

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2024  
or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No.: 001-12933

**AUTOLIV, INC.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

51-0378542  
(I.R.S. Employer  
Identification No.)

Klarabergsviadukten 70, Section B7  
Box 70381,  
Stockholm, Sweden  
(Address of principal executive offices)

SE-107 24  
(Zip Code)

+46 8 587 20 600

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock (par value \$1.00 per share)	ALV	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes: ☒ No: ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes: ☒ No: ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒  
Non-accelerated filer ☐  
Emerging growth company ☐

Accelerated filer ☐  
Smaller reporting company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes: ☐ No: ☒

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: As of July 16, 2024, there were 80,079,757 shares of common stock of Autoliv, Inc., par value \$1.00 per share, outstanding.

## FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q 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. ("Autoliv," the "Company" or "we") 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 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 alignments: 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 financial targets; and other risks and uncertainties identified in Item 1A "Risk Factors" of this Quarterly Report on Form 10-Q, Item 1A "Risk Factors" and Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 20, 2024.

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.

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**PART I - FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

**CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**  
(Dollars in millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Net sales</b>	<b>\$ 2,605</b>	<b>\$ 2,635</b>	<b>\$ 5,220</b>	<b>\$ 5,127</b>
Cost of sales	(2,130)	(2,188)	(4,303)	(4,301)
<b>Gross profit</b>	<b>475</b>	<b>447</b>	<b>917</b>	<b>826</b>
Selling, general and administrative expenses	(138)	(130)	(270)	(262)
Research, development and engineering expenses, net	(116)	(120)	(229)	(237)
Other income (expense), net	(14)	(103)	(18)	(107)
<b>Operating income</b>	<b>206</b>	<b>94</b>	<b>400</b>	<b>221</b>
Income from equity method investment	2	1	3	2
Interest income	3	6	7	8
Interest expense	(28)	(25)	(54)	(45)
Other non-operating items, net	1	7	(0)	5
<b>Income before income taxes</b>	<b>183</b>	<b>83</b>	<b>356</b>	<b>191</b>
Income tax expense	(44)	(30)	(91)	(64)
<b>Net income<sup>1)</sup></b>	<b>139</b>	<b>53</b>	<b>266</b>	<b>127</b>
Less: Net income attributable to non-controlling interest	0	0	1	1
<b>Net income attributable to controlling interest</b>	<b>\$ 138</b>	<b>\$ 53</b>	<b>\$ 265</b>	<b>\$ 127</b>
<b>Net earnings per share – basic</b>	<b>\$ 1.71</b>	<b>\$ 0.61</b>	<b>\$ 3.24</b>	<b>\$ 1.48</b>
<b>Net earnings per share – diluted</b>	<b>\$ 1.71</b>	<b>\$ 0.61</b>	<b>\$ 3.23</b>	<b>\$ 1.47</b>
<b>Weighted average number of shares outstanding, net of treasury shares (in millions)</b>	<b>80.9</b>	<b>85.6</b>	<b>81.6</b>	<b>85.9</b>
<b>Weighted average number of shares outstanding, assuming dilution and net of treasury shares (in millions)</b>	<b>81.1</b>	<b>85.8</b>	<b>82.1</b>	<b>86.0</b>
<b>Cash dividend per share – declared</b>	<b>\$ 0.68</b>	<b>\$ 0.66</b>	<b>\$ 1.36</b>	<b>\$ 1.32</b>
<b>Cash dividend per share – paid</b>	<b>\$ 0.68</b>	<b>\$ 0.66</b>	<b>\$ 1.36</b>	<b>\$ 1.32</b>

<sup>1)</sup> For the three months periods ended June 30, 2024 and 2023, the aggregate transaction gain (loss) included in net income for the period were a gain of \$4 million and a loss of \$10 million, respectively. For the six months periods ended June 30, 2024 and 2023, the aggregate transaction gain (loss) included in net income for the period were a loss of \$2 million and a loss of \$15 million, respectively.

See Notes to the unaudited Condensed Consolidated Financial Statements.

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)**  
(Dollars in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Net income</b>	<b>\$ 139</b>	<b>\$ 53</b>	<b>\$ 266</b>	<b>\$ 127</b>
<i>Other comprehensive income (loss) before tax:</i>				
Change in cumulative translation adjustments	(59)	(46)	(105)	(10)
Net change in unrealized components of defined benefit plans	3	5	9	5
<b>Other comprehensive (loss), before tax</b>	<b>(56)</b>	<b>(40)</b>	<b>(96)</b>	<b>(5)</b>
Tax effect allocated to other comprehensive income (loss)	(1)	(1)	(2)	(1)
<b>Other comprehensive (loss), net of tax</b>	<b>(56)</b>	<b>(41)</b>	<b>(98)</b>	<b>(6)</b>
<b>Comprehensive income</b>	<b>83</b>	<b>12</b>	<b>168</b>	<b>122</b>
Less: Comprehensive income (loss) attributable to non-controlling interest	0	(0)	0	0
<b>Comprehensive income attributable to controlling interest</b>	<b>\$ 82</b>	<b>\$ 12</b>	<b>\$ 167</b>	<b>\$ 121</b>

See Notes to the unaudited Condensed Consolidated Financial Statements.

**CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)**  
(Dollars in millions)

	June 30, 2024	As of December 31, 2023
<b>Assets</b>		
Cash and cash equivalents	\$ 408	\$ 498
Receivables, net	2,090	2,198
Inventories, net	936	1,012
Prepaid expenses and accrued income	193	173
Other current assets	76	93
<b>Total current assets</b>	<b>3,703</b>	<b>3,974</b>
Property, plant and equipment, net	2,197	2,192
Operating lease right-of-use assets	167	176
Goodwill and intangible assets, net	1,379	1,385
Other non-current assets	564	606
<b>Total assets</b>	<b>8,010</b>	<b>8,332</b>
<b>Liabilities and equity</b>		
Short-term debt	455	538
Accounts payable <sup>1)</sup>	1,858	1,978
Accrued expenses	1,120	1,135
Operating lease liabilities - current	41	39
Other current liabilities	312	345
<b>Total current liabilities</b>	<b>3,785</b>	<b>4,035</b>
Long-term debt	1,540	1,324
Pension liability	140	159
Operating lease liabilities - non-current	127	135
Other non-current liabilities	106	109
<b>Total non-current liabilities</b>	<b>1,913</b>	<b>1,728</b>
Common stock	85	88
Additional paid-in capital	993	1,044
Retained earnings	2,174	2,289
Accumulated other comprehensive loss <sup>2)</sup>	(593)	(496)
Treasury stock	(360)	(368)
<b>Total controlling interest's equity</b>	<b>2,298</b>	<b>2,557</b>
Non-controlling interest	13	13
<b>Total equity</b>	<b>2,311</b>	<b>2,570</b>
<b>Total liabilities and equity</b>	<b>\$ 8,010</b>	<b>\$ 8,332</b>

<sup>1)</sup> Amount of obligations confirmed under the Company's Supplier Finance Program that remains unpaid is reported as Accounts Payable in the Condensed Consolidated Balance Sheets. Amount of obligations outstanding as of June 30, 2024 and December 31, 2023 are \$335 million and \$333 million, respectively.

<sup>2)</sup> Including cumulative translation adjustment as of June 30, 2024 and December 31, 2023 to the amount of \$(554) million and \$(449) million, respectively.

See Notes to the unaudited Condensed Consolidated Financial Statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**  
(Dollars in millions)

	Six Months Ended June 30,	
	2024	2023
<b>Operating activities</b>		
Net income	\$ 266	\$ 127
<i>Adjustments to reconcile net income to cash provided by operating activities:</i>		
Depreciation and amortization	192	186
Other, net	(9)	(8)
Net change in operating assets and liabilities	14	28
<b>Net cash provided by operating activities</b>	<b>462</b>	<b>334</b>
<b>Investing activities</b>		
Expenditures for property, plant and equipment	(294)	(268)
Proceeds from sale of property, plant and equipment	8	1
<b>Net cash used in investing activities</b>	<b>(286)</b>	<b>(267)</b>
<b>Financing activities</b>		
Net (decrease) increase in short-term debt	(67)	5
Proceeds from long-term debt	534	556
Repayment of long-term debt	(306)	(533)
Dividends paid	(111)	(113)
Stock repurchased	(320)	(82)
Common stock options exercised	0	0
Dividends paid to non-controlling interest	(1)	(1)
<b>Net cash used in financing activities</b>	<b>(269)</b>	<b>(168)</b>
Effect of exchange rate changes on cash and cash equivalents	3	(17)
<b>Net decrease in cash and cash equivalents</b>	<b>(90)</b>	<b>(119)</b>
Cash and cash equivalents at beginning of period	498	594
<b>Cash and cash equivalents at end of period</b>	<b>\$ 408</b>	<b>\$ 475</b>

See Notes to unaudited Condensed Consolidated Financial Statements.

**CONSOLIDATED STATEMENTS OF TOTAL EQUITY (UNAUDITED) (Dollars in millions)**

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total controlling interest's equity	Non- controlling interest	Total equity
<b>Balances at December 31, 2023</b>	<b>\$ 88</b>	<b>\$ 1,044</b>	<b>\$ 2,289</b>	<b>\$ (496)</b>	<b>\$ (368)</b>	<b>\$ 2,557</b>	<b>\$ 13</b>	<b>\$ 2,570</b>
<i>Comprehensive Loss:</i>								
Net income			126			126	0	127
Foreign currency translation adjustment				(46)		(46)	(0)	(47)
Pension liability				5		5		5
<i>Total Comprehensive Income</i>	<i>—</i>	<i>—</i>	<i>126</i>	<i>(41)</i>	<i>—</i>	<i>85</i>	<i>0</i>	<i>85</i>
Retired and repurchased shared	(1)	(26)	(134)			(161)		(161)
Stock-based compensation					4	4		4
Cash dividends declared			(56)			(56)		(56)
<b>Balances at March 31, 2024</b>	<b>\$ 86</b>	<b>\$ 1,018</b>	<b>\$ 2,226</b>	<b>\$ (537)</b>	<b>\$ (364)</b>	<b>\$ 2,429</b>	<b>\$ 13</b>	<b>\$ 2,442</b>
<i>Comprehensive Loss:</i>								
Net income			138			138	0	139
Foreign currency translation adjustment				(59)		(59)	(0)	(59)
Pension liability				2		2		2
<i>Total Comprehensive Loss</i>	<i>—</i>	<i>—</i>	<i>138</i>	<i>(56)</i>	<i>—</i>	<i>82</i>	<i>0</i>	<i>83</i>
Retired and repurchased shared	(1)	(25)	(136)			(162)		(162)
Stock-based compensation					4	4		4
Dividends paid to non-controlling interest on subsidiary shares						0	(1)	(1)
Cash dividends declared			(55)			(55)		(55)
<b>Balances at June 30, 2024</b>	<b>\$ 85</b>	<b>\$ 993</b>	<b>\$ 2,174</b>	<b>\$ (593)</b>	<b>\$ (360)</b>	<b>\$ 2,298</b>	<b>\$ 13</b>	<b>\$ 2,311</b>

  

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive e loss	Treasury stock	Total controlling interest's equity	Non- controlling interest	Total equity
<b>Balances at December 31, 2022</b>	<b>\$ 91</b>	<b>\$ 1,113</b>	<b>\$ 2,310</b>	<b>\$ (522)</b>	<b>\$ (379)</b>	<b>\$ 2,613</b>	<b>\$ 13</b>	<b>\$ 2,626</b>
<i>Comprehensive Income:</i>								
Net income			74			74	0	74
Foreign currency translation adjustment				36		36	0	36
Pension liability				(0)		(0)		(0)
<i>Total Comprehensive Income</i>	<i>—</i>	<i>—</i>	<i>74</i>	<i>35</i>	<i>—</i>	<i>110</i>	<i>0</i>	<i>110</i>
Stock repurchased and retired	(0)	(9)	(33)			(42)		(42)
Stock-based compensation					3	3		3
Cash dividends declared			(57)			(57)		(57)
<b>Balances at March 31, 2023</b>	<b>\$ 91</b>	<b>\$ 1,105</b>	<b>\$ 2,295</b>	<b>\$ (487)</b>	<b>\$ (376)</b>	<b>\$ 2,627</b>	<b>\$ 14</b>	<b>\$ 2,641</b>
<i>Comprehensive Income:</i>								
Net income			53			53	0	53
Foreign currency translation adjustment				(45)		(45)	(1)	(46)
Pension liability				4		4		4
<i>Total Comprehensive Income</i>	<i>—</i>	<i>—</i>	<i>53</i>	<i>(41)</i>	<i>—</i>	<i>12</i>	<i>(0)</i>	<i>12</i>
Stock repurchased and retired	(0)	(9)	(31)			(41)		(41)
Stock-based compensation					3	3		3
Dividends paid to non-controlling interest on subsidiary shares						0	(1)	(1)
Cash dividends declared			(56)			(56)		(56)
<b>Balances at June 30, 2023</b>	<b>\$ 90</b>	<b>\$ 1,096</b>	<b>\$ 2,260</b>	<b>\$ (527)</b>	<b>\$ (374)</b>	<b>\$ 2,545</b>	<b>\$ 13</b>	<b>\$ 2,557</b>

See Notes to the unaudited Condensed Consolidated Financial Statements.



**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unless otherwise noted, all amounts are presented in millions of dollars, except for per share amounts)**  
**June 30, 2024**

**1. BASIS OF PRESENTATION**

The accompanying interim unaudited condensed consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all the information and footnotes required by U.S. GAAP for complete consolidated financial statements. The unaudited condensed consolidated financial statements have been prepared on the same basis as the prior year audited consolidated financial statements and all adjustments considered necessary for a fair presentation have been included in the consolidated financial statements. All such adjustments are of a normal recurring nature. The results for the interim period are not necessarily indicative of the results to be expected for any future period or for the fiscal year ending December 31, 2024.

The Condensed Consolidated Balance Sheet as of December 31, 2023 has been derived from the audited consolidated financial statements at that date but does not include all the information and footnotes required by U.S. GAAP for complete consolidated financial statements.

The Company has one reportable segment, which includes Autoliv's airbag and seatbelt products and components.

Certain amounts in the condensed consolidated financial statements and associated notes may not reconcile due to rounding. All percentages have been calculated using unrounded amounts. Certain amounts in prior periods have been reclassified to conform to current year presentation.

Statements in this report that are not of historical fact are forward-looking statements that involve risks and uncertainties that could affect the actual results of the Company. A description of the important factors that could cause Autoliv's actual results to differ materially from the forward-looking statements contained in this report may be found in this report and Autoliv's other reports filed with the Securities and Exchange Commission (the "SEC"). For further information, refer to the consolidated financial statements, footnotes and definitions thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 20, 2024.

## 2. NEW ACCOUNTING STANDARDS

Changes to U.S. GAAP are established by the Financial Accounting Standards Board ("FASB") in the form of Accounting Standards Updates ("ASUs") to the FASB's Accounting Standards Codification ("ASC").

### Adoption of new accounting standards

None.

### Accounting standards issued but not yet adopted

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures*, which improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in this update require that a public entity make additional disclosures related to segments if it has them. A public entity that has a single reportable segment would be required to provide all the disclosures required by the amendments in this update and all existing segment disclosures in Topic 280. The amendments in this update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments in this update should be applied retrospectively to all prior periods presented in the financial statements. The Company is currently assessing the impact that ASU 2023-07 will have on its financial statements and will adopt the amendments in this update upon the effective date.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740), Improvements to Income Tax Disclosures*, to enhance the transparency and decision usefulness of income tax disclosures as well as improve the effectiveness of income tax disclosures. The amendments in this update require that public business entities on an annual basis (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold. The amendments in this update also require that all entities disclose on an annual basis certain detailed information about income taxes paid. The amendments in this update related to the rate reconciliation and income taxes paid disclosures improve the transparency of income tax disclosures by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation and (2) income taxes paid disaggregated by jurisdiction. The amendments allow investors to better assess, in their capital allocation decisions, how an entity's worldwide operations and related tax risks and tax planning and operational opportunities affect its income tax rate and prospects for future cash flows. The amendments in this update are effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The amendments in this update should be applied on a prospective basis. Retrospective application is permitted. The Company is currently assessing the impact that ASU 2023-09 will have on its financial statements and will adopt the amendments in this update prospectively upon the effective date.

In March 2024, the SEC adopted final rules requiring registrants to disclose climate-related information in their annual reports. The final rules require information about a registrant's climate-related risks that have materially impacted, or are reasonably likely to have a material impact on, its business strategy, results of operations, or financial condition. In addition, under the final rules, certain disclosures related to severe weather events and other natural conditions will be required in a registrant's audited financial statements. The new requirements are required on a prospective basis and a phased-in compliance period becomes effective for the Company beginning with its Annual Report on Form 10-K for the year ending December 31, 2025. However, pending the resolution of legal challenges that were subsequently filed against these rules, in April 2024, the SEC stayed the effectiveness of the rules. Therefore, the disclosure requirements of these rules and the timing of their effectiveness is uncertain. The Company is currently assessing the anticipated impact that the rules will have on its financial statements if and when effective and will implement disclosures upon any such effective dates.

### 3. FAIR VALUE MEASUREMENTS

#### Assets and liabilities measured at fair value on a recurring basis

The carrying value of cash and cash equivalents, accounts receivable, accounts payable, short-term debt and other current financial assets and liabilities approximate their fair value because of the short-term maturity of these instruments.

The Company uses derivative financial instruments ("derivatives") as part of its debt management to mitigate the market risk that occurs from its exposure to changes in interest rates and foreign exchange rates. The Company does not enter into derivatives for trading or other speculative purposes. The Company's use of derivatives is in accordance with the strategies contained in the Company's overall financial policy. All derivatives are recognized in the consolidated financial statements at fair value. For certain derivatives, hedge accounting is not applied either because non-hedge accounting treatment creates the same accounting result or the hedge does not meet the hedge accounting requirements, although each hedge is entered into applying the same rationale concerning mitigating market risk that occurs from changes in interest rates and foreign exchange rates.

The degree of judgment utilized in measuring the fair value of the instruments generally correlates to the level of pricing observability. Pricing observability is impacted by several factors, including the type of asset or liability, whether the asset or liability has an established market and the characteristics specific to the transaction. Instruments with readily active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of pricing observability and a lesser degree of judgment utilized in measuring fair value. Conversely, assets rarely traded or not quoted will generally have less, or no, pricing observability and a higher degree of judgment utilized in measuring fair value.

All the Company's derivatives are classified as Level 2 financial instruments in the fair value hierarchy. Level 2 pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reported date. The nature of these assets and liabilities include items for which quoted prices are available but traded less frequently, and items that are fair valued using other financial instruments, the parameters of which can be directly observed.

The carrying value is the same as the fair value as these instruments are recognized in the consolidated financial statements at fair value. Although the Company is party to close-out netting agreements ("ISDA agreements") with all of its derivative counterparties, the fair values in the tables below and in the Condensed Consolidated Balance Sheets as of June 30, 2024 and December 31, 2023 have been presented on a gross basis. According to the ISDA agreements, transaction amounts payable to a counterparty on the same date and in the same currency can be netted. The amounts subject to netting agreements that the Company chose not to offset are presented below.

#### Derivatives designated as hedging instruments

There were no derivatives designated as hedging instruments as of June 30, 2024 or December 31, 2023 related to the Company's operations.

### Derivatives not designated as hedging instruments

Derivatives not designated as hedging instruments relate to economic hedges and are marked to market with all amounts recognized in the Consolidated Statements of Income. The derivatives not designated as hedging instruments outstanding as of June 30, 2024 and December 31, 2023 were foreign exchange swaps.

For the three months periods ended June 30, 2024 and 2023, the gains (losses) recognized in other non-operating items, net were a loss of \$1 million and a gain of \$13 million, respectively, for derivative instruments not designated as hedging instruments. For the six months periods ended June 30, 2024 and 2023, the gains (losses) recognized in other non-operating items, net were a gain of \$10 million and a gain of \$8 million, respectively. The realized part of the losses referred to above is reported under financing activities in the statement of cash flows.

For the three and six months periods ended June 30, 2024, the gains (losses) recognized as interest expense were a gain of \$1 million and a gain of \$2 million, respectively. For the three and six months periods ended June 30, 2023, the gains (losses) recognized as interest expense were immaterial.

The tables below present information about the Company's derivative financial assets and liabilities measured at fair value on a recurring basis (dollars in millions).

Description	As of					
	June 30, 2024			December 31, 2023		
	Nomin al volume	Fair Value Measurements Derivative asset (Other current assets)	Derivative liability (Other current liabilities)	Nomin al volume	Fair Value Measurements Derivative asset (Other current assets)	Derivative liability (Other current liabilities)
<b>Derivatives not designated as hedging instruments</b>						
Foreign exchange swaps, less than 6 months	\$ 2,166 <sup>1)</sup>	\$ 11 <sup>2)</sup>	\$ 15 <sup>3)</sup>	\$ 1,895 <sup>4)</sup>	\$ 22 <sup>5)</sup>	\$ 12 <sup>6)</sup>
<b>Total derivatives not designated as hedging instruments</b>	<b>\$ 2,166</b>	<b>\$ 11</b>	<b>\$ 15</b>	<b>\$ 1,895</b>	<b>\$ 22</b>	<b>\$ 12</b>

<sup>1)</sup> Net nominal amount after deducting for offsetting swaps under ISDA agreements is \$2,166 million.

<sup>2)</sup> Net amount after deducting for offsetting swaps under ISDA agreements is \$11 million.

<sup>3)</sup> Net amount after deducting for offsetting swaps under ISDA agreements is \$15 million.

<sup>4)</sup> Net nominal amount after deducting for offsetting swaps under ISDA agreements is \$1,895 million.

<sup>5)</sup> Net amount after deducting for offsetting swaps under ISDA agreements is \$22 million.

<sup>6)</sup> Net amount after deducting for offsetting swaps under ISDA agreements is \$12 million.

### Fair Value of Debt

The fair value of long-term debt is determined either from quoted market prices as provided by participants in the secondary market or for long-term debt without quoted market prices, estimated using a discounted cash flow method based on the Company's current borrowing rates for similar types of financing. The Company has determined that each of these fair value measurements of debt reside within Level 2 of the fair value hierarchy.

In February 2024, the Company issued 5.5-year notes for a total of €500 million in the Eurobond market. The notes carry a coupon of 3.625% and mature in August 2029. In April 2024, the Company repaid \$297 million of US Private Placement debt.

The fair value and carrying value of debt is summarized in the table below (dollars in millions).

	June 30, 2024		As of		December 31, 2023	
	Carrying value <sup>1)</sup>	Fair value	Carrying value <sup>1)</sup>	Fair value	Carrying value <sup>1)</sup>	Fair value
<b>Long-term debt</b>						
Bonds	\$ 1,540	\$ 1,525	\$ 1,023	\$ 1,022		
Loans	—	—	301	306		
<b>Total long-term debt</b>	<b>1,540</b>	<b>1,525</b>	<b>1,324</b>	<b>1,328</b>		
<b>Short-term debt</b>						
Short-term portion of long-term debt	282	285	297	297		
Overdrafts and other short-term debt	174	174	241	241		
<b>Total short-term debt</b>	<b>\$ 455</b>	<b>\$ 459</b>	<b>\$ 538</b>	<b>\$ 538</b>		

<sup>1)</sup> Debt as reported in balance sheet.

### Assets and liabilities measured at fair value on a non-recurring basis

In addition to assets and liabilities that are measured at fair value on a recurring basis, the Company also has assets and liabilities in its balance sheet that are measured at fair value on a nonrecurring basis, including certain long-lived assets, including equity method investments, goodwill and other intangible assets, typically as it relates to impairment.

The Company has determined that the fair value measurements included in each of these assets and liabilities rely primarily on Company-specific inputs and the Company's assumptions about the use of the assets and settlements of liabilities, as observable inputs are not available. The Company has determined that each of these fair value measurements reside within Level 3 of the fair value hierarchy. To determine the fair value of long-lived assets, the Company utilizes the projected cash flows expected to be generated by the long-lived assets, then discounts the future cash flows over the expected life of the long-lived assets.

For the three and six months periods ended June 30, 2024 and June 30, 2023, the Company did not record any material impairment charges on its long-lived assets for its operations.

#### 4. INCOME TAXES

The effective tax rate for the three months period ended June 30, 2024 was 24.1% compared to 35.8% for the three months period ended June 30, 2023. Discrete tax items, net for the three months period ended June 30, 2024 had a favorable impact of 4.9%. Discrete tax items, net for the three months period ended June 30, 2023 had a favorable impact of 4.5%.

The effective tax rate for the six months period ended June 30, 2024 was 25.5% compared to 33.4% for the six months period ended June 30, 2023. Discrete tax items, net for the six months period ended June 30, 2024 had a favorable impact of 3.7%. Discrete tax items, net for the six months period ended June 30, 2023 had a favorable impact of 1.5%.

The Company files income tax returns in the U.S. federal jurisdiction, various U.S. states, and non-U.S. jurisdictions. At any given time, the Company is undergoing tax audits in several tax jurisdictions covering multiple years. The Company is no longer subject to income tax examination by the U.S. federal income tax authorities for years prior to 2015. With few exceptions, the Company is no longer subject to income tax examination by U.S. state or local tax authorities or by non-U.S. tax authorities for years before 2012.

As of June 30, 2024, the Company is not aware of any proposed income tax adjustments resulting from tax examinations that would have a material impact on the Company's condensed consolidated financial statements. The conclusion of such audits could result in additional increases or decreases to unrecognized tax benefits in some future period or periods.

During the six months period ended June 30, 2024, the Company recorded a net increase of \$4 million to income tax reserves for unrecognized tax benefits based on tax positions related to the current year, including accruing additional interest related to unrecognized tax benefits from prior years. In addition, during the six month period ended June 30, 2024, the Company recorded a net decrease of \$14 million to income tax reserves for unrecognized tax benefits based on tax positions taken in prior years, mainly due to conclusion of tax audits and expiration of the statute of limitations in various jurisdictions.

Of the total unrecognized tax benefits of \$53 million recorded as of June 30, 2024, \$16 million is classified as current tax payable within Other current liabilities and \$37 million is classified as non-current tax payable within Other non-current liabilities on the Condensed Consolidated Balance Sheet.

#### 5. INVENTORIES

Inventories are stated at the lower of cost ("FIFO") and net realizable value. The components of inventories were as follows (dollars in millions):

		As of	
	June 30, 2024	December 31, 2023	
Raw materials	\$ 422	\$ 457	
Work in progress	324	347	
Finished products	277	296	
<b>Inventories</b>	<b>1,023</b>	<b>1,100</b>	
Inventory valuation reserve	(87)	(89)	
<b>Total inventories, net of reserve</b>	<b>\$ 936</b>	<b>\$ 1,012</b>	

## 6. RESTRUCTURING

As of June 30, 2024, the majority of the restructuring reserve balance of \$189 million is attributed to global structural cost reduction program activities initiated in Europe in 2023. These activities are expected to be concluded during 2024 and 2025.

Provisions and cash payments for the three and six months periods ended June 30, 2024 relate to the restructuring activities in Europe. The provision charges for the three and six months periods ended June 30, 2023 mainly relate to restructuring activities in Germany and UK.

The table below summarizes the change in the balance sheet position of the employee-related restructuring reserves (dollars in millions). The restructuring reserve balances are included within Accrued expenses in the Condensed Consolidated Balance Sheets. The changes in the employee-related reserves have been charged against Other income (expense), net in the Consolidated Statements of Income. Restructuring costs other than employee related costs are immaterial for all periods presented.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Reserve at beginning of the period</b>	<b>\$ 193</b>	<b>\$ 29</b>	<b>\$ 213</b>	<b>\$ 32</b>
Provision - charge	13	107	14	110
Provision - reversal	(0)	(0)	(0)	(0)
Cash payments	(15)	(9)	(30)	(15)
Translation difference	(1)	(0)	(7)	0
<b>Reserve at end of the period</b>	<b>\$ 189</b>	<b>\$ 127</b>	<b>\$ 189</b>	<b>\$ 127</b>

## 7. PRODUCT-RELATED LIABILITIES

The Company is exposed to product liability and warranty claims in the event that the Company's products fail to perform as represented and such failure results, or is alleged to result, in bodily injury, and/or property damage or other loss. The Company has reserves for product risks. Such reserves are related to product performance issues, including recalls, product liability, and warranty issues. For further explanation, see Note 9. Contingent Liabilities below.

For the three months period ended June 30, 2024, cash payments mainly relate to warranty related issues. For the six months period ended June 30, 2024, provision reversals and cash payments primarily relate to recall related issues. For the three and six months periods ended June 30, 2023, provisions and cash payments primarily related to warranty related issues. As of June 30, 2024, the reserve for product related liabilities mainly relates to recall related issues.

The table below summarizes the change in the balance sheet position of the product-related liabilities (dollars in millions). The reserve for product related liabilities is included in accrued expenses and other non-current liabilities on the Condensed Consolidated Balance Sheets. A majority of the Company's product-related liabilities as of June 30, 2024 are covered by insurance. Insurance receivables are included within other current assets and other non-current assets on the Condensed Consolidated Balance Sheets. As of June 30, 2024, the Company had total insurance receivables of \$57 million.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Reserve at beginning of the period</b>	<b>\$ 78</b>	<b>\$ 141</b>	<b>\$ 96</b>	<b>\$ 145</b>
Change in reserve	(1)	42	(8)	43
Cash payments	(4)	(4)	(14)	(9)
Translation difference	(0)	(0)	(1)	(0)
<b>Reserve at end of the period</b>	<b>\$ 73</b>	<b>\$ 178</b>	<b>\$ 73</b>	<b>\$ 178</b>

## 8. RETIREMENT PLANS

The components of total Net Periodic Benefit Cost associated with the Company's defined benefit retirement plans are as follows (dollars in millions):

U.S. Plans	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Interest cost	\$ 3	\$ 3	\$ 6	\$ 6
Expected return on plan assets	(3)	(3)	(6)	(5)
Settlement loss	0	0	0	0
<b>Net periodic benefit (gain) cost</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ 1</b>

Non-U.S. Plans	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Service cost	\$ 2	\$ 3	\$ 5	\$ 5
Interest cost	3	3	6	5
Expected return on plan assets	(1)	(0)	(2)	(1)
Amortization of actuarial loss	0	0	1	0
<b>Net periodic benefit cost</b>	<b>\$ 5</b>	<b>\$ 6</b>	<b>\$ 9</b>	<b>\$ 9</b>

The Service cost component in the table above is reported among other employee compensation costs in the Consolidated Statements of Income. The remaining components - Interest cost, Expected return on plan assets, Amortization of actuarial loss, Settlement loss (gain) and Curtailment gain - are reported as Other non-operating items, net in the Consolidated Statements of Income.

The Company triggered settlement accounting for the primary U.S. pension plan in the second quarter of 2024 because the lump-sum payments made during the quarter exceeded the sum of Service cost and Interest cost for this U.S. plan. Due to the settlement accounting, the obligation and plan assets for the primary U.S. plan have been re-measured as of June 30, 2024, which resulted in an immaterial change in the net pension liability compared to December 31, 2023. The discount rate used to determine the U.S. net periodic benefit cost because of the re-measurement was changed from 5.35% to 5.57% in the second quarter of 2024. The expected long-term rate of return on plan asset is unchanged at 6.21%.



## **9. CONTINGENT LIABILITIES**

### **Legal Proceedings**

Various claims, lawsuits, and proceedings are pending or threatened against the Company or its subsidiaries, covering a range of matters that arise in the ordinary course of its business activities with respect to commercial, product liability, and other matters. Litigation is subject to many uncertainties, and the outcome of any litigation cannot be assured. After discussions with counsel, and with the exception of potential future losses resulting from the antitrust proceedings described below, it is the opinion of management that the various legal proceedings and investigations to which the Company currently is a party will not have a material adverse impact on the consolidated financial position of Autoliv, but the Company cannot provide assurance that Autoliv will not experience material litigation, product liability, or other losses in the future.

### **ANTITRUST MATTERS**

Authorities in several jurisdictions have conducted broad, and in some cases, long-running investigations of suspected anti-competitive behavior among parts suppliers in the global automotive vehicle industry. These investigations included, but are not limited to, the products that the Company sells. In addition to concluded matters, authorities of other countries with significant light vehicle manufacturing or sales may initiate similar investigations. As a result of the outcome of the European Commission investigation of anti-competitive behavior among suppliers of occupant safety systems that the Company resolved in 2019 (the "EC investigation"), the Company is subject to multiple subsequent civil disputes with non-governmental third parties stemming from the same facts and circumstances underlying the EC investigation. These disputes could result in significant expenses as well as unfavorable outcomes that could have a material adverse impact on our customer relationships, business prospects, reputation, operating results, cash flows or financial condition, and our insurance would likely not mitigate such impact. The Company cannot predict the duration, scope, or ultimate outcome of any such disputes and is unable to estimate the loss or a range of loss, or predict the reporting periods in which any such loss may be recorded.

### **PRODUCT WARRANTY, RECALLS AND INTELLECTUAL PROPERTY**

Autoliv is exposed to various claims for damages and compensation if its products fail to perform as expected. Such claims can be made, and result in costs and other losses to the Company, even where the product is eventually found to have functioned properly. Where a product (actually or allegedly) fails to perform as expected or is defective, the Company may face warranty and recall claims. Where such (actual or alleged) failure or defect results, or is alleged to result, in bodily injury and/or property damage, the Company may also face product liability and other claims. There can be no assurance that the Company will not experience material warranty, recall or product (or other) liability claims or losses in the future, or that the Company will not incur significant costs to defend against such claims. The Company may be required to participate in a recall involving its products. Each vehicle manufacturer has its own practices regarding product recalls and other product liability actions relating to its suppliers. As suppliers become more integrally involved in the vehicle design process and assume more of the vehicle assembly functions, vehicle manufacturers are increasingly looking to their suppliers for contribution when faced with recalls and product liability claims. Government safety regulators may also play a role in warranty and recall practices. Recall decisions regarding the Company's products may require a significant amount of judgment by us, our customers and safety regulators and are influenced by a variety of factors. Once a recall has been made, the cost of a recall is also subject to a significant amount of judgment and discussions between the Company and its customers. A warranty, recall or product-liability claim brought against the Company in excess of its insurance may have a material adverse effect on the Company's business. Vehicle manufacturers are also increasingly requiring their outside suppliers to guarantee or warrant their products and bear the costs of repair and replacement of such products under new vehicle warranties. A vehicle manufacturer may attempt to hold the Company responsible for some, or all, of the repair or replacement costs of products when the product supplied did not perform as represented by us or expected by the customer in either a warranty or a recall situation. Accordingly, the future costs of warranty or recall claims by the customers may be material. However, the Company believes its established reserves are adequate. Autoliv's warranty reserves are based upon the Company's best estimates of amounts necessary to settle future and existing claims. The Company regularly evaluates the adequacy of these reserves and adjusts them when appropriate. However, the final amounts actually due related to these matters could differ materially from the Company's recorded estimates.

In addition, as vehicle manufacturers increasingly use global platforms and procedures, quality performance evaluations are also conducted on a global basis. Any one or more quality, warranty or other recall issue(s) (including those affecting few units and/or having a small financial impact) may cause a vehicle manufacturer to implement measures such as a temporary or prolonged suspension of new orders, which may have a material impact on the Company's results of operations.

The Company maintains a program of insurance, which may include commercial insurance, self-insurance, or a combination of both approaches, for potential recall and product liability claims in amounts and on terms that it believes are reasonable and prudent based on our prior claims experience. The Company's insurance policies generally include coverage of the costs of a recall, although costs related to replacement parts are generally not covered. In addition, a number of the agreements entered into by the Company, including the Spin-off Agreements, require Autoliv to indemnify the other parties for certain claims. Autoliv cannot assure that the level of coverage will be sufficient to cover every possible claim that can arise in our businesses or with respect to other obligations, now or in the future, or that such coverage always will be available should we, now or in the future, wish to extend, increase or otherwise adjust our insurance.

As noted in Note 7 above, as of June 30, 2024, the Company has accrued \$73 million for total product related liabilities. The majority of the total product liability accrual as of June 30, 2024, relates to recalls, which are generally covered by insurance. Insurance receivables for such recall related liabilities total \$57 million as of June 30, 2024.

#### Product Liability:

Autoliv and some of its subsidiaries have been named as one of several defendants in a consolidated class action lawsuit in a multi-district litigation (In Re: ARC Airbag Inflators Products Liability Litigation MDL, No. 3051) in the Northern District of Georgia. The plaintiffs in the multi-district litigation (the "ARC Inflator Class Action") brought claims for fraud, breach of warranty, and violations of consumer protection and trade practices stemming from ARC inflators included in airbag modules that Autoliv or its subsidiaries allegedly supplied after Autoliv acquired certain Delphi assets (the "Delphi Acquisition") in December 2009. The Company denies these allegations. Autoliv is not aware of any performance issues regarding ARC inflators included with its airbags at the directions of its customers that it shipped following the Delphi Acquisition. The proceedings remain ongoing. The Company has determined pursuant to ASC 450 that a loss is reasonably possible with respect to the ARC Inflator Class Action. However, the Company continues to evaluate this matter, no accrual has been made, and no estimated range of potential loss can be determined at this time. The Company cannot predict the ultimate outcome of the ARC Inflator Class Action.

On September 5, 2023, the National Highway Traffic Safety Administration ("NHTSA") issued an initial decision to recall approximately 52 million frontal driver and passenger airbag inflators manufactured by ARC and Delphi Automotive Systems because NHTSA determined that the airbag inflators contain a safety defect resulting in field ruptures. Some of the ARC inflators included in the airbag modules that Autoliv or its subsidiaries supplied after the Delphi Acquisition were included in such initial decision. NHTSA has yet to release its final decision. If NHTSA's final decision results in a recall, it is anticipated that such decision will be challenged in US federal court. The Company has determined pursuant to ASC 450 that a loss is reasonably possible with respect to the NHTSA ARC recall. However, the Company continues to evaluate this matter, no accrual has been made, and no estimated range of potential loss can be determined at this time. The Company cannot predict the ultimate outcome of the NHTSA ARC recall.

#### Specific Recalls:

In the fourth quarter of 2020, the Company was made aware of a potential recall by American Honda Motor Co. and the recall of approximately 449,000 vehicles relating to the malfunction of front seat belt buckles was announced on March 9, 2023 (the "Honda Buckle Recall"). The Company determined pursuant to ASC 450 that a loss with respect to the Honda Buckle Recall is probable and accrued an amount that is reflected in the total product liability accrual in the fourth quarter of 2020, increased the accrual in the fourth quarter of 2021 and reduced the accrual in the fourth quarter of 2023 based on vehicle repair cost data. Following the accrual reduction in the fourth quarter of 2023, the amount by which the product liability accrual exceeds the product liability insurance receivable with respect to the Honda Buckle Recall is \$10 million and includes self-insurance retention costs and deductibles. The ultimate loss to the Company of the Honda Buckle Recall could be materially different from the amount the Company has accrued.

Volvo Car USA, LLC (together with its affiliates, "Volvo") has recalled approximately 762,000 vehicles relating to the malfunction of inflators produced by ZF (the "ZF Inflator Recall"). The recalled ZF inflators were included in airbag modules supplied by the Company only to Volvo. The recall commenced in November 2020 and later expanded in September 2021. Because the Company's airbags were involved with the ZF Inflator Recall, the Company has determined pursuant to ASC 450 that a loss is reasonably possible with respect to the ZF Inflator Recall. The Company continues to evaluate this matter with Volvo and ZF and no accrual has been made. Although the Company currently estimates a range of \$0 to \$43 million with respect to this potential loss, the Company anticipates that any losses net of insurance claims and claims against ZF will be immaterial.

#### Intellectual Property:

In its products, the Company utilizes technologies which may be subject to intellectual property rights of third parties. While the Company does seek to procure the necessary rights to utilize intellectual property rights associated with its products, it may fail to do so. Where the Company so fails, the Company may be exposed to material claims from the owners of such rights. Where the Company has sold products which infringe upon such rights, its customers may be entitled to be indemnified by the Company for the claims they suffer as a result thereof. Such claims could be material.

The table in Note 7 above summarizes the change in the balance sheet position of the product-related liabilities.

## 10. STOCK INCENTIVE PLAN

Eligible employees and non-employee directors of the Company participate in the Autoliv, Inc. 1997 Stock Incentive Plan, as amended, ("the Plan"), and receive Autoliv stock-based awards which include restricted stock units ("RSUs") and performance-based restricted stock units ("PSUs") and, in the past, included stock options.

For the three and six months periods ended June 30, 2024, the Company recorded approximately \$4 million and \$8 million, respectively, in stock-based compensation expense related to RSUs and PSUs. For the three and six months periods ended June 30, 2023, the Company recorded approximately \$3 million and \$8 million, respectively, in stock-based compensation expense related to RSUs and PSUs.

During the three and six months periods ended June 30, 2024, approximately 16 thousand and 117 thousand shares of common stock from the treasury stock were utilized by the Plan. During the three and six months periods ended June 30, 2023, approximately 20 thousand and 112 thousand shares, respectively, of common stock from the treasury stock were utilized by the Plan.

## 11. EARNINGS PER SHARE

The computation of basic and diluted earnings per share is set forth in the table below. Anti-dilutive shares outstanding were immaterial for all periods presented below.

(In millions, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Numerator:</b>				
Basic and diluted:				
Net income attributable to controlling interest	\$ 138	\$ 53	\$ 265	\$ 127
<b>Denominator:</b>				
Basic: Weighted average common stock	80.9	85.6	81.6	85.9
Add: Weighted average stock options/share awards	0.2	0.1	0.4	0.2
<b>Diluted weighted average common stock:</b>	<b>81.1</b>	<b>85.8</b>	<b>82.1</b>	<b>86.0</b>
<b>Net earnings per share - basic</b>	<b>\$ 1.71</b>	<b>\$ 0.61</b>	<b>\$ 3.24</b>	<b>\$ 1.48</b>
<b>Net earnings per share - diluted</b>	<b>\$ 1.71</b>	<b>\$ 0.61</b>	<b>\$ 3.23</b>	<b>\$ 1.47</b>

## 12. REVENUE DISAGGREGATION

The Company's disaggregated revenue for the three and six months periods ended June 30, 2024 and June 30, 2023 were as follows (dollars in millions).

Net Sales by Products	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Airbags, Steering Wheels and Other <sup>1)</sup>	\$ 1,747	\$ 1,757	\$ 3,528	\$ 3,430
Seatbelt Products and Other <sup>1)</sup>	858	878	1,692	1,698
<b>Total net sales</b>	<b>\$ 2,605</b>	<b>\$ 2,635</b>	<b>\$ 5,220</b>	<b>\$ 5,127</b>

  

Net Sales by Region	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Americas	\$ 893	\$ 916	\$ 1,786	\$ 1,747
Europe	761	751	1,531	1,476
China	468	497	928	950
Asia excl. China	483	471	975	954
<b>Total net sales</b>	<b>\$ 2,605</b>	<b>\$ 2,635</b>	<b>\$ 5,220</b>	<b>\$ 5,127</b>

<sup>1)</sup> Including Corporate sales.

### Contract Balances

Contract assets relate to the Company's rights to consideration for work completed but not billed (generally in conjunction with contracts for which revenue is recognized over time) at the reporting date on production parts and is included in Other current assets in the Condensed Consolidated Balance Sheet. The contract assets are reclassified into the receivables balance when the rights to receive payments become unconditional. The net change in the contract assets balance, reflecting the adjustments needed to align revenue recognition for work completed but not billed, for the three and six months periods ended June 30, 2024 and June 30, 2023, were not material in any period.

**13. SUBSEQUENT EVENTS**

There were no reportable events subsequent to June 30, 2024.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis should be read in conjunction with our Condensed Consolidated Financial Statements and accompanying Notes thereto included elsewhere herein and with our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the United States Securities and Exchange Commission (the "SEC") on February 20, 2024. Unless otherwise noted, all dollar amounts are in millions.*

Autoliv, Inc. ("Autoliv" or the "Company") is a Delaware corporation with its principal executive offices in Stockholm, Sweden. The Company functions as a holding corporation and owns two principal operating subsidiaries, Autoliv AB and Autoliv ASP, Inc.

Through its operating subsidiaries, Autoliv is a supplier of automotive safety systems with a broad range of product offerings, including modules and components for passenger and driver airbags, side airbags, curtain airbags, seatbelts, steering wheels, and pedestrian protection systems.

Autoliv's filings with the SEC, including this Quarterly Report on Form 10-Q, annual reports on Form 10-K, current reports on Form 8-K, proxy statements, and all of our other reports and statements, and amendments thereto, are available free of charge on our corporate website at [www.autoliv.com](http://www.autoliv.com) as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC (generally the same day as the filing).

The primary exchange market for Autoliv's securities is the New York Stock Exchange ("NYSE") where Autoliv's common stock trades under the symbol "ALV". Autoliv's Swedish Depositary Receipts ("SDRs") are traded on Nasdaq Stockholm's list for large market cap companies under the symbol "ALIV SDB". Options in SDRs trade on Nasdaq Stockholm under the name "Autoliv SDB". Options in Autoliv shares are traded on Nasdaq OMX PHLX and on NYSE Amex Options under the symbol "ALV".

Autoliv's fiscal year ends on December 31.

### Non-U.S. GAAP financial measures

Some of the following discussions refer to non-U.S. GAAP financial measures: see reconciliations for "Organic sales", "Trade working capital", "Free cash flow", "Net debt", "Leverage ratio", "Adjusted operating income", "Adjusted operating margin" and "Adjusted earnings per share, diluted" provided below. Management believes that these non-U.S. GAAP financial measures provide supplemental information to investors regarding the performance of the Company's business and assist investors in analyzing trends in the Company's business. Additional descriptions regarding management's use of these financial measures are included below. Investors should consider these non-U.S. GAAP financial measures in addition to, rather than as substitutes for, financial reporting measures prepared in accordance with U.S. GAAP. These historical non-U.S. GAAP financial measures have been identified as applicable in each section of this report with a tabular presentation reconciling them to the most directly comparable U.S. GAAP financial measures. It should be noted that these measures, as defined, may not be comparable to similarly titled measures used by other companies.

## EXECUTIVE OVERVIEW

In the second quarter, profitability continued to improve despite a slight decline in net sales. The improvement was driven by better pricing and successful execution of cost reductions, with indirect headcount reduced by 1,100 since the start of the program. We have settled cost compensation claims with a majority of customers and target to close most of the remaining claims in the third quarter. Return on capital employed was good and cash flow continued to be strong, supporting a high level of shareholder returns and an improvement of the leverage ratio to 1.2x.

We remain on track with our strategic and structural initiatives to sustainably strengthen our footprint and operations. However, light vehicle production with certain key customers following weaker sales and inventory adjustments were lower than expected in the quarter, especially in June. The lower than expected sales impacted our profitability with an operating leverage at the high end of our normal 20%-30% range.

It is encouraging that customer production plans for the third quarter are normalizing, indicating that the June weakness should be temporary.

We continued to outperform LVP significantly in Asia excluding China and in Europe, fueled by product launches and better pricing. In Americas, we underperformed slightly, as some key customers reduced production.

We continue to expand our business with domestic Chinese OEMs, positioning us well to benefit from the new structure of the Chinese market. Domestic Chinese OEMs accounted for 38% of our China sales in the second quarter. We grew sales to this group by 39% in the second quarter versus a year ago, and by 25% versus the previous quarter. However, the market developed unfavorably in the second quarter, with sales for certain brands and models with low Autoliv content growing strongly, while some of our key global customers production declined significantly, leading to 7pp underperformance in China.

We remain fully focused on delivering on the around 12% adjusted operating margin (Non-U.S. GAAP measure) target, although we are adjusting our full year 2024 guidance slightly, reflecting changes in LVP and adverse customer mix. We continue to expect a significant increase in profitability in the second half year with an adjusted operating margin (Non-U.S. GAAP measure) of around 11-12% compared to the first half year's 8.0%. The positive development of our cash flow and balance sheet supports our continued commitment to a high level of shareholder returns.

### Financial highlights in the three months period ended June 30, 2024

*Change figures below compare to the same period of the previous year, except when stated otherwise.*

**\$2,605 million** net sales

**1.1%** net sales decrease

**0.7%** organic sales growth (Non-U.S. GAAP measure, see reconciliation table below)

**7.9%** operating margin

**8.5%** adjusted operating margin (Non-U.S. GAAP measure, see reconciliation table below)

**\$1.71** EPS, 178% increase

**\$1.87** adjusted EPS (Non-U.S. GAAP measure, see reconciliation table below), 3% decrease

## Key business developments in the three months period ended June 30, 2024

*Change figures below compare to the same period of the previous year, except when stated otherwise.*

•**Second quarter sales increased organically by 0.7%** (Non-U.S. GAAP measure, see reconciliation table below), which was 1.4pp better than global LVP decline of 0.7% (S&P Global July 2024). We outperformed in Asia excl. China and in Europe, mainly due to product launches and pricing while we underperformed in Americas and in China, mainly due to lower light vehicle production with certain key customers, as a consequence of weaker sales and inventory reductions. In China, the LVP mix was negative as several models with limited Autoliv content grew strongly.

•**Profitability improved** despite a slight net sales decline. The sales were lower than expected which impacted our profitability in the quarter with an operating leverage at the high end of our normal 20%-30% range. Profits improved mainly due to the successful execution of cost reductions and increased pricing. Indirect headcount continued to decrease. Operating income was \$206 million and operating margin was 7.9%. Adjusted operating income (Non-U.S. GAAP measure, see reconciliation table below) improved to \$221 million and adjusted operating margin (Non-U.S. GAAP measure, see reconciliation table below) increased from 8.0% to 8.5%. Return on capital employed was 21.0%.

•**Operating cash flow was strong**, at \$340 million, albeit slightly below last year as the second quarter last year was supported by positive timing effects. Free cash flow (Non-U.S. GAAP measure, see reconciliation table below) of \$194 million was thereby also down somewhat compared to last year. The leverage ratio (Non-U.S. GAAP measure, see reconciliation table below) improved to 1.2x. In the quarter, a dividend of \$0.68 per share was paid, and 1.31 million shares were repurchased and retired.

## Business and market condition update for the second quarter 2024

### Supply Chain

In the second quarter, global light vehicle production declined by 0.7% year-over-year (according to S&P Global July 2024). Call-off volatility was lower compared to a year earlier, as supply chains are less strained than they were a year ago. However, volatility did not improve compared to the first quarter 2024, and is still 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 continue to expect call-off volatility in 2024 on average to be lower than it was in 2023 but remain higher than the pre-pandemic level.

### Inflation

In the second quarter, cost pressure from labor and other items had a negative impact on our profitability. 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 second quarter. We now 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 will continue to seek inflation compensation from our customers.

## RESULTS OF OPERATIONS

### Overview

The following table shows some of the key ratios management uses internally to analyze the Company's current and future financial performance and core operations as well as to identify trends in the Company's financial conditions and results of operations. The Company has provided this information to investors to assist in meaningful comparisons of past and present operating results and to assist in highlighting the results of ongoing core operations. These ratios are more fully explained below and should be read in conjunction with the consolidated financial statements in the Company's Annual Report on Form 10-K and the unaudited condensed consolidated financial statements in this Quarterly Report on Form 10-Q.

The Company's management uses the Return on capital employed (ROCE) and Return on total equity (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. The Company believes ROCE is a useful indicator 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.

### KEY RATIOS (Dollars in millions, except per share data)

	Three Months Ended or As of June 30,		Six Months Ended or As of June 30,	
	2024	2023	2024	2023
Trade working capital <sup>1)</sup>	1,169	1,292	1,169	1,292
Trade working capital relative to sales, % <sup>2)</sup>	11.2 %	12.3 %	11.2 %	12.3 %
Receivables outstanding relative to sales, % <sup>3)</sup>	20.1 %	20.8 %	20.1 %	20.8 %
Inventory outstanding relative to sales, % <sup>4)</sup>	9.0 %	9.0 %	9.0 %	9.0 %
Payables outstanding relative to sales, % <sup>5)</sup>	17.8 %	17.5 %	17.8 %	17.5 %
Gross margin, % <sup>6)</sup>	18.2 %	17.0 %	17.6 %	16.1 %
Operating margin, % <sup>7)</sup>	7.9 %	3.6 %	7.7 %	4.3 %
Capital employed <sup>8)</sup>	3,890	3,856	3,890	3,856
Net debt <sup>9)</sup>	1,579	1,299	1,579	1,299
Return on total equity, % <sup>10)</sup>	23.4 %	8.2 %	21.8 %	9.8 %
Return on capital employed, % <sup>11)</sup>	21.0 %	9.5 %	20.4 %	11.4 %
Headcount at period-end <sup>12)</sup>	68,700	71,200	68,700	71,200

<sup>1)</sup> Outstanding receivables and outstanding inventory less outstanding payables. See calculation of this non-U.S. GAAP measure in the table below.

<sup>2)</sup> Outstanding receivables and outstanding inventory less outstanding payables relative to annualized quarterly sales.

<sup>3)</sup> Outstanding receivables relative to annualized quarterly sales.

<sup>4)</sup> Outstanding inventory relative to annualized quarterly sales.

<sup>5)</sup> Outstanding payables relative to annualized quarterly sales.

<sup>6)</sup> Gross profit relative to sales.

<sup>7)</sup> Operating income relative to sales.

<sup>8)</sup> Total equity and net debt.

<sup>9)</sup> Net debt adjusted for pension liabilities in relation to EBITDA. See tabular presentation reconciling this non-U.S. GAAP measure to U.S. GAAP below.

<sup>10)</sup> Net income relative to average total equity.

<sup>11)</sup> Operating income and income from equity method investments, relative to average capital employed.

<sup>12)</sup> Employees plus temporary, hourly personnel.



**THREE MONTHS PERIOD ENDED JUNE 30, 2024 COMPARED WITH THREE MONTHS PERIOD ENDED JUNE 30, 2023**

**Consolidated Sales Development**

(dollars in millions)

	Three Months Ended June 30,		Reported change	Components of change in net sales	
	2024	2023		Currency effects <sup>1)</sup>	Organic <sup>3)</sup>
Airbags, Steering Wheels and Other <sup>2)</sup>	\$ 1,747	\$ 1,757	(0.6)%	(1.8)%	1.2 %
Seatbelt products and Other <sup>2)</sup>	858	878	(2.2)%	(1.9)%	(0.3)%
<b>Total</b>	<b>\$ 2,605</b>	<b>\$ 2,635</b>	<b>(1.1)%</b>	<b>(1.9)%</b>	<b>0.7 %</b>
Americas	\$ 893	\$ 916	(2.6)%	0.3 %	(2.8)%
Europe	761	751	1.4 %	(0.2)%	1.6 %
China	468	497	(5.9)%	(3.1)%	(2.8)%
Asia excl. China	483	471	2.6 %	(7.4)%	10 %
<b>Total</b>	<b>\$ 2,605</b>	<b>\$ 2,635</b>	<b>(1.1)%</b>	<b>(1.9)%</b>	<b>0.7 %</b>

<sup>1)</sup> Effects from currency translations.

<sup>2)</sup> Including Corporate sales.

<sup>3)</sup> Non-U.S. GAAP measure.

**Sales by product - Airbags, Steering Wheels and Other**

Sales grew organically (Non-U.S. GAAP measure, see reconciliation table above) by 1.2% in the quarter. The largest contributor to the increase was steering wheels, followed by center airbags, inflatable curtains, side airbags, and driver airbags, partly offset by decreases for passenger airbags and knee airbags.

**Sales by product - Seatbelts and Other**

Sales for Seatbelt Products and Other decreased organically (Non-U.S. GAAP measure, see reconciliation table above) by 0.3% in the quarter. Sales declined organically in China and the Americas, while it increased in Asia excluding China with Europe being virtually unchanged.

**Sales by region**

Our global organic sales (Non-U.S. GAAP measure, see reconciliation table above) increased by 0.7% compared to the global LVP decrease of 0.7% (according to S&P Global, July 2024). The outperformance was mainly driven by new product launches and higher prices carried over from last year, partly offset by negative customer and model mix.

Our organic sales growth outperformed LVP growth by 13pp in Asia excluding China and by 7.7pp in Europe, while it underperformed by 2.3pp in the Americas, and by 7.3pp in China. LVP growth in China was heavily tilted to domestic OEMs with typically lower safety content. In addition, certain models with low Autoliv content grew very fast in the quarter. Domestic OEM LVP in China grew by 20% while LVP declined by 10% for global OEMs in the second quarter.

**Second quarter of 2024 organic growth<sup>1)</sup>**

	Americas	Europe	China	Asia excl. China	Global
Autoliv	(2.8)%	1.6%	(2.8)%	10%	0.7%
Main growth drivers	VW, Hyundai, Subaru	Mercedes, Renault, Hyundai	Geely, BMW, BYD	Hyundai, Suzuki, EV OEM	Geely, Mercedes, Hyundai
Main decline drivers	Stellantis, EV OEM, GM	Stellantis, VW	EV OEM, Honda, GM	KG Mobility, Stellantis	Stellantis, EV OEM, GM

<sup>1)</sup> Non-U.S. GAAP measure.

**Light Vehicle Production Development**

Change second quarter of 2024 versus second quarter of 2023

	Americas	Europe	China	Asia excl. China	Global
LVP <sup>1)</sup>	(0.5)%	(6.1)%	4.5 %	(2.6)%	(0.7)%

<sup>1)</sup> Source: S&P Global, July 2024.

## Earnings

(Dollars in millions, except per share data)	Three Months Ended June 30,		Change
	2024	2023	
Net Sales	\$ 2,605	\$ 2,635	(1.1)%
Gross profit	475	447	6.2 %
% of sales	18.2 %	17.0 %	1.3 pp
S, G&A	(138)	(130)	6.5 %
% of sales	(5.3)%	(4.9)%	(0.4)pp
R, D&E, net	(116)	(120)	(3.4)%
% of sales	(4.5)%	(4.6)%	0.1 pp
Other income (expense), net	(14)	(103)	(86)%
Operating income	206	94	120 %
% of sales	7.9 %	3.6 %	4.4 pp
Adjusted operating income <sup>1)</sup>	221	212	4.4 %
% of sales	8.5 %	8.0 %	0.5 pp
Financial and non-operating items, net	(23)	(11)	108 %
Income before taxes	183	83	121 %
Income taxes	(44)	(30)	49 %
Tax rate	24.1%	35.8%	(11.7)pp
Net income	139	53	162 %
Earnings per share, diluted <sup>2)</sup>	1.71	0.61	178 %
Adjusted earnings per share, diluted <sup>1,2)</sup>	1.87	1.93	(2.9)%

<sup>1)</sup> Non-U.S. GAAP measure, excluding effects from capacity alignments, antitrust related matters and for fiscal year 2023 the Andrews litigation settlement.

<sup>2)</sup> Assuming dilution, when applicable, and net of treasury shares.

### Second quarter of 2024 financial development

**Gross profit** increased by \$28 million, and the gross margin increased by 1.3pp compared to the same quarter 2023. The gross profit increase was primarily driven by lower costs for labor and production overhead, as well as customer compensations and positive foreign currency effects. This was partly offset by higher material costs.

**S,G&A** costs increased by \$8 million compared to the prior year, impacted by higher personnel and IT costs as well as higher legal costs. S,G&A costs in relation to sales increased from 4.9% to 5.3%.

**R,D&E, net** costs decreased by \$4 million compared to the prior year, mainly due to higher engineering income. R,D&E, net, in relation to sales decreased from 4.6% to 4.5%.

**Other income (expense), net** was negative \$14 million mainly due to capacity alignment accruals, compared to negative \$103 million in the same period last year. Q2 2023 was negatively impacted by around \$109 million in accruals for capacity alignments.

**Operating income** increased by \$112 million compared to the same period in 2023, mainly due to lower capacity alignment accruals and the increase in gross profit.

**Adjusted operating income** (Non-U.S. GAAP measure, see reconciliation table below) increased by \$9 million compared to the prior year, mainly due to higher gross profit, partly offset by higher S,G&A costs.

**Financial and non-operating items, net**, was negative \$23 million compared to negative \$11 million a year earlier. The difference was mainly due to increased interest expense as the result of higher debt and higher interest rates.

**Income before taxes** increased by \$100 million compared to the prior year, mainly due to the increase in operating income.

**Tax rate** was 24.1% compared to 35.8% in the same period last year. Discrete tax items, net, decreased the tax rate this quarter by 4.9pp. Discrete tax items, net, decreased the tax rate by 4.5pp in the same period last year.

**Earnings per share, diluted** increased by \$1.09 compared to a year earlier. The main drivers were \$1.21 from higher operating income and \$0.09 from lower number of shares, partly offset by \$0.13 from higher income taxes and \$0.09 from higher financial and non-operating items, net.

## SIX MONTHS PERIOD ENDED JUNE 30, 2024 COMPARED WITH SIX MONTHS PERIOD ENDED JUNE 30, 2023

### Consolidated Sales Development

(dollars in millions)

	Six Months Ended June 30,		Reported change	Components of change in net sales	
	2024	2023		Currency effects <sup>1)</sup>	Organic <sup>3)</sup>
Airbags, Steering Wheels and Other <sup>2)</sup>	\$ 3,528	\$ 3,430	2.9 %	(1.2)%	4.0 %
Seatbelt products and Other <sup>2)</sup>	1,692	1,698	(0.3)%	(1.2)%	0.9 %
<b>Total</b>	<b>\$ 5,220</b>	<b>\$ 5,127</b>	<b>1.8 %</b>	<b>(1.2)%</b>	<b>3.0 %</b>
Americas	\$ 1,786	\$ 1,747	2.2 %	1.5 %	0.7 %
Europe	1,531	1,476	3.7 %	1.1 %	2.6 %
China	928	950	(2.3)%	(3.9)%	1.6 %
Asia	975	954	2.1 %	(7.0)%	9.1 %
<b>Total</b>	<b>\$ 5,220</b>	<b>\$ 5,127</b>	<b>1.8 %</b>	<b>(1.2)%</b>	<b>3.0 %</b>

<sup>1)</sup> Effects from currency translations.

<sup>2)</sup> Including Corporate sales.

<sup>3)</sup> Non-U.S. GAAP measure.

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

Sales grew organically (Non-U.S. GAAP measure, see reconciliation table above) by 4.0% in the period. The largest contributor to the increase was steering wheels, followed by center airbags, inflatable curtains, side airbags, and driver airbags, partly offset by decreases for knee airbags and passenger airbags.

#### Sales by product - Seatbelts and Other

Sales for Seatbelt Products and Other increased organically (Non-U.S. GAAP measure, see reconciliation table above) by 0.9% 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 (Non-U.S. GAAP measure, see reconciliation table above) increased by 3.0% compared to the global LVP decrease of 0.3% (according to S&P Global, July 2024). The outperformance was mainly driven by new product launches and higher prices carried over from last year, partly offset by negative customer and model mix.

Our organic sales growth outperformed LVP growth by 14pp in Asia excluding China, by 6.0pp in Europe and by 1.0pp in the Americas, while it underperformed by 4.0pp in China. LVP growth in China was heavily tilted to domestic OEMs with typically lower safety content. In addition, certain models with low Autoliv content grew strongly. Domestic OEM LVP in China grew by 19% while LVP declined by 7% for global OEMs in the first half year.

#### First six months 2024 organic growth<sup>1)</sup>

	Americas	Europe	China	Asia excl. China	Global
Autoliv	0.7%	2.6%	1.6%	9.1%	3.0%
Main growth drivers	VW, Mercedes, Toyota	Mercedes, Renault, BMW	Geely, BMW, Chery	Hyundai, Tata, Suzuki	Mercedes, Hyundai, Geely
Main decline drivers	Stellantis, EV OEM, GM	Stellantis, VW, Ford	EV OEM, Honda, GM	Nissan, Renault	Stellantis, EV OEM, GM

<sup>1)</sup> Non-U.S. GAAP measure.

#### Light Vehicle Production Development

Change first six months of 2023 versus first six months of 2022

	Americas	Europe	China	Asia excl. China	Global
LVP <sup>1)</sup>	(0.3)%	(3.4)%	5.6 %	(4.6)%	(0.3)%

<sup>1)</sup> Source: S&P Global, July 2024.

## Earnings

(Dollars in millions, except per share data)	Six Months Ended June 30,		Change
	2024	2023	
Net Sales	\$ 5,220	\$ 5,127	1.8 %
Gross profit	917	826	11 %
% of sales	17.6 %	16.1 %	1.5 pp
S, G&A	(270)	(262)	3.2 %
% of sales	(5.2)%	(5.1)%	(0.1)pp
R, D&E, net	(229)	(237)	(3.3)%
% of sales	(4.4)%	(4.6)%	0.2 pp
Other income (expense), net	(18)	(107)	n/a
Operating income	400	221	81 %
% of sales	7.7 %	4.3 %	3.4 pp
Adjusted operating income <sup>1)</sup>	420	343	22 %
% of sales	8.0 %	6.7 %	1.4 pp
Financial and non-operating items, net	(43)	(29)	47 %
Income before taxes	356	191	86 %
Income taxes	(91)	(64)	42 %
Tax rate	25.5%	33.4%	(7.9)pp
Net income	266	127	108 %
Earnings per share, diluted <sup>2)</sup>	3.23	1.47	119 %
Adjusted earnings per share, diluted <sup>1,2)</sup>	3.45	2.82	22 %

<sup>1)</sup> Non-U.S. GAAP measure, excluding effects from capacity alignments, antitrust related matters and for fiscal year 2023 the Andrews litigation settlement.

<sup>2)</sup> Assuming dilution, when applicable, and net of treasury shares.

### First six months 2024 financial development

**Gross profit** increased by \$91 million, and the gross margin increased by 1.5pp compared to the same period 2023. The gross profit increase was primarily driven by volume growth, customer compensations and lower costs for labor, material, production overhead and premium freight.

**S,G&A** costs increased by \$8 million compared to the prior year, mainly due to higher personnel costs and legal fees, partly offset by lower costs for professional service. S,G&A costs in relation to sales increased from 5.1% to 5.2%.

**R,D&E, net** costs decreased by \$8 million compared to the prior year, mainly due to higher engineering income. R,D&E, net, in relation to sales decreased from 4.6% to 4.4%.

**Other income (expense), net** was negative \$18 million mainly due to capacity alignment accruals, compared to negative \$107 million in the same period last year, mainly due to \$112 million in capacity alignment accruals.

**Operating income** increased by \$179 million compared to the same period in 2023, mainly due to the increase in gross profit and lower capacity alignment accruals.

**Adjusted operating income** (Non-U.S. GAAP measure, see reconciliation table below) increased by \$77 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.

**Financial and non-operating items, net**, was negative \$43 million compared to negative \$29 million a year earlier. The difference was mainly due to increased interest expense as the result of higher debt and higher interest rates.

**Income before taxes** increased by \$165 million compared to the prior year, mainly due to the increase in operating income.

**Tax rate** was 25.5% compared to 33.4% in the same period last year. Discrete tax items, net, decreased the tax rate this quarter by 3.7pp. Discrete tax items, net, decreased the tax rate by 1.5pp in the same period last year.

**Earnings per share, diluted** increased by \$1.75 compared to a year earlier. The main drivers were \$1.71 from higher operating income and \$0.15 from lower number of shares, partly offset by \$0.11 from higher financial and non-operating items, net.

## LIQUIDITY AND CAPITAL RESOURCES

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a material current or future effect on its financial position, results of operations or cash flows. The Company's future contractual obligations have not changed materially from the amounts reported in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 20, 2024.

### Second quarter of 2024 development

**Changes in operating working capital** was \$128 million positive, compared to \$230 million positive in the same period the prior year. The \$102 million decrease was mainly due to the positive effects from accounts payable and accrued expenses were smaller, partly offset by more positive effects from receivables and other assets.

**Other, net** was \$23 million negative compared to \$2 million positive in the same period the prior year. The difference relates mainly to deferred income taxes and other, net.

**Operating cash flow** decreased by \$39 million to \$340 million compared to the same period last year, mainly due to less positive effects from operating working capital changes.

**Capital expenditure, net** increased by \$22 million compared to the same period the previous year. Capital expenditure, net in relation to sales was 5.6% versus 4.7% a year earlier.

**Free cash flow** (Non-U.S. GAAP measure, see calculation table below) was positive \$194 million compared to positive \$255 million in the same period the prior year. The decrease was due to the lower operating cash flow and higher capital expenditure, net.

**Cash conversion** (Non-U.S. GAAP measure, see calculation table below) defined as free cash flow (Non-U.S. GAAP measure) in relation to net income, was 140% in the quarter.

**Trade working capital** (Non-U.S. GAAP measure, see calculation table below) decreased by \$123 million compared to the same period last year, where the main drivers were \$99 million in lower accounts receivables, \$14 million in higher accounts payable and \$11 million in lower inventories. In relation to sales, trade working capital decreased from 12.3% to 11.2%.

**Liquidity position.** As of June 30, 2024, our cash balance was around \$0.4 billion, and including committed, unused loan facilities, our liquidity position was around \$1.5 billion.

**Net debt** (Non-U.S. GAAP measure, see reconciliation table below) was \$1,579 million as of June 30, 2024, which was \$280 million higher than a year earlier

**Total equity.** As of June 30, 2024, decreased by \$246 million compared to June 30, 2023. This was mainly due to \$223 million in dividend payments and stock repurchases including taxes of \$597 million, as well as \$76 million in negative currency translation effects, partly offset by \$627 million from net income.

**Leverage ratio** (Non-U.S. GAAP measure, see calculation table below). As of June 30, 2024, the Company had a leverage ratio of 1.2x compared to 1.3x as of June 30, 2023, both the 12 months trailing adjusted EBITDA (Non-U.S. GAAP measure, see calculation table below) and the net debt (Non-U.S. GAAP measure) increased by around \$270 million.

### First six months of 2024 development

**Operating cash flow** increased by \$129 million compared to the same period last year, to \$462 million, mainly due to higher net income.

**Capital expenditure, net** increased by \$19 million. Capital expenditure, net in relation to sales was 5.5% versus 5.2% the prior year period.

**Free cash flow** (Non-U.S. GAAP measure, see calculation table below) was positive \$176 million, compared to positive \$66 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** (Non-U.S. GAAP measure, see calculation table below) defined as free cash flow (Non-U.S. GAAP measure) in relation to net income, was 66% in the period.

## NON-U.S. GAAP MEASURES

The Company believes 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.

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.

### Reconciliation of U.S. GAAP financial measures to "Adjusted operating income", "Adjusted operating margin" and "Adjusted Earnings per share, diluted" (Dollars in millions, except per share data)

	Three Months Ended June 30, 2024			Three Months Ended June 30, 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	\$ 206	\$ 15	\$ 221	\$ 94	\$ 118	\$ 212
Operating margin, %	7.9 %	0.6 %	8.5 %	3.6 %	4.5 %	8.0 %
Earnings per share, diluted	\$ 1.71	\$ 0.17	\$ 1.87	\$ 0.61	\$ 1.31	\$ 1.93

<sup>1)</sup> Effects from capacity alignments, antitrust related matters and for fiscal year 2023 the Andrews litigation settlement.

	Six Months Ended June 30, 2024			Six Months Ended June 30, 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	\$ 400	\$ 20	\$ 420	\$ 221	\$ 122	\$ 343
Operating margin, %	7.7 %	0.4 %	8.0 %	4.3 %	2.4 %	6.7 %
Earnings per share, diluted	\$ 3.23	\$ 0.22	\$ 3.45	\$ 1.47	\$ 1.35	\$ 2.82

<sup>1)</sup> Effects from capacity alignments, antitrust related matters and for fiscal year 2023 the Andrews litigation settlement.

### Items included in Non-U.S. GAAP adjustments (Dollars in millions, except per share data)

	Three Months Ended June 30, 2024		Three Months Ended June 30, 2023	
	Millions	Per share	Millions	Per share
Capacity alignments	\$ 14	\$ 0.17	\$ 109	\$ 1.26
Andrews litigation settlement	—	—	8	0.09
Antitrust related matters	1	0.01	1	0.01
<b>Total adjustments to operating income</b>	<b>15</b>	<b>0.18</b>	<b>118</b>	<b>1.36</b>
Tax on non-U.S. GAAP adjustments <sup>1)</sup>	(1)	(0.02)	(5)	(0.06)
<b>Total adjustments to net income</b>	<b>\$ 14</b>	<b>\$ 0.16</b>	<b>\$ 113</b>	<b>\$ 1.30</b>

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

	Six Months Ended June 30, 2024		Six Months Ended June 30, 2023	
	Millions	Per share	Millions	Per share
Capacity alignments	\$ 16	\$ 0.19	\$ 112	\$ 1.29
The Andrews litigation settlement	—	—	8	0.09
Antitrust related matters	4	0.05	2	0.02
<b>Total adjustments to operating income</b>	<b>20</b>	<b>0.24</b>	<b>122</b>	<b>1.41</b>
Tax on non-U.S. GAAP adjustments <sup>1)</sup>	(2)	(0.02)	(6)	(0.07)
<b>Total adjustments to net income</b>	<b>\$ 18</b>	<b>\$ 0.22</b>	<b>\$ 116</b>	<b>\$ 1.34</b>

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

The Company uses the non-U.S. GAAP measure "Trade working capital," as defined in the table below, in its communications with investors and for management's review of the development of the trade working capital cash generation from operations. The reconciling items used to derive this measure are, by contrast, managed as part of the Company's overall cash and debt management, but they are not part of the responsibilities of day-to-day operations' management.

**Calculation of "Trade working capital"**  
(Dollars in millions)

	June 30, 2024	March 31, 2024	June 30, 2023
Receivables, net	\$ 2,090	\$ 2,194	\$ 2,189
Inventories, net	936	997	947
Accounts payable	(1,858)	(1,855)	(1,844)
<b>Trade working capital</b>	<b>\$ 1,169</b>	<b>\$ 1,336</b>	<b>\$ 1,292</b>

Management uses the non-U.S. GAAP measure "Net debt" 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. The Company, 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 the Company provides 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.

**Reconciliation of U.S. GAAP financial measure to "Net debt"**  
(Dollars in millions)

	June 30, 2024	March 31, 2024	June 30, 2023
Short-term debt	\$ 455	\$ 310	\$ 481
Long-term debt	1,540	1,830	1,290
<b>Total debt</b>	<b>1,996</b>	<b>2,140</b>	<b>1,771</b>
Cash and cash equivalents	(408)	(569)	(475)
Debt issuance cost/Debt-related derivatives, net	(8)	(9)	4
<b>Net debt</b>	<b>\$ 1,579</b>	<b>\$ 1,562</b>	<b>\$ 1,299</b>

The non-U.S. GAAP measure "Net debt" is also used in the non-U.S. GAAP measure "Leverage ratio". Management uses the non-U.S. GAAP measure "Leverage Ratio" 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. The Company's long-term target for the leverage ratio (sum of net debt plus pension liabilities divided by EBITDA) is 1.0x with the aim to operate within the range of 0.5x to 1.5x. For details and calculation of leverage ratio, refer to the table below.

**Calculation of "Leverage ratio"**  
(Dollars in millions)

	June 30, 2024	March 31, 2024	June 30, 2023
Net debt <sup>1)</sup>	\$ 1,579	\$ 1,562	\$ 1,299
Pension liabilities	140	149	152
<b>Debt per the Policy</b>	<b>1,720</b>	<b>1,711</b>	<b>1,451</b>
Net income <sup>2)</sup>	627	541	390
Income taxes <sup>2)</sup>	150	136	168
Interest expense, net <sup>2,3)</sup>	89	83	67
Other non-operating items, net <sup>2)</sup>	8	1	1
Income from equity method investments <sup>2)</sup>	(6)	(5)	(4)
Depreciation and amortization of intangibles <sup>2)</sup>	384	381	363
Capacity alignments, antitrust related matters and the Andrews litigation settlement <sup>2)</sup>	128	231	127
<b>EBITDA per the Policy (Adjusted EBITDA)</b>	<b>\$ 1,380</b>	<b>\$ 1,369</b>	<b>\$ 1,112</b>
<b>Leverage ratio</b>	<b>1.2</b>	<b>1.3</b>	<b>1.3</b>

<sup>1)</sup> Net debt (non-U.S. GAAP measure) is short- and long-term debt and debt-related derivatives, less cash and cash equivalents.

<sup>2)</sup> Latest 12-months.

<sup>3)</sup> Interest expense, net including cost for extinguishment of debt, if any, less interest income.

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 the calculation of free cash flow, see the 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 table below.

**Calculation of "Free Cash Flow"**  
(Dollars in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Net income</b>	<b>\$ 139</b>	<b>\$ 53</b>	<b>\$ 266</b>	<b>\$ 127</b>
Changes in operating working capital	128	230	14	28
Depreciation and amortization	96	94	192	186
Other, net	(23)	2	(9)	(8)
<b>Operating cash flow</b>	<b>340</b>	<b>379</b>	<b>462</b>	<b>334</b>
Capital expenditure, net	(146)	(124)	(286)	(267)
<b>Free cash flow<sup>1)</sup></b>	<b>\$ 194</b>	<b>\$ 255</b>	<b>\$ 176</b>	<b>\$ 66</b>
<b>Cash conversion<sup>2)</sup></b>	<b>140 %</b>	<b>481 %</b>	<b>66 %</b>	<b>52 %</b>

<sup>1)</sup> Operating cash flow less Capital expenditures, net.

<sup>2)</sup> Free cash flow relative to Net income.

**Headcount**

	June 30, 2024	March 31, 2024	June 30, 2023
Total headcount	68,700	70,100	71,200
Whereof:			
Direct personnel in manufacturing	51,100	52,500	52,600
Indirect personnel	17,500	17,600	18,600
Temporary personnel	9 %	10 %	11 %

As of June 30, 2024, total headcount (Full Time Equivalent) decreased by 2,500, or by 3.5%, compared to a year earlier. The indirect workforce decreased by 1,100, or by 5.9%, mainly reflecting our structural reduction initiatives. The direct workforce decreased by 1,400, or by 2.7%.

Compared to March 31, 2024, total headcount (FTE) decreased by 1,500, or by 2.1%. Indirect headcount decreased by 100, or by 0.6%, while direct headcount decreased by 1,400, or by 2.7%.



## 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%, the achievement of our targeted cost compensation effects, and a sustained reduction in customer call-off volatility.

Financial measure	Full year indication
Organic sales growth	Around 2%
Foreign currency impact on net sales	Around 1% negative
Adjusted operating margin <sup>1)</sup>	Around 9.5-10.0%
Tax rate <sup>2)</sup>	Around 28%
Operating cash flow <sup>3)</sup>	Around \$1.1 billion
Capital expenditures, net % of sales	Around 5.5%

<sup>1)</sup> Excluding effects from capacity alignments, antitrust related matters and other discrete items.

<sup>2)</sup> Excluding unusual tax items.

<sup>3)</sup> Excluding unusual items.

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The forward-looking non-U.S. GAAP financial measures above are provided on a non-U.S. GAAP basis. The Company 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 the Company is unable to determine the probable significance of the unavailable information.

## Other recent events

### Key launches in the six months period ended June 30, 2024

- **Nissan Kicks:** Driver/Passenger Airbags, Side Airbags, Head/Inflatable Curtain Airbags, Front Center Airbag, Seatbelts
- **Stelato S9:** Driver/Passenger Airbags, Side Airbags, Head/Inflatable Curtain Airbags, Steering Wheel
- **Lynk&Co Z10:** Driver/Passenger Airbags, Side Airbags, Head/Inflatable Curtain Airbags, Steering Wheel, Seatbelts
- **Ford Explorer EV:** Driver/Passenger Airbags, Steering Wheel, Front Center Airbag
- **Chery Fengyun T9:** Side Airbags, Head/Inflatable Curtain Airbags, Knee Airbag, Front Center Airbag, Seatbelts
- **Lancia Ypsilon:** Driver/Passenger Airbags, Side Airbags, Head/Inflatable Curtain Airbags, Steering Wheel, Seatbelts
- **Honda e:NS2/e:NP2:** Driver/Passenger Airbags, Side Airbags, Steering Wheel, Front Center Airbag, Seatbelts
- **Mini Aceman/Cooper E:** Driver/Passenger Airbags, Steering Wheel, Seatbelts, Hood Lifter
- **LEVC L380:** Driver/Passenger Airbags, Side Airbags, Head/Inflatable Curtain Airbags, Steering Wheel, Front Center Airbag, Seatbelts

### Other Items

- On June 4, 2024, Autoliv announced that Autoliv China and XPENG AEROHT, Asia's leading flying car innovator, signed a strategic cooperation agreement to pioneer safety solutions for future mobility. Based on a shared commitment to future mobility safety, Autoliv and XPENG AEROHT will collaborate on a range of initiatives to develop safety solutions for flying cars.
- On June 18, 2024, Autoliv announced that it continues its journey to a sustainable future by introducing airbag cushions made of 100% recycled polyester that significantly reduce the greenhouse gas (GHG) footprint of airbags.
- On June 24, 2024, Autoliv and the UN Road Safety Fund (UNRSF) announced the renewal of their collaboration to enhance motorcycle safety globally. The collaboration supports UN Sustainable Development Goal 3.6 which aims to reduce road traffic fatalities and injuries by 2030, and Autoliv's goal of saving 100,000 lives annually.
- Staffan Olsson was promoted to the role of EVP, Operations, a role he had filled in an acting capacity, and as a member of the Executive Management Team effective June 1, 2024.
- In Q2 2024, Autoliv repurchased and retired 1.31 million shares of common stock at an average price of \$122.19 per share under the Autoliv 2022-2024 stock purchase program.
- Autoliv has entered into an additional Revolving Credit Facility Agreement with Standard Chartered Bank that can be used for general corporate purposes. The Agreement provides for a \$125 million revolving credit facility that matures in 2029 and the does not contain any financial covenants.
- In addition to the credit rating from S&P, Autoliv has now added a second credit rating as Moody's on July 17 assigned a long-term credit rating of Baa1 with stable outlook.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

As of June 30, 2024, there have been no material changes to the information related to quantitative and qualitative disclosures about market risk that were provided in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 20, 2024.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### **(a) Evaluation of Disclosure Controls and Procedures**

An evaluation has been carried out, under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective.

#### **(b) Changes in Internal Control over Financial Reporting**

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

In the ordinary course of our business, we are subject to legal proceedings brought by or against us and our subsidiaries.

See Part I, Item 1, "Financial Statements, Note 9 Contingent Liabilities" of this Quarterly Report on Form 10-Q for a summary of certain ongoing legal proceedings. Such information is incorporated into this Part II, Item 1—"Legal Proceedings" by reference.

### ITEM 1A. RISK FACTORS

As of June 30, 2024, there have been no material changes to the risk factors that were previously disclosed in Item 1A in the Company's Form 10-K for the year ended December 31, 2023 filed with the SEC on February 20, 2024.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

#### Stock repurchase program

The following table provides information with respect to common stock repurchases by the Company during the three months period ended June 30, 2024.

Period	New York Stock Exchange (NYSE)		Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (3)	Maximum Number of Shares that Yet May Be Purchased Under the Plans or Programs (3)
	Total Number of Shares Purchased (1)	Average Price Paid per Share (USD) (2)		
April 1-30, 2024	—	\$ —	6,481,881	10,518,119
May 1-31, 2024	779,394	\$ 124.67	7,261,275	9,738,725
June 1-30, 2024	530,212	\$ 118.56	7,791,487	9,208,513

(1) The repurchases are being executed from time to time, subject to general business and market conditions and other investment opportunities, through open market purchases or privately negotiated transactions, including through Rule 10b5-1 plans. For accounting purposes, shares repurchased under our stock repurchase programs are recorded based upon the settlement date of the applicable trade.

(2) The average price paid per share in U.S. dollars exclude brokerage commissions and other costs of execution.

(3) On November 16, 2021, the Company announced that its Board of Directors approved a stock repurchase program that authorizes the Company to repurchase up to \$1.5 billion or up to 17 million common shares, whichever comes first, between January 2022 and the end of 2024.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

### ITEM 5. OTHER INFORMATION

During the three months period ended June 30, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

## ITEM 6. EXHIBITS

Exhibit No.	Description
3.1	<a href="#"><u>Autoliv's Restated Certificate of Incorporation, as amended, incorporated herein by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q (File No. 001-12933, filing date April 22, 2015).</u></a>
3.2	<a href="#"><u>Autoliv's Third Restated By-Laws, incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-12933, filing date December 18, 2015).</u></a>
4.1	<a href="#"><u>Indenture, dated March 30, 2009, between Autoliv, Inc. and U.S. Bank National Association, as trustee, incorporated herein by reference to Exhibit 4.1 to Autoliv's Registration Statement on Form 8-A (File No. 001-12933, filing date March 30, 2009).</u></a>
4.2	<a href="#"><u>Second Supplemental Indenture (including Form of Global Note), dated March 15, 2012, between Autoliv, Inc. and U.S. Bank National Association, as trustee, incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-12933, filing date March 15, 2012).</u></a>
4.3	<a href="#"><u>Form of Note Purchase and Guaranty Agreement dated April 23, 2014, among Autoliv ASP, Inc., Autoliv, Inc. and the purchasers named therein, incorporated herein by reference to Exhibit 4.6 to the Quarterly Report on Form 10-Q (File No. 001-12933, filing date April 25, 2014).</u></a>
4.4	<a href="#"><u>Amendment and Waiver 2014 Note Purchase and Guaranty Agreement, dated May 24, 2018, among Autoliv, Inc., Autoliv ASP, Inc. and the noteholders named therein, incorporated herein by reference to Exhibit 4.4 to the Quarterly Report on Form 10-Q (File No. 001-12933, filing date July 27, 2018).</u></a>
4.5	<a href="#"><u>Agency Agreement dated June 26, 2018 among Autoliv, Inc., Autoliv ASP, Inc. and HSBC Bank PLC., incorporated herein by reference to Exhibit 4.6 to the Quarterly Report on Form 10-Q (File No. 001-12933, filing date July 27, 2018).</u></a>
4.6	<a href="#"><u>Amended and Restated Agency Agreement, dated February 22, 2022, among Autoliv, Inc., Autoliv ASP, Inc. and the dealers named therein, incorporated herein by reference to Exhibit 4.14 to the Quarterly Report on Form 10-Q (File No. 001-12933, filing date April 22, 2022).</u></a>
4.7	<a href="#"><u>Base Listing Particulars Agreement, dated March 6, 2024, among Autoliv, Inc., Autoliv ASP, Inc. and the dealers named therein, incorporated herein by reference to Exhibit 4.7 to the Quarterly Report on Form 10-Q (File No. 001-12933, filing date April 26, 2024).</u></a>
4.8	<a href="#"><u>Amended and Restated Programme Agreement, dated March 6, 2024, among Autoliv, Inc., Autoliv ASP, Inc. and the dealers named therein, incorporated herein by reference to Exhibit 4.8 to the Quarterly Report on Form 10-Q (File No. 001-12933, filing date April 26, 2024).</u></a>
4.9	<a href="#"><u>General Terms and Conditions for Swedish Depository Receipts in Autoliv, Inc. representing common shares in Autoliv, Inc., effective as of April 8, 2024, with Skandinaviska Enskilda Banken AB (publ) serving as custodian, incorporated herein by reference to Exhibit 4.9 to the Quarterly Report on Form 10-Q (File No. 001-12933, filing date April 26, 2024).</u></a>
10.1**	<a href="#"><u>Autoliv, Inc. Non-Employee Director Compensation Policy effective May 1, 2024.</u></a>
10.2**	<a href="#"><u>Employment Agreement, effective June 1, 2024, by and between Autoliv Inc. and Staffan Olsson.</u></a>
31.1*	<a href="#"><u>Certification of the Chief Executive Officer of Autoliv, Inc. pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.</u></a>
31.2*	<a href="#"><u>Certification of the Chief Financial Officer of Autoliv, Inc. pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.</u></a>
32.1*	<a href="#"><u>Certification of the Chief Executive Officer of Autoliv, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
32.2*	<a href="#"><u>Certification of the Chief Financial Officer of Autoliv, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
101.INS*	Inline XBRL Instance Document – The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.

101.PRE\*    Inline XBRL Taxonomy Extension Presentation Linkbase Document.

104\*        Cover Page Interactive Data File (embedded within the inline XBRL document).

\* Filed herewith.

+ Management contract or compensatory plan.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: July 19, 2024

AUTOLIV, INC.

(Registrant)

By: /s/ Fredrik Westin  
Fredrik Westin  
Chief Financial Officer  
(Duly Authorized Officer and Principal Financial Officer)

**AUTOLIV, INC.**  
**NON-EMPLOYEE DIRECTOR COMPENSATION POLICY**  
Effective May 1, 2024

I. Adoption Date; Effective Date. On May 10, 2024 (the "Adoption Date"), the Board adopted this Non-Employee Director Compensation Policy, to be effective May 1, 2024.

II. Retainers. The following retainers, subject to proration as described below, shall remain in effect until changed by the Board:

	<u>Cash</u>	<u>RSUs</u> <u>(Grant Date Value)</u>	<u>Total Retainer</u>
<i>Annual Base Retainer</i>			
All Non-Employee Directors	\$132,500	\$152,500	\$285,000
<i>Annual Supplemental Retainers</i>			
Non-Executive Chairman	\$90,000	\$90,000	\$180,000
Lead Independent Director	\$40,000	-	\$40,000
Audit and Risk Committee Chair	\$30,000	-	\$30,000
Leadership Development and Compensation Committee Chair	\$20,000	-	\$20,000
Nominating and Corporate Governance Committee Chair	\$20,000	-	\$20,000
Audit and Risk Committee Member	\$10,000	-	\$10,000
Leadership Development and Compensation Committee Member	\$7,500	-	\$7,500
Nominating and Corporate Governance Committee Member	\$7,500	-	\$7,500

III. Payment Schedule

*Annual Base Retainer*

1) Payment in Cash. The cash portion of the applicable retainer will be paid (a) bi-annually, (b) at the end of each 6-months to cover services during such period and (c) prorated as described below.

<u>"Bi-Annual Service Period"</u>	<u>Payment Date*</u>
June 1 to November 30	November 30
December 1 to May 31	May 31

•If a non-employee director is newly appointed or elected to the Board at the AGM, then his or her first bi-annual cash payment will be made on November 30 to cover the 6-month period during June-November.

•If a non-employee director is newly appointed or elected to the Board at any time other than at an AGM, then his or her first bi-annual cash payment will be prorated to reflect the number of full calendar months of service between the effective date of the non-employee director's appointment or election through the last day of the respective bi-annual service Period (e.g. if



a non-employee director is appointed to the Board on July 15, then his or her first bi-annual cash payment will be with respect to service during August to November of such bi-annual Service Period), and will be paid on the abovementioned payment date.

- If a non-employee director is not re-elected at the AGM, then he or she will receive any cash payment for services during the month of such AGM.

- If a non-employee director leaves the Board of Directors at any time other than at an AGM, the cash payment for the respective bi-annual service period will be prorated to reflect the number of full calendar months of service between the beginning of the bi-annual service period and the termination date.

\*If the payment date is not a business day, then the applicable payment shall be made on the first business day immediately following the payment date.

2) Payment in Stock. Subject to share availability under the amended and restated Autoliv, Inc. 1997 Stock Incentive Plan, as the same may be amended from time to time (the "Plan"), a portion of the applicable retainer(s) may be paid in the form of restricted stock units (the "Annual RSU Award") granted on the date that the AGM is held (or, if the person becomes a non-employee director at any time other than at an AGM, the first business day following the effective date on which the person becomes a non-employee director) (in either case, a "RSU Grant Date"). The Annual RSU Awards will be granted under, and subject to the terms and conditions of, the Plan, and will vest on the earlier of (i) date of the next AGM, or (ii) the one-year anniversary of the RSU Grant Date (the "RSU Vesting Date"), subject to the non-employee director's continued service on the Board on the RSU Vesting Date. If a non-employee director's service on the Board terminates for any reason prior to the RSU Vesting Date, then he or she will forfeit the Annual RSU Award. The number of RSUs granted pursuant to the Annual RSU Award will be determined by (A) dividing the RSU Grant Date Value amount in the table above by the closing price of a share of Common Stock on the RSU Grant Date and (B) rounding to the nearest whole number. If a non-employee director is newly appointed or elected to the Board at any time other than at an AGM, then the dollar value of his or her Annual RSU Award will be prorated based on the number of full calendar months between the effective date of the non-employee director's appointment or election through the month in which the next AGM will be held.

#### *Annual Supplemental Retainers*

Annual supplemental retainers will be paid in cash bi-annually at the end of the 6-month service period, as set forth in the table above, and subject to proration as described under the "Annual Base Retainer" section above. In the event a non-employee director is serving as Committee Chair or Member during a Service period and leaves such appointment to be appointed as a Committee Chair or Member with a higher retainer or as Lead Director during the same Service Period, the retainer for such director will be re-calculated prorated for days of service in each role during the period and the difference is paid on either of the two abovementioned payment dates.

Stock Ownership Policy. Non-employee directors are required to hold shares of Common Stock granted pursuant to the Annual Stock Grants until he or she has met the ownership requirements set forth in the Autoliv, Inc. Stock Ownership Policy for Non-Employee Directors. Compliance with this policy is monitored by the Nominating and Corporate Governance Committee.

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## EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into by and between Autoliv Inc., a Delaware corporation (the "Company"), and Staffan Olsson (the "Executive"), to be effective as of the Effective Date, as defined in Section 1. References herein to the "Company" shall, as applicable, be deemed to include the Company's affiliates.

### BACKGROUND

The Company desires to engage the Executive as the Executive Vice President ("EVP"), Operations of the Company from and after the Effective Date, in accordance with the terms of this Agreement. The Executive is willing to serve as such in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1.Effective Date. The effective date of this Agreement (the "Effective Date") shall be June 1, 2024.

2.Employment. The Executive is hereby employed on the Effective Date as EVP, Operations of the Company. In this capacity, the Executive shall have the duties, responsibilities and authority commensurate with such position as shall be assigned to him by the President and Chief Executive Officer of the Company (the "President"). The principal workplace for the Executive shall be Stockholm, Sweden.

3.Employment Period. The Company hereby agrees to employ the Executive and the Executive hereby agrees to serve the Company from the Effective Date and thereafter unless and until terminated by the Company or the Executive (the "Employment Period"); *provided, however*, that (i) the Company must give the Executive written notice of termination of the Executive's employment not less than six (6) calendar months prior to such date of termination, and (ii) the Executive must give the Company written notice of termination of his employment not less than six (6) calendar months prior to such date of termination; *provided, further, however*, that in the event of a termination by the Company for Cause pursuant to Section 10(b) hereof, the 6-month notice requirement provided in clause (i) of the foregoing provision shall not apply and the Executive's termination of employment shall be effective immediately. Notwithstanding the foregoing, the Executive's employment shall automatically terminate on the earlier occurrence of the last day of the month preceding the Executive's 65th birthday ("Retirement").

4.Extent of Service. During the Employment Period, the Executive shall use his best efforts to promote the interests of the Company and those of any parent, subsidiary and associated company of the Company, and shall devote his full time and attention during normal business hours to the business and affairs of the Company and any parent, subsidiary and associated company. In addition, the Executive shall devote as much time outside normal business hours to the performance of his duties as may in the interests of the Company be reasonably necessary; *provided, however*, that the Executive shall not receive any remuneration in addition to that set out in Section 5 hereof in respect of his work during such time. During the Employment Period, the

Executive shall not, without the consent of the President, directly or indirectly, either alone or jointly with or as a director, manager, agent or servant of any other person, firm or company, be engaged, concerned or interested in any business in a manner that would conflict with the Executive's duties under this Section 4 (including holding any shares, loan, stock or any other ownership interest in any competitor of the Company), *provided* that nothing in this Section 4 shall preclude the Executive from holding shares, loan, stock or any other ownership interest in an entity other than a competitor of the Company as an investment.

#### 5.Compensation and Benefits.

(a)Base Salary. During the Employment Period, the Executive shall receive a gross salary at the rate of 3,600,000 Swedish kronor (SEK) per year ("Base Salary"), less normal withholdings, payable in equal monthly or other installments as are or become customary under the Company's payroll practices for its employees from time to time. The Leadership Development and Compensation Committee of the Board of Directors of the Company (the "Compensation Committee") shall review the Executive's Base Salary annually during the Employment Period, the first review to take place as of January 1, 2025. Any subsequent adjustments to the Executive's annual base salary shall become the Executive's Base Salary for purposes of this Agreement.

(b)Bonus. During the Employment Period, the Executive shall be eligible to participate in the Company's bonus plan for executive officers, if any, pursuant to which he will have an opportunity to receive an annual bonus based upon the achievement of performance goals established from year to year by the Compensation Committee (such bonus earned at the stated "target" level of achievement being referred to herein as the "Target Bonus"). Until otherwise changed by the Compensation Committee, the Executive's Target Bonus shall be thirty-five percent (35%) of his Base Salary.

(c)Equity Incentive Compensation. During the Employment Period, the Executive shall be eligible for equity grants under the Autoliv, Inc. Amended and Restated 1997 Stock Incentive Plan or any successor plan or plans, having such terms and conditions as awards to other peer executives of the Company, as determined by the Compensation Committee in its sole discretion, unless the Executive consents to a different type of award or different terms of such award than are applicable to other peer executives of the Company. Nothing herein requires the Compensation Committee to grant the Executive equity awards or other long-term incentive awards in any year. The first grant is expected to be made in February 2025.

(d)Automobile. The Company shall provide the Executive with a company car in line with the applicable company car policy in Sweden.

(e)Medical Benefits. The Executive and his spouse or significant other are entitled to a medical care insurance made available by the Company to the Executive.

(f)Expenses. The Executive shall be entitled to receive payment or reimbursement for all reasonable traveling, hotel and other expenses incurred by him in the performance of his duties under this Agreement, in accordance with the policies, practices and procedures of the Company as in effect from time to time. The Executive shall provide the

Company with receipts, vouchers or other evidence of actual payment of the expenses to be reimbursed, as requested by the Company.

(g)Conditions of Employment. Normal conditions of employment as issued by the Company apply to the receipt of benefits under this Section 5.

6.Vacation. The Executive shall be entitled to 30 vacation days per annum.

7.Pension. The Company shall pay pension premiums for defined contribution pension insurance in Sweden, with an amount equal to thirty-five percent (35%) of the Executive's Base Salary. The pension premiums shall include premiums under the ITP plan, giving the Executive certain benefits in the event of his temporary or permanent illness. The insurance shall be taken out from a reputable insurance company, to be approved of in advance by the Company.

8.Business or Trade Information. The Executive shall not during or after the termination of his employment hereunder disclose to any person, firm or company whatsoever or use for his own purpose or for any purposes other than those of the Company any information relating to the Company (including any parent, subsidiary or associated company of the Company) or its business or trade secrets of which she has or shall hereafter become possessed. These restrictions shall cease to apply to any information which may come into the public domain (other than by breach of the provisions hereof). In the event that the Executive does not comply with this Section 8, the Company shall be entitled to damages equal to six (6) times the average monthly Base Salary that the Executive received during the preceding twelve (12) months, if the Executive continues to be employed, or during the last twelve (12) months prior to his Date of Termination, if the Executive's employment has terminated; *provided, however*, that nothing in this Section 8 shall preclude the Company from pursuing arbitration in accordance with Section 16 herein and seeking additional damages from the Executive in the event that the Company is able to demonstrate to the arbitrators that the value of the damages incurred by the Company due to the Executive's violation of this Section 8 exceed the aggregate value of the damages paid by the Executive to the Company pursuant to the foregoing provision.

9.Company Property. The Executive shall upon the termination of his employment hereunder for whatever reason immediately deliver to the Company all designs, specifications, correspondence and other documents, papers, the car provided hereunder and all other property belonging to the Company or any of its affiliated companies or which may have been prepared by him or have come into his possession in the course of his employment.

10.Termination of Employment.

(a)Death; Retirement. The Executive's employment shall terminate automatically upon his death or Retirement.

(b)Termination by the Company. The Company may terminate the Executive's employment during the Employment Period with or without Cause. "Cause" for termination by the Company of the Executive's employment shall mean (i) willful and continued failure by the Executive to substantially perform the Executive's duties with the Company (other than any such failure resulting from the Executive's incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to the Executive by the Board of

Directors of the Company (the “Board”), which demand specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive’s duties, or (ii) the willful engaging by the Executive in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise. For purposes of clauses (i) and (ii) of this definition, (x) no act, or failure to act, on the Executive’s part shall be deemed “willful” unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that the Executive’s act, or failure to act, was in the best interest of the Company and (y) in the event of a dispute concerning the application of this provision, no claim by the Company that Cause exists shall be given effect unless the Chairman of the Board establishes to the Board by clear and convincing evidence that Cause exists, subject to Section 10(f) hereof.

(c) Termination by the Executive. The Executive may terminate his employment during the Employment Period with Good Reason or without Good Reason. “Good Reason” shall mean the occurrence, without the Executive’s express written consent, of any of the following “Good Reason Events”:

(i) the assignment to the Executive of any duties inconsistent with the Executive’s status as an executive officer of the Company or a substantial adverse alteration in the nature or status of the Executive’s responsibilities from those in effect on the Effective Date other than any such alteration primarily attributable to the fact that the Company may no longer be a public company;

(ii) a reduction by the Company in the Executive’s annual base salary as in effect on the Effective Date or as the same may be increased from time to time;

(iii) the relocation of the Executive’s principal place of employment to a location more than 45 kilometers from the Executive’s principal place of employment on the Effective Date or the Company’s requiring the Executive to be based anywhere other than such principal place of employment (or permitted relocation thereof) except for required travel on the Company’s business to an extent substantially consistent with the Executive’s present business travel obligations;

(iv) the failure by the Company to pay to the Executive any portion of the Executive’s current compensation within seven (7) days of the date such compensation is due;

(v) the failure by the Company to continue in effect any compensation plan in which the Executive participates on the Effective Date which is material to the Executive’s total compensation, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by the Company to continue the Executive’s participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount or timing of payment of benefits provided and the level of the Executive’s participation relative to other participants, as existed on the Effective Date; or

(vi) the failure by any successor to the business of the Company (whether direct or indirect, by purchase, merger, consolidation or otherwise) to expressly assume and agree

to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

A termination by the Executive shall not constitute termination for Good Reason unless the Executive shall first have delivered to the Company written notice setting forth with specificity the occurrence deemed to give rise to a right to terminate for Good Reason (which notice must be given no later than 90 days after the initial occurrence of such event), and there shall have passed a reasonable time (not less than 30 days) within which the Company may take action to correct, rescind or otherwise substantially reverse the occurrence supporting termination for Good Reason as identified by the Executive. The Executive's termination for Good Reason must occur within a period of 160 days after the occurrence of an event of Good Reason. The Executive's right to terminate employment for Good Reason shall not be affected by the Executive's incapacity due to physical or mental illness. The Executive's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder. Good Reason shall not include the Executive's death.

(d) Notice of Termination. Any termination by the Company or the Executive of the Executive's employment (other than by reason of death) shall be communicated by written Notice of Termination from one party hereto to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice which shall (i) indicate the specific termination provision in this Agreement relied upon, (ii) set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, and (iii) specifies the termination date. Further, a Notice of Termination for Cause is required to include a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the Board at a meeting of the Board which was called and held for the purpose of considering such termination (after reasonable notice to the Executive and an opportunity for the Executive, together with the Executive's counsel, to be heard before the Board) finding that, in the good faith opinion of the Board, the Executive was guilty of conduct set forth in clause (i) or (ii) of the definition of Cause herein, and specifying the particulars thereof in detail. The failure by the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Cause shall not waive any right of the Company hereunder or preclude the Company from asserting such fact or circumstance in enforcing the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated other than by reason of death or Retirement, the end of the notice period specified in Section 3 hereof (if applicable), or (ii) if the Executive's employment is terminated by reason of death, the Date of Termination shall be the date of death of the Executive, or (iii) if the Executive's employment is terminated by reason of Retirement, the Date of Termination shall be the date of Retirement.

(f) Dispute Concerning Termination. Any disputes regarding the termination of the Executive's employment shall be settled in accordance with Section 16 hereof (including, without limitation, the provisions regarding costs and expenses related to arbitration). If within fifteen (15) days after any Notice of Termination is given, or, if later, prior to the Date of Termination (as determined without regard to this Section 10(f)), the party receiving such Notice

of Termination notifies the other party that a dispute exists concerning the termination, the Date of Termination shall be extended until the date on which the dispute is finally resolved, either by mutual written agreement of the parties or by a final judgment, order or decree of the arbitrators (which is not appealable or with respect to which the time for appeal therefrom has expired and no appeal has been perfected); *provided, however*, that the Date of Termination shall be extended by a notice of dispute given by the Executive only if such notice is given in good faith and the Executive pursues the resolution of such dispute with reasonable diligence.

(g) Compensation During Dispute. If the Date of Termination is extended in accordance with Section 10(f) hereof, the Company shall continue to provide the Executive with the compensation and benefits specified in Section 5 hereof until the Date of Termination, as determined in accordance with Section 10(f) hereof. Amounts paid under this Section 10(g) are in addition to all other amounts due under this Agreement and shall not be offset against or reduce any other amounts due under this Agreement; *provided, however*, that in the event that the arbitration results in a determination that the Executive is not entitled to the severance payments set forth in Section 11(a) hereof, then the Executive shall be obligated to promptly repay to the Company the compensation received by the Executive during the extended period pursuant to this Section 10(g).

#### 11. Obligations of the Company Upon Termination of Employment.

(a) Termination by the Company Other Than for Cause; Termination by the Executive for Good Reason. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause, or the Executive shall terminate employment for Good Reason, then, and only if within forty-five (45) days after the Date of Termination the Executive shall have executed a separation agreement containing a full general release of claims and covenant not to sue, in the form provided by the Company, and such separation agreement shall not have been revoked within such time period, within sixty (60) days after the Date of Termination (or such later date as may be required pursuant to Section 21(c) herein), the Company shall pay to the Executive a lump sum severance payment, in cash, equal to one and a half times (1.5x) the Executive's Base Salary as in effect immediately prior to the Date of Termination. In addition, the Company shall pay all relevant social costs attributable to such lump sum severance payment, in accordance with relevant Swedish law.

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive or the Executive's legal representatives under this Agreement, other than such death benefits he or they would otherwise be entitled to receive under any plan, program, policy or practice or contract or agreement of the Company or its affiliated companies.

(c) Retirement. If the Executive's employment is terminated in connection with his Retirement during the Employment Period, this Agreement shall terminate without further obligations to the Executive; *provided, however*, that the Executive shall nonetheless be subject to the covenants set forth in Section 13 herein.

(d) Cause; Voluntary Resignation. If the Executive's employment is terminated by the Company for Cause during the Employment Period, or the Executive voluntarily resigns

his employment without Good Reason, this Agreement shall terminate without further obligations to the Executive; *provided, however*, that the Executive shall nonetheless be subject to the covenants set forth in Section 13 herein.

12.Non-Duplication of Benefits. Notwithstanding anything to contrary in this Agreement, the aggregate of any amounts payable to the Executive by the Company pursuant to Section 5 (including any compensation and benefits paid pursuant to such section during any applicable termination notice period pursuant to Section 3), Section 10(g) or Section 11 herein shall be offset and reduced to the extent necessary by any other compensation or benefits of the same or similar type, including those payable under local laws of any relevant jurisdiction, so that such other compensation or benefits, if any, do not augment the aggregate of any amounts payable to the Executive by the Company pursuant to Section 5 (including any compensation and benefits paid pursuant to such section during any applicable termination notice period pursuant to Section 3), Section 10(g) or Section 11 herein. It is intended that this Agreement not duplicate compensation or benefits the Executive is entitled to under country "redundancy" laws, the Company's severance policy, if any, any related or similar policies, or any other contracts, agreements or arrangements between the Executive and the Company.

13.Non-Competition Covenant; Payment for Non-Competition Covenant.

(a) Except as provided in Section 13(b), during the twelve (12) months immediately following the termination of his employment with the Company, the Executive shall not (i) accept employment with a competitor of the Company in a capacity in which such competitor can make use of the confidential information relating to the Company that the Executive has obtained in his employment with the Company, (ii) engage as a partner or owner in such competitor of the Company, nor (iii) act as an advisor to such competitor (the "Non-Competition Covenant").

(b) The Non-Competition Covenant shall not apply:

(i) in the event the Executive's employment is terminated by the Company other than for Cause;

(ii) if the Company in its sole discretion waives the application of the Non-Competition Covenant; or

(iii) in the event the Executive resigns for Good Reason.

(c) If the Executive does not comply with the Non-Competition Covenant when applicable, then (i) the Executive shall not be entitled to any benefits pursuant to Section 13(d) below during the period in which the Executive is not in compliance with such Non-Competition Covenant, and (ii) the Company shall be entitled to damages equal to six (6) times the average monthly Base Salary that the Executive received during the last twelve (12) months prior to the Date of Termination.

(d) If the Non-Competition Covenant becomes operative, then the Company shall pay to the Executive, as compensation for the inconvenience of such Non-Competition Covenant, up to twelve (12) monthly payments equal to the Executive's monthly Base Salary as



in effect on the Date of Termination, less the monthly salary earned during such month by the Executive in a subsequent employment, if any; *provided, however*, that the aggregate monthly payments from the Company pursuant to this Section 13(d) shall not exceed sixty percent (60%) of the Executive's annual Base Salary as in effect on the Date of Termination, and once the 60% aggregate amount has been paid, no further payments will be made under this Section 13(d). As a condition to the receipt of such payments, the Executive must inform the Company of his base salary in his new employment on a monthly basis. No payments shall be made under this Section 13 if the Executive's employment is terminated in connection with his Retirement.

#### 14. Inventions.

(a) The general nature of any discovery, invention, secret process or improvement made or discovered by the Executive during the period of the Executive's employment by the Company (hereinafter called "the Executive's Inventions") shall be notified by the Executive to the Company forthwith upon it being made or discovered.

(b) The entitlement as between the Company and the Executive to the Executive's Inventions shall be determined in accordance with the current Act (1949:345) on the Right to Inventions made by Employees and the Executive acknowledges that because of the nature of his duties and the particular responsibilities arising therefrom she has a special obligation to further the interests of the Company's undertaking.

(c) Where the Executive's Inventions are to be assigned to the Company, the Executive shall make a full disclosure of the same to the Company and if and whenever required to do so shall at the expense of the Company apply, singly or jointly with the Company or other persons as required by the Company, for letters patent or other equivalent protection in Sweden and in any other part of the world of the Executive's Inventions.

15. Entire Agreement. This Agreement supersedes the Prior Agreement and any other previous agreements and arrangements whether written, oral or implied between the Company or Autoliv and the Executive relating to the employment of the Executive, without prejudice to any rights accrued to the Company or the Executive prior to the commencement of his employment under this Agreement.

16. Disputes. Disputes regarding this Agreement (including, without limitation, disputes regarding the existence of Cause or Good Reason) shall be settled by arbitration in accordance with the Swedish Arbitration Act. The arbitration shall take place in Stockholm and, unless otherwise agreed to by both parties, there shall be three (3) arbitrators. The provisions on voting and cumulation of parties and claims in the Swedish Procedural Code shall be applied in the arbitration. All costs and expenses for the arbitration, whether initiated by the Company or by the Executive, including the Executive's costs for solicitor, shall be borne by the Company, unless the arbitrators determine the Executive's claim(s) to be frivolous and in bad faith, in which case the arbitrators may allocate costs as they deem fit. Any payments due to the Executive pursuant to the preceding sentence shall be made within fifteen (15) business days after delivery of the Executive's written request for payment accompanied with such evidence of costs and expenses incurred as the Company reasonably may require.

17.Governing Law. This Agreement shall be governed by and construed in accordance with Swedish law and, where applicable, the laws of any applicable local jurisdictions.

18.Amendment. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and such officer as may be specifically designated by the Board.

19.Notices. All notices and other communications hereunder shall be in writing and shall be given by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive: Staffan Olsson  
Strandvägen 1A, 619 35  
Trosa

If to the Company: Autoliv, Inc.  
WTC, Klarabergsviadukten 70,  
111 64 Stockholm, Sweden  
Attention: Secretary

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

20.U.S. Tax Code Section 409A. This Section 20 shall apply only in the event that the Executive is or becomes a taxpayer under the laws of the United States at any time during the Employment Period.

(a)General. This Agreement shall be interpreted and administered in a manner so that any amount or benefit payable hereunder shall be paid or provided in a manner that is either exempt from or compliant with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and applicable Internal Revenue Service guidance and Treasury Regulations issued thereunder. Nevertheless, the tax treatment of the benefits provided under the Agreement is not warranted or guaranteed. Neither the Company nor its directors, officers, employees or advisers shall be held liable for any taxes, interest, penalties or other monetary amounts owed by the Executive as a result of the application of Section 409A of the Code.

(b)Definitional Restrictions. Notwithstanding anything in this Agreement to the contrary, to the extent that any amount or benefit that would constitute non-exempt "deferred compensation" for purposes of Section 409A of the Code ("Non-Exempt Deferred Compensation") would otherwise be payable or distributable hereunder, or a different form of payment of such Non-Exempt Deferred Compensation would be effected, by reason of the Executive's termination of employment, such Non-Exempt Deferred Compensation will not be payable or distributable to the Executive, and/or such different form of payment will not be effected, by reason of such circumstance unless the circumstances giving rise to such termination of employment, as the case may be, meet any description or definition of "separation from service," as the case may be, in Section 409A of the Code and applicable regulations (without giving effect to any elective provisions that may be available under such definition). This provision does not

prohibit the vesting of any Non-Exempt Deferred Compensation upon a or termination of employment, however defined. If this provision prevents the payment or distribution of any Non-Exempt Deferred Compensation, such payment or distribution shall be made on the date, if any, on which an event occurs that constitutes a Section 409A-compliant "separation from service," as the case may be, or such later date as may be required by subsection (c) below. If this provision prevents the application of a different form of payment of any amount or benefit, such payment shall be made in the same form as would have applied absent such designated event or circumstance.

(c) Six-Month Delay in Certain Circumstances. Notwithstanding anything in this Agreement to the contrary, if any amount or benefit that would constitute Non-Exempt Deferred Compensation would otherwise be payable or distributable under this Agreement by reason of the Executive's separation from service during a period in which she is a "specified employee" (as defined in Code Section 409A and the final regulations thereunder), then, subject to any permissible acceleration of payment by the Company under Treas. Reg. Section 1.409A-3(j)(4)(ii) (domestic relations order), (j)(4)(iii) (conflicts of interest), or (j)(4)(vi) (payment of employment taxes), (i) the amount of such Non-Exempt Deferred Compensation that would otherwise be payable during the six-month period immediately following the Executive's separation from service will be accumulated through and paid or provided on the first day of the seventh month following the Executive's separation from service (or, if the Executive dies during such period, within thirty (30) days after the Executive's death) (in either case, the "Required Delay Period"); and (ii) the normal payment or distribution schedule for any remaining payments or distributions will resume at the end of the Required Delay Period.

(d) Treatment of Installment Payments. Each payment of termination benefits under this Agreement shall be considered a separate payment, as described in Treas. Reg. Section 1.409A-2(b)(2), for purposes of Section 409A of the Code.

(e) Timing of Release of Claims. Whenever in this Agreement a payment or benefit is conditioned on the Executive's execution and non-revocation of a release of claims, such as the separation agreement referenced in Section 11(a) hereof, such release must be executed and all revocation periods shall have expired within 60 days after the Date of Termination; failing which such payment or benefit shall be forfeited. If such payment or benefit constitutes Non-Exempt Deferred Compensation, then, subject to subsection (c) above, such payment or benefit (including any installment payments) that would have otherwise been payable during such 60-day period shall be accumulated and paid on the 60th day after the Date of Termination provided such release shall have been executed and such revocation periods shall have expired. If such payment or benefit is exempt from Section 409A of the Code, the Company may elect to make or commence payment at any time during such 60-day period.

(f) Timing of Reimbursements and In-kind Benefits. If the Executive is entitled to be paid or reimbursed for any taxable expenses under this Agreement and if such payments or reimbursements are includible in the Executive's federal gross taxable income, the amount of such expenses payable or reimbursable in any one calendar year shall not affect the amount payable or reimbursable in any other calendar year, and the reimbursement of an eligible expense must be made no later than December 31 of the year after the year in which the expense was incurred. The right to any reimbursement for expenses incurred or provision of in-kind

benefits is limited to the lifetime of the Executive, or such shorter period of time as is provided with respect to each particular right to reimbursement in-kind benefits pursuant to the preceding provisions of this Agreement. No right of the Executive to reimbursement of expenses under this Agreement shall be subject to liquidation or exchange for another benefit.

*[Signature Page Follows.]*

IN WITNESS whereof this Agreement has been executed as of the later of the two dates below.

\_\_\_\_\_  
Staffan Olsson

Date:

\_\_\_\_\_  
Mikael Bratt  
President and CEO

Date:

**CERTIFICATION  
of the Chief Executive Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Mikael Bratt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AUTOLIV, INC.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 19, 2024

/s/ Mikael Bratt  
Mikael Bratt  
President and Chief Executive Officer

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**CERTIFICATION  
of the Chief Financial Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Fredrik Westin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AUTOLIV, INC.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 19, 2024

/s/ Fredrik Westin  
Fredrik Westin  
Chief Financial Officer

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**Certification of Chief Executive Officer  
Pursuant to 18 U.S.C. Section 1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the quarterly report on Form 10-Q of Autoliv, Inc. (the "Company") for the period ended June 30, 2024, filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mikael Bratt, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934;  
and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 19, 2024

/s/ Mikael Bratt  
Mikael Bratt  
President and Chief Executive Officer

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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**Certification of Chief Financial Officer  
Pursuant to 18 U.S.C. Section 1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the quarterly report on Form 10-Q of Autoliv, Inc. (the "Company") for the period ended June 30, 2024, filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Fredrik Westin, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 19, 2024

/s/ Fredrik Westin  
Fredrik Westin  
Chief Financial Officer

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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