

Appendix

Autoliv, Inc. Continuing Operations¹⁾

Unaudited Consolidated Statements of Operations

(Dollars in millions)

	Years ended December 31	
	2017	2016
Net sales	\$ 8,136.8	\$ 7,921.6
Cost of sales	(6,466.2)	(6,302.8)
Gross profit	1,670.6	1,618.8
Selling, general and administrative expenses	(406.6)	(394.4)
Research, development and engineering expenses, net	(370.6)	(357.3)
Amortization of intangibles	(11.2)	(10.5)
Other income (expense), net	(31.7)	(34.8)
Operating profit	850.5	821.8
Income from equity method investments	1.7	2.6
Interest income	7.4	4.5
Interest expense	(61.1)	(62.2)
Other non-operating items, net	(15.2)	8.3
Income before income taxes	783.3	775.0
Income tax expense	(204.4)	(224.3)
Net profit	578.9	550.7
Less: Net loss attributable to non-controlling interest	2.0	1.5
Net income attributable to controlling interest	\$ 576.9	\$ 549.2

¹⁾ The Unaudited Consolidated Statements of Operations from Continuing Operations have been derived from Autoliv, Inc's 2017 Annual Report and excludes the Discontinued Operations of Veoneer, Inc. Group in accordance with U.S. GAAP.

Items Affecting Comparability

We believe that comparability between periods is improved through the exclusion of certain unusual or non-recurring 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 this item. Accordingly, the tables below reconcile from U.S. GAAP to the equivalent non-U.S. GAAP measure.

(Dollars in millions)	2017	2016
Operating profit	\$ 850.5	\$ 821.8
Anti trust related matters	18.2	13.3
Capacity Alignment	21.6	21.2
Non-GAAP adjusted operating profit	\$ 890.3	\$ 856.3

Appendix

Autoliv, Inc. Continuing Operations¹⁾

Unaudited Consolidated Balance Sheets

(Dollars in millions)

	At December 31	
	2017	2016
Assets		
Cash and cash equivalents	\$ 959.5	\$ 1,226.7
Receivables, net	1,696.7	1,515.1
Inventories, net	704.3	609.0
Income tax receivables	41.2	35.8
Prepaid expenses	163.9	117.7
Other current assets	2.8	1.1
Total current assets	3,568.4	3,505.4
Property, plant and equipment, net	1,608.9	1,328.7
Investments and other non-current assets	341.0	310.7
Goodwill	1,397.0	1,380.6
Intangible assets, net	42.6	49.5
Total assets	6,957.9	6,574.9
Liabilities and equity		
Short-term debt	19.7	216.3
Accounts payable	957.3	879.0
Accrued expenses	851.7	761.0
Income tax payable	81.9	66.6
Other current liabilities	198.0	154.1
Total current liabilities	2,108.6	2,077.0
Long term debt	1,310.7	1,312.5
Pension liability	206.8	218.8
Other non-current liabilities	144.3	103.6
Total non-current liabilities	1,661.8	1,634.9
Equity		
Common Stock	102.8	102.8
Additional Paid-in Capital	1,329.3	1,329.3
Retained Earnings	3,211.9	3,010.6
Accumulated other comprehensive loss	(279.4)	(536.0)
Treasury Stock (15.8 and 14.6 shares, respectively)	(1,188.7)	(1,051.2)
Total equity	3,175.9	2,855.5
Non-controlling interest	11.6	7.5
Total shareholders' equity	3,187.5	2,863.0
Total liabilities and shareholders' equity	\$ 6,957.9	\$ 6,574.9

¹⁾ The Unaudited Consolidated Balance Sheets from Continuing Operations have been derived from Autoliv, Inc's 2017 Annual Report and excludes the Discontinued Operations of Veoneer, Inc. Group in accordance with U.S. GAAP.

Appendix

Autoliv, Inc.¹⁾

Unaudited Consolidated Statements of Cash Flow

(DOLLARS IN MILLIONS)	Years ended December 31	
	2017	2016
Operating activities		
Net income from continuing operations	\$ 578.9	\$ 550.7
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	307.0	279.8
Deferred income taxes	(28.7)	(13.9)
Undistributed income from equity method investments, net of dividends	7.4	1.0
Net change in:		
Receivables and other assets, gross	(101.1)	(128.1)
Inventories, gross	(39.2)	(65.4)
Accounts payable and accrued expenses	116.4	141.3
Income taxes	5.1	7.4
Other, net	23.7	48.8
Net cash provided by operating activities - continuing operations	869.5	821.6
Net cash provided by operating activities - discontinued operations	66.4	46.8
Net cash provided by operating activities	\$ 935.9	\$ 868.4
Investing activities		
Expenditures for property, plant and equipment	(470.1)	(404.3)
Proceeds from sale of property, plant and equipment	3.6	6.7
Acquisition of intangible assets	-	(1.1)
Net proceeds from divestitures	1.4	-
Other	(3.8)	-
Net cash used in investing activities - continuing operations	(468.9)	(398.7)
Net cash used in investing activities - discontinued operations	(228.4)	(327.3)
Net cash used in investing activities	\$ (697.3)	\$ (726.0)
Financing activities		
Net decrease in short-term debt	(205.0)	(6.4)
Repayments and other changes in long-term debt	0.5	(11.9)
Dividends paid to non-controlling interest	(0.1)	(1.7)
Dividends paid	(208.7)	(202.8)
Shares repurchased	(157.0)	-
Common stock options exercised	7.9	5.9
Net transfers to affiliates	(166.1)	(264.9)
Other, net	0.3	1.1
Net cash used in financing activities - continuing operations	(728.2)	(480.7)
Net cash provided by financing activities - discontinued operations	162.0	280.5
Net cash used in financing activities	\$ (566.2)	\$ (200.2)
Effect of exchange rate changes on cash and cash equivalents	60.4	(49.0)
Decrease in cash and cash equivalents	(267.2)	(106.8)
Cash and cash equivalents at beginning of year	1,226.7	1,333.5
Cash and cash equivalents at end of year	\$ 959.5	\$ 1,226.7

¹⁾ The Unaudited Consolidated Statements of Cash Flow have been derived from Autoliv, Inc's 2017 Annual Report and includes the Discontinued Operations of Veoneer, Inc. Group reported in accordance with U.S. GAAP.