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DELTA REPORT

10-Q

AUTOLIV INC

10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	6891
CHANGES	259
DELETIONS	515
ADDITIONS	6117

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 September 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	**51-0378542**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
Klarabergsviadukten 70, Section B7 **Box 70381,** **Stockholm, Sweden**	**SE-107 24**
(Address of principal executive offices)	**(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 ☒ Accelerated filer ☐

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth 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 October 14, 2024, there were 80,079,757 78,751,746 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.

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,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Net sales	**$ 2,605**	**$ 2,635**	**$ 5,220**	**$ 5,127**	**$ 2,555**	**$ 2,596**	**$ 7,774**	**$ 7,724**
Cost of sales	(2,130)	(2,188)	(4,303)	(4,301)	(2,095)	(2,131)	(6,398)	(6,432)
Gross profit	**475**	**447**	**917**	**826**	**459**	**465**	**1,377**	**1,291**
Selling, general and administrative expenses	(138)	(130)	(270)	(262)	(129)	(119)	(399)	(380)
Research, development and engineering expenses, net	(116)	(120)	(229)	(237)	(96)	(107)	(325)	(343)
Other income (expense), net	(14)	(103)	(18)	(107)	(9)	(8)	(27)	(115)
Operating income	**206**	**94**	**400**	**221**	**226**	**232**	**626**	**453**
Income from equity method investment	2	1	3	2	2	1	5	4
Interest income	3	6	7	8	3	3	10	10
Interest expense	(28)	(25)	(54)	(45)	(27)	(24)	(81)	(68)
Other non-operating items, net	1	7	(0)	5	(7)	(11)	(7)	(6)
Income before income taxes	**183**	**83**	**356**	**191**	**197**	**201**	**554**	**393**
Income tax expense	(44)	(30)	(91)	(64)	(58)	(67)	(149)	(131)
Net income 1)	**139**	**53**	**266**	**127**	**139**	**134**	**404**	**262**
Less: Net income attributable to non-controlling interest	0	0	1	1	0	1	1	1
Net income attributable to controlling interest	**$ 138**	**$ 53**	**$ 265**	**$ 127**	**$ 138**	**$ 134**	**$ 403**	**$ 261**

Net earnings per share – basic	**$ 1.71**	**$ 0.61**	**$ 3.24**	**$ 1.48**	**$ 1.75**	**$ 1.58**	**$ 4.99**	**$ 3.05**
Net earnings per share – diluted	**$ 1.71**	**$ 0.61**	**$ 3.23**	**$ 1.47**	**$ 1.74**	**$ 1.57**	**$ 4.98**	**$ 3.04**
Weighted average number of shares outstanding, net of treasury shares (in millions)	**80.9**	**85.6**	**81.6**	**85.9**	**79.2**	**84.9**	**80.7**	**85.5**
Weighted average number of shares outstanding, assuming dilution and net of treasury shares (in millions)	**81.1**	**85.8**	**82.1**	**86.0**	**79.3**	**85.0**	**80.9**	**85.7**
Cash dividend per share – declared	**$ 0.68**	**$ 0.66**	**$ 1.36**	**$ 1.32**	**$ 0.68**	**$ 0.66**	**$ 2.04**	**$ 1.98**
Cash dividend per share – paid	**$ 0.68**	**$ 0.66**	**$ 1.36**	**$ 1.32**	**$ 0.68**	**$ 0.66**	**$ 2.04**	**$ 1.98**

[1] 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 September 30, 2024 and 2023, the aggregate transaction gain (loss) included in net income for the period were a loss of $2 5 million and a loss of $15 16 million, respectively. For the nine months periods ended September 30, 2024 and 2023, the aggregate transaction gain (loss) included in net income for the period were a loss of $7 million and a loss of $31 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,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Net income	**$ 139**	**$ 53**	**$ 266**	**$ 127**	**$ 139**	**$ 134**	**$ 404**	**$ 262**
Other comprehensive income (loss) before tax:								
Change in cumulative translation adjustments	(59)	(46)	(105)	(10)	36	(33)	(70)	(43)
Net change in unrealized components of defined benefit plans	3	5	9	5	(1)	1	8	6

Other comprehensive (loss), before tax	**(56)**	**(40)**	**(96)**	**(5)**	**34**	**(32)**	**(62)**	**(37)**
Tax effect allocated to other comprehensive income (loss)	(1)	(1)	(2)	(1)	0	(0)	(2)	(1)
Other comprehensive (loss), net of tax	**(56)**	**(41)**	**(98)**	**(6)**	**35**	**(32)**	**(63)**	**(38)**
Comprehensive income	**83**	**12**	**168**	**122**	**173**	**102**	**341**	**223**
Less: Comprehensive income (loss) attributable to non-controlling interest	0	(0)	0	0	1	0	1	0
Comprehensive income attributable to controlling interest	**$ 82**	**$ 12**	**$ 167**	**$ 121**	**$ 173**	**$ 101**	**$ 340**	**$ 223**

See Notes to the unaudited Condensed Consolidated Financial Statements.

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

	As of		As of	
	June 30, 2024	**December 31, 2023**	**September 30, 2024**	**December 31, 2023**
Assets				
Cash and cash equivalents	$ 408	$ 498	$ 415	$ 498
Receivables, net	2,090	2,198	2,192	2,198
Inventories, net	936	1,012	997	1,012
Prepaid expenses and accrued income	193	173	172	173
Other current assets	76	93	90	93
Total current assets	**3,703**	**3,974**	**3,865**	**3,974**
Property, plant and equipment, net	2,197	2,192	2,317	2,192
Operating lease right-of-use assets	167	176	173	176
Goodwill and intangible assets, net	1,379	1,385	1,386	1,385
Other non-current assets	564	606	565	606
Total assets	**8,010**	**8,332**	**8,306**	**8,332**
Liabilities and equity				
Short-term debt	455	538	624	538
Accounts payable1)	1,858	1,978	1,881	1,978
Accrued expenses	1,120	1,135	1,189	1,135
Operating lease liabilities - current	41	39	44	39
Other current liabilities	312	345	297	345
Total current liabilities	**3,785**	**4,035**	**4,034**	**4,035**
Long-term debt	1,540	1,324	1,586	1,324
Pension liability	140	159	147	159
Operating lease liabilities - non-current	127	135	130	135
Other non-current liabilities	106	109	110	109

Total non-current liabilities	**1,913**	**1,728**	**1,974**	**1,728**
Common stock	85	88	84	88
Additional paid-in capital	993	1,044	968	1,044
Retained earnings	2,174	2,289	2,154	2,293
Accumulated other comprehensive loss2)	(593)	(496)	(559)	(496)
Treasury stock	(360)	(368)	(358)	(371)
Total controlling interest's equity	**2,298**	**2,557**	**2,288**	**2,557**
Non-controlling interest	13	13	10	13
Total equity	**2,311**	**2,570**	**2,298**	**2,570**
Total liabilities and equity	**$ 8,010**	**$ 8,332**	**$ 8,306**	**$ 8,332**

[1)] 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 September 30, 2024 and December 31, 2023 are $335 334 million and $333 million, respectively.

2) Including cumulative translation adjustment as of June 30, 2024 September 30, 2024 and December 31, 2023 to the amount of $(554 514) million and $(449) million, respectively.

See Notes to the unaudited Condensed Consolidated Financial Statements.

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

	Six Months Ended June 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Operating activities				
Net income	$ 266	$ 127	$ 404	$ 262
Adjustments to reconcile net income to cash provided by operating activities:				
Depreciation and amortization	192	186	289	281
Other, net	(9)	(8)	1	1
Net change in operating assets and liabilities	14	28	(54)	(8)
Net cash provided by operating activities	**462**	**334**	**639**	**535**
Investing activities				
Expenditures for property, plant and equipment	(294)	(268)	(440)	(420)
Proceeds from sale of property, plant and equipment	8	1	9	1
Net cash used in investing activities	**(286)**	**(267)**	**(431)**	**(419)**
Financing activities				
Net (decrease) increase in short-term debt	(67)	5	85	115
Proceeds from long-term debt	534	556		
Proceeds from issuance of long-term debt	581	557		

Repayment of long-term debt	(306)	(533)	(306)	(533)
Dividends paid	(111)	(113)	(164)	(169)
Stock repurchased	(320)	(82)	(450)	(202)
Common stock options exercised	0	0	0	1
Dividends paid to non-controlling interest	(1)	(1)	(5)	(1)
Net cash used in financing activities	**(269)**	**(168)**	**(259)**	**(232)**
Effect of exchange rate changes on cash and cash equivalents	3	(17)	(33)	(3)
Net decrease in cash and cash equivalents	**(90)**	**(119)**	**(84)**	**(119)**
Cash and cash equivalents at beginning of period	498	594	498	594
Cash and cash equivalents at end of period	**$ 408**	**$ 475**	**$ 415**	**$ 475**

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	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total controlling interest's equity
Balances at December 31, 2023	**$ 88**	**$ 1,044**	**$ 2,289**	**$ (496)**	**$ (368)**	**$ 2,557**	**$ 13**	**$ 2,570**	**$ 88**	**$ 1,044**	**$ 2,289**	**$ (496)**	**$ (368)**	**$ 2,557**
Comprehensive Loss:														
Net income			126			126	0	127			126			126
Foreign currency translation adjustment				(46)		(46)	(0)	(47)				(46)		(46
Pension liability				5		5		5				5		5
Total Comprehensive Income	*—*	*—*	*126*	*(41)*	*—*	*85*	*0*	*85*	*—*	*—*	*126*	*(41)*	*—*	*85*
Retired and repurchased shared	(1)	(26)	(134)			(161)		(161)	(1)	(26)	(134)			(161
Stock-based compensation					4	4		4					4	4
Cash dividends declared			(56)			(56)		(56)			(56)			(56
Balances at March 31, 2024	**$ 86**	**$ 1,018**	**$ 2,226**	**$ (537)**	**$ (364)**	**$ 2,429**	**$ 13**	**$ 2,442**	**$ 86**	**$ 1,018**	**$ 2,226**	**$ (537)**	**$ (364)**	**$ 2,429**

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Comprehensive Loss:														
Net income			138			138	0	139			138			138
Foreign currency translation adjustment				(59)		(59)	(0)	(59)				(59)		(59
Pension liability				2		2		2				2		2
Total Comprehensive Loss	*—*	*—*	*138*	*(56)*	*—*	*82*	*0*	*83*	*—*	*—*	*138*	*(56)*	*—*	*82*
Retired and repurchased shared	(1)	(25)	(136)			(162)		(162)	(1)	(25)	(136)			(162
Stock-based compensation					4	4		4					4	4
Dividends paid to non-controlling interest on subsidiary shares						0	(1)	(1)						0
Cash dividends declared			(55)			(55)		(55)			(55)			(55
Balances at June 30, 2024	**$ 85**	**$ 993**	**$ 2,174**	**$ (593)**	**$ (360)**	**$ 2,298**	**$ 13**	**$ 2,311**	**$ 85**	**$ 993**	**$ 2,174**	**$ (593)**	**$ (360)**	**$ 2,298**
Comprehensive Income:														
Net income			138			138	0	139						
Foreign currency translation adjustment				35		35	0	36						
Pension liability				(1)		(1)		(1)						
Total Comprehensive Income (loss)	*—*	*—*	*138*	*34*	*—*	*173*	*1*	*173*						
Retired and repurchased shared	(1)	(25)	(105)			(131)		(131)						
Stock-based compensation					2	2		2						
Dividends paid to non-controlling interest on subsidiary shares							(4)	(4)						
Cash dividends declared			(54)			(54)		(54)						

Balances at September 30, 2024	**$**	**84**	**$**	**968**	**$**	**2,154**	**$**	**(559)**	**$**	**(358)**	**$**	**2,288**	**$**	**10**	**$ 2,298**

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

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	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total controlling interest's equity	Non-controlling interest	Total equity
Balances at December 31, 2022	**$ 91**	**$ 1,113**	**$ 2,310**	**$ (522)**	**$ (379)**	**$ 2,613**	**$ 13**	**$ 2,626**
Comprehensive Income:								
Net income			74			74	0	74
Foreign currency translation adjustment				36		36	0	36
Pension liability				(0)		(0)		(0)
Total Comprehensive Income	*—*	*—*	*74*	*35*	*—*	*110*	*0*	*110*

Stock repurchased and retired	(0)	(9)	(33)			(42)		(42)
Stock-based compensation					3	3		3
Cash dividends declared			(57)			(57)		(57)
Balances at March 31, 2023	**$ 91**	**$ 1,105**	**$ 2,295**	**$ (487)**	**$ (376)**	**$ 2,627**	**$ 14**	**$ 2,641**
Comprehensive Income:								
Net income			53			53	0	53
Foreign currency translation adjustment				(45)		(45)	(1)	(46)
Pension liability				4		4		4
Total Comprehensive Income	*—*	*—*	*53*	*(41)*	*—*	*12*	*(0)*	*12*
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)
Balances at June 30, 2023	**$ 90**	**$ 1,096**	**$ 2,260**	**$ (527)**	**$ (374)**	**$ 2,545**	**$ 13**	**$ 2,557**
Comprehensive Income:								
Net income			134			134	1	134
Foreign currency translation adjustment				(33)		(33)	(0)	(33)
Pension liability				1		1		1
Total Comprehensive Income	*—*	*—*	*134*	*(32)*	*—*	*101*	*0*	*102*
Stock repurchased and retired	(1)	(23)	(95)			(120)		(120)
Stock-based compensation					3	3		3
Dividends paid to non-controlling interest on subsidiary shares							—	—
Cash dividends declared			(56)			(56)		(56)
Balances at September 30, 2023	**$ 89**	**$ 1,072**	**$ 2,242**	**$ (560)**	**$ (371)**	**$ 2,473**	**$ 13**	**$ 2,486**

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 September 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.

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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 affective 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 has concluded that the impact that pending adoption of ASU 2023-07 will not have a material impact on its the Company's consolidated financial statements and will adopt the amendments in this update upon the effective date. statements.

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 affective 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 includes 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 September 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 September 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 September 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 September 30, 2024 and 2023, the gains (losses) recognized in other non-operating items, net were a gain of $10 1 million and a gain of $8 12 million, respectively, for derivative instruments not designated as hedging instruments. For the nine months periods ended September 30, 2024 and 2023, the gains (losses) recognized in other non-operating items, net were a gain of $11 million and a gain of $21 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 nine months periods ended June 30, 2024 September 30, 2024, the gains (losses) recognized as interest expense were a gain loss of $1 5 million and a gain of $2 1 million, respectively. For the three and six nine months periods ended June 30, 2023 September 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).

	As of						As of					
	June 30, 2024			December 31, 2023			September 30, 2024			December 31, 2023		
		Fair Value Measurements			Fair Value Measurements			Fair Value Measurements			Fair Value Measurements	
Description	Nominal volume	Derivative asset (Other current assets)	Derivative liability (Other current liabilities)	Nominal volume	Derivative asset (Other current assets)	Derivative liability (Other current liabilities)	Nominal volume	Derivative asset (Other current assets)	Derivative liability (Other current liabilities)	Nominal volume	Derivative asset (Other current assets)	Derivative liability (Other current liabilities)
Derivatives not designated as hedging instruments												

Foreign exchange swaps, less than 6 months	$ 2,166 1)	$ 11 2)	$ 15 3)	$ 1,895 4)	$ 22 5)	$ 12 6)	$ 1,798 1)	$ 19 2)	$ 21 3)	$ 1,895 4)	$ 22 5)	$ 12 6)
Total derivatives not designated as hedging instruments	**$ 2,166**	**$ 11**	**$ 15**	**$ 1,895**	**$ 22**	**$ 12**	**$ 1,798**	**$ 19**	**$ 21**	**$ 1,895**	**$ 22**	**$ 12**

1) Net nominal amount after deducting for offsetting swaps under ISDA agreements is $2,166 1,798 million.

2) Net amount after deducting for offsetting swaps under ISDA agreements is $11 19 million.

3) Net amount after deducting for offsetting swaps under ISDA agreements is $15 21 million.

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

5) Net amount after deducting for offsetting swaps under ISDA agreements is $22 million.

6) Net amount after deducting for offsetting swaps under ISDA agreements is $12 million.

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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).

	As of				As of			
	June 30, 2024		December 31, 2023		September 30, 2024		December 31, 2023	
	Carrying value1)	Fair value	Carrying value1)	Fair value	Carrying value1)	Fair value	Carrying value1)	Fair value
Long-term debt								
Bonds	$ 1,540	$ 1,525	$ 1,023	$ 1,022	$ 1,586	$ 1,612	$ 1,023	$ 1,022
Loans	—	—	301	306	—	—	301	306
Total long-term debt	**1,540**	**1,525**	**1,324**	**1,328**	**1,586**	**1,612**	**1,324**	**1,328**
Short-term debt								
Short-term portion of long-term debt	282	285	297	297	297	302	297	297
Overdrafts and other short-term debt	174	174	241	241	327	327	241	241
Total short-term debt	**$ 455**	**$ 459**	**$ 538**	**$ 538**	**$ 624**	**$ 630**	**$ 538**	**$ 538**

1) 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 nine months periods ended June 30, 2024 September 30, 2024 and June 30, 2023 September 30, 2023, the Company did not record any material impairment charges on its long-lived assets for its operations.

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4. INCOME TAXES

The effective tax rate for the three months period ended June 30, 2024 September 30, 2024 was 24.1 29.6% compared to 35.8 33.4% for the three months period ended June 30, 2023 September 30, 2023. Discrete tax items, net for the three months period ended June 30, 2024 September 30, 2024 had a favorable impact of 4.9 1.2%. Discrete tax items, net for the three months period ended June 30, 2023 September 30, 2023 had a favorable an unfavorable impact of 4.5 0.2%.

The effective tax rate for the six nine months period ended June 30, 2024 September 30, 2024 was 25.5 27.0% compared to 33.4% for the six nine months period ended June 30, 2023 September 30, 2023. Discrete tax items, net for the six nine months period ended June 30, 2024 September 30, 2024 had a favorable impact of 3.7 2.8%. Discrete tax items, net for the six nine months period ended June 30, 2023 September 30, 2023 had a favorable impact of 1.5 0.6%.

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 September 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 nine months period ended June 30, 2024 September 30, 2024, the Company recorded a net increase of $4 6 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 nine month period ended June 30, 2024 September 30, 2024, the Company recorded a net decrease of $14 17 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 September 30, 2024, $16 14 million is classified as current tax payable within Other current liabilities and $37 39 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		As of	
	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Raw materials	$ 422	$ 457	$ 447	$ 457
Work in progress	324	347	332	347
Finished products	277	296	309	296
Inventories	**1,023**	**1,100**	**1,088**	**1,100**
Inventory valuation reserve	(87)	(89)	(91)	(89)
Total inventories, net of reserve	**$ 936**	**$ 1,012**	**$ 997**	**$ 1,012**

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6. RESTRUCTURING

As of June 30, 2024 September 30, 2024, the majority of the restructuring reserve balance of $189 187 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 for the three months period ended September 30, 2024 mainly related to restructuring activities in Americas. Provisions for the nine months period ended September 2024 mainly related to restructuring activities in Europe and cash Americas. Cash payments for the three and six nine months periods ended June 30, 2024 relate September 30, 2024 related to the restructuring activities in Europe. The provision charges for the three and six nine months periods ended June 30, 2023 September 30, 2023 mainly relate related to restructuring activities in Germany and UK. The cash payments for the three and nine months periods ended September 30, 2023 relate to restructuring activities in Europe

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,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Reserve at beginning of the period	**$ 193**	**$ 29**	**$ 213**	**$ 32**	**$ 189**	**$ 127**	**$ 213**	**$ 32**
Provision - charge	13	107	14	110	9	8	22	118
Provision - reversal	(0)	(0)	(0)	(0)	(1)	(1)	(1)	(1)
Cash payments	(15)	(9)	(30)	(15)	(19)	(9)	(49)	(24)
Translation difference	(1)	(0)	(7)	0	8	(3)	1	(2)
Reserve at end of the period	**$ 189**	**$ 127**	**$ 189**	**$ 127**	**$ 187**	**$ 122**	**$ 187**	**$ 122**

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 September 30, 2024, cash payments mainly relate related to warranty related warranty- and recall-related issues. For the six nine months period ended June 30, 2024 September 30, 2024, provision reversals and cash payments primarily relate related to recall related recall-related issues. For the three and six nine months periods ended June 30, 2023 September 30, 2023, provisions primarily related to warranty-related issues and cash payments primarily mainly related to warranty related issues. the Andrews litigation settlement. As of June 30, 2024 September 30, 2024, the reserve for product related product-related liabilities mainly relates to recall related consisted of 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 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 September 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 September 30, 2024, the Company had total insurance receivables of $57 58 million.

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Reserve at beginning of the period	**$ 78**	**$ 141**	**$ 96**	**$ 145**	**$ 73**	**$ 178**	**$ 96**	**$ 145**
Change in reserve	(1)	42	(8)	43	6	3	(2)	46
Cash payments	(4)	(4)	(14)	(9)	(3)	(61)	(17)	(71)
Translation difference	(0)	(0)	(1)	(0)	1	(0)	0	(1)
Reserve at end of the period	**$ 73**	**$ 178**	**$ 73**	**$ 178**	**$ 77**	**$ 120**	**$ 77**	**$ 120**

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,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Interest cost	$ 3	$ 3	$ 6	$ 6	$ 3	$ 3	$ 8	$ 9
Expected return on plan assets	(3)	(3)	(6)	(5)	(3)	(3)	(9)	(8)
Settlement loss	0	0	0	0	0	1	1	1
Net periodic benefit (gain) cost	**$ (0)**	**$ 0**	**$ (0)**	**$ 1**	**$ 0**	**$ 1**	**$ 0**	**$ 2**

Non-U.S. Plans	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023

Service cost	$ 2	$ 3	$ 5	$ 5	$ 2	$ 2	$ 7	$ 7
Interest cost	3	3	6	5	3	2	8	7
Expected return on plan assets	(1)	(0)	(2)	(1)	(1)	(1)	(3)	(2)
Amortization of actuarial loss	0	0	1	0	0	1	1	1
Net periodic benefit cost	**$ 5**	**$ 6**	**$ 9**	**$ 9**	**$ 5**	**$ 4**	**$ 14**	**$ 13**

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 third 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 September 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 5.57% to 5.57 4.95% in the second third 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 and/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. The Company is also involved in civil litigation in the UK with respect to alleged anti-competitive behavior that occurred over a decade ago. The Company believes these allegations are unfounded and are vigorously contesting them. 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.

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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 September 30, 2024, the Company has accrued $73 77 million for total product related liabilities. The majority of the total product liability accrual as of June 30, 2024 September 30, 2024, relates to recalls, which are generally covered by insurance. Insurance receivables for such recall related liabilities total $57 58 million as of June 30, 2024 September 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 nine months periods ended June 30, 2024 September 30, 2024, the Company recorded approximately $4 2 million and $8 10 million, respectively, in stock-based compensation expense related to RSUs and PSUs. For the three and six nine months periods ended June 30, 2023 September 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 nine months periods ended June 30, 2024 September 30, 2024, approximately 16 0 thousand and 117 118 thousand shares of common stock from the treasury stock were utilized by the Plan. During the three and six nine months periods ended June 30, 2023 September 30, 2023, approximately 20 8 thousand and 112 120 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,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Numerator:								
Basic and diluted:								
Net income attributable to controlling interest	$ 138	$ 53	$ 265	$ 127	$ 138	$ 134	$ 403	$ 261
Denominator:								
Basic: Weighted average common stock	80.9	85.6	81.6	85.9	79.2	84.9	80.7	85.5
Add: Weighted average stock options/share awards	0.2	0.1	0.4	0.2	0.1	0.2	0.2	0.2
Diluted weighted average common stock:	**81.1**	**85.8**	**82.1**	**86.0**	**79.3**	**85.0**	**80.9**	**85.7**
Net earnings per share - basic	**$ 1.71**	**$ 0.61**	**$ 3.24**	**$ 1.48**	**$ 1.75**	**$ 1.58**	**$ 4.99**	**$ 3.05**
Net earnings per share - diluted	**$ 1.71**	**$ 0.61**	**$ 3.23**	**$ 1.47**	**$ 1.74**	**$ 1.57**	**$ 4.98**	**$ 3.04**

12. REVENUE DISAGGREGATION

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

Net Sales by Products	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Airbags, Steering Wheels and Other[1]	$ 1,747	$ 1,757	$ 3,528	$ 3,430	$ 1,736	$ 1,761	$ 5,264	$ 5,191
Seatbelt Products and Other[1]	858	878	1,692	1,698	819	835	2,511	2,533
Total net sales	**$ 2,605**	**$ 2,635**	**$ 5,220**	**$ 5,127**	**$ 2,555**	**$ 2,596**	**$ 7,774**	**$ 7,724**

Net Sales by Region	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Americas	$ 893	$ 916	$ 1,786	$ 1,747	$ 851	$ 918	$ 2,637	$ 2,665
Europe	761	751	1,531	1,476	700	646	2,231	2,122
China	468	497	928	950	495	538	1,423	1,488
Asia excl. China	483	471	975	954	508	495	1,483	1,449
Total net sales	**$ 2,605**	**$ 2,635**	**$ 5,220**	**$ 5,127**	**$ 2,555**	**$ 2,596**	**$ 7,774**	**$ 7,724**

[1] 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 nine months periods ended June 30, 2024 September 30, 2024 and June 30, 2023 September 30, 2023, were not material in any period.

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13. SUBSEQUENT EVENTS

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

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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 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.

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EXECUTIVE OVERVIEW

In Light vehicle production was weak in the second third quarter, profitability continued declining by close to improve despite a slight decline in net sales. The improvement 5% globally. This was driven by better pricing and successful execution a combination of cost inventory 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 especially in the third quarter. Return on capital employed was good Americas and cash flow continued to be strong, supporting a high level comparison base, especially in China. In this tough environment, Autoliv managed to outgrow LVP by 4pp, enabling almost unchanged sales and operating income. This is despite a $14 million cost item related to a supplier settlement. We were able to achieve these results mainly due to our cost control, including a continued reduction of shareholder returns and an improvement our indirect workforce. We accelerated our efficiency improvements contributing to a reduction of the leverage ratio direct headcount by 3,100 compared to 1.2x. a year earlier, which is a reduction of 6%.

We remain are pleased that we outgrew LVP on track with our strategic and structural initiatives to sustainably strengthen our footprint and operations. However, light vehicle production with certain key customers a global basis 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 substantial outperformance in Europe fueled by product launches and better pricing. In Americas, we Asia excl. China. Our sales underperformed slightly, as some key customers reduced production.

We LVP in China due to a substantial negative market mix, however, our position with Chinese OEMs continue to expand our business improve. Based on sales trends and order intake in recent years, we expect further market share gains with domestic Chinese OEMs positioning us well to benefit from in the new structure coming years.

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

With the seasonally strong fourth quarter remaining of the Chinese market. Domestic Chinese OEMs accounted for 38% year, we reaffirm our guidance 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% 9.5-10.0% adjusted operating margin (Non-U.S. GAAP measure) target, although for 2024. We expect to be at the low end of this range, as we are adjusting our now expect 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 organic growth (Non-U.S. GAAP measure) to be 1% instead of around 11-12% compared previously expected 2% due to the first half year's 8.0%. The positive development of our unfavorable market mix development.

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

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

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

$2,555 million net sales

1.6% net sales decrease

0.8% organic sales decline (Non-U.S. GAAP measure, see reconciliation table below)

8.9% operating margin

9.3% adjusted operating margin (Non-U.S. GAAP measure, see reconciliation table below)

$1.74 EPS, 13% increase

$1.84 adjusted EPS (Non-U.S. GAAP measure, see reconciliation table below), 12% increase

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Key business developments in the three months period ended September 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

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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 Third quarter sales increased decreased organically by 0.7%** (Non-U.S. GAAP measure, see reconciliation table below) **by 0.8%**, which was 1.4pp 4pp better than global LVP decline of 0.7% 4.8% (S&P Global July Oct 2024). We outperformed in Europe and 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, high level of product launches and positive pricing. Our sales to domestic Chinese OEMs grew by 18%, which is twice as much as their LVP growth of 8.5%. Despite this, we underperformed in China, due to a consequence of weaker sales and inventory reductions. In China, the substantial negative LVP mix was negative as several lower safety content models with limited Autoliv grew strongly while higher content grew strongly. models declined.
- **Profitability improved was unchanged** 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 This was mainly due to the successful execution of cost reductions and increased pricing. Indirect commercial recoveries and despite inflationary cost increases and a $14 million cost related to a supplier settlement. Both direct and indirect headcount continued to decrease. Operating income was $206 million $226 million and operating margin was 7.9% 8.9%. Adjusted operating income (Non-U.S. GAAP measure, see reconciliation table below) improved to $221 million was $237 million and adjusted operating margin (Non-U.S. GAAP measure, see reconciliation table below) increased from 8.0% to 8.5% was 9.3%. Return on capital employed was 21.0% 22.9% and adjusted return on capital employed (Non-U.S. GAAP measure, see reconciliation table below) was 23.9%.
- **Operating cash flow was strong $177 million**, at $340 million, albeit slightly below last year as the second quarter last year was supported by positive timing effects. expected, and we are on track towards $1.1 billion for 2024. Free cash flow (Non-U.S. GAAP measure, see reconciliation table below) of $194 million was thereby also down somewhat $32 million compared to $50 million last year. The At 1.4x, the leverage ratio (Non-U.S. GAAP measure, see reconciliation table below) improved to 1.2x. remained within our target range. In the quarter, a dividend of $0.68 per share was paid, and 1.31 million 1.33 million shares were repurchased and retired.

Business and market condition update for the second third quarter 2024

Supply Chain

In the second third quarter, global light vehicle production declined by 0.7% 4.8% year-over-year (according to S&P Global July Oct 2024). Call-off volatility was lower unchanged compared to a year earlier as supply chains are less strained than they were a year ago. However, volatility did not improve but improved slightly compared to the first second quarter 2024, and is still it remains at higher than pre-pandemic levels. Low customer demand visibility and changes to customer call-offs with short notice had a negative impact on our production efficiency and profitability in the quarter. We continue to expect call-off volatility in 2024 on average to be slightly lower than it was in 2023 but still remain higher than the pre-pandemic level.

Inflation

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

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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,		Three Months Ended or As of September 30,	
	2024	2023	2024	2023	2024	2023
Trade working capital1)	1,169	1,292	1,169	1,292	1,307	1,303
Trade working capital relative to sales, %2)	11.2%	12.3%	11.2%	12.3%	12.8%	12.5%
Receivables outstanding relative to sales, %3)	20.1%	20.8%	20.1%	20.8%	21.5%	21.0%
Inventory outstanding relative to sales, %4)	9.0%	9.0%	9.0%	9.0%	9.8%	9.5%
Payables outstanding relative to sales, %5)	17.8%	17.5%	17.8%	17.5%	18.4%	17.9%
Gross margin, %6)	18.2%	17.0%	17.6%	16.1%	*18.0 %*	17.9%
Operating margin, %7)	7.9%	3.6%	7.7%	4.3%	*8.9 %*	8.9%
Capital employed8)	3,890	3,856	3,890	3,856	4,085	3,861
Net debt9)	1,579	1,299	1,579	1,299	1,787	1,375
Return on total equity, %10)	23.4%	8.2%	21.8%	9.8%	24.1%	21.3%
Return on capital employed, %11)	21.0%	9.5%	20.4%	11.4%	22.9%	24.2%

Headcount at period-end12)	68,700	71,200	68,700	71,200	67,200	71,200

[1] Outstanding receivables and outstanding inventory less outstanding payables. See calculation of this non-U.S. GAAP measure in the table below.

[2] Outstanding receivables and outstanding inventory less outstanding payables relative to annualized quarterly sales.

[3] Outstanding receivables relative to annualized quarterly sales.

[4] Outstanding inventory relative to annualized quarterly sales.

[5] Outstanding payables relative to annualized quarterly sales.

[6] Gross profit relative to sales.

[7] Operating income relative to sales.

[8] Total equity and net debt.

[9] 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.

[10] Net income relative to average total equity.

[11] Operating income and income from equity method investments, relative to average capital employed.

[12] Employees plus temporary, hourly personnel.

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

Consolidated Sales Development

(dollars in millions)

	Three Months Ended June 30,			Components of change in net sales		Three Months Ended September 30,			Components of change in net sales	
	2024	2023	Reported change	Currency effects 1)	Organic 3)	2024	2023	Reported change	Currency effects 1)	Organic 3)
Airbags, Steering Wheels and Other2)	$ 1,747	$ 1,757	(0.6)%	(1.8)%	1.2 %	$ 1,736	$ 1,761	(1.4)%	(0.7)%	(0.7)%
Seatbelt products and Other2)	858	878	(2.2)%	(1.9)%	(0.3)%	819	835	(2.0)%	(1.0)%	(1.0)%
Total	**$ 2,605**	**$ 2,635**	**(1.1)%**	**(1.9)%**	**0.7 %**	**$ 2,555**	**$ 2,596**	**(1.6)%**	**(0.8)%**	**(0.8)%**
Americas	$ 893	$ 916	(2.6)%	0.3 %	(2.8)%	$ 851	$ 918	(7.2)%	(3.5)%	(3.8)%
Europe	761	751	1.4 %	(0.2)%	1.6 %	700	646	8.4 %	2.2 %	6.3 %
China	468	497	(5.9)%	(3.1)%	(2.8)%	495	538	(8.1)%	1.3 %	(9.3)%

Asia excl. China	483	471	2.6 %	(7.4)%	10 %	508	495	2.7 %	(2.1)%	4.8 %
Total	**$ 2,605**	**$ 2,635**	**(1.1)%**	**(1.9)%**	**0.7 %**	**$ 2,555**	**$ 2,596**	**(1.6)%**	**(0.8)%**	**(0.8)%**

[1] Effects from currency translations.

[2] Including Corporate sales.

[3] Non-U.S. GAAP measure.

Sales by product - Airbags, Steering Wheels and Other

Sales grew declined organically (Non-U.S. GAAP measure, see reconciliation table above) by 1.2% 0.7% in the quarter. The largest contributor to the increase decrease was steering wheels, followed by center passenger airbags, inflatable curtains, side knee airbags and driver airbags, partly offset by decreases for passenger airbags growth in steering wheels, inflators and knee center airbags.

Sales by product - Seatbelts and Other

Sales for Seatbelt Products and Other decreased declined organically (Non-U.S. GAAP measure, see reconciliation table above) by 0.3% 1.0% in the quarter. Sales declined organically in China, and the Americas, while it increased in Asia excluding China and the Americas with Europe being virtually unchanged.

Sales by region

Our global organic sales (Non-U.S. GAAP measure, see reconciliation table above) increased decreased by 0.7% 0.8% compared to the global LVP decrease of 0.7% 4.8% (according to S&P Global, July October 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 12pp in Europe and by 10pp in Asia excluding China and by 7.7pp in Europe, while it we underperformed by 2.3pp 0.6pp in the Americas and by 7.3pp 6.4pp 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 by20% while LVP declined by 10% for global OEMs declined by 15% while it increased by 8.5% for domestic OEMs. Autoliv's sales to domestic OEMs increased by 18% in the second quarter. quarter following a strong order intake with domestic OEMs in recent years. In India, we grew organically by around 17%, while LVP was close to unchanged.

Second Third quarter of 2024 organic growth[1]

	Americas	Europe	China	Asia excl. China	Global	Americas	Europe	China	Asia excl. China	Global
Autoliv	(2.8)%	1.6%	(2.8)%	10%	0.7%	(3.8)%	6.3%	(9.3)%	4.8%	(0.8)%
Main growth drivers	VW, Hyundai, Subaru	Mercedes, Renault, Hyundai	Geely, BMW, BYD	Hyundai, Suzuki, EV OEM	Geely, Mercedes, Hyundai	GM, Renault, VW	Mercedes, Renault, Ford	Geely, Chery, BMW	Hyundai, Suzuki, Tata	Geely, Mercedes, Renault
Main decline drivers	Stellantis, EV OEM, GM	Stellantis, VW	EV OEM, Honda, GM	KG Mobility, Stellantis	Stellantis, EV OEM, GM	Stellantis, EV OEM, Nissan	Stellantis, Volvo, Fisker	Lixiang Auto, VW, Honda	Nissan, Mazda	Stellantis, EV OEM, GM

[1] Non-U.S. GAAP measure.

Light Vehicle Production Development

Change second third quarter of 2024 versus second third quarter of 2023

	Americas	Europe	China	Asia excl. China	Global
LVP[1]	(0.5)%	(6.1)%	4.5 %	(2.6)%	(0.7)%

	Americas	Europe	China	Asia excl. China	Global
LVP[1)]	(3.2)%	(6.1)%	(2.9)%	(5.3)%	(4.8)%

[1)] Source: S&P Global, July October 2024.

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Earnings

(Dollars in millions, except per share data)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Change
Net Sales	$ 2,605	$ 2,635	(1.1)%	$ 2,555	$ 2,596	(1.6)%
Gross profit	475	447	6.2 %	459	465	(1.3)%
% of sales	*18.2 %*	*17.0 %*	*1.3 pp*	*18.0 %*	*17.9 %*	*0.1 pp*
S, G&A	(138)	(130)	6.5 %	(129)	(119)	8.4 %
% of sales	*(5.3)%*	*(4.9)%*	*(0.4)pp*	*(5.0)%*	*(4.6)%*	*(0.5)pp*
R, D&E, net	(116)	(120)	(3.4)%	(96)	(107)	(10)%
% of sales	*(4.5)%*	*(4.6)%*	*0.1 pp*	*(3.7)%*	*(4.1)%*	*0.4 pp*
Other income (expense), net	(14)	(103)	(86)%	(9)	(8)	11 %
Operating income	206	94	120 %	226	232	(2.4)%
% of sales	*7.9 %*	*3.6 %*	*4.4 pp*	*8.9 %*	*8.9 %*	*(0.1)pp*
Adjusted operating income[1)]	221	212	4.4 %	237	243	(2.3)%
% of sales	*8.5 %*	*8.0 %*	*0.5 pp*	*9.3 %*	*9.4 %*	*(0.1)pp*
Financial and non-operating items, net	(23)	(11)	108 %	(29)	(30)	(3.7)%
Income before taxes	183	83	121 %	197	201	(2.2)%
Income taxes	(44)	(30)	49 %	(58)	(67)	(13)%
Tax rate	24.1%	35.8%	(11.7)pp	*29.6 %*	33.4%	(3.8)pp
Net income	139	53	162 %	139	134	3.4 %
Earnings per share, diluted[2)]	1.71	0.61	178 %	1.74	1.57	11 %
Adjusted earnings per share, diluted[1,2)]	1.87	1.93	(2.9)%	1.84	1.66	11 %

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

[2)] Assuming dilution, when applicable, and net Net of treasury shares.

Second Third quarter of 2024 financial development

Gross profit increased decreased by $28 million $6 million, and the gross margin increased by 1.3pp 0.1pp compared to the same quarter 2023. The gross profit increase decrease was primarily driven by a $14 million cost increase in direct material related to a settlement and to a lesser extent the lower costs for labor and production overhead, as well as customer compensations and positive foreign currency effects. net sales. This was partly offset by higher material costs. lower costs for mainly premium freight and labor, partly due to improved customer call-off accuracy.

S,G&A costs increased by $8 million $10 million compared to the prior year, mainly due to higher costs for personnel due to wage inflation while headcount was unchanged. Costs for digitalization, IT projects and licenses also increased, impacted by higher personnel and IT costs as well as higher legal costs. inflation. S,G&A costs in relation to sales increased from 4.9% 4.6% to 5.3% 5.0%.

R,D&E, net costs decreased by $4 million $11 million compared to the prior year, mainly due to $6 million in higher engineering income. The decrease was also supported to a smaller extent from several items, mainly positive FX translation effects, lower personnel costs and lower costs for samples and prototypes. R,D&E, net, in relation to sales decreased from 4.6% 4.1% to 4.5% 3.7%.

Other income (expense), netwas close to unchanged at negative $14 million mainly due to capacity alignment accruals, $9 million, compared to negative $103 million $8 million in the same period last year. Q2 2023 was negatively impacted by around $109 million in accruals for capacity alignments.

Operating income increased decreased by $112 million $6 million compared to the same period in 2023, mainly due to the lower capacity alignment accruals gross profit, higher S,G&A costs and the increase in gross profit. other income (expenses) partly offset by lower costs for R,D&E, net, as outlined above.

Adjusted operating income (Non-U.S. GAAP measure, see reconciliation table below) increased decreased by $9 million $6 million compared to the prior year, mainly due to higher the lower gross profit, higher S,G&A costs and other income (expenses) partly offset by higher S,G&A costs. lower costs for R,D&E, net, as outlined above.

Financial and non-operating items, net, was negative $23 million $29 million compared to negative $11 million $30 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 decreased by $100 million $4 million compared to the prior year, mainly due to the increase in lower operating income.

Tax rate was 24.1% 29.6% compared to 35.8% 33.4% in the same period last year. The lower tax rate was impacted by a favorable country mix compared to the same quarter last year. Discrete tax items, net, decreased the tax rate this quarter by 4.9pp. 1.2pp. Discrete tax items, net, decreased increased the tax rate by 4.5pp 0.2pp in the same period last year.

Earnings per share, diluted increased by $1.09 $0.17 compared to a year earlier. The main drivers were $1.21 from higher operating income and $0.09 $0.12 from lower number of shares and $0.10 from lower taxes, partly offset by $0.13 $0.05 from higher income taxes and $0.09 from higher financial and non-operating items, net.

lower operating income.

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SIX NINE MONTHS PERIOD ENDED JUNE 30, 2024 SEPTEMBER 30, 2024 COMPARED WITH SIX NINE MONTHS PERIOD ENDED JUNE 30, 2023 SEPTEMBER 30, 2023

Consolidated Sales Development

(dollars in millions)

	Six Months Ended June 30,			Components of change in net sales		Nine Months Ended September 30,			Components of change in net sales	
	2024	2023	Reported change	Currency effects 1)	Organic 3)	2024	2023	Reported change	Currency effects 1)	Organic 3)
Airbags, Steering Wheels and Other2)	$ 3,528	$ 3,430	2.9 %	(1.2)%	4.0 %	$ 5,264	$ 5,191	1.4 %	(1.0)%	2.4 %

Seatbelt products and Other[2]	1,692	1,698	(0.3)%	(1.2)%	0.9 %	2,511	2,533	(0.9)%	(1.2)%	0.3 %
Total	**$ 5,220**	**$ 5,127**	**1.8 %**	**(1.2)%**	**3.0 %**	**$ 7,774**	**$ 7,724**	**0.7 %**	**(1.1)%**	**1.7 %**
Americas	$ 1,786	$ 1,747	2.2 %	1.5 %	0.7 %	$ 2,637	$ 2,665	(1.0)%	(0.2)%	(0.8)%
Europe	1,531	1,476	3.7 %	1.1 %	2.6 %	2,231	2,122	5.2 %	1.4 %	3.7 %
China	928	950	(2.3)%	(3.9)%	1.6 %	1,423	1,488	(4.4)%	(2.0)%	(2.3)%
Asia	975	954	2.1 %	*(7.0)%*	*9.1 %*					
Asia excl. China	1,483	1,449	2.3 %	*(5.3)%*	*7.7 %*					
Total	**$ 5,220**	**$ 5,127**	**1.8 %**	**(1.2)%**	**3.0 %**	**$ 7,774**	**$ 7,724**	**0.7 %**	**(1.1)%**	**1.7 %**

1) Effects from currency translations.

2) Including Corporate sales.

3) 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% 2.4% in the period. The largest contributor to the increase was steering wheels, followed by center airbags, inflatable curtains, side airbags and driver airbags, inflators, partly offset by decreases for knee passenger airbags and passenger airbags. knee airbags.

Sales by product - Seatbelts and Other

Sales for Seatbelt Products and Other increased grew organically (Non-U.S. GAAP measure, see reconciliation table above) by 0.9% 0.3% in the period. Sales increased organically in Asia excluding China, the Americas and Europe while it declined in China.

Sales by region

Our global organic sales (Non-U.S. GAAP measure, see reconciliation table above) increased by 3.0% 1.7% compared to the global LVP decrease of 0.3% 1.8% (according to S&P Global, July October 2024). The 3.5pp 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 12pp in Asia excluding China, by 6.0pp 7.3pp in Europe and by 1.0pp 0.8pp in the Americas, while it underperformed by 4.0pp 4.6pp 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% 15% while LVP declined by 7% 10% for global OEMs in the first half year. nine months

First six nine months 2024 organic growth[1)]

	Americas	Europe	China	Asia excl. China	Global	Americas	Europe	China	Asia excl. China	Global
Autoliv	0.7%	2.6%	1.6%	9.1%	3.0%	(0.8)%	3.7%	(2.3)%	7.7%	1.7%
Main growth drivers	VW, Mercedes, Toyota	Mercedes, Renault, BMW	Geely, BMW, Chery	Hyundai, Tata, Suzuki	Mercedes, Hyundai, Geely	VW, Toyota, Hyundai	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	Stellantis, EV OEM, Nissan	Stellantis, VW, Volvo	EV OEM, Honda, GM	Nissan, Renault	Stellantis, EV OEM, GM

1) Non-U.S. GAAP measure.

Light Vehicle Production Development

Change first six nine months of 2023 2024 versus first six nine months of 2022 2023

	Americas	Europe	China	Asia excl. China	Global
LVP[1)]	(0.3)%	(3.4)%	5.6 %	(4.6)%	(0.3)%

	Americas	Europe	China	Asia excl. China	Global
LVP[1)]	(1.6)%	(3.6)%	2.3 %	(4.8)%	(1.8)%

[1)] Source: S&P Global, July October 2024.

Earnings

	Six Months Ended June 30,			Nine Months Ended September 30,		
(Dollars in millions, except per share data)	2024	2023	Change	2024	2023	Change
Net Sales	$ 5,220	$ 5,127	1.8 %	$ 7,774	$ 7,724	0.7 %
Gross profit	917	826	11 %	1,377	1,291	6.6 %
% of sales	*17.6 %*	*16.1 %*	*1.5 pp*	*17.7 %*	*16.7 %*	*1.0 pp*
S, G&A	(270)	(262)	3.2 %	(399)	(380)	4.9 %
% of sales	*(5.2)%*	*(5.1)%*	*(0.1)pp*	*(5.1)%*	*(4.9)%*	*(0.2)pp*
R, D&E, net	(229)	(237)	(3.3)%	(325)	(343)	(5.5)%
% of sales	*(4.4)%*	*(4.6)%*	*0.2 pp*	*(4.2)%*	*(4.4)%*	*0.3 pp*
Other income (expense), net	(18)	(107)	n/a	(27)	(115)	(76)%
Operating income	400	221	81 %	626	453	38 %
% of sales	*7.7 %*	*4.3 %*	*3.4 pp*	*8.1 %*	*5.9 %*	*2.2 pp*
Adjusted operating income[1)]	420	343	22 %	657	586	12 %
% of sales	*8.0 %*	*6.7 %*	*1.4 pp*	*8.5 %*	*7.6 %*	*0.9 pp*
Financial and non-operating items, net	(43)	(29)	47 %	(73)	(60)	21 %
Income before taxes	356	191	86 %	554	393	41 %
Income taxes	(91)	(64)	42 %	(149)	(131)	14 %
Tax rate	25.5%	33.4%	(7.9)pp	27.0%	33.4%	(6.4)pp
Net income	266	127	108 %	404	262	55 %
Earnings per share, diluted[2)]	3.23	1.47	119 %	4.98	3.04	64 %
Adjusted earnings per share, diluted[1,2)]	3.45	2.82	22 %	5.30	4.48	18 %

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

[2)] Assuming dilution, when applicable, and net Net of treasury shares.

First six nine months 2024 financial development

Gross profit increased by $91 million $85 million, and the gross margin increased by 1.5pp 1.0pp compared to the same period 2023. The More than half of the improvement in gross profit increase was primarily driven by volume growth, customer compensations and the increase in net sales, but lower costs for labor material, production overhead and premium freight. freight also contributed to the improvement following more stable customer call-offs and headcount reductions.

S,G&Acosts increased by $8 million $18 million compared to the prior year, mainly year. The main reason for the cost increase was higher costs for personnel, due to higher personnel costs and legal fees, partly offset by lower costs for professional service. the high wage inflation. S,G&A costs in relation to sales increased from 5.1% 4.9% to 5.2% 5.1%.

R,D&E, net costs decreased by $8 million $19 million compared to the prior year, mainly due to higher year. Higher engineering income. income explain almost the entire improvement. R,D&E, net, in relation to sales decreased from 4.6% 4.4% to 4.4% 4.2%.

Other income (expense), net was negative $18 million mainly due to capacity alignment accruals, $27 million compared to negative $107 million $115 million in the same period last year, mainly almost entirely due to $112 million in lower capacity alignment accruals. accruals compared to the same period previous year.

Operating income increased by $179 million $173 million compared to the same period in 2023, mainly due to the increase in gross profit, and lower capacity alignment accruals. accruals, as outlined above.

Adjusted operating income (Non-U.S. GAAP measure, see reconciliation table below) increased by $77 million $71 million compared to the prior year, mainly due to higher gross profit and lower R,D&E, net partly offset by higher costs for S,G&A. &A, as outlined above.

Financial and non-operating items, net, was negative $43 million $73 million compared to negative $29 million $60 million a year earlier. The difference change was mainly due to increased interest expense as the result of higher debt and higher interest rates.

Income before taxes increased by $165 million $161 million compared to the prior year, mainly due to the increase in operating income. income and financial and non-operating items, net, as outlined above.

Tax rate was 25.5% 27.0% compared to 33.4% in the same period last year. The lower tax rate was impacted by favorable country mix compared to the prior year. Discrete tax items, net, decreased the tax rate this quarter period by 3.7pp. 2.8pp. Discrete tax items, net, decreased the tax rate by 1.5pp 0.6pp in the same period last year.

Earnings per share, diluted increased by $1.75 $1.94 compared to a year earlier. The main drivers were $1.71 $1.67 from higher operating income, and $0.15 $0.29 from lower number of shares and $0.09 from taxes, partly offset by $0.11 from higher financial and non-operating items, net.

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 Third quarter of 2024 development

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

Other, net was $128 million $10 million positive compared to $230 million $9 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 $25 million to $340 million $177 million compared to the same period last year,mainly due to less positive effects from that operating working capital changes. increased by $34 million more than it increased the same period last year, as outlined above.

Capital expenditure, net increased decreased by $22 million $6 million compared to the same period the previous year. The level of Capital expenditure, net, in relation to sales was 5.6% relatively stable at 5.7% versus 4.7% 5.8% a year earlier. The level is currently above what we expect for the longer term, due to investments in capacity, mainly in Asia, and in footprint optimization, mainly in Europe and the Americas.

Free cash flow (Non-U.S. GAAP measure, see calculation table below) was positive $194 million $32 million compared to positive $255 million $50 million in the same period the prior year. The decrease was due to the lower operating cash flow and higher partly offset by the lower 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% 23% in the quarter.

Trade working capital (Non-U.S. GAAP measure, see calculation table below) decreased increased by $123 million $4 million compared to the same period last year, where the main drivers were $99 million $13 million in lower higher accounts receivables, $14 million $24 million in higher accounts payable and $11 million $15 million in lower higher inventories.In relation to sales, trade working capital decreased increased from 12.3% 12.5% to 11.2%**12.8%.**

Liquidity position. Cash and cash equivalents As as of June 30, 2024, our cash balance September 30, 2024 was around $0.4 billion, and including while committed, unused loan facilities, our liquidity position was around $1.5 billion $1.2 billion.

Net debt (Non-U.S. GAAP measure, see reconciliation table below) was $1,579 million $1,787 million as of June 30, 2024 September 30, 2024, which was $280 million $412 million higher than a year earlier earlier.

Total equity. equity As as of June 30, 2024 September 30, 2024, decreased by $246 million $188 million compared to June 30, 2023 September 30, 2023. This was mainly due to $223 million $221 million in dividend payments and stock repurchases including taxes of $597 million $608 million, as well as $76 million in negative currency translation effects, partly offset by $627 million $632 million from net income.

Leverage ratio (Non-U.S. GAAP measure, see calculation table below). As of June 30, 2024 On September 30, 2024, the Company had a leverage ratio of 1.2x 1.4x compared to 1.3x as of June 30, 2023 on September 30, 2023, both as the 12 months trailing adjusted EBITDA (Non-U.S. GAAP measure, see calculation reconciliation table below) and increased by around $187 million while the net debt per the policy (Non-U.S. GAAP measure) measure, see reconciliation table below) increased by around $270 million $407 million.

First six nine months of 2024 development

Operating cash flow increased by $129 million $104 million compared to the same period last year, to $462 million $639 million, mainly due to higher net income. income, partly offset by more negative effects from increased operating working capital.

Capital expenditure, net increased by $19 million $12 million. Capital expenditure, net in relation to sales was relatively stable at 5.5% versus 5.2% 5.4% the prior year period. The level is currently slightly above what we expect for the longer term, due to investments in capacity, mainly in Asia, and in footprint optimization, mainly in Europe and the Americas.

Free cash flow (Non-U.S. GAAP measure, see calculation table below) was positive $176 million $208 million, compared to positive $66 million $117 million in the same period last year. The improvement was due to the higher operating cash flow partly offset by higher capital expenditure, net.

Cash conversion (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% 52% 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			Three Months Ended September 30, 2024			Three Months Ended S	
										2023	
	Reported U.S. GAAP	Adjustments[1]	Non-U.S. GAAP	Reported U.S. GAAP	Adjustments[1]	Non-U.S. GAAP	Reported U.S. GAAP	Adjustments[1]	Non-U.S. GAAP	Reported U.S. GAAP	Adjustmer
Operating income	$ 206	$ 15	$ 221	$ 94	$ 118	$ 212	$ 226	$ 11	$ 237	$ 232	$
Operating margin, %	7.9 %	0.6 %	8.5 %	3.6 %	4.5 %	8.0 %	8.9 %	0.4 %	9.3 %	8.9 %	
Earnings per share, diluted	$ 1.71	$ 0.17	$ 1.87	$ 0.61	$ 1.31	$ 1.93	$ 1.74	$ 0.10	$ 1.84	$ 1.57	$ 0

[1] 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			Nine Months Ended September 30, 2024			Nine Months Ended Sep	
	Reported U.S. GAAP	Adjustments[1]	Non-U.S. GAAP	Reported U.S. GAAP	Adjustments[1]	Non-U.S. GAAP	Reported U.S. GAAP	Adjustments[1]	Non-U.S. GAAP	Reported U.S. GAAP	Adjustmer
Operating income	$ 400	$ 20	$ 420	$ 221	$ 122	$ 343	$ 626	$ 31	$ 657	$ 453	$ 1
Operating margin, %	7.7 %	0.4 %	8.0 %	4.3 %	2.4 %	6.7 %	8.1 %	0.4 %	8.5 %	5.9 %	
Earnings per share, diluted	$ 3.23	$ 0.22	$ 3.45	$ 1.47	$ 1.35	$ 2.82	$ 4.98	$ 0.32	$ 5.30	$ 3.04	$ 1

[1] 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		Three Months Ended September 30, 2024		Three Months Ended September 30, 2023	
	Millions	Per share	Millions	Per share	Millions	Per share	Millions	Per share
Capacity alignments	$ 14	$ 0.17	$ 109	$ 1.26	$ 9	$ 0.12	$ 10	$ 0.12
Andrews litigation settlement	—	—	8	0.09	—	—	—	—
Antitrust related matters	1	0.01	1	0.01	2	0.02	1	0.01
Total adjustments to operating income	**15**	**0.18**	**118**	**1.36**	**11**	**0.14**	**11**	**0.13**
Tax on non-U.S. GAAP adjustments1)	(1)	(0.02)	(5)	(0.06)	(3)	(0.04)	(3)	(0.04)
Total adjustments to net income	**$ 14**	**$ 0.16**	**$ 113**	**$ 1.30**	**$ 8**	**$ 0.10**	**$ 8**	**$ 0.09**

1) 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		Nine Months Ended September 30, 2024		Nine Months Ended September 30, 2023	
	Millions	Per share	Millions	Per share	Millions	Per share	Millions	Per share
Capacity alignments	$ 16	$ 0.19	$ 112	$ 1.29	$ 25	$ 0.31	$ 122	$ 1.42
The Andrews litigation settlement	—	—	8	0.09	—	—	8	0.09
Antitrust related matters	4	0.05	2	0.02	6	0.07	3	0.04
Total adjustments to operating income	**20**	**0.24**	**122**	**1.41**	**31**	**0.39**	**133**	**1.55**
Tax on non-U.S. GAAP adjustments1)	(2)	(0.02)	(6)	(0.07)	(5)	(0.06)	(10)	(0.11)
Total adjustments to net income	**$ 18**	**$ 0.22**	**$ 116**	**$ 1.34**	**$ 26**	**$ 0.32**	**$ 123**	**$ 1.44**

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

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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 Reconciliation of “Trade working capital”
(Dollars in millions)

	September 30, 2024	June 30, 2024	September 30, 2023
Total current assets	$ 3,865	$ 3,703	$ 3,879
Total current liabilities	(4,034)	(3,785)	(3,851)
Working capital (U.S. GAAP)	**(169)**	**(83)**	**28**

Less: Cash and cash equivalents	(415)	(408)	(475)
Prepaid expenses	(172)	(193)	(180)
Other current assets	(90)	(76)	(63)
Less: Short-term debt	624	455	590
Accrued expenses	1,189	1,120	1,093
Operating lease liabilities - current	44	41	37
Other current liabilities	297	312	274
Trade working capital (non-U.S. GAAP)	**$ 1,307**	**$ 1,169**	**$ 1,303**

	June 30, 2024	March 31, 2024	June 30, 2023	September 30, 2024	June 30, 2024	September 30, 2023
Receivables, net	$ 2,090	$ 2,194	$ 2,189	$ 2,192	$ 2,090	$ 2,179
Inventories, net	936	997	947	997	936	982
Accounts payable	(1,858)	(1,855)	(1,844)	(1,881)	(1,858)	(1,858)
Trade working capital	**$ 1,169**	**$ 1,336**	**$ 1,292**			
Trade working capital (non-U.S. GAAP)	**$ 1,307**	**$ 1,169**	**$ 1,303**			

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	September 30, 2024	June 30, 2024	September 30, 2023
Short-term debt	$ 455	$ 310	$ 481	$ 624	$ 455	$ 590
Long-term debt	1,540	1,830	1,290	1,586	1,540	1,277
Total debt	**1,996**	**2,140**	**1,771**	**2,210**	**1,996**	**1,867**
Cash and cash equivalents	(408)	(569)	(475)	(415)	(408)	(475)
Debt issuance cost/Debt-related derivatives, net	(8)	(9)	4	(9)	(8)	(17)
Net debt	**$ 1,579**	**$ 1,562**	**$ 1,299**	**$ 1,787**	**$ 1,579**	**$ 1,375**

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	September 30, 2024	June 30, 2024	September 30, 2023
Net debt[1)]	$ 1,579	$ 1,562	$ 1,299	$ 1,787	$ 1,579	$ 1,375
Pension liabilities	140	149	152	147	140	152
Debt per the Policy	**1,720**	**1,711**	**1,451**	**1,934**	**1,720**	**1,527**
Net income[2)]	627	541	390	632	627	418
Income taxes [2)]	150	136	168	141	150	188
Interest expense, net[2,3)]	89	83	67	93	89	75
Other non-operating items, net[2)]	8	1	1	4	8	5
Income from equity method investments[2)]	(6)	(5)	(4)	(6)	(6)	(4)
Depreciation and amortization of intangibles[2)]	384	381	363	385	384	371
Capacity alignments, antitrust related matters and the Andrews litigation settlement[2)]	128	231	127	128	128	136
EBITDA per the Policy (Adjusted EBITDA)	**$ 1,380**	**$ 1,369**	**$ 1,112**	**$ 1,376**	**$ 1,380**	**$ 1,189**
Leverage ratio	**1.2**	**1.3**	**1.3**	**1.4**	**1.2**	**1.3**

[1)] Net debt (non-U.S. GAAP measure) is short- and long-term debt and debt-related derivatives, less cash and cash equivalents.

[2)] Latest 12-months.

[3)] Interest expense, net including cost for extinguishment of debt, if any, less interest income.

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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,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Net income	**$ 139**	**$ 53**	**$ 266**	**$ 127**	**$ 139**	**$ 134**	**$ 404**	**$ 262**
Changes in operating working capital	128	230	14	28	(68)	(36)	(54)	(8)
Depreciation and amortization	96	94	192	186	97	95	289	281
Other, net	(23)	2	(9)	(8)	10	9	1	1

Operating cash flow	**340**	**379**	**462**	**334**	**177**	**202**	**639**	**535**
Capital expenditure, net	(146)	(124)	(286)	(267)	(145)	(151)	(431)	(419)
Free cash flow1)	**$ 194**	**$ 255**	**$ 176**	**$ 66**	**$ 32**	**$ 50**	**$ 208**	**$ 117**
Cash conversion2)	140 %	481 %	66 %	52 %	23 %	37 %	52 %	45 %

1) Operating cash flow less Capital expenditures, net.

2) Free cash flow relative to Net income.

Headcount

	June 30, 2024	March 31, 2024	June 30, 2023	September 30, 2024	June 30, 2024	September 30, 2023
Total headcount	68,700	70,100	71,200	67,200	68,700	71,200
Whereof:						
Direct personnel in manufacturing	51,100	52,500	52,600	49,800	51,100	52,900
Indirect personnel	17,500	17,600	18,600	17,400	17,500	18,200
Temporary personnel	9 %	10 %	11 %	9 %	9 %	11 %

As of June 30, 2024 September 30, 2024, total headcount (Full Time Equivalent) decreased by 2,500, around 4,000, or by 3.5% 5.6%, compared to a year earlier. earlier, despite almost unchanged sales. The indirect workforce decreased by 1,100, around 800, or by 5.9% 4.4%,mainly reflecting our structural reduction initiatives.The direct workforce decreased by 1,400, approximately 3,100, or by 2.7%. 5.9%, partly due to that an improvement in customer call-off accuracy in the third quarter has enabled us to accelerate operating efficiency improvements.
Compared to March 31, 2024 June 30, 2024, total headcount (FTE) decreased by around 1,500, or by 2.1% 2.2%. Indirect headcount decreased by around 100, or by 0.6%, while direct headcount decreased by 1,400, approximately 1,300, or by 2.7% 2.5%.

Full year 2024 guidance

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

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

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

2) Excluding unusual tax items.

3) Excluding unusual items.

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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.

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Other recent events

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

- **Nissan Kicks: Nio Onvo L60** 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, Seatbelts.
- **Lynk&Co Z10: BMX X3**: Driver/Passenger Airbags, Steering Wheel.
- **Zeekr 7X**: Driver/Passenger Airbags, Side Airbags, Head/Inflatable Curtain Airbags, Steering Wheel, Seatbelts Seatbelts.
- **Ford Explorer EV Nissan Patrol & Armada**: Driver/Passenger Airbags, Steering Wheel, Front Center Airbag
- **Chery Fengyun T9:** Side Airbags, Head/Inflatable Curtain Airbags, Knee Airbag, Front Center Airbag, Seatbelts Seatbelts.
- **Lancia Ypsilon: Alfa Romeo Junior:** Driver/Passenger Airbags, Side Airbags, Steering Wheel, Seatbelts.
- **Audi A6 e-tron:** Side Airbags, Front Center Airbag, Seatbelts.
- **Changan Avatr 15**: Side Airbags, Head/Inflatable Curtain Airbags, Front Center Airbag, Seatbelts.
- **Audi A5**: Side Airbags, Front Center Airbag, Seatbelts.
- **Tata Curvv**: Driver/Passenger Airbags, Side Airbags, Head/Inflatable Curtain Airbags, Steering Wheel, Seatbelts Seatbelts.
- **Honda e:NS2/e:NP2: Ford Capri**: Driver/Passenger Airbags, Side Airbags, Steering Wheel, Front Center Airbag, Seatbelts Airbag.
- **Mini Aceman/Cooper E: Chery Luxeed R7** Driver/Passenger: Side Airbags, Steering Wheel, Seatbelts, Hood Lifter Front Center Airbag, Seatbelts.
- **LEVC L380: Mahindra Thar (ROXX)**: Driver/Passenger Airbags, Side Airbags, Head/Inflatable Curtain Airbags, Steering Wheel, Front Center Airbag, Seatbelts Seatbelts.

Other Items

- On June 4, 2024 September 13, 2024, the Autoliv announced that Board of Directors appointed Ms. Adriana Karaboutis as an independent director to the Autoliv China Board of Directors effective immediately. With the addition of Ms. Karaboutis, Autoliv has expanded its Board size from eleven to twelve directors. Ms. Karaboutis most recently served as Group Chief Information and XPENG AEROHT, Asia's leading flying car innovator, signed Digital Officer of National Grid PLC, one of the world's largest public utility companies. She previously served as EVP Technology, Business Solutions and Corporate Affairs at Biogen Inc., as well as VP and Global CIO of Dell, Inc. Ms. Karaboutis also has more than 20 years at General Motors and Ford in various international leadership positions. Ms. Karaboutis is appointed for a strategic cooperation agreement term expiring at the 2025 Annual General Meeting of Stockholders at which time the Board is expected to pioneer safety solutions for future mobility. Based on a shared commitment contract to future mobility safety, Autoliv and XPENG AEROHT will collaborate on a range eleven members with the retirement of initiatives to develop safety solutions for flying cars. Mr. Hasse Johansson.

- On June 18, 2024 September 17, 2024, Autoliv announced that it continues its journey to a sustainable future by introducing airbag cushions made the appointment of 100% recycled polyester that significantly reduce the greenhouse gas (GHG) footprint of airbags.
- On June 24, 2024, Autoliv Mr. Fabien Dumont as Executive Vice President & Chief Technology Officer 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 Autoliv Executive Management Team effective June 1, 2024. Team. Fabien Dumont previously served as Vice President Engineering in Autoliv China and has been with Autoliv since 1998. In leading the Autoliv China Engineering team, Fabien Dumont has played a vital role in developing innovations and technologies that support the fast-moving Chinese market.
- In Q2 Q3 2024, Autoliv repurchased and retired 1.31 million 1.33 million shares of common stock at an average price of $122.19 $97.80 per share under the Autoliv 2022-2024 stock purchase repurchase 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.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As of June 30, 2024 September 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.

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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 Except for below, as of June 30, 2024 September 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.

We may be subject to civil antitrust litigation that could negatively impact our business

The Company may be subject to civil antitrust lawsuits in the future in countries that permit such civil claims, including lawsuits or other actions by our customers. The Company was previously the subject of an investigation by the European Commission ("EC") regarding possible anti-competitive behavior among certain suppliers to the automotive vehicle industry. The Company paid a fine to resolve these matters in 2019. As a result of the outcome of the EC investigation, we are and we could be, subject to subsequent civil disputes with non-governmental third parties and civil or stockholder litigation stemming from the same facts and circumstances underlying the EC investigation. The Company is currently involved in civil litigation in the UK with respect to alleged anticompetitive behavior that occurred over a decade ago. The ultimate resolution of any dispute, litigation or proceeding through settlement, mediation, judgment or other means requires significant management time and attention and 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 may not mitigate such impact. See Note 17, Contingent Liabilities, to the Consolidated Financial Statements in this Annual Report.

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 September 30, 2024.

	New York Stock Exchange (NYSE)			
Period	Total Number of Shares Purchased (1)	Average Price Paid per Share (USD) (2)	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)
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

	New York Stock Exchange (NYSE)			
Period	Total Number of Shares Purchased (1)	Average Price Paid per Share (USD) (2)	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)
July 1-31, 2024	608,534	$ 98.60	8,400,021	8,599,979
August 1-31, 2024	720,788	$ 97.12	9,120,809	7,879,191
September 1-30, 2024	—	$ —	9,120,809	7,879,191

(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 September 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.

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ITEM 6. EXHIBITS

Exhibit No.	Description
3.1	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).
3.2	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).
4.1	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).
4.2	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).
4.3	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).
4.4	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).
4.5	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).

4.6	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).
4.7	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).
4.8	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).
4.9	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).
10.1*+	Revolving Credit Facility Agreement, dated July 17, 2024, among Autoliv, Inc. Non-Employee Director Compensation Policy effective May 1, 2024. , Autoliv ASP, and Standard Chartered Bank.
10.2*+	Employment Agreement, effective June 1, 2024 dated September 13, 2024, by and between Autoliv Inc. (Shanghai) Management Co. Ltd. and Staffan Olsson. Fabien Dumont.
31.1*	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.
31.2*	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.
32.1*	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.
32.2*	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.
101.INS*	Inline XBRL Instance Document – The instance document does not appear in the Interactive Date 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).

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* Filed herewith.
+ Management contract or compensatory plan.

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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 October 18, 2024

AUTOLIV, INC.

(Registrant)

By: /s/ Fredrik Westin

Fredrik Westin

Chief Financial Officer

(Duly Authorized Officer and Principal Financial Officer)

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Exhibit 10.1

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

Dated: 17 July CREATEDATE \@ "yyyy" * MERGEFORMAT 2024

(1) AUTOLIV, INC. as Parent

(2) AUTOLIV, INC. and AUTOLIV ASP, INC. as Guarantors

(3) AUTOLIV, INC. as Original Borrower

(4) STANDARD CHARTERED BANK as Mandated Lead Arranger

(5) THE FINANCIAL INSTITUTIONS listed in Schedule 1 (*Parties*) as Original Lenders

(6) STANDARD CHARTERED BANK as Facility Agent

Revolving credit facility agreement

US$125,000,000

Execution Version

Contents

Clause Page

I. i

Schedules

THIS AGREEMENT is made on 17 July CREATEDATE \@ "yyyy" * MERGEFORMAT 2024

BETWEEN

(1) **Adoption Date; Effective Date AUTOLIV, INC.**. On May 10, 2024 (incorporated under the laws of the State of Delaware, USA) (in this capacity, the "**Parent**");

(2) **AUTOLIV, INC.** (incorporated under the laws of the State of Delaware, USA) and **AUTOLIV ASP, INC.** (incorporated under the laws of the State of Indiana, USA) as guarantors (each a "**Guarantor**" and together, the "**Guarantors**");

(3) **AUTOLIV, INC.** (incorporated under the laws of the State of Delaware, USA) as the original borrower (the "**Adoption Original Borrower**");

(4) **STANDARD CHARTERED BANK** incorporated in England by Royal Charter 1853 of 1 Basinghall Avenue, 5th Floor London EC2V 5DD, United Kingdom as Mandated Lead Arranger (the "**Mandated Lead Arranger**");

(5) **THE FINANCIAL INSTITUTIONS** listed in Schedule 1 (*Parties*) as lenders (the "**Original Lenders**"); and

(6) **STANDARD CHARTERED BANK** incorporated in England by Royal Charter 1853 of 1 Basinghall Avenue, 6th Floor London EC2V 5DD, United Kingdom as facility agent (the "**Facility Agent**").

IT IS AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION** TC "1 DEFINITIONS AND INTERPRETATION " \l 1

1.1 **Definitions**

In this Agreement:

"**Acceptable Bank**" means a bank or financial institution which has a rating for its long-term unsecured and non-credit-enhanced debt obligations of A- or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or A3 or higher by Moody's Investor Services Limited or a comparable rating from an internationally recognised credit rating agency.

"**Accession Agreement**" means a letter, substantially in the form of Schedule 6 (*Form of Accession Agreement*), with such amendments as the Facility Agent and the Parent may agree.

"**Additional Borrower**" means a member of the Group which becomes a Borrower after the date of this Agreement.

"**Additional Business Day**" means any day specified as such in the applicable Compounded Rate Terms.

“**Affiliate**” means a Subsidiary or a holding company of a person or any other Subsidiary of that holding company.

“**Affiliated Lender**” means a Lender which is an Affiliate of another Lender.

“**Anti-Corruption Laws**” means, collectively (a) the US Foreign Corrupt Practices Act 1977, (b) the UK Bribery Act 2010, and (c) any other applicable laws, rules, regulations or codes related to bribery or corruption in any jurisdiction in which any member of the Group is located or doing business.

“**Anti-Money Laundering Laws**” means laws, regulations and sanctions, state and federal, criminal and civil that: (a) limit the use of and/or seek the forfeiture of proceeds

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from illegal transactions; (b) prohibit transactions that are intended to conceal or disguise the nature, location, source, ownership, or control of the proceeds of specified unlawful activity; (c) require identification and documentation of the parties with whom a financial institution conducts business; or (d) are designed to disrupt the flow of funds to terrorist organizations. Such laws, regulations and sanctions shall be deemed to include applicable financial recordkeeping and reporting requirements of the US Currency and Foreign Transactions Reporting Act of 1970, the US Bank Secrecy Act as amended by the USA PATRIOT Act of 2001, and the US Money Laundering Control Act of 1986 including the laws relating to prevention and detection of money laundering under 18 USC Section 1956 and 1957.

“**Available Commitment**” means a Lender's Commitment minus:

(a) the amount of its participation in any outstanding Loans; and

(b) in relation to any proposed drawdown, the amount of its participation in any Loans that are due to be made on or before the proposed Drawdown Date,

other than that Lender's participation in any Loans that are due to be repaid or prepaid on or before the proposed Drawdown Date.

“**Availability Period**” means the period from and including the date of this Agreement to and including the date falling one month before the Maturity Date.

“**Basel II**” means the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel II: International Convergence of Capital Measurement and Capital Standards: a Revised Framework” published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement.

“**Basel III**” means:

(a) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;

(b) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement - Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and

(c) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

"**Board**" means the Board of Governors of the Federal Reserve System of the United States of America or any successor thereof.

"**Borrower**" means the Original Borrower or an Additional Borrower.

"**Break Costs**" means any amount specified as such in the applicable Compounded Rate Terms.

"**Business Day**" means a day (other than a Saturday or a Sunday) on which banks are open for general business in Frankfurt, London, Stockholm and New York and in relation to:

(a) any date for payment or purchase of an amount relating to a Loan; or

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(b) the determination of the first day or the last day of an Interest Period for a Loan, or otherwise in relation to the determination of the length of such an Interest Period,

which is an Additional Business Day relating to that Loan or Unpaid Sum (to the extent one is provided for in the relevant Compounded Rate Terms).

"**Central Bank Rate**" has the meaning given to that term in the applicable Compounded Rate Terms.

"**Central Bank Rate Adjustment**" has the meaning given to that term in the applicable Compounded Rate Terms.

"**Change in Law**" means the occurrence, after the date of this Agreement, of any of the following:

(a) the adoption or taking effect of any law, rule, regulation or treaty;

(b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority;

(c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; or

(d) the implementation or application of or compliance with Basel III or CRD IV or any other law or regulation which implements or amends Basel III or CRD IV (whether such implementation, application or compliance is by a Governmental Authority, Finance Party or any of its Affiliates).

"**Commitment**" means:

(a) in relation to a Lender which is a Lender on the date of this Agreement, the aggregate of the amounts in US Dollars set opposite its name in Schedule 1 (*Parties*) and the amount of any other Lender's Commitment acquired by it under Clause 27 (*Changes to the Parties*) or assumed by it in accordance with and Clause 2.8 (*Increase*); and

(b) in relation to a Lender which becomes a Lender after the date of this Agreement, the amount of any other Lender's Commitment acquired by it under Clause 27 (*Changes to the Parties*) or assumed by it in accordance with and Clause 2.8 (*Increase*),

to the extent not cancelled, reduced or transferred under this Agreement.

"**Compliance Certificate**" means a certificate substantially in the form set out in Schedule 5 (*Form of Compliance Certificate*).

"**Compounded Rate Terms**" means in relation to:

(a) US Dollars;

(b) a Loan or an Unpaid Sum in that currency;

(c) an Interest Period for such a Loan or Unpaid Sum (or other period for the accrual of commission or fees in a currency); or

(d) any term of this Agreement relating to the determination of a rate of interest in relation to such a Loan or Unpaid Sum,

the terms set out for US Dollars, and (where such terms are set out for different categories of Loan, Unpaid Sum or accrual of commission or fees in that currency) for the category of

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that Loan, Unpaid Sum or accrual, in Schedule 9 (*Compounded Rate Terms*) or in any Reference Rate Supplement.

"**Compounded Reference Rate**" means, in relation to any RFR Banking Day during the Interest Period of a Loan, the percentage rate per annum which is the aggregate of:

(a) the Daily Non-Cumulative Compounded RFR Rate for that RFR Banking Day; and

(b) the applicable Credit Adjustment Spread.

"**Compounding Methodology Supplement**" means, in relation to the Daily Non-Cumulative Compounded RFR Rate or the Cumulative Compounded RFR Rate, a document which:

(a) is agreed in writing by the Parent, the Facility Agent (in its own capacity) and the Facility Agent (acting on the instructions of the Majority Lenders);

(b) specifies a calculation methodology for that rate; and

(c) has been made available to the Parent and each Finance Party.

"**Confidential Information**" means all information which is required by Clause 28.1 (*Disclosure (General)*) to be kept confidential by the Finance Parties.

"**CRD IV**" means EU CRD IV and UK CRD IV.

"**Credit Adjustment Spread**" means, in respect of any Loan, any rate which is either:

(a) specified as such in the applicable Compounded Rate Terms; or

(b) determined by the Facility Agent (or by any other Finance Party which agrees to determine that rate in place of the Facility Agent) in accordance with the methodology specified in the applicable Compounded Rate Terms.

"**Cumulative Compounded RFR Rate**" means, in relation to an Interest Period for a Loan, the percentage rate per annum determined by the Facility Agent (or by any other Finance Party which agrees to determine that rate in place of the Facility Agent) in accordance with the methodology set out in Schedule 11 (*Cumulative Compounded RFR Rate*) or in any relevant Compounding Methodology Supplement.

"**Daily Non-Cumulative Compounded RFR Rate**" means, in relation to any RFR Banking Day during an Interest Period for a Loan, the percentage rate per annum determined by the Facility Agent (or by any other Finance Party which agrees to determine that rate in place of the Facility Agent) in accordance with the methodology set out in Schedule 10 (*Daily Non-Cumulative Compounded RFR Rate*) or in any relevant Compounding Methodology Supplement.

"**Daily Rate**" means the rate specified as such in the applicable Compounded Rate Terms.

"**Dangerous Substance**" means any radioactive emissions and any natural or artificial substance (whether in solid or liquid form or in the form of a gas or vapour and whether alone or in combination with any other substance) capable of causing harm to man or any other living organism or damaging the environment or public health or welfare including but not limited to any controlled, special, hazardous, toxic, radioactive or dangerous waste.

"**Default**" means an Event of Default or an event which, with the giving of notice, lapse of time, determination of materiality or fulfilment of any other applicable condition (or any combination of the foregoing), would constitute an Event of Default.

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"**Defaulting Lender**" means any Lender:

(a) which has failed to make its participation in a Loan available or has notified the Facility Agent that it will not make its participation in a Loan available by the Drawdown Date of that Loan in accordance with Clause 5.3 (*Advance of Loans*);

(b) which has otherwise rescinded or repudiated a Finance Document; or

(c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

payment is made within three Business Days of its due date; or

(ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

"**Disruption Event**" means either or both of:

(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or

(b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:

(i) from performing its payment obligations under the Finance Documents; or

(ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

"**Drawdown Date**" means the date of the advance of a Loan.

"**Environmental Claim**" means any claim by any person as a result of or in connection with any violation of Environmental Law or any Environmental Contamination which could give rise to any remedy or penalty (whether interim or final) or liability for any Obligor or any Finance Party which could reasonably be expected to have a material adverse effect.

"**Environmental Contamination**" means each of the following and their consequences:

(a) any release, emission, leakage, or spillage of any Dangerous Substance into any part of the environment; or

(b) any accident, fire, explosion or sudden event which is directly or indirectly caused by or attributable to any Dangerous Substance; or

(c) any other pollution of the environment.

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"**Environmental Law**" means any national or supranational law, regulation or directive concerning the protection of human health or the environment or concerning Dangerous Substances.

"**Environmental License**" means any authorisation by any Environmental Law.

"**ERISA**" means the United States Employee Retirement Income Security Act of 1974, as amended.

"**ERISA Affiliate**" means each trade or business, whether or not incorporated, that would be treated as a single employer with any Obligor under section 414 of the US Code. When any provision of this Agreement relates to a past event, the term "**ERISA Affiliate**" includes any person that was an ERISA Affiliate of an Obligor at the time of that past event.

“**EU CRD IV**” means:

(a) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms ; and

(b) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.

“**Event of Default**” means an event specified as such in Clause 19.1 (*Events of Default*).

“**Facility**” means the US$ revolving credit facility made available under this Agreement as set out in Clause 2.1 (*Facility*).

“**Facility Office**” means the office(s) notified by a Lender to the Facility Agent:

(a) on or before the date it becomes a Lender; or

(b) by not less than five Business Days' notice,

as the office(s) through which it will perform all or any of its obligations under this Agreement.

“**FATCA**” means:

(a) sections 1471 to 1474 of the US Code or any associated regulations;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the United States Internal Revenue Service or any Governmental Authority.

“**FATCA Application Date**” means:

(a) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the US Code (which relates to payments of interest and certain other payments from sources within the USA), 1 July 2014; or

(b) in relation to a “passthru payment” described in section 1471(d)(7) of the US Code not falling within paragraph (a) above,

the first date from which such payment may become subject to a deduction or withholding required by FATCA.

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“**FATCA Deduction**” means a deduction or withholding from a payment under a Finance Document required by FATCA.

"**FATCA Exempt Party**" means a Party that is entitled to receive payments free from any FATCA Deduction.

"**Fee Letters**" means any letter or letters setting out fees payable by the Parent (or another Obligor) to a Finance Party referred to in Clause 2.8.5 or Clause 21 (*Fees*),or under any other Finance Document.

"**Finance Document**" means this Agreement, the Fee Letters, any Novation Certificate, any Accession Agreement, any Request, any Reference Rate Supplement, any Compounding Methodology Supplement or any other document designated as such by the Facility Agent and the Obligors' Agent.

"**Finance Party**" means the Facility Agent, a Lender or the Mandated Lead Arranger.

"**Financial Indebtedness**" means any indebtedness in respect of:

(a) monies borrowed;

(b) any debenture, bond, note, loan stock or other security;

(c) any acceptance credit;

(d) receivables sold or discounted (otherwise than on a non-recourse basis);

(e) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance or financing the acquisition of that asset;

(f) any lease entered into primarily as a method of raising finance or financing the acquisition of the asset leased;

(g) any currency swap or interest swap, cap or collar arrangement or other derivative instrument (and when calculating the value of any such transaction, only the marked to-market value shall be taken into account);

(h) any amount raised under any other transaction having the commercial effect of a borrowing or raising of money; or

(i) any guarantee, indemnity or similar assurance against financial loss of any person.

"**Fitch**" means Fitch Ratings, Inc., or any successor to its rating business.

"**Funding Rate**" means any individual rate notified by a Lender to the Facility Agent pursuant to Clause 10.2.1.2 (*Cost of Funds*).

"**Governmental Authority**" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"**Group**" means the Parent and its Subsidiaries.

"**Impaired Agent**" means the Facility Agent at any time when:

(a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;

(b) the Facility Agent otherwise rescinds or repudiates a Finance Document;

(c) (if the Facility Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of Defaulting Lender; or

(d) an Insolvency Event has occurred and is continuing with respect to the Facility Agent,

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

payment is made within three Business Days of its due date; or

(ii) the Facility Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

"**Increase Confirmation**" means a confirmation substantially in the form set out in Schedule 7 (*Form of Increase Confirmation*).

"**Increase Lender**" has the meaning given to that term in Clause 2.8 (*Increase*).

"**Insolvency Event**" in relation to a Finance Party means that the Finance Party:

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(b) becomes insolvent or is unable to pay its debts, in each case under the laws of any relevant jurisdiction applicable to that Finance Party, or fails or admits in writing its inability generally to pay its debts as they become due;

(c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

(d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;

(e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:

(i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or

(ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;

(f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;

(h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;

(i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or

(j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

"**Interest Payment**" means the aggregate amount of interest that:

(a) is, or is scheduled to become, payable under any Finance Document; and

(b) relates to a Loan or Unpaid Sum (as the case may be).

"**Interest Period**" means each period determined in accordance with Clause 8 (*Interest Periods*).

"**Lender**" means:

(a) an Original Lender; or

(b) any person which becomes a Party as a Lender pursuant to Clause 2.8 (*Increase*) or Clause 27 (*Changes to the Parties*),

and which has not ceased to be a Party as such in accordance with this Agreement.

"**Loan**" means the principal amount of a borrowing by a Borrower under this Agreement or the principal amount outstanding of that borrowing.

"**Lookback Period**" means the number of days specified as such in the applicable Compounded Rate Terms.

"**Majority Lenders**" means, subject to Clause 26.4 (*Disenfranchisement of Defaulting Lenders*) at any time, a Lender or Lenders whose Commitments aggregate more than $66^{2}/_{3}$ per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than $66^{2}/_{3}$ per cent. of the Total Commitments immediately prior to the reduction).

"**Margin**" means the rate per annum determined in accordance with Clauses 9.2 (*Adjustment of Margin*).

"**Margin Stock**" has the meaning assigned to such term in Regulation U of the Board.

"**Material Subsidiary**" means:

(a) any Subsidiary of the Parent:

(i) the book value of whose assets (consolidated if it itself has Subsidiaries) equals or exceeds ten per cent. of the book value of the consolidated total assets of the Group;

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(ii) whose revenues (consolidated if it itself has Subsidiaries) equal or exceed ten per cent. of the revenues of the Group taken as a whole; or

(iii) whose trading profits (consolidated if it itself has Subsidiaries) before interest and tax equal or exceed ten per cent. of the trading profits before interest and tax of the Group as a whole,

as determined by reference to the most recent accounts of the Subsidiary and the most recent consolidated accounts of the Group; or

(b) any Subsidiary of the Parent which becomes a member of the Group after the date of the latest consolidated accounts of the Group at the time of determination and which would fulfil any of the tests in paragraphs (a)(i), (a)(ii) or (a)(iii) above if tested on the basis of its latest accounts (consolidated if it itself has Subsidiaries) and those latest accounts of the Group; or

(c) prior to the delivery of each set of accounts pursuant to Clause 17.2 (*Financial information*), any Subsidiary of the Parent to which has been transferred (whether by one transaction or a series of transactions, related or not) the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transaction or any of such transactions was a Material Subsidiary.

“**Maturity Date**” means 23 May 2029, provided that if such date is not a Business Day, the Maturity Date shall be the immediately preceding Business Day.

“**Moody's**” means Moody's Investors Services Limited, or any successor to its rating business.

“**Multiemployer Plan**” means a “multiemployer plan” within the meaning of section 3(37) or 4001(a)(3) of ERISA.

“**New Lender**” has the meaning given to it in Clause 27.2.1 (*Transfers by Lenders*).

“**Novation Certificate**” has the meaning given to it in Clause 27.3 (*Procedure for novations*).

“**Obligor**” means the Parent, each Guarantor and each Borrower.

“**Obligors' Agent**” means the Parent, or such other Obligor from time to time nominated by the Obligors' Agent to replace it as Obligors' Agent and approved for such purpose by the Facility Agent.

“**Original Group Accounts**” means the audited consolidated accounts of the Group for the year ended 31 December 2023.

“**Party**” means a party to this Agreement.

“**Plan**” means an “employee benefit plan” within the meaning of section 3(3) of ERISA maintained by an Obligor or any ERISA Affiliate currently or at any time within the last five years, or to which an Obligor or any ERISA Affiliate is required to make payments or contributions or has made payments or contributions within the past five years.

"**Rating Agency**" means:

(a) on and from the date of this Agreement, Standard & Poor's; and

(b) subsequently, any one or two of Fitch, Moody's and Standard & Poor's as notified by the Obligors' Agent to the Facility Agent in writing from time to time.

"**Reference Rate Supplement**" means a document which:

(a) is agreed in writing by the Parent, the Facility Agent (in its own capacity) and the Facility Agent (acting on the instructions of all the Lenders);

(b) specifies the relevant terms which are expressed in this Agreement to be determined by reference to Compounded Rate Terms; and

(c) has been made available to the Parent and each Finance Party.

"**Related Fund**" in relation to a fund (the "**first fund**"), means a fund which is managed or advised by the Board adopted same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

"**Relevant Market**" means the market specified as such in the applicable Compounded Rate Terms.

"**Relevant Nominating Body**" means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

"**Reportable Event**" means any of the events set forth in section 4043 of ERISA or the related regulations as to which the notice requirement has not been waived by the PBGC.

"**Reporting Day**" means the day (if any) specified as such in the applicable Compounded Rate Terms.

"**Reporting Time**" means the relevant time (if any) specified as such in the applicable Compounded Rate Terms.

"**Representative**" means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

"**Request**" means a request made by the Obligors' Agent for a Loan, substantially in the form of Schedule 3 (*Form of Request*).

"**Restricted Margin Stock**" means Margin Stock owned by any Obligor or any member of the Group, which represents not more than 33 per cent. of the aggregate value (determined in accordance with Regulation U of the Board), on a consolidated basis, of the assets of each Obligor and all members of the Group (other than Margin Stock) that are subject to the provisions of Clause 18 (*General Undertakings*) (including, without limitation, Clauses 18.4 (*Negative pledge*) and 18.5 (*Transactions similar to security*)).

"**RFR**" means the rate specified as such in the applicable Compounded Rate Terms.

"**RFR Banking Day**" means any day specified as such in the applicable Compounded Rate Terms.

"**Sanctioned Country**" means, at any time, a country, region or territory which is itself (or the government of which is) the subject or target of any Sanctions Laws.

"**Sanctions Authority**" means:

(a) the US Government, including the US Department of the Treasury (including its Office of Foreign Assets Control), the US Department of State, and the US Department of Commerce;

(b) the United Nations Security Council;

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(c) the European Union (including sanctions imposed against certain states, organisations and individuals under the European Union's Common Foreign and Security Policy);

(d) the United Kingdom (including His Majesty's Treasury);

(e) Japan;

(f) the Swedish Government; or

(g) any other governmental authority with jurisdiction over any Obligor and/or any of their respective Subsidiaries,

and any authority acting for on behalf of any of such entity in connection with administering and enforcing the Sanctions Laws.

"**Sanctions Laws**" means the economic or financial sanctions laws and/or sanctions regulations, sanctions-related trade embargoes and/or restrictive measures, or sanctions-related prohibitions imposed, administered, enacted or enforced from time to time by any Sanctions Authority.

"**Sanctions List**" means any list of persons or entities published in connection with Sanctions Laws or public announcements of Sanctions Laws or public designation or public identification made by or on behalf of any Sanctions Authority (including, providing such lists and information are publicly available, in the case of His Majesty's Treasury, the "Consolidated List of Financial Sanctions Targets" and the "Investment Ban List", and, in the case of the Office of Foreign Assets Control of the United States Department of the Treasury, the "Specially Designated Nationals and Blocked Persons" list and the "Foreign Sanctions Evaders" list); or, providing such lists and information are publicly available, by any national authority implementing at a national level the published lists prescribed by the United Nations Security Council or the European Union, provided that the scope of any such national implementation shall not exceed the scope of such published lists.

"**Sanctions Restricted Party**" means a person:

(a) that is listed on any Sanctions List (whether designated by name or by reason of being included in a class of person or a country or territory that is subject to nationwide or territory wide Sanctions Laws which directly apply to that person);

(b) that is the target of any Sanctions Laws;

(c) that is located, organised, operating or resident in a Sanctioned Country;

(d) that is directly or indirectly owned or controlled by or, acting on behalf of, a person referred to in paragraph (a) above; or

(e) with whom a national of any country that is subject to the jurisdiction of, or otherwise bound by the prescriptions of, a Sanctions Authority would be prohibited or restricted by law from engaging in trade, business or other activities.

"**Security Interest**" means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security.

"**Separate Loan**" has the meaning given to that term in Clause 6.1 (*Repayment*).

"**Standard & Poor's**" means Standard & Poor's Credit Market Services Limited, or any successor to its rating business.

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"**Subsidiary**" means an entity from time to time of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. (fifty per cent.) of the share capital or similar right of ownership.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Total Commitments**" means the aggregate for the time being of the Commitments, being US$125,000,000 at the date of this Non-Employee Director Compensation Policy, Agreement.

"**Transfer Date**" has the meaning given to it in Clause 27.3.3.

"**UK**" or "**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.

"**UK CRD IV**" means:

(a) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018; and

(b) the law of the United Kingdom or any part of it, which immediately before IP completion day (as defined in the European Union (Withdrawal Agreement) Act 2020) implemented Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC and its implementing measures; and

(c) direct EU legislation (as defined in the European Union (Withdrawal) Act 2018), which immediately before IP completion day (as defined in the European Union (Withdrawal Agreement) Act 2020) implemented EU CRD IV as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.

"**Unpaid Sum**" means any sum due and payable but unpaid by an Obligor under the Finance Documents.

"**Unrestricted Margin Stock**" means any Margin Stock owned by either Obligor or any member of the Group which is not Restricted Margin Stock.

"**US Code**" means the United States Internal Revenue Code of 1986.

"**USA**" means the United States of America.

"**US Dollars**" and "**US$**" means the currency for the time being of the USA.

"**US Tax Obligor**" means:

(a) a Borrower which is resident for tax purposes in the USA; or

(b) an Obligor some or all of whose payments under the Finance Documents are from sources within the USA for USA federal income tax purposes.

"**VAT**" means:

(a) any value added tax imposed by the Value Added Tax Act 1994;

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(b) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and

(c) any other tax of a similar nature, whether imposed in the United Kingdom or in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraphs (a) above and (b) above, or imposed elsewhere.

1.2 Construction

(a) In this Agreement, unless a contrary indication appears, a reference to:

(i) an "**amendment**" includes a supplement, novation or re-enactment and "**amended**" is to be effective May 1, 2024. construed accordingly;

(ii) " **assets**" includes present and future properties, revenues and rights of every description;

(iii) an "**authorisation**" includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration and notarisation;

(iv) a Lender's "**cost of funds**" in relation to its participation in a Loan is a reference to the average cost (determined either on an actual or a notional basis) which that Lender would incur if it were to fund, from whatever source(s) it may reasonably select, an amount equal to the amount of that participation in that Loan for a period equal in length to the Interest Period of that Loan;

(v) "**know your customer requirements**" are the identification checks that a Finance Party requests in order to meet its obligations under any applicable law or regulation to identify a person who is (or is to become) its customer;

(vi) a "**Default**" or an "**Event of Default**" is "**continuing**" if it has not been remedied or waived;

(vii) a "**material adverse effect**" means:

(A) a material adverse effect on the business or financial condition of the Parent or the Group as a whole; or

(B) a material adverse effect on the ability of any Obligor to perform its payment obligations under any of the Finance Documents;

(viii) a "**month**" is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(A) other than where paragraph (B) below applies:

(1) (subject to paragraph (2) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;

(2) if there is no numerically corresponding day in the month in which that period ends, that period

shall end on the last Business Day in that calendar month; or

(3) if an Interest Period commences on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which it is to end; and

(B) in relation to an Interest Period for any Loan (or any other period for the accrual of commission or fees) for which there are rules specified as "Business Day Conventions" in the applicable Compounded Rate Terms, those rules shall apply; and

(C) the above rules will only apply to the last month of any period;

(ix) a "**person**" includes any individual, company, unincorporated association or body of persons (including a partnership, joint venture or consortium), government, state, agency, international organisation or other entity;

(x) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

(xi) "**winding up**" also includes amalgamation, reconstruction, reorganisation, administration, dissolution, liquidation, merger or consolidation and any equivalent or analogous procedure under the law of any jurisdiction (but, for the avoidance of doubt, reorganisation does not include a mere transfer of assets from one member of the Group to another whether the transferor continues to exist);

(xii) a provision of law is a reference to that provision as amended or re-enacted from time to time;

(xiii) a Clause or a Schedule is a reference to a clause of or a schedule to this Agreement;

(xiv) a person includes its successors, transferees and assigns;

(xv) a Finance Document or another document is a reference to that Finance Document or other document as amended; and

(xvi) a time of day is a reference to Stockholm time.

(b) Unless the contrary intention appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(c) The index to and the headings in this Agreement are for convenience only and are to be ignored in construing this Agreement.

(d) A reference in this Agreement to a Central Bank Rate shall include any successor rate to, or replacement rate for, that rate.

(e) Any Reference Rate Supplement overrides anything in:

(i) Schedule Retainers . 9 (*Compounded Rate Terms*); or

(ii) any earlier Reference Rate Supplement.

(f) A Compounding Methodology Supplement relating to the Daily Non-Cumulative Compounded RFR Rate or the Cumulative Compounded RFR Rate overrides anything relating to that rate in:

(i) Schedule 10 (*Daily Non-Cumulative Compounded RFR Rate*) or Schedule 11 (*Cumulative Compounded RFR Rate*), as the case may be; or

(ii) any earlier Compounding Methodology Supplement.

(g) The determination of the extent to which a rate is "**for a period equal in length**" to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.

(h) Unless expressly provided to the contrary in a Finance Document, a person who is not a party to a Finance Document may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

(i) Notwithstanding any term of any Finance Document, the consent of any third party is not required for any variation (including any release or compromise of any liability order) or termination of that Finance Document.

2. **THE FACILITY** TC "2 The FACILITY" \l 1

2.1 **The Facility**

Subject to the terms of this Agreement, the Lenders grant to the Borrowers a revolving credit facility under which the Lenders will make Loans to a Borrower denominated in US Dollars.

2.2 **Facility Limits**

The aggregate amount of all outstanding Loans shall not at any time exceed the Total Commitments.

2.3 **A Lender's individual limit**

2.3.1 A Lender is not obliged to participate in a Loan if it would cause its applicable Outstandings to exceed its Commitment.

2.3.2 For the purpose of this Clause 2.3:

2.3.2.1 the applicable "**Outstandings**" of a Lender on any Drawdown Date means the aggregate amount of the participations of that Lender in all outstanding Loans which would be outstanding on that Drawdown Date, if:

(a) all outstanding Loans due to be repaid (or prepaid) on or before that Drawdown Date are repaid (or prepaid); and

(b) all Loans to be made on or before that Drawdown Date and in respect of which a Request has been received by the Facility Agent are made.

2.3.3 If the operation of Clause 5.3 (*Advance of Loans*) would cause the applicable Outstandings of a Lender (the "**affected Lender**") to exceed its Commitment, then:

2.3.3.1 the affected Lender will participate in the relevant Loan only to the extent that its applicable Outstandings will not exceed its Commitment;

2.3.3.2 each other Lender's participation in the Loan under the Clause referred to above will be re calculated in accordance with that Clause, but for the purpose of the recalculation the affected Lender's Commitment will be deducted from the Total Commitments and the amount of the affected Lender's participation in that Loan (if any) will be deducted from the requested amount of the Loan; and

2.3.3.3 the calculation in Clause 2.3.3.2 above will be applied to each Lender in turn until the amount of its participation in the Loan under that Clause is determined.

2.4 Lender Affiliates and Facility Office

2.4.1 In respect of a Loan to a particular Borrower (each a "**Designated Loan**") a Lender (a "**Designating Lender**") may, following retainers, receipt of notification from the Facility Agent pursuant to Clause 5.3.1 and prior to making its participation in that Designated Loan available to the Facility Agent or such earlier date at the Facility Agent may agree in writing (at its discretion) by written notice to the Facility Agent and the Parent:

2.4.1.1 designate a substitute Facility Office from which it will make that or those Designated Loan(s) (a "**Substitute Facility Office**"); or

2.4.1.2 nominate an Affiliate to act as the Lender of that or those Designated Loan(s) (a "**Substitute Affiliate Lender**").

2.4.2 A notice to nominate a Substitute Affiliate Lender:

2.4.2.1 must be in the form set out in Schedule 8 (*Form of Substitute Affiliate Lender Designation Notice*) and be countersigned by the relevant Substitute Affiliate Lender confirming it will be bound as a Lender under this Agreement in respect of the Designated Loan(s); and

2.4.2.2 will not be regarded as having been duly delivered unless, where the notice is in respect of a Loan, the Facility Agent has completed all know your customer requirements to its satisfaction in respect of the relevant Substitute Affiliate Lender.

2.4.3 The Designating Lender will act as the representative of any Substitute Affiliate Lender it nominates for all administrative purposes under this Agreement. The Obligors, the Facility Agent and the other Finance Parties will be entitled to deal only with the Designating Lender, except that payments will be made in respect of Designated Loans to the Facility Office of the Substitute Affiliate Lender. In particular the Commitments of the Designating Lender will not be treated as reduced by the introduction of the Substitute Affiliate Lender for voting purposes under this Agreement or the other Finance Documents.

2.4.4 Save as mentioned in Clause 2.4.3 above, a Substitute Affiliate Lender will be treated as a Lender for all purposes under the Finance Documents and having a Commitment equal to its participation in the Designated Loans if and for so long as it continues to be a Substitute Affiliate Lender and those Designated Loans and its participation in them remain outstanding (and consequently, during such

time and subject to proration as described below, shall remain in effect until changed by Clauses 2.4.3 and 2.4.5, the Board:

	Cash	**RSUs (Grant Date Value)**	**Total Retainer**

Annual Base Retainer			
All Non-Employee Directors	$132,500	$152,500	$285,000
Annual Supplemental Retainers			
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 relevant portion of the Commitment of the Designating Lender shall be treated as having been transferred to the applicable retainer Substitute Affiliate Lender so as to reduce the Designating Lender's Commitment by an amount equal to the principal amount of the participation of that Substitute Affiliate Lender in the relevant Designated Loans).

2.4.5 A Designating Lender may revoke its designation of an Affiliate as a Substitute Affiliate Lender by notice in writing to the Facility Agent and the Parent provided that such notice may only take effect when there are no Designated Loans outstanding to the Substitute Affiliate Lender. Upon such

2.7 **Change of currency**

2.7.1 If more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

2.7.1.1 any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Facility Agent; and

2.7.1.2 any translation from one currency or currency unit to another

Substitute Affiliate Lender ceasing to be a Substitute Affiliate Lender the Designating Lender will automatically assume (and be deemed to assume without further action by any Party) all rights and obligations previously vested in the Substitute Affiliate Lender.

2.4.6 Any Substitute Affiliate Lender or Designating Lender acting by a Substitute Facility Office is only entitled to receive payment under Clause 12 (*Taxes*) and Clause 13 (*Increased Costs*) to the same extent as the relevant Designating Lender would have been entitled prior to designating that Substitute Affiliate Lender or the Substitute Facility Office (as applicable), unless those payments arose as a result of circumstances which arose after such designation.

shall be at the official conversion rate recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Facility Agent acting reasonably.

2.7.2 If a change in any currency of a country occurs, this Agreement will be paid amended to the extent the Facility Agent specifies to be necessary to reflect the change in currency and to put the Finance Parties in the same position, so far as possible, that it would have been in if no change in currency had occurred.

2.8 **Increase**

2.8.1 The Parent may by giving prior notice to the Facility Agent by no later than the date falling ten Business Days after the effective date of a cancellation of:

2.8.1.1 the Available Commitments of a Defaulting Lender in accordance with Clause 7.4 (*Right of cancellation in relation to a Defaulting Lender*); or

2.8.1.2 the Commitments of a Lender in accordance

2.5 Finance Parties' rights and obligations

2.5.1 The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

2.5.2 The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its

with Clause 14 (*Illegality*),

request that the Total Commitments be increased (and the Total Commitments under the Facility shall be so increased) in an aggregate amount in US Dollars of up to the amount of the Available Commitments or Commitments so cancelled as follows:

(a) bi-annually, the increased Commitments will be assumed by one or more Lenders or other banks or financial institutions (each an "**Increase Lender**") selected by the Parent (each of which shall not be a member of the Group) and each of which confirms its willingness to assume (whether in the Increase Confirmation or otherwise) and does assume all the obligations of a Lender corresponding to that part of the increased Commitments which it is to assume, as if it had been an Original Lender in respect of rights in accordance with Clause 2.5.3 below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents, and, for the avoidance of doubt, any part of a Loan or any other amount owed by an Obligor which relates to a Finance Party's participation in the Facility or its role under a Finance Document (including any such amount payable to the Facility Agent on its behalf) is a debt owing to that Finance Party by that Obligor.

2.5.3 A Finance Party may, except as specifically provided in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

2.6 Appointment of Obligors' Agent

those Commitments;

(b) each of the Obligors and any Increase Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Increase Lender would have assumed and/or acquired had the Increase Lender been an Original Lender in respect of that part of the increased Commitments which it is to assume;

(c) each Increase Lender shall become a Party as a Lender and any Increase Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Lender and those Finance Parties would have assumed and/or

2.6.1 Each Obligor irrevocably authorises the Obligors' Agent to give all notices (including, without limitation, Requests and notices of prepayment and cancellation) and instructions and make such agreements including, without limitation, to confirm the continuation of any guarantees or indemnities following any amendment or waiver, however fundamental, or in relation to an alternative basis for determining the rate of interest and/or funding applicable to a Loan expressed to be capable of being given or made by the Obligors' Agent in this Agreement.

2.6.2 The authorisation of the Obligors' Agent shall be effective notwithstanding that the exercise of the Obligors' Agent's authority may

acquired had the Increase Lender been an Original Lender in respect of that part of the increased Commitments which it is to assume;

affect the Obligors without further reference to or the consent of the Obligors. Each Obligor shall, as regards the Facility Agent and each Lender, be bound by any action taken by the Obligors' Agent on its behalf as though that Obligor had itself taken such action.

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long term unsecured and unsubordinated debt of Autoliv, Inc. given by:

(a) [*insert relevant Rating Agency's name*] was [ ]; and

(b) [*insert relevant Rating Agency's name*] was [ ].

4. We confirm that no Default is outstanding as at the date of this Compliance Certificate.

By:

………………………………………………………… AUTOLIV, INC.

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If a non-employee director is newly appointed or elected

6 SCHEDULE 6

Form of Accession Agreement TC "6 Form of Accession Agreement" \l 3

To: [Standard Chartered Bank] as Facility Agent

From: AUTOLIV, INC. and [Proposed Borrower]

Date: [●]

Autoliv, Inc. US$125,000,000 Credit Agreement

dated [●] 2024 (the "Agreement")

1. We refer to the Board Agreement. This is an Accession Agreement. Terms defined in the Agreement have the same meaning in this Accession Agreement unless given a different meaning in this Accession Agreement.

2. [*Name of company*] of [*address/registered office*] agrees to become an Additional Borrower and to be bound by the terms of the Agreement as an Additional Borrower pursuant to Clause 27.7 (*Additional Borrowers*) of the Agreement. [*Name of company*] is a company duly incorporated under the laws of [*name of jurisdiction*].

3. This Accession Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

AUTOLIV, INC.

By:

[PROPOSED BORROWER]

By:

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7 SCHEDULE 7

Form of Increase Confirmation TC "7 Form of Increase Confirmation" \l 3

To: [Standard Chartered Bank] as Facility Agent and Autoliv, Inc. as the Parent

From: [the Increase Lender] (the **Increase Lender**)

Dated:

Autoliv, Inc. US$125,000,000 Credit Agreement

dated [●] 2024 (the "Agreement")

1. We refer to the Agreement. This is an Increase Confirmation. Terms defined in the Agreement have the same meaning in this Increase Confirmation unless given a different meaning in this Increase Confirmation.

2. We refer to Clause 2.8 (*Increase*) of the Agreement.

3. The Increase Lender agrees to assume and will assume all of the obligations corresponding to the Commitment specified in the Schedule (the "**Relevant Commitment**") as if it was an Original Lender under the Agreement.

4. The proposed date on which the increase in relation to the Increase Lender and the Relevant Commitment is to take effect (the "**Increase Date**") is [ ].

5. On the Increase Date, the Increase Lender becomes party to the relevant Finance Documents as a Lender.

6. The Facility Office and address and attention details for notices to the Increase Lender for the purposes of Clause 36.2 (*Addresses for notices*) are set out in the Schedule.

7. The Increase Lender expressly acknowledges the limitations on the Lenders' obligations referred to in Clause 2.8.6 (*Increase*) of the Agreement.

8. The Increase Lender confirms, for the benefit of the Facility Agent and without liability to any Obligor, that it is not a Defaulting Lender.

9. This Increase Confirmation and any non-contractual obligations arising out of or in connection with it are governed by English law.

10. This Increase Confirmation may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Increase Confirmation.

11. This Increase Confirmation has been entered into on the date stated at the beginning of this Increase Confirmation.

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THE SCHEDULE

Relevant Commitment/rights and obligations to be assumed by the Increase Lender

[*insert relevant details*]

[*Facility office address and attention details for notices and account details for payments*]

[*Increase Lender*]

By:

This Increase Confirmation is accepted as an Increase Confirmation for the purposes of the Agreement by the Facility Agent, and the Increase Date is confirmed as [●].

Facility Agent

By:

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8 SCHEDULE 8

Form of Substitute Affiliate Lender Designation Notice TC "8 Form of Substitute Affiliate Lender Designation Notice" \l 3

To: [Standard Chartered Bank] as Facility Agent and Autoliv, Inc. as the Parent

From: [the Designating Lender] (the "**Designating Lender**")

Dated:

Autoliv, Inc. US$125,000,000 Credit Agreement
dated [●] 2024 (the "Agreement")

1. We refer to the Agreement. Terms defined in the Agreement have the same meaning in this Designation Notice unless given a different meaning in this Designation Notice.

2. We hereby designate our Affiliate details of which are given below as a Substitute Affiliate Lender in respect of the US$ [*amount*] Loan referred to in the Request dated [●] to be advanced to [Borrower] (the "**Designated Loan**").

3. The details of the Substitute Affiliate Lender are as follows:

   Name:

   Facility Office:

   Address for notices:

   Jurisdiction of Incorporation:

4. By countersigning this notice below the Substitute Affiliate Lender agrees to become a Substitute Affiliate Lender in respect of Designated Loan[s] as indicated above and agrees to be bound by the terms of the Agreement accordingly.

5. This Designation Notice and any time other than non-contractual obligations arising out of or in connection with it are governed by English law.

6. This Designation Notice may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Designation Notice.

…………………………………………………………………
For and on behalf of
[Designating Lender]

We acknowledge and agree to the terms of the above.

…………………………………………………………………
For and on behalf of
[Substitute Affiliate Lender]

We acknowledge the terms of the above.

…………………………………………………………………
For and on behalf of
the [Facility Agent]

Dated

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9 SCHEDULE 9

Reference Rate Terms TC "9 Compounded Rate Terms" \l 3

DOLLARS

CURRENCY:	US Dollars.

Cost of funds as a fallback

Cost of funds will not apply as a fallback.

Definitions

Additional Business Days:	An RFR Banking Day.
Break Costs:	Not applicable

Business Day Conventions (definition of "month" and Clause 8.3 (*Non-Business Days*)):	(a) If any period is expressed to accrue by reference to a month or any number of months then, in respect of the last month of that period: (i) subject to paragraph (iii) below, if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; (ii) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and (iii) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end. (b) If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).
Central Bank Rate:	(a) The short-term interest rate target set by the US Federal Open Market Committee as published by the Federal

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	Reserve Bank of New York from time to time; or (b) if that target is not a single figure, the arithmetic mean of: (i) the upper bound of the short-term interest rate target range set by the US Federal Open Market Committee and published by the Federal Reserve Bank of New York; and (ii) the lower bound of that target range.

Central Bank Rate Adjustment:	In relation to the Central Bank Rate prevailing at close of business on any RFR Banking Day, the 20% trimmed arithmetic mean (calculated by the Facility Agent) of the Central Bank Rate Spreads for the five most immediately preceding RFR Banking Days for which the RFR was available.
Central Bank Rate Spread	means, in relation to any RFR Banking Day, the difference (expressed as a percentage rate per annum) calculated by the Facility Agent between: (a) the RFR for that RFR Banking Day; and (b) the Central Bank Rate prevailing at close of business on that RFR Banking Day.

Credit Adjustment Spread:

Interest Period	Credit Adjustment Spread (% p.a.)
one month or less	0.11448
more than one month but less than or equal to two months	0.18456
more than two months but less than or equal to three months	0.26161
more than three months but less than or equal to six months	0.42826

Daily Rate:

The "**Daily Rate**" for any RFR Banking Day is:

(a) the RFR for that RFR Banking Day;

(b) if the RFR is not available for that RFR Banking Day, the percentage rate per annum which is the aggregate of:

(i) the Central Bank Rate for that RFR Banking Day; and

(ii) the applicable Central Bank Rate Adjustment; or

(c) if paragraph (b) above applies but the Central Bank Rate for that RFR Banking Day is not available, the percentage rate per annum which is the aggregate of:

(i) the most recent Central Bank Rate for a day which is no more than five RFR Banking Days before that RFR Banking Day; and

(ii) the applicable Central Bank Rate Adjustment,

rounded, in either case, to five decimal places and if, in either case, the aggregate of that rate and the applicable Credit Adjustment Spread is less than zero, the Daily Rate shall be deemed to be such a rate that the aggregate of the Daily Rate and the applicable Credit Adjustment Spread is zero.

Lookback Period:	Five RFR Banking Days.
Relevant Market:	The market for overnight cash borrowing collateralised by US Government securities.
Reporting Day:	The Business Day which follows the day which is the Lookback Period prior to the last day of the Interest Period.
RFR:	The secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).
RFR Banking Day:	Any day other than: (a) a Saturday or Sunday; and (b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.

Interest Periods

Periods capable of selection as Interest Periods (Clause 8.2.2):	One month Two months Three months

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Reporting Times

Deadline for Lenders to report their cost of funds in accordance with Clause 10.2 (*Cost of funds*)	Close of business on the date falling five Business Days after the Reporting Day for the relevant Loan (or, if earlier, on the date falling five Business Days before the date on which interest is due to be paid in respect of the Interest Period for that Loan).

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10 SCHEDULE 10

Daily Non-Cumulative Compounded RFR Rate TC "10 Daily Non-Cumulative Compounded RFR Rate" \l 3

The "**Daily Non-Cumulative Compounded RFR Rate**" for any RFR Banking Day "**i**" during an AGM, then his Interest Period for a Loan is the percentage rate per annum (without rounding, to the extent reasonably practicable for the Finance Party performing the calculation, taking into account the capabilities of any software used for that purpose) calculated as set out below:

(UCCDRi-UCCDRi-1)×dccni

where:

"**$UCCDR_i$**" means the Unannualised Cumulative Compounded Daily Rate for that RFR Banking Day **i**;

"**$UCCDR_{i-1}$**" means, in relation to that RFR Banking Day "**i**", the Unannualised Cumulative Compounded Daily Rate for the immediately preceding RFR Banking Day (if any) during that Interest Period;

"**dcc**" means 360 or, her first bi-annual cash payment will be prorated in any case where market practice in the Relevant Market is to reflect use a different number for quoting the number of full days in a year, that number;

"**n_i**" means the number of calendar months of service between days from, and including, that RFR Banking Day "**i**" up to, but excluding, the effective date following RFR Banking Day; and

the "**Unannualised Cumulative Compounded Daily Rate**" for any RFR Banking Day (the "**Cumulated RFR Banking Day**") during that Interest Period is the result of the non-employee director's appointment or election through below calculation (without rounding, to the extent reasonably practicable for the Finance Party performing the calculation, taking into account the capabilities of any software used for that purpose):

ACCDR×tnidcc

where:

"**ACCDR**" means the Annualised Cumulative Compounded Daily Rate for that Cumulated RFR Banking Day;

"**tn_i**" means the number of calendar days from, and including, the first day of the Cumulation Period to, but excluding, the RFR Banking Day which immediately follows the last day of the respective bi-annual service Cumulation Period;

"**Cumulation Period (e.g.**" means the period from, and including, the first RFR Banking Day of that Interest Period to, and including, that Cumulated RFR Banking Day;

"**dcc**" has the meaning given to that term above; and

the "**Annualised Cumulative Compounded Daily Rate**" for that Cumulated RFR Banking Day is the percentage rate per annum (rounded to either (a) four decimal places, or (b) if different, such other number of decimal places as provided for in the definition of "Daily Rate" in the relevant Compounded Rate Terms) calculated as set out below:

$$i=1d01+DailyRatei-LP\times nidcc-1\times\ dcctni$$

where:

"$\mathbf{d_0}$" means the number of RFR Banking Days in the Cumulation Period;

"**Cumulation Period**" has the meaning given to that term above;

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Exhibit 10.1

"**i**" means a non-employee director is appointed series of whole numbers from one to $\mathbf{d_0}$, each representing 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 relevant RFR Banking Day in chronological order in the abovementioned payment date. Cumulation Period;

- "If a non-employee director is not re-elected at**DailyRate$_{\mathbf{i-LP}}$**" means, for any RFR Banking Day "**i**" in the AGM, then he or she will receive any cash payment for services during Cumulation Period, 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 Daily Rate for the respective bi-annual service period will be prorated RFR Banking Day which is the applicable Lookback Period prior to reflect that RFR Banking Day "**i**";

"$\mathbf{n_i}$" means, for any RFR Banking Day "**i**" in the Cumulation Period, the number of full calendar months days from, and including, that RFR Banking Day "**i**" up to, but excluding, the following RFR Banking Day;

"**dcc**" has the meaning given to that term above; and

"$\mathbf{tn_i}$" has the meaning given to that term above.

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“**Annualised Cumulative Compounded Daily Rate**” in Schedule 10 (*Daily Non-Cumulative Compounded RFR Rate*)) calculated as set out below:

𝑖=1d01+DailyRatei-LP×nidcc-1×dccd

*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. where:

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** **d_0**”), 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

SIGNATURE PAGE TO FACILITIES AGREEMENT

PARENT

AUTOLIV, INC.

By: /s/ Anthony Nellis

Name: Anthony Nellis

Title: General Counsel

Annual Supplemental Retainers

GUARANTORS

AUTOLIV, INC.

By: /s/ Anthony Nellis

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

Name: Anthony Nellis

Title: General Counsel

AUTOLIV ASP, INC.

By: /s/ Anthony Nellis

Name: Anthony Nellis

Title: General Counsel

ORIGINAL BORROWER

By: /s/ Anthony Nellis

Name: Anthony Nellis

Title: General Counsel

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 means the number of full RFR Banking Days during the Interest Period;

"**i**" means a series of whole numbers from one to **d**$_0$, each representing the relevant RFR Banking Day in chronological order during the Interest Period;

"**DailyRate**$_{i-LP}$" means for any RFR Banking Day "**i**" during the Interest Period, the Daily Rate for the RFR Banking Day which is the applicable Lookback Period prior to that RFR Banking Day "**i**";

"**n**$_i$" means, for any RFR Banking Day "**i**", the number of calendar months between days from, and including, that RFR Banking Day "**i**" up to, but excluding, the effective date following

RFR Banking Day;

"**dcc**" means 360 or, in any case where market practice in the Relevant Market is to use a different number for quoting the number of days in a year, that number; and

"**d**" means the non-employee director's appointment or election through the month in which the next AGM will be held. number of calendar days during that Interest Period.

Autoliv-
Facility
Agreement-
Signature
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Annual
supplemental
retainers will
be paid in
cash bi-
annually at the

114	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 115