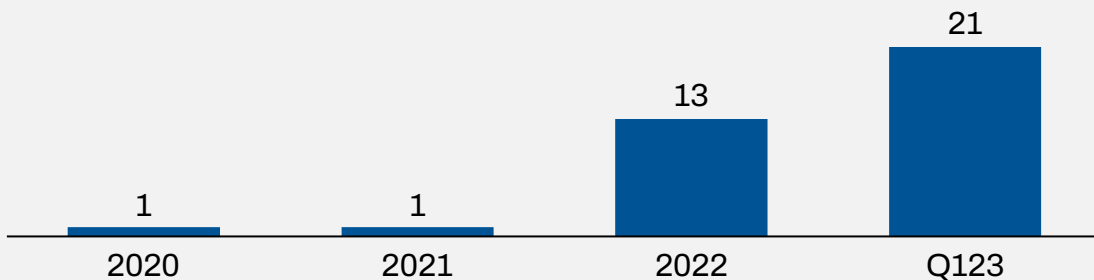
**GHG Emission intensity (own ops)**  
Ton CO<sup>2</sup>/MUSD



**Energy intensity**  
Ton CO<sup>2</sup>/MUSD



**Renewable Electricity**  
Percent



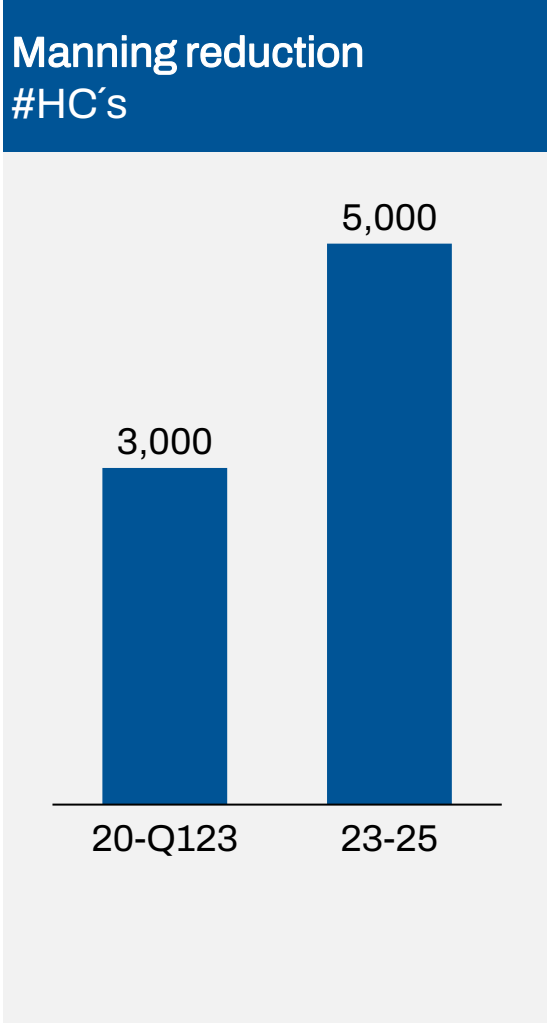
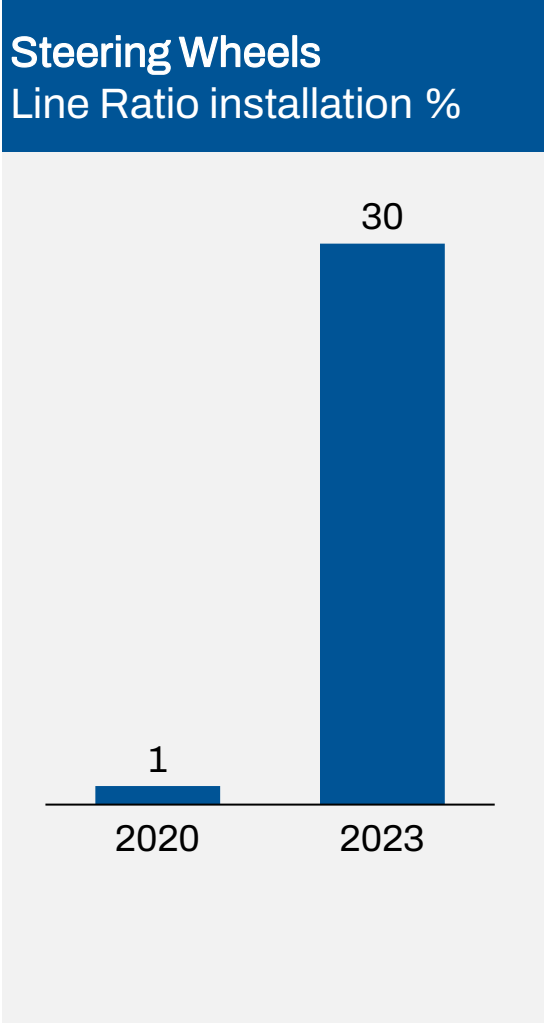
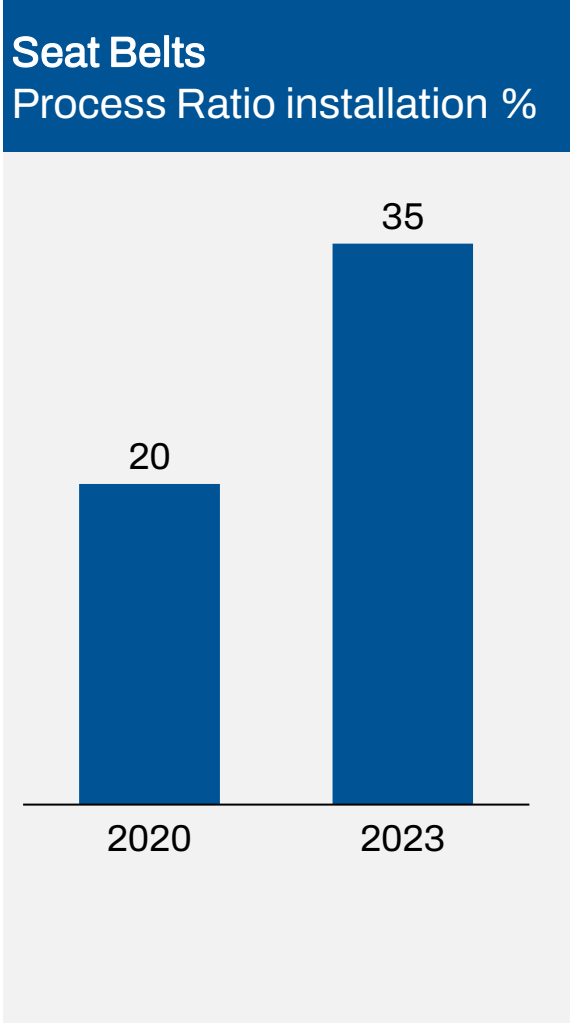
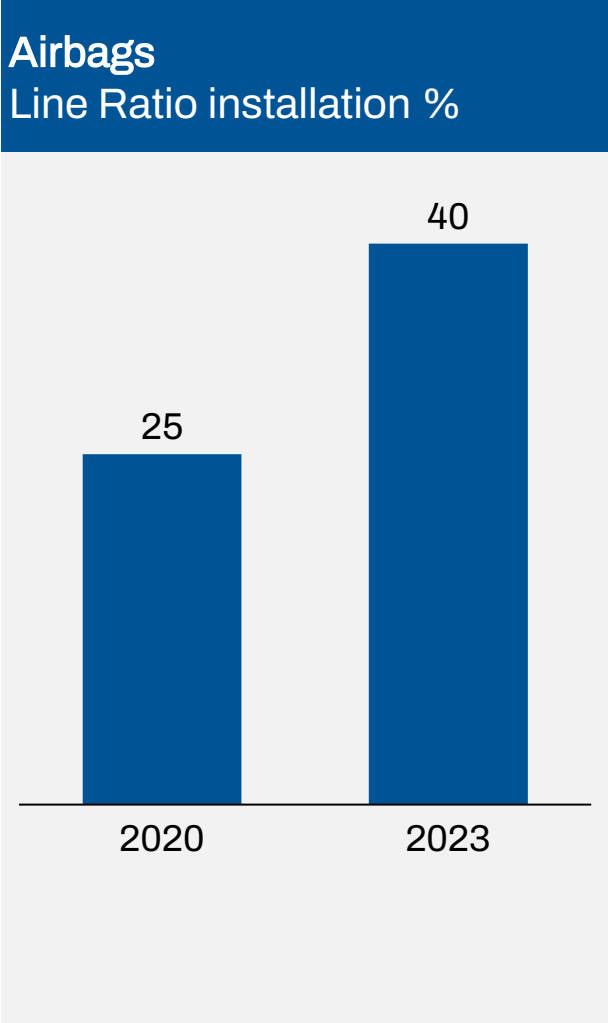
AMR's installed in 14 plants, four under implementation and more to gradually come



- Payback for installation around 14-18 months
- Elimination of logistics operators
- Significant improvement on internal traffic safety

# Movie- Interview with plant managers

# Automation have been in high focus and significant progress has been achieved



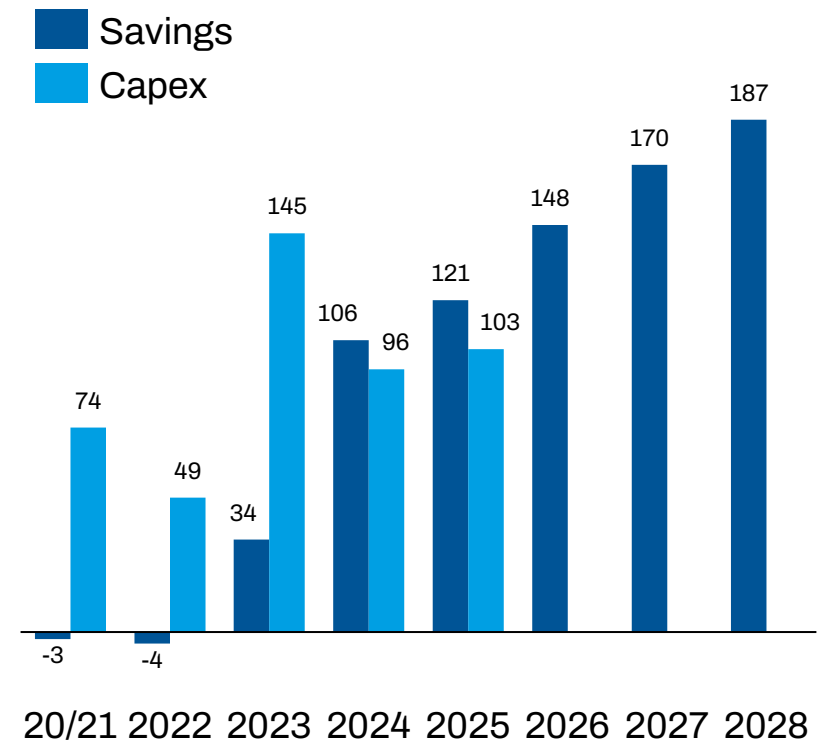
# Autoliv's strategic footprint program is investing in future markets and consolidating production into lower cost countries

## Current ongoing optimization of manufacturing footprint



- Closed or ongoing closing of plant
- Capacity expansion
- New plant

## Investments and savings [MUSD]





# Movie- Automation

# Three main focus areas for operations

- Short to mid term, take advantage of slowly returning stability in EDI's and better stability in supply chain to drive higher throughput, output and productivity in our plants
- Accelerations of Operational Excellence through deployment of new approach and supporting toolbox
  - Safety
  - Autoliv Production System
  - Digitalization of Operations
  - Green factory and Sustainability
- Focus on rolling out implementation of developed Automation concept and leverage in line station automation solutions





# Saving More Lives