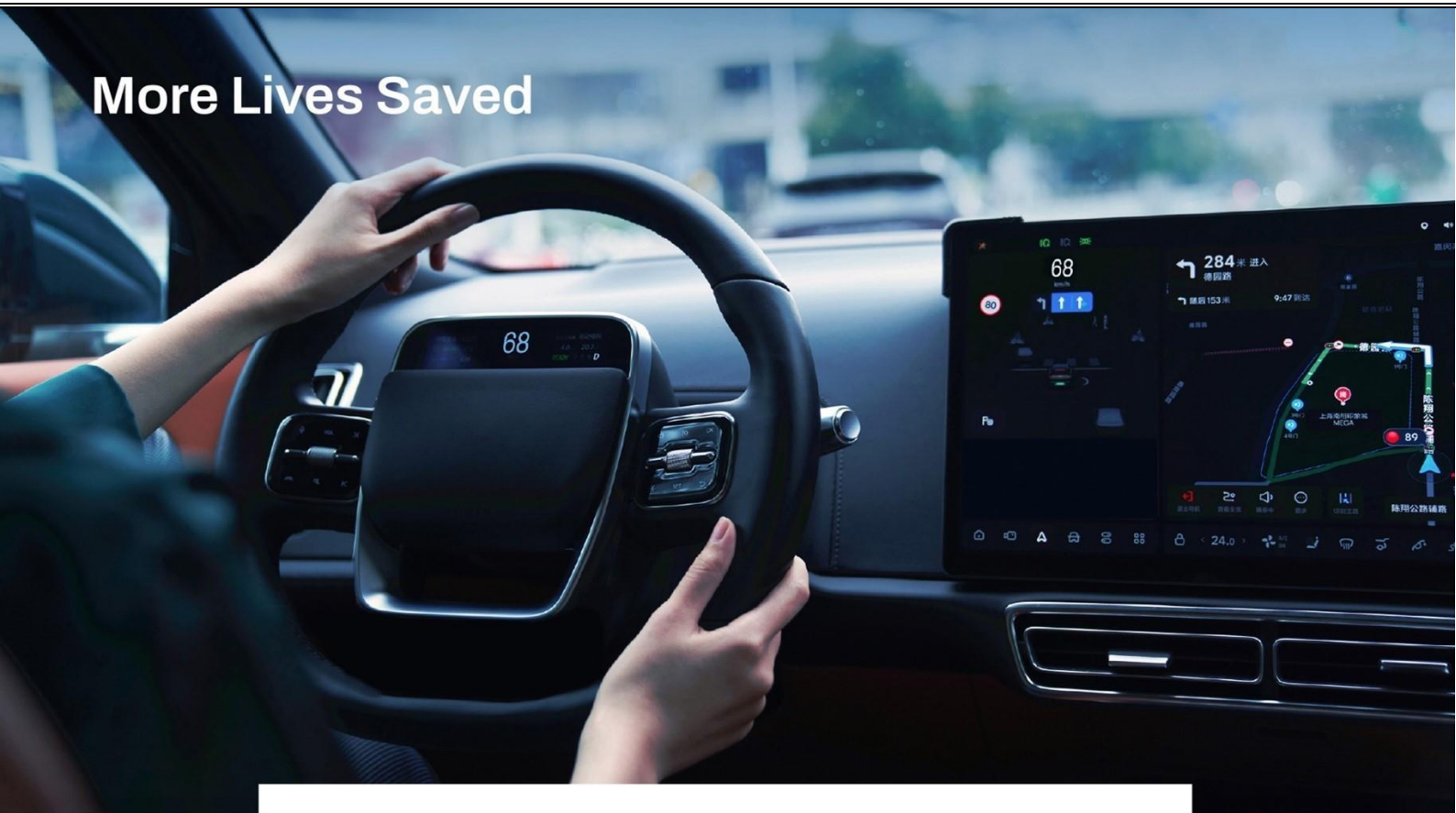


More Lives Saved



More Life Lived

# Financial Report

July - September 2024

Stockholm, Sweden, October 18, 2024  
(NYSE: ALV and SSE: ALIV.sdb)



## Q3 2024: Solid sales outperformance

### Financial highlights Q3 2024

**\$2,555 million** net sales  
**1.6%** net sales decrease  
**0.8%** organic sales decline\*  
**8.9%** operating margin  
**9.3%** adjusted operating margin\*  
**\$1.74** diluted EPS, 11% increase  
**\$1.84** adjusted diluted EPS\*, 11% increase

### Full year 2024 guidance

**Around 1%** organic sales growth  
**Around 1% negative** FX effect on net sales  
**Around 9.5-10.0%** adjusted operating margin  
**Around \$1.1 billion** operating cash flow

*All change figures in this release compare to the same period of the previous year except when stated otherwise.*

## Key business developments in the third quarter of 2024

- Third quarter sales decreased organically\* by 0.8%**, which was 4pp better than global LVP decline of 4.8% (S&P Global Oct 2024). We outperformed in Europe and Asia excl. China, mainly due to high level of product launches and positive pricing. Our sales to domestic Chinese OEMs grew by 18%, which is twice as much as their LVP growth of 8.5%. Despite this, we underperformed in China, due to a substantial negative LVP mix as lower safety content models grew strongly while higher content models declined.
- Profitability was unchanged** despite a slight net sales decline. This was mainly due to successful execution of cost reductions and commercial recoveries and despite inflationary cost increases and a \$14 million cost related to a supplier settlement. Both direct and indirect headcount continued to decrease. Operating income was \$226 million and operating margin was 8.9%. Adjusted operating income\* was \$237 million and adjusted operating margin\* was 9.3%. Return on capital employed was 22.9% and adjusted return on capital employed\* was 23.9%.
- Operating cash flow was \$177 million**, as expected, and we are on track towards \$1.1 billion for 2024. Free cash flow\* was \$32 million compared to \$50 million last year. At 1.4x, the leverage ratio\* remained within our target range. In the quarter, a dividend of \$0.68 per share was paid, and 1.33 million shares were repurchased and retired.

*\*For non-U.S. GAAP measures see enclosed reconciliation tables.*

### Key Figures

(Dollars in millions, except per share data)	Q3 2024	Q3 2023	Change	9M 2024	9M 2023	Change
Net sales	\$2,555	\$2,596	(1.6)%	\$7,774	\$7,724	0.7%
Operating income	226	232	(2.4)%	626	453	38%
Adjusted operating income <sup>1)</sup>	237	243	(2.3)%	657	586	12%
Operating margin	8.9%	8.9%	(0.1)pp	8.1%	5.9%	2.2pp
Adjusted operating margin <sup>1)</sup>	9.3%	9.4%	(0.1)pp	8.5%	7.6%	0.9pp
Earnings per share - diluted	1.74	1.57	11%	4.98	3.04	64%
Adjusted earnings per share - diluted <sup>1)</sup>	1.84	1.66	11%	5.30	4.48	18%
Operating cash flow	177	202	(12)%	639	535	19%
Return on capital employed <sup>2)</sup>	22.9%	24.2%	(1.3)pp	21.2%	15.6%	5.6pp
Adjusted return on capital employed <sup>1,2)</sup>	23.9%	24.5%	(0.7)pp	22.1%	19.8%	2.3pp

1) Excluding effects from capacity alignments, antitrust related matters and for FY 2023 the Andrews litigation settlement. Non-U.S. GAAP measure, see reconciliation table.

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

### Comments from Mikael Bratt, President & CEO



Light vehicle production was weak in the third quarter, declining by close to 5% globally. This was driven by a combination of inventory reductions, especially in the Americas and a high comparison base, especially in China. In this tough environment, Autoliv managed to outgrow LVP by 4pp, enabling almost unchanged sales and operating income. This is despite a \$14 million cost item related to a supplier settlement.

We were able to achieve these results mainly due to our cost control, including a continued reduction of our indirect workforce. We accelerated our efficiency improvements, contributing to a reduction of direct headcount by 3,100 compared to a year earlier, which is a reduction of 6%.

I am pleased that we outgrew LVP on a global basis following substantial outperformance in Europe and Asia excl. China. Our sales underperformed LVP in China due to a substantial negative market mix, however, our position with Chinese OEMs continues to improve.

Based on sales trends and order intake in recent years, we expect further market share gains with domestic Chinese OEMs in the coming years.

Excess inflation compensation negotiations with our customers have developed in line with our expectations with a few negotiations still outstanding.

With the seasonally strong fourth quarter remaining of the year, we reaffirm our guidance of around 9.5-10.0% adjusted operating margin for 2024. We expect to be at the low end of this range, as we now expect full year 2024 organic growth to be 1% instead of previously expected 2% due to the unfavorable market mix development.

Our operating cash flow is on track towards the full year guidance of \$1.1 billion and our balance sheet remains strong with a debt leverage of 1.4x, which supports our continued commitment to a high level of shareholder returns and our financial targets.

## Full year 2024 guidance

Our 2024 guidance is mainly based on our customer call-offs, a full year 2024 global LVP decline of around 3% and the achievement of our targeted cost compensation effects.

	Full Year Indication		Full Year Indication
Organic sales growth	Around 1%	Tax rate <sup>2)</sup>	Around 28%
FX impact on net sales	Around 1% negative	Operating cash flow <sup>3)</sup>	Around \$1.1 billion
Adjusted operating margin <sup>1)</sup>	Around 9.5-10.0%	Capex, net, of sales	Around 5.5%

1) Excluding effects from capacity alignments, antitrust related matters and other discrete items. 2) Excluding unusual tax items. 3) Excluding unusual items.

The forward-looking non-U.S. GAAP financial measures above 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 and gains 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.

## Conference call and webcast

The earnings conference call will be held at 2:00 p.m. CET today, October 18, 2024. Information regarding how to participate is available on [www.autoliv.com](http://www.autoliv.com). The presentation slides for the conference call will be available on our website shortly after the publication of this financial report.

## Business and market condition update

### Supply Chain

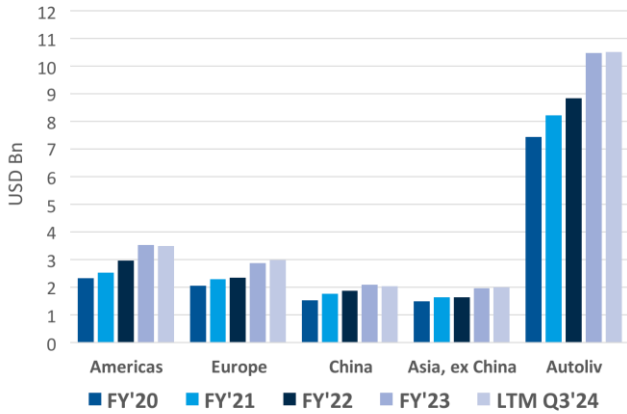
In the third quarter, global light vehicle production declined by 4.8% year-over-year (according to S&P Global Oct 2024). Call-off volatility was unchanged compared to a year earlier but improved slightly compared to the second quarter 2024, and it remains at higher than pre-pandemic levels. Low customer demand visibility and changes to customer call-offs with short notice had a negative impact on our production efficiency and profitability in the quarter. We expect call-off volatility in 2024 on average to be slightly lower than it was in 2023 but still remain higher than the pre-pandemic level.

### Inflation

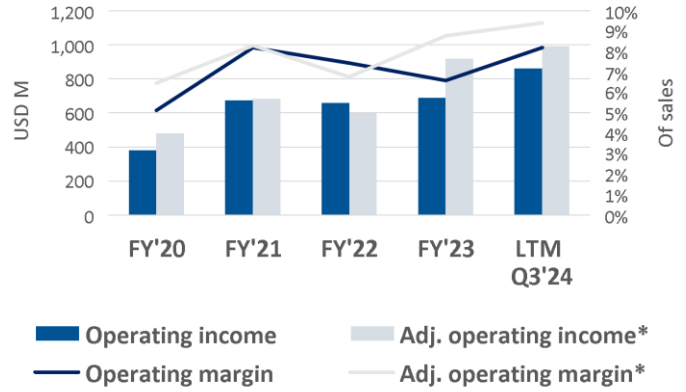
In the third quarter, cost pressure from labor and other items had a negative impact on our profitability, although most of the inflationary cost pressure was offset by price increases and other customer compensations in the quarter. Raw material price changes had a negligible impact on our profitability during the third quarter. We continue to expect raw material prices in 2024 to increase slightly for the full year. We expect continued cost pressure from inflation relating mainly to labor, especially in Europe and the Americas. We continue to execute on productivity and cost reduction activities to offset these cost pressures, and have successfully received inflation compensation from almost all of our customers, with only a few negotiations still outstanding.

## Key Performance Trends

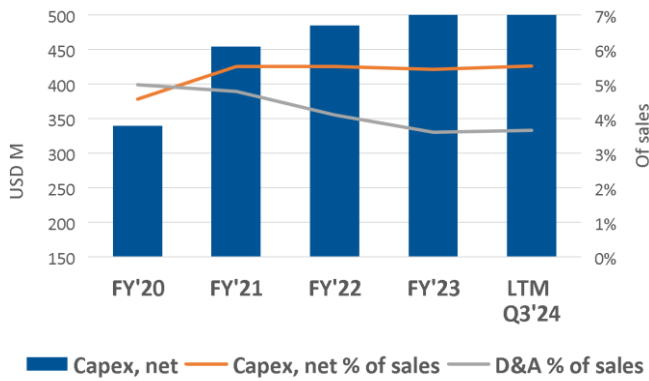
Net Sales Development by region



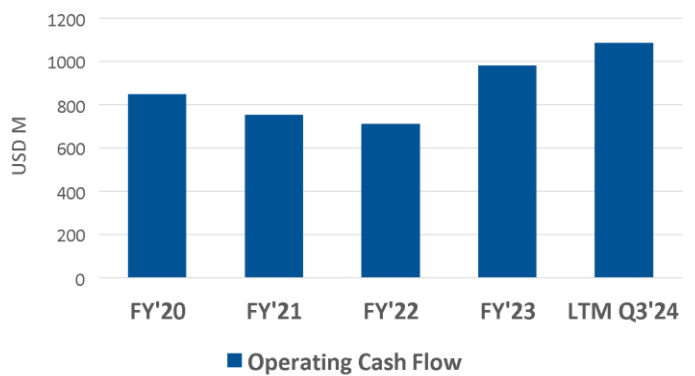
Operating and adjusted operating income and margins



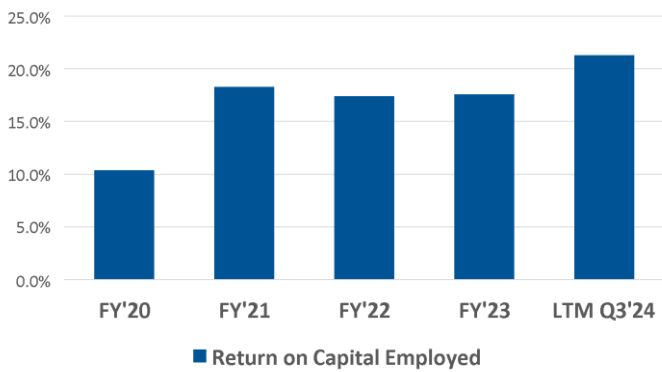
Capex and D&A



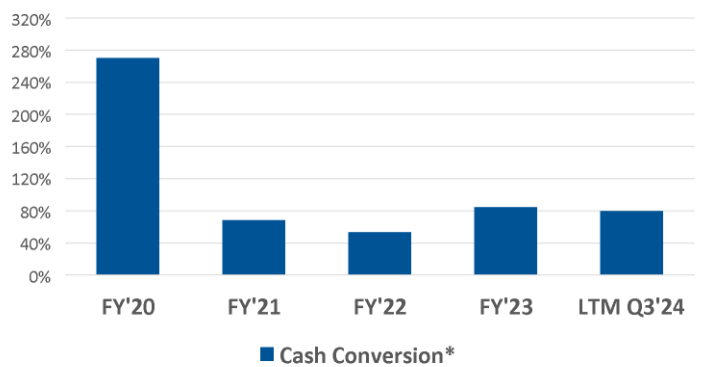
Operating Cash Flow



Return on Capital Employed



Cash Conversion\*



### Key definitions

**Adj. operating income and margin\*:** Operating income adjusted for capacity alignments, antitrust related matters and for FY 2023 the Andrews litigation settlement. Capacity alignments include non-recurring costs related to our structural efficiency and business cycle management programs.

**Capex, net:** Capital Expenditure, net.

**D&A:** Depreciation and Amortization.

**Cash conversion\*:** Free cash flow defined as operating cash flow less capital expenditure, net.

## Consolidated sales development

### Third quarter 2024

Consolidated sales (Dollars in millions)	Third quarter		Reported change (U.S. GAAP)	Currency effects <sup>1)</sup>	Organic change*
	2024	2023			
Airbags, Steering Wheels and Other <sup>2)</sup>	\$1,736	\$1,761	(1.4)%	(0.7)%	(0.7)%
Seatbelt Products and Other <sup>2)</sup>	819	835	(2.0)%	(1.0)%	(1.0)%
<b>Total</b>	<b>\$2,555</b>	<b>\$2,596</b>	<b>(1.6)%</b>	<b>(0.8)%</b>	<b>(0.8)%</b>
Americas	\$851	\$918	(7.2)%	(3.5)%	(3.8)%
Europe	700	646	8.4%	2.2%	6.3%
China	495	538	(8.1)%	1.3%	(9.3)%
Asia excl. China	508	495	2.7%	(2.1)%	4.8%
<b>Total</b>	<b>\$2,555</b>	<b>\$2,596</b>	<b>(1.6)%</b>	<b>(0.8)%</b>	<b>(0.8)%</b>

1) Effects from currency translations. 2) Including Corporate sales.

### Sales by product – Airbags, Steering Wheels and Other

Sales declined organically\* by 0.7% in the quarter. The largest contributor to the decrease was passenger airbags, inflatable curtains, knee airbags and driver airbags, partly offset by growth in steering wheels, inflators and center airbags.

### Sales by product - Seatbelt Products and Other

Sales for Seatbelt Products and Other declined organically\* by 1.0% in the quarter. Sales declined organically in China, while it increased in Asia excluding China and the Americas with Europe being virtually unchanged.

### Sales by region

Our global organic sales\* decreased by 0.8% compared to the global LVP decrease of 4.8% (according to S&P Global, October 2024). The outperformance was mainly driven by new product launches and higher prices, partly offset by negative customer and model mix. Our organic sales growth outperformed LVP growth by 12pp in Europe and by 10pp in Asia excluding China while we underperformed by 0.6pp

in the Americas and by 6.4pp in China. LVP growth in China was heavily tilted to domestic OEMs with typically lower safety content. LVP for global OEMs declined by 15% while it increased by 8.5% for domestic OEMs. Autoliv's sales to domestic OEMs increased by 18% in the quarter following a strong order intake with domestic OEMs in recent years. In India, we grew organically by around 17%, while LVP was close to unchanged.

Q3 2024 organic growth*	Americas	Europe	China	Asia excl. China	Global
<b>Autoliv</b>	<b>(3.8)%</b>	<b>6.3%</b>	<b>(9.3)%</b>	<b>4.8%</b>	<b>(0.8)%</b>
Main growth drivers	GM, Renault, VW	Mercedes, Renault, Ford	Geely, Chery, BMW	Hyundai, Suzuki, Tata	Geely, Mercedes, Renault
Main decline drivers	Stellantis, EV OEM, Nissan	Stellantis, Volvo, Fisker	Lixiang Auto, VW, Honda	Nissan, Mazda	Stellantis, EV OEM, GM

### Light vehicle production development

Change compared to the same period last year according to S&P Global

Q3 2024	Americas	Europe	China	Asia excl. China	Global
<b>LVP (Oct 2024)</b>	<b>(3.2)%</b>	<b>(6.1)%</b>	<b>(2.9)%</b>	<b>(5.3)%</b>	<b>(4.8)%</b>
LVP (Jul 2024)	(2.5)%	(5.4)%	(7.0)%	(3.3)%	(5.5)%

## Consolidated sales development

### First nine months 2024

Consolidated sales (Dollars in millions)	First 9 months		Reported change (U.S. GAAP)	Currency effects <sup>1)</sup>	Organic change*
	2024	2023			
Airbags, Steering Wheels and Other <sup>2)</sup>	\$5,264	\$5,191	1.4%	(1.0)%	2.4%
Seatbelt Products and Other <sup>2)</sup>	2,511	2,533	(0.9)%	(1.2)%	0.3%
<b>Total</b>	<b>\$7,774</b>	<b>\$7,724</b>	<b>0.7%</b>	<b>(1.1)%</b>	<b>1.7%</b>
Americas	\$2,637	\$2,665	(1.0)%	(0.2)%	(0.8)%
Europe	2,231	2,122	5.2%	1.4%	3.7%
China	1,423	1,488	(4.4)%	(2.0)%	(2.3)%
Asia excl. China	1,483	1,449	2.3%	(5.3)%	7.7%
<b>Total</b>	<b>\$7,774</b>	<b>\$7,724</b>	<b>0.7%</b>	<b>(1.1)%</b>	<b>1.7%</b>

1) Effects from currency translations. 2) Including Corporate sales.

### Sales by product – Airbags, Steering Wheels and Other

Sales grew organically\* by 2.4% in the period. The largest contributor to the increase was steering wheels, followed by center airbags, inflatable curtains, side airbags and inflators, partly offset by decreases for passenger airbags and knee airbags.

### Sales by product - Seatbelt Products and Other

Sales for Seatbelt Products and Other grew organically\* by 0.3% in the period. Sales increased organically in Asia excluding China, the Americas and Europe while it declined in China.

### Sales by region

Our global organic sales\* increased by 1.7% compared to the global LVP decrease of 1.8% (according to S&P Global, October 2024). The 3.5pp outperformance was mainly driven by new product launches and higher prices, partly offset by negative customer and model mix.

Our organic sales growth outperformed LVP growth by 12pp in Asia excluding China, by 7.3pp in Europe and by 0.8pp in the Americas, while it underperformed by 4.6pp in China. LVP growth in China was tilted to domestic OEMs with typically lower safety content. Domestic OEM LVP in China grew by 15% while LVP declined by 10% for global OEMs in the first nine months.

9M 2024 organic growth*	Americas	Europe	China	Asia excl. China	Global
<b>Autoliv</b>	<b>(0.8)%</b>	<b>3.7%</b>	<b>(2.3)%</b>	<b>7.7%</b>	<b>1.7%</b>
Main growth drivers	VW, Toyota, Hyundai	Mercedes, Renault, BMW	Geely, BMW, Chery	Hyundai, Tata, Suzuki	Mercedes, Hyundai, Geely
Main decline drivers	Stellantis, EV OEM, Nissan	Stellantis, VW, Volvo	EV OEM, Honda, GM	Nissan, Renault	Stellantis, EV OEM, GM

### Light vehicle production development

First 9 months 2024	Americas	Europe	China	Asia excl. China	Global
<b>LVP (Oct 2024)</b>	<b>(1.6)%</b>	<b>(3.6)%</b>	<b>2.3%</b>	<b>(4.8)%</b>	<b>(1.8)%</b>
LVP (Jan 2024)	0.8%	(1.8)%	1.4%	(1.6)%	(0.4)%

## Key launches in the third quarter 2024

Nio Onvo L60



BMX X3



Zeekr 7X



Nissan Patrol & Armada



Alfa Romeo Junior



Audi A6 e-tron



Changan Avatr 15



Audi A5



Tata Curvv



Ford Capri



Chery Luxeed R7



Mahindra Thar (ROXX)



Driver/Passenger Airbags

Seatbelts

Side Airbags

Head/Inflatable Curtain Airbags

Steering Wheel

Knee Airbag

Front Center Airbag

Bag-in-Belt

Pyrotechnical Safety Switch

Pedestrian Airbag

Hood Lifter

Available as EV/PHEV

## Financial development

### Selected Income Statement items

Condensed income statement (Dollars in millions, except per share data)	Third quarter			First 9 months		
	2024	2023	Change	2024	2023	Change
Net sales	\$2,555	\$2,596	(1.6)%	\$7,774	\$7,724	0.7%
Cost of sales	(2,095)	(2,131)	(1.7)%	(6,398)	(6,432)	(0.5)%
<b>Gross profit</b>	<b>459</b>	<b>465</b>	<b>(1.3)%</b>	<b>1,377</b>	<b>1,291</b>	<b>6.6%</b>
S,G&A	(129)	(119)	8.4%	(399)	(380)	4.9%
R,D&E, net	(96)	(107)	(10)%	(325)	(343)	(5.5)%
Other income (expense), net	(9)	(8)	11%	(27)	(115)	(76)%
<b>Operating income</b>	<b>226</b>	<b>232</b>	<b>(2.4)%</b>	<b>626</b>	<b>453</b>	<b>38%</b>
<b>Adjusted operating income<sup>1)</sup></b>	<b>237</b>	<b>243</b>	<b>(2.3)%</b>	<b>657</b>	<b>586</b>	<b>12%</b>
Financial and non-operating items, net	(29)	(30)	(3.7)%	(73)	(60)	21%
<b>Income before taxes</b>	<b>197</b>	<b>201</b>	<b>(2.2)%</b>	<b>554</b>	<b>393</b>	<b>41%</b>
Income taxes	(58)	(67)	(13)%	(149)	(131)	14%
<b>Net income</b>	<b>\$139</b>	<b>\$134</b>	<b>3.4%</b>	<b>\$404</b>	<b>\$262</b>	<b>55%</b>
Earnings per share - diluted <sup>3)</sup>	\$1.74	\$1.57	11%	\$4.98	\$3.04	64%
Adjusted earnings per share - diluted <sup>1,3)</sup>	\$1.84	\$1.66	11%	\$5.30	\$4.48	18%
Gross margin	18.0%	17.9%	0.1pp	17.7%	16.7%	1.0pp
S,G&A, in relation to sales	(5.0)%	(4.6)%	(0.5)pp	(5.1)%	(4.9)%	(0.2)pp
R,D&E, net in relation to sales	(3.7)%	(4.1)%	0.4pp	(4.2)%	(4.4)%	0.3pp
Operating margin	8.9%	8.9%	(0.1)pp	8.1%	5.9%	2.2pp
Adjusted operating margin <sup>1)</sup>	9.3%	9.4%	(0.1)pp	8.5%	7.6%	0.9pp
Tax Rate	29.6%	33.4%	(3.8)pp	27.0%	33.4%	(6.4)pp
<b>Other data</b>						
No. of shares at period-end in millions <sup>3)</sup>	78.8	84.1	(6.4)%	78.8	84.1	(6.4)%
Weighted average no. of shares in millions <sup>3)</sup>	79.2	84.9	(6.6)%	80.7	85.5	(5.6)%
Weighted average no. of shares in millions, diluted <sup>3)</sup>	79.3	85.0	(6.7)%	80.9	85.7	(5.6)%

1) Non-U.S. GAAP measure, excluding effects from capacity alignments, antitrust related matters and for FY 2023 the Andrews litigation settlement. See reconciliation table. 2) Assuming dilution when applicable and net of treasury shares. 3) Net of treasury shares.

### Third quarter 2024 development

**Gross profit** decreased by \$6 million, and the gross margin increased by 0.1pp compared to the same quarter 2023. The gross profit decrease was primarily driven by a \$14 million cost increase in direct material related to a settlement and to a lesser extent the lower net sales. This was partly offset by lower costs for mainly premium freight and labor, partly due to improved customer call-off accuracy.

**S,G&A** costs increased by \$10 million compared to the prior year, mainly due to higher costs for personnel due to wage inflation while headcount was unchanged. Costs for digitalization, IT projects and licenses also increased, impacted by inflation. S,G&A costs in relation to sales increased from 4.6% to 5.0%.

**R,D&E, net** costs decreased by \$11 million compared to the prior year, mainly due to \$6 million in higher engineering income. The decrease was also supported to a smaller extent from several items, mainly positive FX translation effects, lower personnel costs and lower costs for samples and prototypes. R,D&E, net, in relation to sales decreased from 4.1% to 3.7%.

**Other income (expense), net** was close to unchanged at negative \$9 million, compared to negative \$8 million in the same period last year.

**Operating income** decreased by \$6 million compared to the same period in 2023, due to the lower gross profit, higher S,G&A costs and other income (expenses) partly offset by lower costs for R,D&E, net, as outlined above.

**Adjusted operating income\*** decreased by \$6 million compared to the prior year, due to the lower gross profit, higher S,G&A costs and other income (expenses) partly offset by lower costs for R,D&E, net, as outlined above.

**Financial and non-operating items, net**, was negative \$29 million compared to negative \$30 million a year earlier.

**Income before taxes** decreased by \$4 million compared to the prior year, mainly due to the lower operating income.

**Tax rate** was 29.6% compared to 33.4% in the same period last year. The lower tax rate was impacted by a favorable country mix compared to the same quarter last year. Discrete tax items, net, decreased the tax rate this quarter by 1.2pp. Discrete tax items, net, increased the tax rate by 0.2pp in the same period last year.

**Earnings per share, diluted** increased by \$0.17 compared to a year earlier. The main drivers were \$0.12 from lower number of shares and \$0.10 from lower taxes, partly offset by \$0.05 from lower operating income.

## First nine months 2024 development

**Gross profit** increased by \$85 million, and the gross margin increased by 1.0pp compared to the same period in 2023. More than half of the improvement in gross profit was driven by the increase in net sales, but lower costs for labor and premium freight also contributed to the improvement following more stable customer call-offs and headcount reductions.

**S,G&A** costs increased by \$18 million compared to the prior year. The main reason for the cost increase was higher costs for personnel, due to the high wage inflation. S,G&A costs in relation to sales increased from 4.9% to 5.1%.

**R,D&E, net** costs decreased by \$19 million compared to the prior year. Higher engineering income explain almost the entire improvement. R,D&E, net, in relation to sales decreased from 4.4% to 4.2%.

**Other income (expense), net** was negative \$27 million compared to negative \$115 million in the same period last year, almost entirely due to lower capacity alignment accruals compared to the same period previous year.

**Operating income** increased by \$173 million compared to the same period in 2023, mainly due to the increase in gross profit, and lower capacity alignment accruals, as outlined above.

**Adjusted operating income\*** increased by \$71 million compared to the prior year, mainly due to higher gross profit and lower R,D&E, net partly offset by higher costs for S,G&A, as outlined above.

**Financial and non-operating items, net**, was negative \$73 million compared to negative \$60 million a year earlier. The change was mainly due to increased interest expense as the result of higher debt and higher interest rates.

**Income before taxes** increased by \$161 million compared to the prior year, mainly due to the increase in operating income and financial and non-operating items, net, as outlined above.

**Tax rate** was 27.0% compared to 33.4% in the same period last year. The lower tax rate was impacted by favorable country mix compared to the prior year. Discrete tax items, net, decreased the tax rate this period by 2.8pp. Discrete tax items, net, decreased the tax rate by 0.6pp in the same period last year.

**Earnings per share, diluted** increased by \$1.94 compared to a year earlier. The main drivers were \$1.67 from higher operating income, \$0.29 from lower number of shares and \$0.09 from taxes partly offset by \$0.11 from higher financial and non-operating items, net.

## Selected Cash Flow and Balance Sheet items

Selected Cash Flow items (Dollars in millions)	Third quarter			First 9 months		
	2024	2023	Change	2024	2023	Change
Net income	\$139	\$134	3.4%	\$404	\$262	55%
Changes in operating working capital	(68)	(36)	88%	(54)	(8)	593%
Depreciation and amortization	97	95	1.8%	289	281	2.7%
Other, net	10	9	14%	1	1	6%
<b>Operating cash flow</b>	<b>177</b>	<b>202</b>	<b>(12)%</b>	<b>639</b>	<b>535</b>	<b>19%</b>
Capital expenditure, net	(145)	(151)	(4.1)%	(431)	(419)	3%
<b>Free cash flow<sup>1)</sup></b>	<b>\$32</b>	<b>\$50</b>	<b>(36)%</b>	<b>\$208</b>	<b>\$117</b>	<b>79%</b>
<b>Cash conversion<sup>2)</sup></b>	<b>23%</b>	<b>37%</b>	<b>(14)pp</b>	<b>52%</b>	<b>45%</b>	<b>7pp</b>
<b>Shareholder returns</b>						
- Dividends paid	(54)	(56)	(3.8)%	(164)	(169)	(2.8)%
- Share repurchases	(130)	(120)	8.2%	(450)	(202)	123%
Cash dividend paid per share	\$(0.68)	\$(0.66)	2.7%	\$(2.04)	\$(1.98)	2.7%
Capital expenditures, net in relation to sales	5.7%	5.8%	(0.1)pp	5.5%	5.4%	0.1pp

1) Operating cash flow less Capital expenditure, net. Non-U.S. GAAP measure. See enclosed reconciliation table. 2) Free cash flow relative to Net income. Non-U.S. GAAP measure. See reconciliation table.

Selected Balance Sheet items (Dollars in millions)	Third quarter		
	2024	2023	Change
Trade working capital <sup>1)</sup>	\$1,307	\$1,303	0.3%
Trade working capital in relation to sales <sup>2)</sup>	12.8%	12.5%	0.2pp
- Receivables outstanding in relation to sales <sup>3)</sup>	21.5%	21.0%	0.5pp
- Inventory outstanding in relation to sales <sup>4)</sup>	9.8%	9.5%	0.3pp
- Payables outstanding in relation to sales <sup>5)</sup>	18.4%	17.9%	0.5pp
Cash & cash equivalents	415	475	(13)%
Gross Debt <sup>6)</sup>	2,210	1,867	18%
Net Debt <sup>7)</sup>	1,787	1,375	30%
Capital employed <sup>8)</sup>	4,085	3,861	5.8%
Return on capital employed <sup>9)</sup>	22.9%	24.2%	(1.3)pp
Total equity	2,298	2,486	(7.6)%
Return on total equity <sup>10)</sup>	24.1%	21.3%	2.8pp
Leverage ratio <sup>11)</sup>	1.4	1.3	0.1pp

1) Outstanding receivables and outstanding inventory less outstanding payables. 2) Outstanding receivables and outstanding inventory less outstanding payables relative to annualized quarterly sales. Non-U.S. GAAP measure, see reconciliation table. 3) Outstanding receivables relative to annualized quarterly sales. 4) Outstanding inventory relative to annualized quarterly sales. 5) Outstanding payables relative to annualized quarterly sales. 6) Short- and long-term interest-bearing debt. 7) Short- and long-term debt less cash and cash equivalents and debt-related derivatives. Non-U.S. GAAP measure. See reconciliation table. 8) Total equity and net debt. 9) Annualized operating income and income from equity method investments, relative to average capital employed. 10) Annualized net income relative to average total equity. 11) Net debt adjusted for pension liabilities in relation to EBITDA. Non-U.S. GAAP measure. See reconciliation table.

## Third quarter 2024 development

**Changes in operating working capital** impacted operating cash flow by \$68 million negative compared to an impact of \$36 million negative in the same period the prior year. Almost all of the \$68 million impact in the quarter came from increases in inventories due to high customer call off volatility at the end of the quarter and higher receivables, mainly as a result of seasonally higher sales in September.

**Other, net** was \$10 million positive compared to \$9 million positive in the same period the prior year.

**Operating cash flow** decreased by \$25 million to \$177 million compared to the same period last year, mainly due to that operating working capital increased by \$34 million more than it increased the same period last year, as outlined above.

**Capital expenditure, net** decreased by \$6 million compared to the same period the previous year. The level of Capital expenditure, net, in relation to sales was relatively stable at 5.7% versus 5.8% a year earlier. The level is currently above what we expect for the longer term, due to investments in capacity, mainly in Asia, and in footprint optimization, mainly in Europe and the Americas.

**Free cash flow\*** was positive \$32 million compared to positive \$50 million in the same period the prior year. The decrease was due to the lower operating cash flow partly offset by the lower capital expenditure, net.

**Cash conversion\*** defined as free cash flow\* in relation to net income, was 23% in the quarter.

**Trade working capital\*** increased by \$4 million compared to the same period last year, where the main drivers were \$13 million in higher accounts receivables, \$24 million in higher accounts payable and \$15 million in higher inventories. In relation to sales, trade working capital increased from 12.5% to 12.8%.

**Cash and cash equivalents** as of September 30, 2024 was around \$0.4 billion, while committed, unused loan facilities, was around \$1.2 billion.

**Net debt\*** was \$1,787 million as of September 30, 2024, which was \$412 million higher than a year earlier.

## First nine months 2024 development

**Operating cash flow** increased by \$104 million compared to the same period last year, to \$639 million, mainly due to higher net income, partly offset by more negative effects from increased operating working capital.

**Capital expenditure, net** increased by \$12 million. Capital expenditure, net in relation to sales was relatively stable at 5.5% versus 5.4% the prior year period. The level is currently slightly above what we expect for the longer term, due to investments in capacity, mainly in Asia, and in footprint optimization, mainly in Europe and the Americas.

## Headcount

	Sep 30 2024	Jun 30 2024	Sep 30 2023
Headcount	67,200	68,700	71,200
Whereof: Direct headcount in manufacturing	49,800	51,100	52,900
Indirect headcount	17,400	17,500	18,200
Temporary personnel	9%	9%	11%

As of September 30, 2024, total headcount (Full Time Equivalent) decreased by around 4,000, or by 5.6%, compared to a year earlier, despite almost unchanged sales. The indirect workforce decreased by around 800, or by 4.4%, mainly reflecting our structural reduction initiatives. The direct workforce decreased by approximately 3,100, or by 5.9%, partly due to that an improvement in customer call-off accuracy in the third quarter has enabled us to accelerate operating efficiency improvements.

**Total equity** as of September 30, 2024, decreased by \$188 million compared to September 30, 2023. This was mainly due to \$221 million in dividend payments and stock repurchases including taxes of \$608 million, partly offset by \$632 million from net income.

**Leverage ratio\*:** On September 30, 2024, the Company had a leverage ratio of 1.4x compared to 1.3x on September 30, 2023, as the 12 months trailing adjusted EBITDA\* increased by around \$187 million while the net debt\* per the policy increased by around \$407 million.

**Free cash flow\*** was positive \$208 million, compared to positive \$117 million in the same period last year. The improvement was due to the higher operating cash flow partly offset by higher capital expenditure, net.

**Cash conversion\*** defined as free cash flow\* in relation to net income, was 52% in the period.

Compared to June 30, 2024, total headcount (FTE) decreased by around 1,500, or by 2.2%. Indirect headcount decreased by around 100, or by 0.6%, while direct headcount decreased by approximately 1,300, or by 2.5%.

## Other Items

- On September 13, 2024, the Autoliv Board of Directors appointed Ms. Adriana Karaboutis as an independent director to the Autoliv Board of Directors effective immediately. With the addition of Ms. Karaboutis, Autoliv has expanded its Board size from eleven to twelve directors. Ms. Karaboutis most recently served as Group Chief Information and Digital Officer of National Grid PLC, one of the world's largest public utility companies. She previously served as EVP Technology, Business Solutions and Corporate Affairs at Biogen Inc., as well as VP and Global CIO of Dell, Inc. Ms. Karaboutis also has more than 20 years at General Motors and Ford in various international leadership positions. Ms. Karaboutis is appointed for a term expiring at the 2025 Annual General Meeting of Stockholders at which time the Board is expected to contract to eleven members with the retirement of Mr. Hasse Johansson.
- On September 17, 2024, Autoliv announced the appointment of Mr. Fabien Dumont as Executive Vice President & Chief Technology Officer and a member of the Autoliv Executive Management Team. Fabien Dumont previously served as Vice President Engineering in Autoliv China and has been with Autoliv since 1998. In leading the Autoliv China Engineering team, Fabien Dumont has played a vital role in developing innovations and technologies that support the fast-moving Chinese market.
- In Q3 2024, Autoliv repurchased and retired 1.33 million shares of common stock at an average price of \$97.80 per share under the Autoliv 2022-2024 stock repurchase program.

## Next Report

Autoliv intends to publish the quarterly earnings report for the fourth quarter of 2024 on Friday, January 31, 2025.

## Inquiries: Investors and Analysts

Anders Trapp  
Vice President Investor Relations  
Tel +46 (0)8 5872 0671

Henrik Kaar  
Director Investor Relations  
Tel +46 (0)8 5872 0614

## Inquiries: Media

Gabriella Etemad  
Senior Vice President Communications  
Tel +46 (0)70 612 6424

Autoliv, Inc. is obliged to make this information public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the VP of Investor Relations set out above, at 12.00 CET on October 18, 2024.

## Footnotes

\*Non-U.S. GAAP measure, see enclosed reconciliation tables.

## Definitions and SEC Filings

Please refer to [www.autoliv.com](http://www.autoliv.com) or to our Annual Report for definitions of terms used in this report. Autoliv's annual report to stockholders, annual report on Form 10-K, quarterly reports on Form 10Q, proxy statements, management certifications, press releases, current reports on Form 8-K and other documents filed with the SEC can be obtained free of charge from Autoliv at the Company's address. These documents are also available at the SEC's website [www.sec.gov](http://www.sec.gov) and at Autoliv's corporate website [www.autoliv.com](http://www.autoliv.com).

This report includes content supplied by S&P Global; Copyright © Light Vehicle Production Forecast, January, July and October 2024. All rights reserved. S&P Global is a global supplier of independent industry information. The permission to use S&P Global copyrighted reports, data and information does not constitute an endorsement or approval by S&P Global of the manner, format, context, content, conclusion, opinion or viewpoint in which S&P Global reports, data and information or its derivations are used or referenced herein.

## “Safe Harbor Statement”

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 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 and the hostilities in the Middle East; 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 and efficiency 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; 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 judgments 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.

## Consolidated Statements of Income

(Dollars in millions, except per share data, unaudited)	Third quarter		First 9 months		Latest 12	Full Year
	2024	2023	2024	2023	months	2023
Airbags, Steering Wheels and Other <sup>1)</sup>	\$1,736	\$1,761	\$5,264	\$5,191	\$7,128	\$7,055
Seatbelt products and Other <sup>1)</sup>	819	835	2,511	2,533	3,398	3,420
<b>Total net sales</b>	<b>2,555</b>	<b>2,596</b>	<b>7,774</b>	<b>7,724</b>	<b>10,526</b>	<b>10,475</b>
Cost of sales	(2,095)	(2,131)	(6,398)	(6,432)	(8,619)	(8,654)
<b>Gross profit</b>	<b>459</b>	<b>465</b>	<b>1,377</b>	<b>1,291</b>	<b>1,907</b>	<b>1,822</b>
Selling, general & administrative expenses	(129)	(119)	(399)	(380)	(519)	(500)
Research, development & engineering expenses, net	(96)	(107)	(325)	(343)	(406)	(425)
Other income (expense), net	(9)	(8)	(27)	(115)	(119)	(207)
<b>Operating income</b>	<b>226</b>	<b>232</b>	<b>626</b>	<b>453</b>	<b>863</b>	<b>690</b>
Income from equity method investments	2	1	5	4	6	5
Interest income	3	3	10	10	13	13
Interest expense	(27)	(24)	(81)	(68)	(105)	(93)
Other non-operating items, net	(7)	(11)	(7)	(6)	(4)	(3)
<b>Income before income taxes</b>	<b>197</b>	<b>201</b>	<b>554</b>	<b>393</b>	<b>773</b>	<b>612</b>
Income taxes	(58)	(67)	(149)	(131)	(141)	(123)
<b>Net income</b>	<b>139</b>	<b>134</b>	<b>404</b>	<b>262</b>	<b>632</b>	<b>489</b>
Less: Net income attributable to non-controlling interest	0	1	1	1	2	1
<b>Net income attributable to controlling interest</b>	<b>\$138</b>	<b>\$134</b>	<b>\$403</b>	<b>\$261</b>	<b>\$630</b>	<b>\$488</b>
<b>Earnings per share - diluted</b>	<b>\$1.74</b>	<b>\$1.57</b>	<b>\$4.98</b>	<b>\$3.04</b>	<b>\$7.70</b>	<b>\$5.72</b>

1) Including Corporate sales.

## Consolidated Balance Sheets

(Dollars in millions, unaudited)	Sep 30 2024	Jun 30 2024	Mar 31 2024	Dec 31 2023	Sep 30 2023
<b>Assets</b>					
Cash & cash equivalents	\$415	\$408	\$569	\$498	\$475
Receivables, net	2,192	2,090	2,194	2,198	2,179
Inventories, net	997	936	997	1,012	982
Prepaid expenses	172	193	180	173	180
Other current assets	90	76	71	93	63
<b>Total current assets</b>	<b>3,865</b>	<b>3,703</b>	<b>4,011</b>	<b>3,974</b>	<b>3,879</b>
Property, plant & equipment, net	2,317	2,197	2,192	2,192	2,067
Operating leases right-of-use assets	173	167	177	176	162
Goodwill and intangible assets, net	1,386	1,379	1,381	1,385	1,378
Investments and other non-current assets	565	564	564	606	500
<b>Total assets</b>	<b>8,306</b>	<b>8,010</b>	<b>8,324</b>	<b>8,332</b>	<b>7,987</b>
<b>Liabilities and equity</b>					
Short-term debt	624	455	310	538	590
Accounts payable	1,881	1,858	1,855	1,978	1,858
Accrued expenses	1,189	1,120	1,129	1,135	1,093
Operating lease liabilities - current	44	41	41	39	37
Other current liabilities	297	312	323	345	274
<b>Total current liabilities</b>	<b>4,034</b>	<b>3,785</b>	<b>3,658</b>	<b>4,035</b>	<b>3,851</b>
Long-term debt	1,586	1,540	1,830	1,324	1,277
Pension liability	147	140	149	159	152
Operating lease liabilities - non-current	130	127	134	135	125
Other non-current liabilities	110	106	111	109	96
<b>Total non-current liabilities</b>	<b>1,974</b>	<b>1,913</b>	<b>2,224</b>	<b>1,728</b>	<b>1,649</b>
Total parent shareholders' equity	2,288	2,298	2,428	2,557	2,473
Non-controlling interest	10	13	13	13	13
<b>Total equity</b>	<b>2,298</b>	<b>2,311</b>	<b>2,442</b>	<b>2,570</b>	<b>2,486</b>
<b>Total liabilities and equity</b>	<b>\$8,306</b>	<b>\$8,010</b>	<b>\$8,324</b>	<b>\$8,332</b>	<b>\$7,987</b>

## Consolidated Statements of Cash Flow

(Dollars in millions, unaudited)	Third quarter		First 9 months		Latest 12 months	Full Year 2023
	2024	2023	2024	2023		
Net income	\$139	\$134	\$404	\$262	\$632	\$489
Depreciation and amortization	97	95	289	281	385	378
Other, net	10	9	1	1	(119)	(119)
Changes in operating working capital, net	(68)	(36)	(54)	(8)	189	235
<b>Net cash provided by operating activities</b>	<b>177</b>	<b>202</b>	<b>639</b>	<b>535</b>	<b>1,086</b>	<b>982</b>
Expenditures for property, plant and equipment	(146)	(152)	(440)	(420)	(593)	(572)
Proceeds from sale of property, plant and equipment	1	0	9	1	12	4
<b>Net cash used in investing activities</b>	<b>(145)</b>	<b>(151)</b>	<b>(431)</b>	<b>(419)</b>	<b>(581)</b>	<b>(569)</b>
<b>Free cash flow<sup>1)</sup></b>	<b>32</b>	<b>50</b>	<b>208</b>	<b>117</b>	<b>505</b>	<b>414</b>
Increase in short term debt	152	110	85	115	32	61
Decrease in long-term debt	-	-	(306)	(533)	(306)	(533)
Increase in long-term debt	46	1	581	557	583	559
Dividends paid	(54)	(56)	(164)	(169)	(221)	(225)
Share repurchases	(130)	(120)	(450)	(202)	(600)	(352)
Common stock options exercised	-	0	0	1	1	1
Dividend paid to non-controlling interests	(4)	-	(5)	(1)	(5)	(1)
<b>Net cash used in financing activities</b>	<b>11</b>	<b>(64)</b>	<b>(259)</b>	<b>(232)</b>	<b>(516)</b>	<b>(490)</b>
Effect of exchange rate changes on cash	(36)	14	(33)	(3)	(50)	(20)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>6</b>	<b>(0)</b>	<b>(84)</b>	<b>(119)</b>	<b>(61)</b>	<b>(96)</b>
Cash and cash equivalents at period-start	408	475	498	594	475	594
<b>Cash and cash equivalents at period-end</b>	<b>\$415</b>	<b>\$475</b>	<b>\$415</b>	<b>\$475</b>	<b>\$415</b>	<b>\$498</b>

1) Non-U.S. GAAP measure comprised of "Net cash provided by operating activities" and "Net cash used in investing activities". See reconciliation table.

## RECONCILIATION OF U.S. GAAP TO NON-U.S. GAAP MEASURES

In this report we sometimes refer to non-U.S. GAAP measures that we and securities analysts use in measuring Autoliv's performance. We believe that these measures assist investors and management in analyzing trends in the Company's business for the reasons given below. Investors should not consider these non-U.S. GAAP measures as substitutes, but rather as additions, to financial reporting measures prepared in accordance with U.S. GAAP. It should be noted that these measures, as defined, may not be comparable to similarly titled measures used by other companies.

### Components in Sales Increase/Decrease

Since the Company historically generates approximately 75% of sales in currencies other than in the reporting currency (i.e., U.S. dollars) and currency rates have been volatile, we analyze the Company's sales trends and performance as changes in organic sales growth. This presents the increase or decrease in the overall U.S. dollar net sales on a comparable basis, allowing separate discussions of the impact of acquisitions/divestitures and exchange rates. The tables on pages 5 and 6 present changes in organic sales growth as reconciled to the change in the total U.S. GAAP net sales.

### Trade Working Capital

Due to the need to optimize cash generation to create value for shareholders, management focuses on operationally derived trade working capital as defined in the table below. The reconciling items used to derive this measure are, by contrast, managed as part of our overall management of cash and debt, but they are not part of the responsibilities of day-to-day operations management.

(Dollars in millions)	Sep 30 2024	Jun 30 2024	Mar 31 2024	Dec 31 2023	Sep 30 2023
Total current assets	\$3,865	\$3,703	\$4,011	\$3,974	\$3,879
Total current liabilities	(4,034)	(3,785)	(3,658)	(4,035)	(3,851)
<b>Working capital (U.S. GAAP)</b>	<b>(169)</b>	<b>(83)</b>	<b>353</b>	<b>(61)</b>	<b>28</b>
Less: Cash and cash equivalents	(415)	(408)	(569)	(498)	(475)
Prepaid expenses	(172)	(193)	(180)	(173)	(180)
Other current assets	(90)	(76)	(71)	(93)	(63)
Less: Short-term debt	624	455	310	538	590
Accrued expenses	1,189	1,120	1,129	1,135	1,093
Operating lease liabilities - current	44	41	41	39	37
Other current liabilities	297	312	323	345	274
<b>Trade working capital (non-U.S. GAAP)</b>	<b>\$1,307</b>	<b>\$1,169</b>	<b>\$1,336</b>	<b>\$1,232</b>	<b>\$1,303</b>

(Dollars in millions)	Sep 30 2024	Jun 30 2024	Mar 31 2024	Dec 31 2023	Sep 30 2023
Receivables, net	\$2,192	\$2,090	\$2,194	\$2,198	\$2,179
Inventories, net	997	936	997	1,012	982
Accounts payable	(1,881)	(1,858)	(1,855)	(1,978)	(1,858)
<b>Trade working capital (non-U.S. GAAP)</b>	<b>\$1,307</b>	<b>\$1,169</b>	<b>\$1,336</b>	<b>\$1,232</b>	<b>\$1,303</b>

## Net Debt

Autoliv from time to time enters into “debt-related derivatives” (DRDs) as a part of its debt management and as part of efficiently managing the Company’s overall cost of funds. Creditors and credit rating agencies use net debt adjusted for DRDs in their analyses of the Company’s debt, therefore we provide this non-U.S. GAAP measure. DRDs are fair value adjustments to the carrying value of the underlying debt. Also included in the DRDs is the unamortized fair value adjustment related to a discontinued fair value hedge that will be amortized over the remaining life of the debt. By adjusting for DRDs, the total financial liability of net debt is disclosed without grossing debt up with currency or interest fair values.

(Dollars in millions)	Sep 30 2024	Jun 30 2024	Mar 31 2024	Dec 31 2023	Sep 30 2023
Short-term debt	\$624	\$455	\$310	\$538	\$590
Long-term debt	1,586	1,540	1,830	1,324	1,277
<b>Total debt</b>	<b>2,210</b>	<b>1,996</b>	<b>2,140</b>	<b>1,862</b>	<b>1,867</b>
Cash & cash equivalents	(415)	(408)	(569)	(498)	(475)
Debt issuance cost/Debt-related derivatives, net	(9)	(8)	(9)	3	(17)
<b>Net debt</b>	<b>\$1,787</b>	<b>\$1,579</b>	<b>\$1,562</b>	<b>\$1,367</b>	<b>\$1,375</b>

(Dollars in millions)	Dec 31 2022	Dec 31 2021	Dec 31 2020	Dec 31 2019
Short-term debt	\$711	\$346	\$302	\$368
Long-term debt	1,054	1,662	2,110	1,726
<b>Total debt</b>	<b>1,766</b>	<b>2,008</b>	<b>2,411</b>	<b>2,094</b>
Cash & cash equivalents	(594)	(969)	(1,178)	(445)
Debt issuance cost/Debt-related derivatives, net	12	13	(19)	0
<b>Net debt</b>	<b>\$1,184</b>	<b>\$1,052</b>	<b>\$1,214</b>	<b>\$1,650</b>

## Leverage ratio

The non-U.S. GAAP measure “net debt” is also used in the non-U.S. GAAP measure “Leverage ratio”. Management uses this measure to analyze the amount of debt the Company can incur under its debt policy. Management believes that this policy also provides guidance to credit and equity investors regarding the extent to which the Company would be prepared to leverage its operations. Autoliv’s policy is to maintain a leverage ratio commensurate with a strong investment grade credit rating. The Company measures its leverage ratio as net debt\* adjusted for pension liabilities in relation to adjusted EBITDA\*. The long-term target is to maintain a leverage ratio of around 1.0x within a range of 0.5x to 1.5x.

(Dollars in millions)	Sep 30 2024	Jun 30 2024	Sep 30 2023
Net debt <sup>1)</sup>	\$1,787	\$1,579	\$1,375
Pension liabilities	147	140	152
<b>Debt per the Policy</b>	<b>\$1,934</b>	<b>\$1,720</b>	<b>\$1,527</b>
Net income <sup>2)</sup>	\$632	\$627	\$418
Income taxes <sup>2)</sup>	141	150	188
Interest expense, net <sup>2, 3)</sup>	93	89	75
Other non-operating items, net <sup>2)</sup>	4	8	5
Income from equity method investments <sup>2)</sup>	(6)	(6)	(4)
Depreciation and amortization of intangibles <sup>2)</sup>	385	384	371
Adjustments <sup>2), 4)</sup>	128	128	136
<b>EBITDA per the Policy (Adjusted EBITDA)</b>	<b>\$1,376</b>	<b>\$1,380</b>	<b>\$1,189</b>
<b>Leverage ratio</b>	<b>1.4</b>	<b>1.2</b>	<b>1.3</b>

1) Short- and long-term debt less cash and cash equivalents and debt-related derivatives. 2) Latest 12 months. 3) Interest expense including cost for extinguishment of debt, if any, less interest income. 4) Capacity alignments, antitrust related matters and for FY2023 the Andrews litigation settlement. See Items Affecting Comparability below.

## Free Cash Flow and Cash Conversion

Management uses the non-U.S. GAAP measure “free cash flow” to analyze the amount of cash flow being generated by the Company’s operations after capital expenditure, net. This measure indicates the Company’s cash flow generation level that enables strategic value creation options such as dividends or acquisitions. For details on free cash flow, see the reconciliation table below. Management uses the non-U.S. GAAP measure “cash conversion” to analyze the proportion of net income that is converted into free cash flow. The measure is a tool to evaluate how efficiently the Company utilizes its resources. For details on cash conversion, see the reconciliation table below.

(Dollars in millions)	Third quarter		First 9 months		Latest 12 months	Full Year 2023
	2024	2023	2024	2023		
<b>Net income</b>	<b>\$139</b>	<b>\$134</b>	<b>\$404</b>	<b>\$262</b>	<b>\$632</b>	<b>\$489</b>
Changes in operating working capital	(68)	(36)	(54)	(8)	189	235
Depreciation and amortization	97	95	289	281	385	378
Other, net	10	9	1	1	(119)	(119)
<b>Operating cash flow</b>	<b>177</b>	<b>202</b>	<b>\$639</b>	<b>\$535</b>	<b>1,086</b>	<b>982</b>
Capital expenditure, net	(145)	(151)	(431)	(419)	(581)	(569)
<b>Free cash flow<sup>1)</sup></b>	<b>\$32</b>	<b>\$50</b>	<b>\$208</b>	<b>\$117</b>	<b>\$505</b>	<b>\$414</b>
<b>Cash conversion<sup>2)</sup></b>	<b>23%</b>	<b>37%</b>	<b>52%</b>	<b>45%</b>	<b>80%</b>	<b>85%</b>

1) Operating cash flow less Capital expenditure, net. 2) Free cash flow relative to Net income.

(Dollars in millions)	Full year 2022	Full year 2021	Full year 2020	Full year 2019
<b>Net income</b>	<b>\$425</b>	<b>\$437</b>	<b>\$188</b>	<b>\$463</b>
Changes in operating assets and liabilities	58	(63)	277	47
Depreciation and amortization	363	394	371	351
Gain on divestiture of property	(80)	-	-	-
Other, net <sup>1)</sup>	(54)	(15)	13	(220)
<b>Operating cash flow</b>	<b>713</b>	<b>754</b>	<b>849</b>	<b>641</b>
EC antitrust payment	-	-	-	(203)
<b>Operating cash flow excl antitrust</b>	<b>713</b>	<b>754</b>	<b>849</b>	<b>844</b>
Capital expenditure, net	(485)	(454)	(340)	(476)
<b>Free cash flow<sup>2)</sup></b>	<b>\$228</b>	<b>\$300</b>	<b>\$509</b>	<b>\$165</b>
<b>Free cash flow excl antitrust payment<sup>3)</sup></b>	<b>\$228</b>	<b>\$300</b>	<b>\$509</b>	<b>\$368</b>
<b>Cash conversion<sup>4)</sup></b>	<b>54%</b>	<b>69%</b>	<b>270%</b>	<b>36%</b>
<b>Cash conversion excl antitrust<sup>5)</sup></b>	<b>54%</b>	<b>69%</b>	<b>270%</b>	<b>79%</b>

1) Including EC antitrust payment 2019. 2) Operating cash flow less capital expenditure, net. 3) For 2019, operating cash flow excluding EC antitrust payment less capital expenditures, net. 4) Free cash flow relative to net income. 5) For 2019, free cash flow excluding EC antitrust payment relative to net income.

## Items Affecting Comparability

We believe that comparability between periods is improved through the exclusion of certain items. To assist investors in understanding the operating performance of Autoliv's business, it is useful to consider certain U.S. GAAP measures exclusive of these items.

The following table reconciles Income before income taxes, Net income attributable to controlling interest, Capital employed, which are inputs utilized to calculate Return On Capital Employed ("ROCE"), adjusted ROCE and Return On Total Equity ("ROE"). The Company believes this presentation may be useful to investors and industry analysts who utilize these adjusted non-U.S. GAAP measures in their ROCE and ROE calculations to exclude certain items for comparison purposes across periods. Autoliv's management uses the ROCE, adjusted ROCE and ROE measures for purposes of comparing its financial performance with the financial performance of other companies in the industry and providing useful information regarding the factors and trends affecting the Company's business.

As used by the Company, ROCE is annualized operating income and income from equity method investments, relative to average capital employed. Adjusted ROCE is annualized operating income and income from equity method investments, relative to average capital employed as adjusted to exclude certain non-recurring items. The Company believes ROCE and adjusted ROCE are useful indicators of long-term performance both absolute and relative to the Company's peers as it allows for a comparison of the profitability of the Company's capital employed in its business relative to that of its peers.

ROE is the ratio of annualized income (loss) relative to average total equity for the periods presented. The Company's management believes that ROE is a useful indicator of how well management creates value for its shareholders through its operating activities and its capital management.

With respect to the Andrews litigation settlement, the Company has treated this specific settlement as a non-recurring charge because of the unique nature of the lawsuit, including the facts and legal issues involved.

Accordingly, the tables below reconcile from U.S. GAAP to the equivalent non-U.S. GAAP measure.

(Dollars in millions, except per share data)	Third quarter 2024			Third quarter 2023		
	Reported U.S. GAAP	Adjustments <sup>1)</sup>	Non-U.S. GAAP	Reported U.S. GAAP	Adjustments <sup>1)</sup>	Non-U.S. GAAP
Operating income	\$226	11	\$237	\$232	11	\$243
Operating margin	8.9%	0.4%	9.3%	8.9%	0.4%	9.4%
Income before taxes	197	11	208	201	11	212
Net income attributable to controlling interest	138	8	146	134	8	141
Return on capital employed <sup>2)</sup>	22.9%	1.0%	23.9%	24.2%	0.4%	24.5%
Return on total equity <sup>3)</sup>	24.1%	1.1%	25.2%	21.3%	0.2%	21.5%
Earnings per share - diluted	\$1.74	0.10	\$1.84	\$1.57	0.09	\$1.66

1) Effects from capacity alignments, antitrust related matters and for FY 2023 the Andrews litigation settlement. 2) Annualized operating income and income from equity method investments, relative to average capital employed. 3) Annualized income relative to average total equity.

	First 9 months 2024			First 9 months 2023		
	Reported U.S. GAAP	Adjustments <sup>1)</sup>	Non-U.S. GAAP	Reported U.S. GAAP	Adjustments <sup>1)</sup>	Non-U.S. GAAP
Operating income	\$626	31	\$657	\$453	133	\$586
Operating margin	8.1%	0.4%	8.5%	5.9%	1.7%	7.6%
Income before taxes	554	31	585	393	133	526
Net income attributable to controlling interest	403	26	429	261	123	384
Capital employed	4,085	26	4,111	3,861	123	3,985
Return on capital employed <sup>2)</sup>	21.2%	1.0%	22.1%	15.6%	4.2%	19.8%
Return on total equity <sup>3)</sup>	22.4%	1.3%	23.7%	13.5%	5.9%	19.5%
Earnings per share - diluted	\$4.98	0.32	\$5.30	\$3.04	1.44	\$4.48

1) Effects from capacity alignments, antitrust related matters and for FY 2023 the Andrews litigation settlement. 2) Annualized operating income and income from equity method investments, relative to average capital employed. 3) Annualized income relative to average total equity.

	Latest 12 months			Full year 2023		
	Reported U.S. GAAP	Adjustments <sup>1)</sup>	Non-U.S. GAAP	Reported U.S. GAAP	Adjustments <sup>1)</sup>	Non-U.S. GAAP
Operating income	\$863	128	\$991	\$690	230	\$920
Operating margin	8.2%	1.2%	9.4%	6.6%	2.2%	8.8%

1) Costs for capacity alignments, antitrust related matters and for FY 2023 the Andrews litigation settlement.

	Full year 2022			Full year 2021		
	Reported U.S. GAAP	Adjustments <sup>1)</sup>	Non-U.S. GAAP	Reported U.S. GAAP	Adjustments <sup>1)</sup>	Non-U.S. GAAP
Operating income	\$659	(61)	\$598	\$675	8	\$683
Operating margin	7.5%	(0.7)%	6.8%	8.2%	0.1%	8.3%

1) Costs for capacity alignment and antitrust related matters.

(Dollars in millions, except per share data)	Full year 2020			Full year 2019		
	Reported U.S. GAAP	Adjustments <sup>1)</sup>	Non-U.S. GAAP	Reported U.S. GAAP	Adjustments <sup>1)</sup>	Non-U.S. GAAP
Operating income	\$382	99	\$482	\$726	49	\$774
Operating margin, %	5.1%	1.4%	6.5%	8.5%	0.6%	9.1%

1) Costs for capacity alignments and antitrust related matters.

Items included in non-U.S. GAAP adjustments	Third quarter 2024		Third quarter 2023	
	Adjustment Million	Adjustment Per share	Adjustment Million	Adjustment Per share
Capacity alignments	\$9	\$0.12	\$10	\$0.12
The Andrews litigation settlement	-	-	(0)	(0.00)
Antitrust related matters	2	0.02	1	0.01
<b>Total adjustments to operating income</b>	<b>11</b>	<b>0.14</b>	<b>11</b>	<b>0.13</b>
Tax on non-U.S. GAAP adjustments <sup>1)</sup>	(3)	(0.04)	(3)	(0.04)
<b>Total adjustments to net income</b>	<b>\$8</b>	<b>\$0.10</b>	<b>\$8</b>	<b>\$0.09</b>

Average number of shares outstanding - diluted 79.3 85.0

Annualized adjustment on return on capital employed \$44 \$44  
Adjustment on return on capital employed 1.0% 0.4%

Annualized adjustment on return on total equity \$32 \$31  
Adjustment on return on total equity 1.1% 0.2%

1) The tax is calculated based on the tax laws in the respective jurisdiction(s) of the adjustment(s).

Items included in non-GAAP adjustments	First 9 months 2024		First 9 months 2023	
	Adjustment Million	Adjustment Per share	Adjustment Million	Adjustment Per share
Capacity alignments	\$25	\$0.31	\$122	\$1.42
The Andrews litigation settlement	-	-	8	0.09
Antitrust related matters	6	0.07	3	0.04
<b>Total adjustments to operating income</b>	<b>31</b>	<b>0.39</b>	<b>133</b>	<b>1.55</b>
Tax on non-U.S. GAAP adjustments <sup>1)</sup>	(5)	(0.06)	(10)	(0.11)
<b>Total adjustments to net income</b>	<b>\$26</b>	<b>\$0.32</b>	<b>\$123</b>	<b>\$1.44</b>

Average number of shares outstanding - diluted 80.9 85.7

Annualized adjustment on return on capital employed \$42 \$177  
Adjustment on return on capital employed 1.0% 4.2%

Annualized adjustment on return on total equity \$35 \$164  
Adjustment on return on total equity 1.3% 5.9%

1) The tax is calculated based on the tax laws in the respective jurisdiction(s) of the adjustment(s).

(Dollars in millions, except per share data, unaudited)	2023	2022	2021	2020	2019
<b>Sales and Income</b>					
Net sales	\$10,475	\$8,842	\$8,230	\$7,447	\$8,548
Airbag sales <sup>1)</sup>	7,055	5,807	5,380	4,824	5,676
Seatbelt sales	3,420	3,035	2,850	2,623	2,871
Operating income	690	659	675	382	726
Net income attributable to controlling interest	488	423	435	187	462
Earnings per share – basic <sup>2)</sup>	5.74	4.86	4.97	2.14	5.29
Earnings per share – diluted <sup>2)</sup>	5.72	4.85	4.96	2.14	5.29
Gross margin <sup>3)</sup>	17.4%	15.8%	18.4%	16.7%	18.5%
S,G&A in relation to sales	(4.8)%	(4.9)%	(5.3)%	(5.2)%	(4.7)%
R,D&E net in relation to sales	(4.1)%	(4.4)%	(4.7)%	(5.0)%	(4.7)%
Operating margin <sup>4)</sup>	6.6%	7.5%	8.2%	5.1%	8.5%
Adjusted operating margin <sup>5,6)</sup>	8.8%	6.8%	8.3%	6.5%	9.1%
<b>Balance Sheet</b>					
Trade working capital <sup>7)</sup>	1,232	1,183	1,332	1,366	1,417
Trade working capital in relation to sales <sup>8)</sup>	11.2%	12.7%	15.7%	13.6%	16.2%
Receivables outstanding in relation to sales <sup>9)</sup>	20.0%	20.4%	20.0%	18.1%	18.6%
Inventory outstanding in relation to sales <sup>10)</sup>	9.2%	10.4%	9.2%	7.9%	8.5%
Payables outstanding in relation to sales <sup>11)</sup>	18.0%	18.1%	13.5%	12.5%	10.8%
Total equity	2,570	2,626	2,648	2,423	2,122
Total parent shareholders' equity per share	30.93	30.30	30.10	27.56	24.19
Current assets excluding cash	3,475	3,119	2,705	3,091	2,557
Property, plant and equipment, net	2,192	1,960	1,855	1,869	1,816
Intangible assets (primarily goodwill)	1,385	1,382	1,395	1,412	1,410
Capital employed	3,937	3,810	3,700	3,637	3,772
Net debt <sup>6)</sup>	1,367	1,184	1,052	1,214	1,650
Total assets	8,332	7,717	7,537	8,157	6,771
Long-term debt	1,324	1,054	1,662	2,110	1,726
Return on capital employed <sup>12)</sup>	17.7%	17.5%	18.3%	10.0%	20.0%
Return on total equity <sup>13)</sup>	19.0%	16.3%	17.1%	9.0%	23.0%
Total equity ratio	31%	34%	35%	30%	31%
<b>Cash flow and other data</b>					
Operating Cash flow	982	713	754	849	641
Depreciation and amortization	378	363	394	371	351
Capital expenditures, net	569	485	454	340	476
Capital expenditures, net in relation to sales	5.4%	5.5%	5.5%	4.6%	5.6%
Free Cash flow <sup>6,14)</sup>	414	228	300	509	165
Cash conversion <sup>6,15)</sup>	85%	54%	69%	270%	36%
Direct shareholder return <sup>16)</sup>	577	339	165	54	217
Cash dividends paid per share	2.66	2.58	1.88	0.62	2.48
Number of shares outstanding (millions) <sup>17)</sup>	82.6	86.2	87.5	87.4	87.2
Number of employees, December 31	62,900	61,700	55,900	61,000	58,900

1) Including steering wheels, inflators and initiators. 2) Net of treasury shares. 3) Gross profit relative to sales. 4) Operating income relative to sales. 5) Excluding effects from capacity alignments, antitrust related matters and for FY 2023 the Andrews litigation settlement. 6) Non-US GAAP measure, for reconciliation see tables above. 7) Outstanding receivables and outstanding inventory less outstanding payables. 8) Outstanding receivables and outstanding inventory less outstanding payables relative to annualized fourth quarter sales. 9) Outstanding receivables relative to annualized fourth quarter sales. 10) Outstanding inventory relative to annualized fourth quarter sales. 11) Outstanding payables relative to annualized fourth quarter sales. 12) Operating income and income from equity method investments, relative to average capital employed. 13) Income relative to average total equity. 14) Operating cash flow less Capital expenditures, net. 15) Free cash flow relative to Net income. 16) Dividends paid and Shares repurchased. 17) At year end, excluding dilution and net of treasury shares.