

Autoliv, Inc.

Fitch Ratings' November affirmation of Autoliv, Inc.'s ratings reflects Autoliv's strong profitability and cash generation despite a pronounced downturn in the automotive industry and ongoing tariff-related uncertainties, underpinned by solid market shares as a safety content provider. Despite these uncertainties, we forecast it will maintain an EBIT margin of around 10%-11%, supported by an efficient cost base, consistent with the rating. We expect EBITDA net leverage to remain around 1.5x, as the company continues to channel excess cash flow to shareholders.

Key Rating Drivers

Resilient Profitability: Autoliv's EBIT margin was 10% in 3Q25, up from 9.3% a year earlier, despite a challenging operating environment. The improvement reflects organic sales growth of around 4% in 3Q25, cost-control measures implemented in recent years, and its solid market share in the growing automotive safety market. These strengths helped limit the impact of tariffs on financials, despite cross-border manufacturing operations in Mexico. Management estimates the overall tariff impact at around 20bp, with remaining costs passed through to customers.

Increasing China Contribution: Autoliv has made key R&D investments in China in recent years and established a new joint venture focused on automotive safety electronics. Sales to Chinese original equipment manufacturers (OEMs) increased by about 23% in 3Q25 and the company aims to further strengthen its market position. Fitch believes rising sales in China could be dilutive to Autoliv's margins, as safety content per vehicle and profitability are lower in a market dominated by mass market models. However, we expect any margin pressure to be mitigated by ongoing selling general and administrative cost savings, particularly in R&D, and regulations that are increasing safety content per vehicle.

Healthy FCF: We expect Autoliv's free cash flow (FCF) margin to be around 2.0%-2.5% in 2025, slightly above 2024 levels, despite higher working capital needs from tariff-related increases in receivables. The improvement is mainly driven by lower capex of about 4% of sales compared with 5.7% last year, reflecting reduced investment in Europe and the Americas, which we expect to normalise over the medium term.

Robust Capital Structure: We expect Autoliv to maintain a dividend payout of around 30% over our forecast, coupled with share buybacks of EUR300 million-500 million, in line with management's target. We expect EBITDA net leverage to be around 1.5x, in line with the rating, despite the shareholder friendly policy. The company has a record of managing leverage within stated limits, and we expect this to continue. A more aggressive shareholder returns return policy that raised leverage metrics would pressure the ratings.

Established Business Model: Autoliv has a strong record as a Tier 1 auto supplier. The ratings are supported by its market position as the top global supplier of safety systems including airbags and seatbelts. With revenue above USD10 billion, Autoliv is one of the largest Fitch-rated Tier 1 suppliers, with business characteristics that are aligned with investment-grade medians under our rating criteria. Autoliv's global market share is about 45%, roughly double the size of its closest competitor. This reduces the volatility of its margins, and helps with product price negotiations, which is a key industry concern.

Supportive Market Trends: Autoliv's business profile benefits from increasing regulatory requirements for safety content in passenger and commercial vehicles. Higher installation rates for airbags, advanced seatbelt products, and complex steering wheels should increase content per vehicle and support revenue growth above annual production volumes. Pedestrian safety, and truck and motorcycle regulations present additional long-term growth opportunities, but are not included in our rating case forecast.

Product Recalls Impact Unquantified: The US National Highway Traffic Safety Administration has issued an initial decision to recall of about 52 million airbags as a part of a class action lawsuit, some of which were produced by a subsidiary of Autoliv. The decision is not yet final, and Autoliv has not provisioned for any losses. However, the outcome could have an impact on the ratings once we are able to quantify the possible recall.

Financial Summary

(USDm)	2022	2023	2024	2025F	2026F	2027F
Debt	1,939	2,071	2,120	2,234	2,234	2,235
EBITDA	1,022	1,068	1,366	1,485	1,428	1,488
EBIT margin (%)	7.5	6.6	9.4	10.2	9.4	9.6
EBITDA interest coverage (x)	15.9	13.3	13.1	10.5	12.6	15.2
EBITDA net leverage (x)	1.5	1.7	1.5	1.4	1.5	1.5

Source: Fitch Ratings, Fitch Solutions

Peer Analysis

Autoliv has a relatively strong competitive position, focusing on safety technologies that are rising in importance as regulations and technology drive higher growth than light vehicle production levels and provide stability to profitability margins. We forecast Autoliv's EBITDA margin at around 13%-14%, which is slightly lower than that of Borgwarner Inc.'s (BBB+/Stable). However, Autoliv has a powertrain-agnostic portfolio, protecting it against rapid changes in transition trend.

Autoliv is more OEM-dependent and has a lower share of replacement revenue than Continental AG (BBB/Positive) and Compagnie Generale des Etablissements Michelin (A/Stable/F1), which provides a buffer against cyclical downturns. Nevertheless, Autoliv's margin volatility has been similar to that of tyre manufacturers, reflecting the strength of its market shares and product portfolio.

We forecast Autoliv's EBITDA net leverage will fluctuate around 1.5x, similar to that of Borgwarner and Aptiv PLC (BBB/Stable). We do not expect Autoliv to maintain leverage below this as we assume the issuer will continue returning excess cash to its shareholders and capex should normalise. Autoliv's FCF of around 2.0%-2.5% of revenue is improving but remains weak compared with peers including BorgWarner and Aptiv.

Autoliv's Short-Term IDR of 'F2' reflects its financial flexibility, which we view as consistent with the 'BBB+' Long-Term IDR.

Navigator Peer Comparison

Issuer	IDR/Outlook	Business profile							Financial profile		
		Operating Environment	Management and Corporate Governance	Strategic Position	Market Position	Diversification	Innovation	Profitability	Financial Structure	Financial Flexibility	
Aptiv PLC	BBB/Stable	a	bbb+	bb	bbb	a-	bbb+	a-	bb+	bbb+	
Autoliv, Inc.	BBB+/Stable	aa-	a-	bb+	a-	bbb+	bbb	bbb-	bbb	a-	
BorgWarner Inc.	BBB+/Stable	a	bbb+	bb	bbb	a-	bbb	bbb+	bbb	bbb+	
Compagnie Generale des Etablissements Michelin	A/Stable	aa-	a	a	a	a-	bbb+	a	a-	a+	
Continental AG	BBB/Positive	aa-	a-	bbb+	bbb	bbb+	bbb	bbb	bbb	bbb+	
Pirelli & C.S.p.A.	BBB/Stable	a-	bbb+	bbb+	bbb-	bbb	bbb	a	bb+	bbb+	
Robert Bosch GmbH	A/Negative	aa	a-	a-	a	a-	a-	bb+	a	aa-	
Schaeffler AG	BB+/Stable	aa-	bbb-	bbb	bbb+	bbb+	bbb	bbb-	bb+	bbb+	

Source: Fitch Ratings

Relative Importance of Factor: ■ Higher ■ Moderate ■ Lower

Issuer	IDR/Outlook	Business profile							Financial profile		
		Operating Environment	Management and Corporate Governance	Strategic Position	Market Position	Diversification	Innovation	Profitability	Financial Structure	Financial Flexibility	
Aptiv PLC	BBB/Stable	+3	+1	-3	0	+2	+1	+2	-2	+1	
Autoliv, Inc.	BBB+/Stable	+4	+1	-3	+1	0	-1	-2	-1	+1	
BorgWarner Inc.	BBB+/Stable	+2	0	-4	-1	+1	-1	0	-1	0	
Compagnie Generale des Etablissements Michelin	A/Stable	+2	0	0	0	-1	-2	0	-1	+1	
Continental AG	BBB/Positive	+5	+2	+1	0	+1	0	0	0	+1	
Pirelli & C.S.p.A.	BBB/Stable	+2	1	+1	-1	0	0	+3	-2	+1	
Robert Bosch GmbH	A/Negative	+3	-1	-1	0	-1	-1	-5	0	+2	
Schaeffler AG	BB+/Stable	+7	+1	+2	+3	+3	+2	+1	0	+3	

Source: Fitch Ratings

Factor Score Relative to IDR: ■ Worse positioned than IDR ■ Within one notch of IDR ■ Better positioned than IDR

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- EBIT margin sustained below 8%
- FCF margin sustained below 1.5%
- EBITDA net leverage sustained above 2x

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- EBIT margin sustained above 10%
- FCF margin sustained above 2.5%
- EBITDA net leverage sustained below 1x and supported by stricter financial policy

Liquidity and Debt Structure

Fitch expects Autoliv's liquidity to remain robust over the medium term. Autoliv had available cash balances of USD225million in 3Q25. Fitch considers USD208 million of this (about 2% of annual sales) not immediately available for debt repayment.

The company has access to USD1.225 billion unsecured committed undrawn revolving credit facilities (RCFs) maturing in 2029 along with two commercial paper (CP) programmes including a USD700 million equivalent Swedish programme and a USD1 billion programme, of which USD90 million was utilised.

As of 30 September 2025, Autoliv's capital structure consisted primarily of private placements, EUR1 billion Eurobonds issued under its EUR3 billion euro medium-term note (EMTN) programme, and Swedish export facilities totalling SEK2 billion due in 2026. Autoliv's maturities are well spread, and we expect this to remain the case.

Liquidity and Debt Maturities**Liquidity Analysis**

(USDm)	2025F	2026F	2027F	2028F
Available liquidity				
Beginning cash balance	122	-211	-268	-13
Rating case FCF after acquisitions and divestitures	265	228	265	—
Total available liquidity (A)	387	17	-3	-13
Liquidity uses				
Debt maturities	-598	-285	-10	-521
Total liquidity uses (B)	-598	-285	-10	-521
Liquidity calculation				
Ending cash balance (A+B)	-211	-268	-13	-534
Revolver availability	1,100	1,100	1,100	1,100
Ending liquidity	889	832	1,087	566
Liquidity score (x)	2.5	3.9	109.7	2.1

Source: Fitch Ratings, Fitch Solutions, Autoliv, Inc.

Scheduled Debt Maturities

(USDm)	31 Dec 24
2025	598
2026	285
2027	10
2028	521
2029	706
Thereafter	—
Total	2,120

Source: Fitch Ratings, Fitch Solutions, Autoliv, Inc.

Key Assumptions

- Production volume assumptions flat for 2025, increasing 2% afterwards
- Higher growth in airbag products driven by increasing higher safety content by vehicle
- Unadjusted EBIT margins reaching 10% supported by a favourable cost base
- Capex normalising at around at 5.5% of revenues for four years
- Common dividend payout at 30%
- Continued share buybacks in line with management target of USD300 million-500 million

Financial Data

(USDm)	2022	2023	2024	2025F	2026F	2027F
Summary income statement						
Gross revenue	8,842	10,475	10,390	10,650	10,863	11,154
Revenue growth (%)	7.4	18.5	-0.8	2.5	2.0	2.7
EBITDA before income from associates	1,022	1,068	1,366	1,485	1,428	1,488
EBITDA margin (%)	11.6	10.2	13.2	13.9	13.1	13.3
EBITDA after associates and minorities	1,020	1,067	1,361	1,480	1,423	1,483
EBIT	659	690	979	1,086	1,021	1,071
EBIT margin (%)	7.5	6.6	9.4	10.2	9.4	9.6
Gross interest expense	-60	-93	-107	-141	-113	-97
Pretax income including associate income/loss	603	612	875	952	915	980
Summary balance sheet						
Readily available cash and equivalents	417	289	122	196	120	80
Debt	1,939	2,071	2,120	2,234	2,234	2,235
Net debt	1,522	1,783	1,998	2,038	2,114	2,155
Summary cash flow statement						
EBITDA	1,022	1,068	1,366	1,485	1,428	1,488
Cash interest paid	-64	-80	-104	-141	-113	-97
Cash tax	-215	-192	-207	-208	-226	-217
Dividends received less dividends paid to minorities (inflow/outflow)	-2	-1	-5	-5	-5	-5
Other items before FFO	-91	-17	-43	-30	-30	-30
FFO	656	791	1,007	1,111	1,063	1,148
FFO margin (%)	7.4	7.6	9.7	10.4	9.8	10.3
Change in working capital	56	156	45	-33	-27	-37
CFO (Fitch-defined)	712	947	1,052	1,078	1,036	1,111
Total non-operating/nonrecurring cash flow	—	—	—	—	—	—
Capex	-585	-573	-579	—	—	—
Capital intensity (capex/revenue) (%)	6.6	5.5	5.6	—	—	—
Common dividends	-224	-225	-219	—	—	—
FCF	-97	149	254	—	—	—
FCF margin (%)	-1.1	1.4	2.4	—	—	—
Net acquisitions and divestitures	100	4	17	—	—	—
Other investing and financing cash flow items	27	19	35	—	—	—
Net debt proceeds	-190	87	94	114	—	1
Net equity proceeds	-115	-351	-551	-300	-300	-300
Total change in cash	-375	-96	-168	74	-76	-40
Calculations for forecast publication						
Capex, dividends, acquisitions and other items before FCF	-709	-794	-781	-813	-808	-846
FCF after acquisitions and divestitures	3	153	271	265	228	265
FCF margin after net acquisitions (%)	0.0	1.5	2.6	2.5	2.1	2.4
Gross leverage ratios (x)						

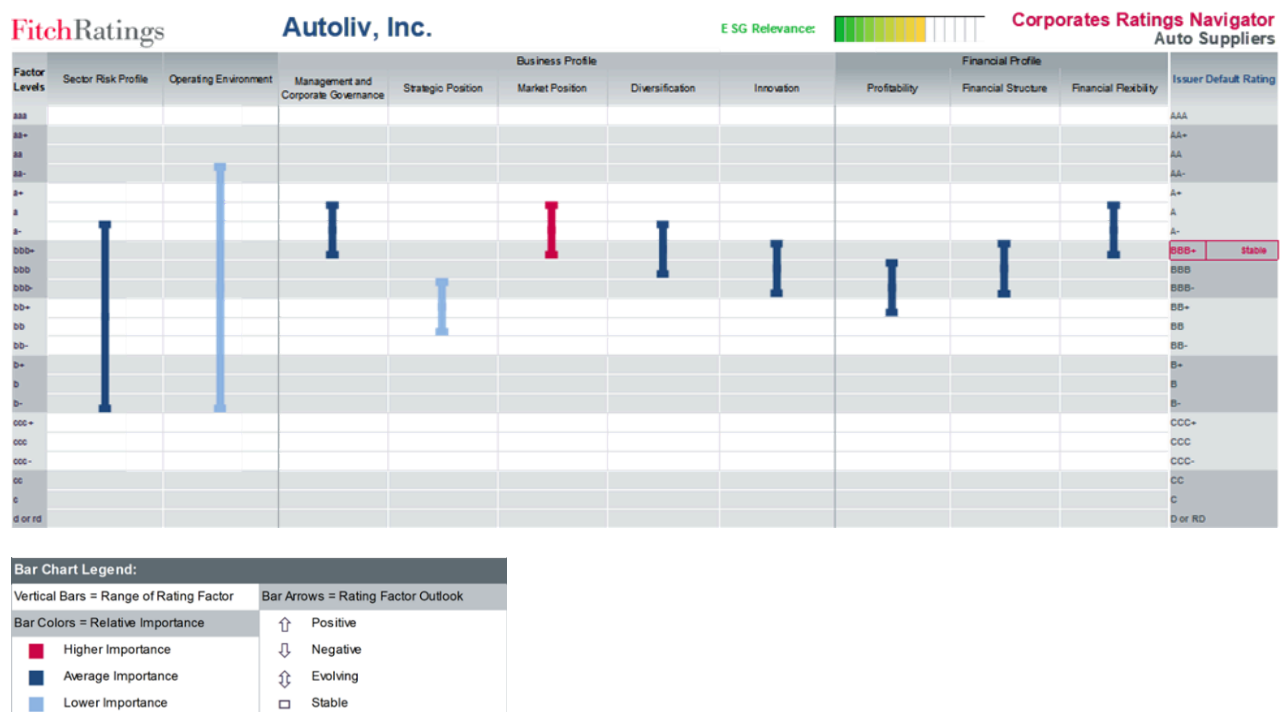
EBITDA leverage	1.9	1.9	1.6	1.5	1.6	1.5
(CFO-capex)/debt (%)	6.5	18.1	22.3	21.7	19.3	21.9
Net leverage ratios (x)						
EBITDA net leverage	1.5	1.7	1.5	1.4	1.5	1.5
(CFO-capex)/net debt (%)	8.3	21.0	23.7	23.8	20.4	22.7
Coverage ratios (x)						
EBITDA interest coverage	15.9	13.3	13.1	10.5	12.6	15.2
CFO – Cash flow from operations						
Source: Fitch Ratings, Fitch Solutions						

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Ratings Navigator

Auto Suppliers



Operating Environment

aa	Economic Environment	a	Strong combination of countries where economic value is created and where assets are located.
aa-	Financial Access	a	Strong combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
b-	Systemic Governance	aa	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'aa'.
cc+			

Management and Corporate Governance

a+	Management Strategy	bbb	Strategy may include opportunistic elements but soundly implemented.
a	Governance Structure	a	Experienced board exercising effective check and balances. Ownership can be concentrated among several shareholders.
a-	Group Structure	a	Group structure shows some complexity but mitigated by transparent reporting.
bbb+	Financial Transparency	a	High quality and timely financial reporting.
bbb			

Strategic Position

bbb	Position in the Supply Chain	bbb	Large tier-one core suppliers with strong relationships with most original equipment manufacturers.
bbb-	End Markets	b	Heavy reliance on original equipment manufacturers (~80%).
bb+			
bb			
bb-			

Market Position

a+	Overall Scale	bbb	Large global player (revenue > EUR5 billion/\$7 billion).
a	Market Position	a	Very strong positions in key market segments.
a-			
bbb+			
bbb			

Diversification

a	Original Equipment Manufacturer	bbb	Limited dependence on a few OEMs.
a-	End Markets	a	Minimum reliance on one region or products line (<40% of total revenue).
bbb+	Production	bbb	Moderate mismatch between sales and production.
bbb			
bbb-			

Innovation

a-	Product Portfolio	bbb	High-added value products.
bbb+	Innovation	bbb	Good innovation capability leading to long-term outperformance of industry growth.
bbb			
bbb-			
bb+			

Profitability

bbb+	EBITDA Margin	bbb	12%
bbb	EBIT Margin	bbb	9%
bbb-	FFO Margin	bbb	10%
bb+	FCF Margin	bb	1.5%
bb	Margin Volatility	bbb	More volatility leading to low but positive margins at cycle trough.

Financial Structure

a-	EBITDA Leverage	bbb	1.5x
bbb+	EBITDA Net Leverage	bbb	1.0x
bbb	FFO Leverage	bbb	2.0x
bbb-	CFO/Debt	bbb	50%
bb+	(CFO-Capex)/Debt	a	20%

Financial Flexibility

a+	Financial Discipline	bbb	Financial policies less conservative than peers but generally applied consistently.
a	Liquidity	a	No need for external funding beyond committed facilities in the next 12 months even under a severe stress scenario. Well-spread maturities. Diversified funding.
a-	EBITDA Interest Coverage	a	8.0x
bbb+	FFO Interest Coverage	a	8.0x
bbb	FX Exposure	bbb	Some FX exposure on profitability and/or debt/cash flow match. Effective hedging in place.

Credit-Relevant ESG Derivation

Credit-Relevant ESG Derivation				Overall ESG	
Autoliv, Inc. has 9 ESG potential rating drivers					
➤ Emissions and pollutants from products	key driver	0	Issues	5	
➤ Waste and recycling in manufacturing operations; use of environmentally friendly materials	driver	0	Issues	4	
➤ Safety and reliability of products and manufactured components; recall or warranty issues	potential driver	9	Issues	3	
➤ Impact of labor regulations and employee (dis)satisfaction					
➤ Client focus on promoting less vehicle ownership; shift in consumer preferences toward cleaner energy	not a rating driver	2	Issues	2	
➤ Governance is minimally relevant to the rating and is not currently a driver.		3	Issues	1	

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

For further details on Credit-Relevant ESG scoring, see page 3.

Factor / Subfactor	Score/Outlook/Importance	Description
Operating Environment	b- to aa-/stable/lower	
Economic Environment	a	Strong combination of countries where economic value is created and where assets are located.
Financial Access	a	Strong combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
Systemic Governance	aa	Systemic governance (e.g. rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'aa'

Factor / Subfactor	Score/Outlook/Importance	Description
Management and Corporate Governance	a-/stable/moderate	
Management Strategy	bbb	Strategy may include opportunistic elements but soundly implemented.
Governance Structure	a	Experienced board exercising effective check and balances. Ownership can be concentrated among several shareholders.
Group Structure	a	Group structure shows some complexity but mitigated by transparent reporting.
Financial Transparency	a	High quality and timely financial reporting.

Factor / Subfactor	Score/Outlook/Importance	Description
Strategic Position	bb+/stable/lower	
Position in the Supply Chain	bbb	Large tier-one core suppliers with strong relationships with most original equipment manufacturers.
End-Markets	b	Heavy reliance on original equipment manufacturers (>80%).

Factor / Subfactor	Score/Outlook/Importance	Description
Market Position	a-/stable/higher	
Overall Scale	bbb	Large global player (revenue > EUR5 billion/\$7 billion).
Market Position	a	Very strong positions in key market segments.

Factor / Subfactor	Score/Outlook/Importance	Description
Diversification	bbb+/stable/moderate	
Original Equipment Manufacturer	bbb	Limited dependence on a few OEMs.
End-Markets	a	Minimum reliance on one region or products line (<40% of total revenue).
Production	bbb	Moderate mismatch between sales and production.

Factor / Subfactor	Score/Outlook/Importance	Description
Innovation	bbb/stable/moderate	
Product Portfolio	bbb	High-added value products.
Innovation	bbb	Good innovation capability leading to long-term outperformance of industry growth.

Factor / Subfactor	Score/Outlook/Importance	Description
Profitability	bbb-/stable/moderate	
EBITDA Margin	bbb	12%
EBIT Margin	bbb	9%
FFO Margin	bbb	10%
FCF Margin	bb	1.5%
Margin Volatility	bbb	More volatility leading to low but positive margins at cycle trough.

Factor / Subfactor	Score/Outlook/Importance	Description
Financial Structure	bbb/stable/moderate	
EBITDA Leverage	bbb	1.5x
EBITDA Net Leverage	bbb	1.0x
FFO Leverage	bbb	2.0x
CFO/Debt	bbb	50%
(CFO-Capex)/Debt	a	20%

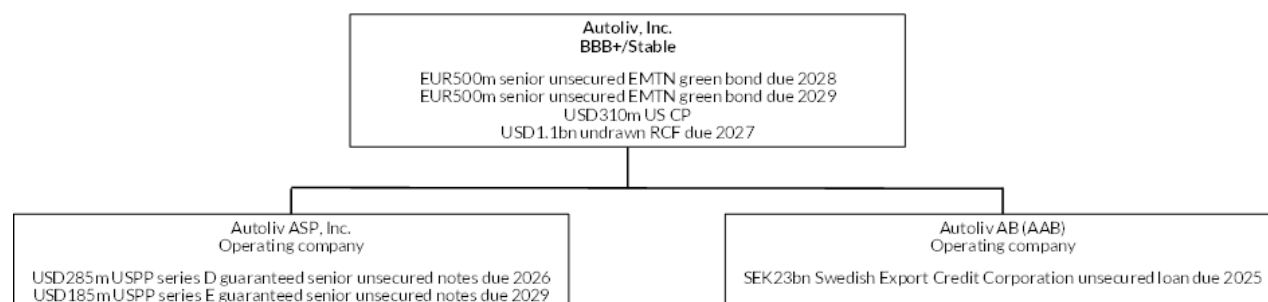
Factor / Subfactor	Score/Outlook/Importance	Description
Financial Flexibility	a-/stable/moderate	
Financial Discipline	bbb	Financial policies less conservative than peers but generally applied consistently.
Liquidity	a	No need for external funding beyond committed facilities in the next 12 months even under a severe stress scenario. Well-spread maturities. Diversified funding.
EBITDA Interest Coverage	a	8.0x
FFO Interest Coverage	a	8.0x
FX Exposure	bbb	Some FX exposure on profitability and/or debt/cash flow match. Effective hedging in place.

Simplified Group Structure Diagram

Autoliv has diversified its long-term funding sources by issuing notes in the USPP and Eurobond markets, and by signing a bilateral loan agreement with Swedish Export Credit Corporation. To further ensure access to long-term funding Autoliv has signed RCFs with 12 banks. To be able to swiftly access the Euro market, Autoliv has an EMTN programme in place.

The company also has established programmes for short-term issuance of commercial papers in the Swedish and US markets and short-term credit agreements with several banks.

USPP debt is issued under Autoliv ASP Inc, the Swedish krona loan under Autoliv AB, and the EMTN and CP programme is under Autoliv Inc. Guarantees and cross defaults exist between these three entities. All issuances are senior unsecured and debt issued under Autoliv AB and ASP are under the threshold of subordination.



Source: Fitch Ratings, Fitch Solutions, Autoliv, as of 30 September 2025

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	EBITDAR margin (%)	Capex (USDm)	EBITDAR (USDm)	FCF margin (%)	EBITDA net leverage (x)
Autoliv, Inc.	BBB+						
	BBB+	2024	13.2	-579	1,366	2.4	1.5
		2023	10.2	-573	1,068	1.4	1.7
		2022	11.6	-585	1,022	-1.1	1.5
Aptiv PLC	BBB						
	BBB	2024	15.8	-830	3,114	8.2	2.2
	BBB	2023	13.9	-906	2,796	4.8	1.7
	BBB	2022	12.6	-844	2,195	2.0	2.3
BorgWarner Inc.	BBB+						
	BBB+	2024	13.7	-671	1,935	3.3	1.2
	BBB+	2023	13.3	-832	1,889	1.6	1.2
	BBB+	2022	14.3	-723	2,255	4.0	1.4
Continental AG	BBB						
	BBB	2024	11.1	-2,031	4,593	0.5	0.9
	BBB	2023	10.1	-2,348	4,594	1.3	1.0
	BBB	2022	9.3	-2,314	3,898	-1.7	1.2
Pirelli & C. S.p.A.	BBB						
	BBB	2024	20.4	-420	1,439	4.8	1.7
	BBB-	2023	19.9	-437	1,448	4.4	2.0
	BBB-	2022	19.5	-358	1,377	3.3	2.5
Robert Bosch GmbH	A						
	A	2024	8.2	-5,979	7,738	0.1	-0.8
	A	2023	9.5	-6,704	9,558	1.1	-0.5
	A	2022	8.9	-5,912	8,375	-5.4	-0.6
Compagnie Generale des Etablissements Michelin	A						
	A-	2024	18.6	-2,338	5,259	3.2	0.6
	A-	2023	18.3	-2,485	5,695	6.6	0.6
	A-	2022	17.4	-2,177	5,318	-4.1	0.9
Schaeffler AG	BB+						
	BB+	2024	10.6	-995	2,004	0.3	2.9
	BB+	2023	12.9	-1,028	2,313	0.3	1.8
	BB+	2022	12.7	-844	2,138	-0.4	1.4

Source: Fitch Ratings, Fitch Solutions

Fitch Adjusted Financials

(USDm as of 31 Dec 24)	Notes and formulas	Standardised values	Cash adjustment	Lease treatment	Other adjustments	Adjusted values
Income statement summary						
Revenue		10,390	—	—	—	10,390
EBITDA	(a)	1,366	—	—	—	1,366
Depreciation and amortization		-387	—	—	—	-387
EBIT		979	—	—	—	979
Balance sheet summary						
Debt	(b)	2,120	—	—	—	2,120
Of which other off-balance-sheet debt		—	—	—	—	—
Lease-equivalent debt		—	—	—	—	—
Lease-adjusted debt		2,120	—	—	—	2,120
Readily available cash and equivalents	(c)	330	-208	—	—	122
Not readily available cash and equivalents		—	208	—	—	208
Cash flow summary						
EBITDA	(a)	1,366	—	—	—	1,366
Dividends received from associates less dividends paid to minorities	(d)	-5	—	—	—	-5
Interest paid	(e)	-104	—	—	—	-104
Interest received	(f)	—	—	—	—	—
Preferred dividends paid	(g)	—	—	—	—	—
Cash tax paid		-207	—	—	—	-207
Other items before FFO		-43	—	—	—	-43
FFO	(h)	1,007	—	—	—	1,007
Change in working capital		47	—	—	-2	45
CFO	(i)	1,054	—	—	-2	1,052
Non-operating/nonrecurring cash flow		—	—	—	—	—
Capex	(j)	-579	—	—	—	-579
Common dividends paid		-219	—	—	—	-219
FCF		256	—	—	-2	254
Gross leverage (x)						
EBITDA leverage	b/(a+d)	1.6	—	—	—	1.6
(CFO-capex)/debt (%)	(i+j)/b	22.4	—	—	—	22.3
Net leverage (x)						
EBITDA net leverage	(b-c)/(a+d)	1.3	—	—	—	1.5
(CFO-capex)/net debt (%)	(i+j)/(b-c)	26.5	—	—	—	23.7
Coverage (x)						
EBITDA interest coverage	(a+d)/(-e)	13.1	—	—	—	13.1

CFO – Cash flow from operations

Note: The standardised items presented above are based on Fitch's taxonomy for the given sector and region. Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.

Debt includes other off-balance-sheet debt.

Debt in the standardised values column excludes lease liabilities of USD159 million.

Source: Fitch Ratings, Fitch Solutions, Autoliv, Inc.

Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's [Corporate Rating Criteria](#). For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see [Climate Vulnerability Signals for Non-Financial Corporate Sectors](#).

The revenue-weighted Climate.VS for Garrett for 2035 is 50 out of 100, which is the same with other auto suppliers and OEMs. However, Autoliv produces safety systems (airbags/seatbelts) and steering wheels, which are agnostic products to electric vehicle (EV) transition trends. Almost all of Autoliv's products can be installed to EV and internal combustion engine (ICE) vehicles alike, and rapid regulatory changes will not require shifts in capex or production.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/topics/esg/products#esg-relevance-scores.

FitchRatings

Autoliv, Inc.

Corporates Ratings Navigator

Auto Suppliers

Credit-Relevant ESG Derivation

Autoliv, Inc. has 9 ESG potential rating drivers

Autoliv, Inc. has exposure to emissions regulatory risk but this has very low impact on the rating.

Autoliv, Inc. has exposure to waste & impact management risk but this has very low impact on the rating.

Autoliv, Inc. has exposure to product quality & safety risk but this has very low impact on the rating.

Autoliv, Inc. has exposure to labor relations & practices risk but this has very low impact on the rating.

Autoliv, Inc. has exposure to shifting consumer preferences but this has very low impact on the rating.

Governance is minimally relevant to the rating and is not currently a driver.

ESG Relevance to Credit Rating

key driver0issues5

driver0issues4

potential driver9issues3

not a rating driver2issues2

3issues1

Environmental (E) Relevance Scores

General IssuesE ScoreSector-Specific IssuesReference

GHG Emissions & Air Quality3Emissions and pollutants from productsMarket Position; Innovation

Energy Management2Fuel economy requirements of the productMarket Position; Innovation

Water & Wastewater Management2Water usage in manufacturingMarket Position; Profitability; Financial Structure

Waste & Hazardous Materials Management; Ecological Impacts3Waste and recycling in manufacturing operations; use of environmentally friendly materialsInnovation; Profitability; Financial Structure

Exposure to Environmental Impacts1n.a.n.a.

E Relevance

5

4

3

2

1

How to Read This Page

ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

Social (S) Relevance Scores

General IssuesS ScoreSector-Specific IssuesReference

Human Rights, Community Relations, Access & Affordability1n.a.n.a.

Customer Welfare - Fair Messaging, Privacy & Data Security3Safety and reliability of products and manufactured components; recall or warranty issuesMarket Position; Innovation; Profitability

Labor Relations & Practices3Impact of labor negotiations and employee (dis)satisfactionOperating Environment; Management and Corporate Governance; Profitability

Employee Wellbeing1n.a.n.a.

Exposure to Social Impacts3Chiefs' focus on promoting less vehicle ownership; shift in consumer preferences toward cleaner energyProfitability

S Relevance

5

4

3

2

1

Governance (G) Relevance Scores

General IssuesG ScoreSector-Specific IssuesReference

Management Strategy3Strategy development and implementationManagement and Corporate Governance

Governance Structure3Board independence and effectiveness; ownership concentrationManagement and Corporate Governance

Group Structure3Complexity, transparency and related-party transactionsManagement and Corporate Governance

Financial Transparency3Quality and timing of financial disclosureManagement and Corporate Governance

G Relevance

5

4

3

2

1

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.

4Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.

3Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.

2Relevant to the entity rating but relevant to the sector.

1Relevant to the entity rating and irrelevant to the sector.

CREDIT-RELEVANT ESG SCALE	
How relevant are E, S and G issues to the overall credit rating?	
5	Highly relevant, is key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "high" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Ratings

Long-Term IDR	BBB+
Short-Term IDR	F2
Senior Unsecured Debt - Long-Term Rating	BBB+
Senior Unsecured Debt - Short-Term Rating	F2
Outlook	
Long-Term Foreign-Currency IDR	Stable

[Click here for the full list of ratings](#)

ESG and Climate

Highest ESG Relevance Scores	
Environmental	3
Social	3
Governance	3

2035 Climate Vulnerability Signal: 50

Applicable Criteria

[Sector Navigators – Addendum to the Corporate Rating Criteria \(June 2025\)](#)
[Corporate Rating Criteria \(June 2025\)](#)
[Corporates Recovery Ratings and Instrument Ratings Criteria \(August 2024\)](#)

Related Research

[Global Automotive Outlook 2026](#)
[Global Economic Outlook – September 2025](#)
[Global Corporates Sector Forecasts Monitor - September 2025](#)
[EMEA Auto Suppliers – Peer Credit Analysis \(December 2025\)](#)

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