



Saving More Lives

# Kvartalsrapport 3

juli - september 2025

Stockholm, Sverige, Oktober 17, 2025  
(NYSE: ALV och SSE: ALIV.sdb)

**Autoliv**



# Kv3 2025: Kv3-rekord för försäljning, rörelseresultat, vinst/aktie

## Finansiell sammanfattning Kv3

**\$2 706 miljoner** försäljning  
**5,9%** försäljningsökning  
**3,9%** organisk försäljningsökning\*  
**9,9%** rörelsemarginal  
**10,0%** justerad rörelsemarginal\*  
**\$2,28** vinst/aktie efter utspädning, 31% ökning  
**\$2,32** just. vinst/aktie\* efter utspädning, 26% ökning

Alla förändringstal i denna rapport jämför med motsvarande period året innan, om inte annat anges.

## Utsikter för helåret 2025

**Cirka 3%** organisk försäljningsökning  
**Cirka 1%** valutaeffekt på försäljningen  
**Cirka 10-10,5%** justerad rörelsemarginal  
**Cirka \$1,2 miljarder** operativt kassaflöde

## Viktiga händelser i verksamheten under det tredje kvartalet 2025

- **Försäljningen ökade organiskt\* med 3,9%**, vilket var 0,7 procentenheter mindre än den globala bilproduktionens ökning med 4,6% (S&P Global Okt 2025). Fordonsproduktionens mixutveckling, både regionalt och per kund beräknas ha haft cirka 1 procentenhets negativ effekt på försäljningen, medan tullkompensationer adderade cirka 0,5 procentenheter. Vi växte snabbare än fordonsproduktionen i Asien ex. Kina och i Amerika medan vi växte långsammare än fordonsproduktionen i Kina och Europa. Vår organiska försäljningstillväxt\* i Kina till kinesiska kunder var cirka 8 procentenheter högre än deras fordonsproduktionstillväxt. Vi förväntar oss att vårt rekordstora antal nya lanseringar kommer understödja vår försäljningsutveckling i Kina i det fjärde kvartalet.
- **Lönsamheten förbättrades markant**, främst pga organisk försäljningstillväxt\*, väl genomförda kostnadsminskningar och positiva effekter av en leverantörsuppgörelse och en leverantörskompensation. Vi beräknar att effekten av USAs tullar var cirka 20bps negativt på rörelsemarginalen, då vi lyckades föra vidare merparten av tullkostnaderna till våra kunder. Rörelseresultatet ökade med 18% till 267 MUSD och justerat rörelseresultat\* ökade med 14% till 271 MUSD. Rörelsemarginalen var 9,9% och justerad rörelsemarginal\* var 10,0%. Avkastning på sysselsatt kapital var 25,1% och justerad avkastning på sysselsatt kapital\* var 25,5%.
- **Operativt kassaflöde ökade** med 46%, pga bättre vinst och rörelsekapital. Nettoinvesteringarna minskade markant, och fritt operativt kassaflöde\* ökade kraftigt. Skuldsättningsgraden\* på 1,3x är lägre än vårt målsättningsstak på 1,5x. I kvartalet betalades en utdelning på 0,85 USD per aktie (21% ökning från Kv2 2025) och 0,84 miljoner aktier återköptes och makulerades.

\* För ej U.S. GAAP, se jämförelsetabell.

## Nyckeltal

| MUSD, förutom aktiedata                                   | Kv3 2025 | Kv3 2024 | Förändring | 9M 2025 | 9M 2024 | Förändring |
|-----------------------------------------------------------|----------|----------|------------|---------|---------|------------|
| Försäljning                                               | \$2 706  | \$2 555  | 5,9%       | \$7 998 | \$7 774 | 2,9%       |
| Rörelseresultat                                           | 267      | 226      | 18%        | 769     | 626     | 23%        |
| Justerat rörelseresultat <sup>1)</sup>                    | 271      | 237      | 14%        | 777     | 657     | 18%        |
| Rörelsemarginal                                           | 9,9%     | 8,9%     | 1,0        | 9,6%    | 8,1%    | 1,6        |
| Justerad rörelsemarginal <sup>1)</sup>                    | 10,0%    | 9,3%     | 0,7        | 9,7%    | 8,5%    | 1,3        |
| Vinst/aktie efter utspädning                              | 2,28     | 1,74     | 31%        | 6,59    | 4,98    | 32%        |
| Justerad vinst/aktie efter utspädning <sup>1)</sup>       | 2,32     | 1,84     | 26%        | 6,67    | 5,30    | 26%        |
| Operativt kassaflöde                                      | 258      | 177      | 46%        | 613     | 639     | -4,1%      |
| Avkastning på sysselsatt kapital <sup>2)</sup>            | 25,1%    | 22,9%    | 2,2        | 24,9%   | 21,2%   | 3,8        |
| Justerad avkastning på sysselsatt kapital <sup>1,2)</sup> | 25,5%    | 23,9%    | 1,6        | 25,2%   | 22,1%   | 3,0        |

1) Exklusive effekter från kapacitetsanpassningar och kartellrelaterade ärenden. Ej U.S. GAAP, se jämförelsetabell. 2) Annualiserat rörelseresultat och vinstandelar i minoritetsbolag i förhållande till genomsnittligt sysselsatt kapital.

## Kommentar från Mikael Bratt, VD & koncernchef



Det glädjer mig att, ännu en gång, rapportera ett rekordkvartal. Detta kvartalet är det bästa tredje kvartalet hittills, för försäljning, rörelseresultat och vinst/aktie. Detta drevs av bättre än väntad försäljning, särskilt i Amerika och Europa, samt väl genomförda aktiviteter för kostnadsbesparing och tullkompensation. Jag är nöjd med att vi växte snabbare med kinesiska kunder än vad deras fordons-

produktion växte. Upptäckningen av vissa modeller började långsammare än väntat, men förbättrades gradvis under kvartalet. Vi förväntar oss förbättrad försäljningsutveckling i Kina i kvartal 4.

Tack vare ökad genomslag för fordonssäkerhet fortsatte vår höga tillväxt i Indien, och den utgjorde cirka en tredjedel av vår globala organiska tillväxt i det tredje kvartalet.

Vi investerar för fortsatta framgångar i Kina. Vi påbörjade bygget av ett andra FoU-center i Kina för att stödja vår växande affär med kinesiska kunder, både för Kina och globalt. Dessutom signerade vi i oktober en strategisk överenskommelse med CATARC, den ledande forskningsinstitutionen som sätter standarden i Kinas fordonssektor. Tillsammans avser vi att utveckla

säkerhetsstandarder och innovationer inom fordons-säkerhet. I tillägg till det så tillkännagjorde vi nyligen våra planer på att skapa ett samriskbolag med HSAE, en ledande kinesisk utvecklare av fordonselektronik. Avsikten är att utveckla och tillverka avancerad säkerhetselektronik, vilket kommer öka den vertikala integrationen av vår nuvarande produktportfölj.

Vi fick kompensation för cirka 75% av tullkostnaderna i det tredje kvartalet, och förväntar oss att erhålla majoriteten av det som återstår i kvartal 4. Vi fortsätter att noga bevaka situationen, inställda på att vara adaptiva och snabbfotade.

Vårt fokus på operationell effektivitet, kommersiell skicklighet och kostnadsbesparingar fortsätter att ge resultat. I kvartalet växte försäljningen organiskt med 4%, bruttoresultatet med 14%, rörelseresultatet med 18% och vinst/aktie med 31%. Med hjälp av god balansräkningskontroll växte det operativa kassaflödet med 46%, och med lägre investeringar ökade det fria kassaflödet markant. Vi kunde därmed hålla skuldsättningsgraden på 1,3x, trots en höjning av utdelningen med 21% och återköp av aktier för 100 MUSD.

Vi är fortsatt övertygade att vi ska nå vår helårsindikation på en justerad rörelsemarginal på 10-10,5%, i nuläget förväntar vi oss att landa i mitten av intervallet.

## Full year 2025 guidance

In addition to the assumptions and our business and market update noted below, our full year 2025 guidance is based on our customer call-offs, as well as the achievement of our targeted cost compensation adjustments with our customers, including for the new tariffs, no further material changes to tariffs or trade restrictions, as compared to what is in effect as of October 15, 2025, as well as no significant changes in the macro-economic environment, changes to customer call-off volatility or significant supply chain disruptions.

| Full year 2025 Guidance                 |                      |
|-----------------------------------------|----------------------|
| Organic sales growth                    | Around 3%            |
| Adjusted operating margin <sup>1)</sup> | Around 10-10.5%      |
| Operating cash flow <sup>2)</sup>       | Around \$1.2 billion |
| Capex, net, % of sales                  | Around 4.5%          |

<sup>1)</sup> Excluding effects from capacity alignments, antitrust related matters and other discrete items. <sup>2)</sup> Excluding unusual items.

| Full year 2025 Assumptions |             |
|----------------------------|-------------|
| LVP growth                 | Around 1.5% |
| FX impact on net sales     | Around 1%   |
| Tax rate <sup>3)</sup>     | Around 28%  |

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

The forward-looking non-U.S. GAAP financial measures above are provided on a non-U.S. GAAP basis. Autoliv has not provided a U.S. GAAP reconciliation of these measures because items that impact these measures, such as costs and gains related to capacity alignments and antitrust matters, cannot be reasonably predicted or determined. As a result, such reconciliation is not available without unreasonable efforts and Autoliv is unable to determine the probable significance of the unavailable information.

## Conference call and webcast

The earnings conference call will be held at 2:00 p.m. CET today, October 17, 2025. Information regarding how to participate is available on [www.autoliv.com](http://www.autoliv.com). The presentation slides for the conference call will be available on our website shortly after the publication of this financial report.

## Business and market condition update

### Supply Chain

In the third quarter of 2025, global LVP increased by 4.6% year-over-year (according to S&P Global Oct 2025). Call-off volatility improved slightly compared to a year earlier, although it remains higher than pre-pandemic levels. Low customer demand visibility and changes to customer call-offs with short notice, although they improved, continued to have some negative impact on our production efficiency and profitability. We expect call-off volatility for the full year 2025 on average to be slightly lower than it was in 2024 but still remain higher than pre-pandemic levels. However, the continued uncertainty regarding future changes in tariffs and trade restrictions may lead to a more negative call-off volatility environment.

### Inflation

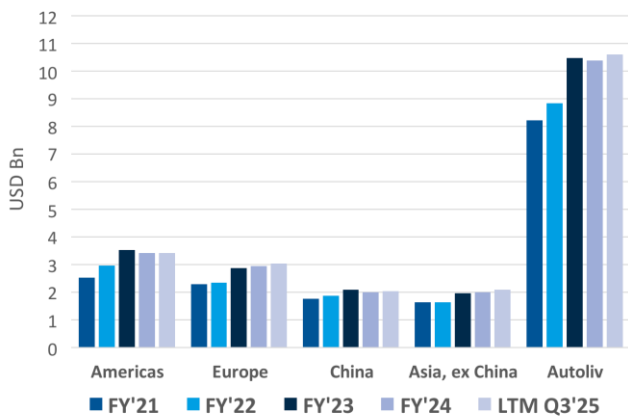
In the third quarter, cost pressure from labor and other items impacted our profitability negatively, although to a lesser degree than in the third quarter of 2024. Most of the inflationary cost pressure was offset by price increases and other customer compensations in the quarter. Raw material price changes did not have a meaningful impact on our profitability during the quarter. The continued uncertainty regarding the effects of tariffs and trade restrictions may lead to a more adverse inflation environment. We continue to execute on productivity and cost reduction initiatives to offset these cost pressures.

### Geopolitical risks and tariffs

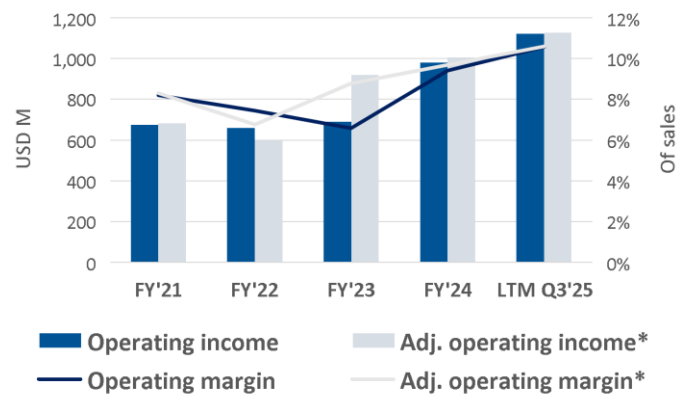
The effects from the new tariffs imposed in the first nine months of the year did not have a material impact on our profitability in the third quarter, as we achieved customer compensations for most tariff costs. It is our ambition and expectation that we will continue to pass on tariff costs to our customers, although there is significant uncertainty. We recovered around 75% of the tariffs in the third quarter, and we expect to recover most of what remains later in the year. The impact of the tariffs not yet recovered on our operating income was around \$5 million negative in the quarter. Including the dilutive effect of tariffs recovered, operating margin was negatively impacted by around 20bps. For the full year 2025, we expect the tariff dilution on our operating margin to be around 20 bps. Geopolitical uncertainties will continue to create a challenging operating environment. Any new, increased or changed tariffs or other related trade restrictions imposed during the remainder of 2025 may impact our operations and contribute to the uncertainty of industry expectations. We continue to closely monitor the tariff policy environment and are prepared to remain agile in responding to any such developments.

## Key Performance Trends

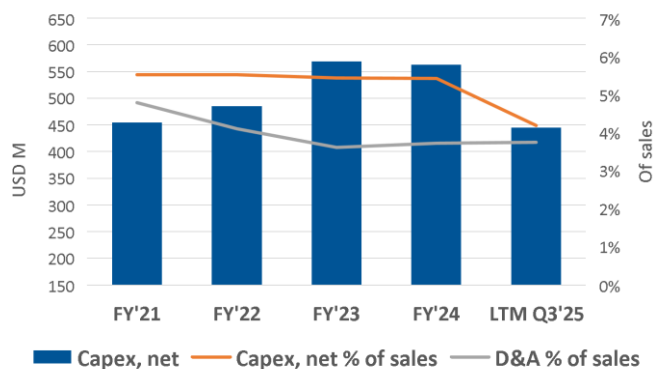
### Net Sales Development by region



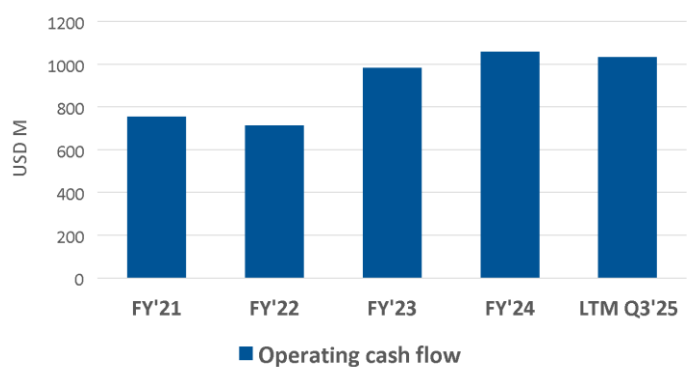
### Operating and adjusted\* operating income and margins



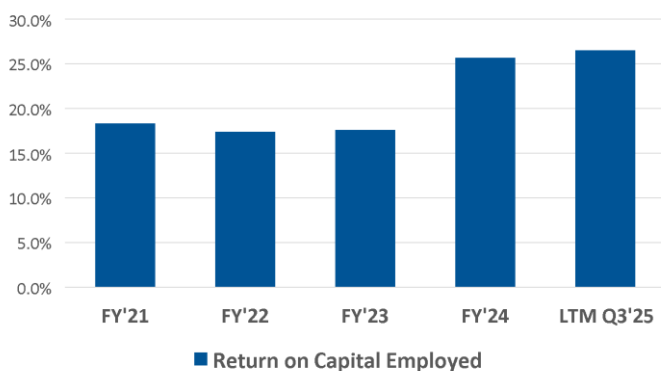
### Capex, net and D&A



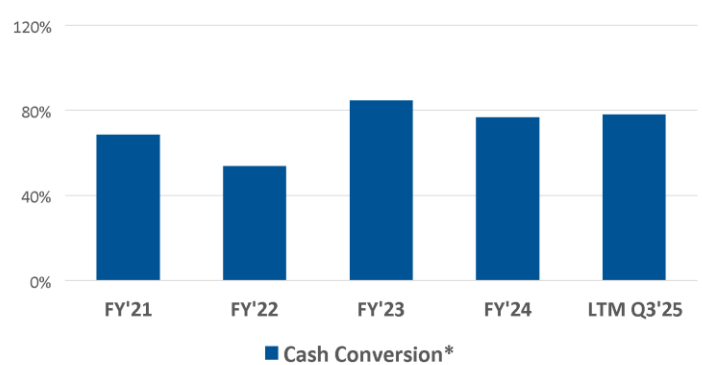
### Operating cash flow



### Return on Capital Employed



### Cash Conversion\*



## Key definitions

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

**Capex, net:** Capital Expenditure, net, defined as Expenditures for Property, Plant and Equipment less Proceeds from sale of Property, Plant and Equipment.

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

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

## Consolidated sales development

### Third quarter 2025

| Consolidated sales<br>(Dollars in millions)      | Third quarter  |                | Reported change<br>(U.S. GAAP) | Currency<br>effects <sup>1)</sup> | Organic<br>change* |
|--------------------------------------------------|----------------|----------------|--------------------------------|-----------------------------------|--------------------|
|                                                  | 2025           | 2024           |                                |                                   |                    |
| Airbags, Steering Wheels and Other <sup>2)</sup> | \$1,830        | \$1,736        | 5.4%                           | 1.8%                              | 3.6%               |
| Seatbelt Products and Other <sup>2)</sup>        | 875            | 819            | 6.9%                           | 2.4%                              | 4.5%               |
| <b>Total</b>                                     | <b>\$2,706</b> | <b>\$2,555</b> | <b>5.9%</b>                    | <b>2.0%</b>                       | <b>3.9%</b>        |
| Americas                                         | \$897          | \$851          | 5.3%                           | 0.6%                              | 4.7%               |
| Europe                                           | 745            | 700            | 6.4%                           | 6.3%                              | 0.1%               |
| China                                            | 526            | 495            | 6.3%                           | 0.1%                              | 6.2%               |
| Asia excl. China                                 | 538            | 508            | 5.8%                           | 0.3%                              | 5.5%               |
| <b>Total</b>                                     | <b>\$2,706</b> | <b>\$2,555</b> | <b>5.9%</b>                    | <b>2.0%</b>                       | <b>3.9%</b>        |

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

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

Sales for Airbags, Steering Wheels and Other grew organically\* by 3.6% in the quarter. The largest contributors to the increase was inflatable curtains, side airbags, driver airbags and center airbags, followed by smaller increases for passenger airbags and knee airbags. This was partly offset by a decline for steering wheels.

#### Sales by product – Seatbelt Products and Other

Sales for Seatbelt Products and Other grew organically\* by 4.5% in the quarter. Sales increased organically in all regions, led by strong growth in Europe and Americas followed by China and Asia excluding China.

#### Sales by region

Our global organic sales\* increased by 3.9% compared to the global LVP increase of 4.6% (according to S&P Global, October 2025). The relative performance was positively impacted by product launches and tariff compensations. This was more than offset by negative effects from the regional and model LVP mix development, which we estimate contributed to about 1pp underperformance. This was particularly accentuated in China. Our organic sales growth\* underperformed LVP growth by 3.5pp in China and by 1.2pp in Europe while we outperformed by 4.2pp in Asia excluding China and by 0.5pp in Americas.

LVP growth in China was driven by domestic OEMs with typically lower safety content. LVP for global OEMs was unchanged while it increased by 15% for domestic OEMs. Autoliv's sales growth with domestic OEMs grew by 23% while our sales with global OEMs decreased by 5%. Our sales performance relative to LVP in China in the quarter is a significant improvement over recent quarters. We expect that our strong order intake with domestic OEMs and a record high number of new launches will further improve our relative sales performance in China in the fourth quarter of 2025.

| Q3 2025 organic growth* | Americas                 | Europe               | China                     | Asia excl. China          | Global                     |
|-------------------------|--------------------------|----------------------|---------------------------|---------------------------|----------------------------|
| <b>Autoliv</b>          | <b>4.7%</b>              | <b>0.1%</b>          | <b>6.2%</b>               | <b>5.5%</b>               | <b>3.9%</b>                |
| Main growth drivers     | Stellantis, Toyota, Ford | VW, Stellantis, BMW  | Chery, Great Wall, GM     | Suzuki, Hyundai, Toyota   | Stellantis, Suzuki, Toyota |
| Main decline drivers    | GM, VW, Mazda            | JLR, Hyundai, EV OEM | EV OEM, Mercedes, EV COEM | Mitsubishi, Nissan, Honda | Mercedes, EV OEM, GM       |

#### Light vehicle production development

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

| Q3 2025               | Americas    | Europe      | China        | Asia excl. China | Global      |
|-----------------------|-------------|-------------|--------------|------------------|-------------|
| <b>LVP (Oct 2025)</b> | <b>4.2%</b> | <b>1.3%</b> | <b>9.7 %</b> | <b>1.3%</b>      | <b>4.6%</b> |
| LVP (Jul 2025)        | 1.9%        | (0.9)%      | 0.0%         | 1.4%             | 0.2%        |

## Consolidated sales development

### First nine months 2025

| Consolidated sales<br>(Dollars in millions)      | First nine months |                 | Reported change<br>(U.S. GAAP) | Currency<br>effects <sup>1)</sup> | Organic<br>change* |
|--------------------------------------------------|-------------------|-----------------|--------------------------------|-----------------------------------|--------------------|
|                                                  | 2025              | 2024            |                                |                                   |                    |
| Airbags, Steering Wheels and Other <sup>2)</sup> | \$ 5,395          | \$ 5,264        | 2.5%                           | (0.3)%                            | 2.8%               |
| Seatbelt Products and Other <sup>2)</sup>        | 2,603             | 2,511           | 3.7%                           | (0.2)%                            | 3.9%               |
| <b>Total</b>                                     | <b>\$ 7,998</b>   | <b>\$ 7,774</b> | <b>2.9%</b>                    | <b>(0.3)%</b>                     | <b>3.1%</b>        |
| Americas                                         | \$ 2,639          | \$ 2,637        | 0.1%                           | (3.3)%                            | 3.4%               |
| Europe                                           | 2,337             | 2,231           | 4.7%                           | 2.9%                              | 1.8%               |
| China                                            | 1,450             | 1,423           | 1.9%                           | (0.3)%                            | 2.2%               |
| Asia excl. China                                 | 1,572             | 1,483           | 6.0%                           | 0.3%                              | 5.7%               |
| <b>Total</b>                                     | <b>\$ 7,998</b>   | <b>\$ 7,774</b> | <b>2.9%</b>                    | <b>(0.3)%</b>                     | <b>3.1%</b>        |

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

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

Sales for Airbags, Steering Wheels and Other grew organically\* by 2.8% in the period. The largest contributor to the increase was inflatable curtains and side airbags, followed by center airbags, steering wheels and driver airbags. This was partly offset by declines for knee airbags while sales of passenger airbags were close to unchanged.

#### Sales by product – Seatbelt Products and Other

Sales for Seatbelt Products and Other grew organically\* by 3.9% in the period. Sales growth was mainly driven by Americas and Asia excluding China followed by Europe and China.

#### Sales by region

Our global organic sales\* increased by 3.1% compared to the global LVP increase of 3.9% (according to S&P Global, October 2025). The relative performance was positively impacted by product launches and tariff compensations. This was more than offset by negative effects from the regional and model LVP mix development, which we estimate contributed to about 3pp underperformance. This was particularly accentuated in China. Our organic sales growth outperformed LVP growth by 3.5pp in Americas, by 3.4pp in Europe and by 3.0pp in Asia excluding China, while we underperformed by 9.3pp in China.

LVP growth in China in the first nine months was driven by domestic OEMs with typically lower safety content. LVP for global OEMs declined by 2.3% while it increased by 20% for domestic OEMs. Autoliv's sales to domestic OEMs increased by 16% in the first nine months of 2025 while it decreased by 5.7% to global OEMs in China. We expect that our strong order intake with domestic OEMs and a record number of new launches will improve Autoliv's sales performance in China in the fourth quarter of 2025.

| 9M 2025 organic growth* | Americas                  | Europe               | China                     | Asia excl. China       | Global                     |
|-------------------------|---------------------------|----------------------|---------------------------|------------------------|----------------------------|
| <b>Autoliv</b>          | <b>3.4%</b>               | <b>1.8%</b>          | <b>2.2%</b>               | <b>5.7%</b>            | <b>3.1%</b>                |
| Main growth drivers     | Toyota, Stellantis, Honda | VW, Stellantis, BMW  | Chery, Great Wall, GM     | Suzuki, Toyota, Subaru | Toyota, Stellantis, Suzuki |
| Main decline drivers    | EV OEM, Hyundai, GM       | EV OEM, Hyundai, JLR | EV OEM, Mercedes, Lixiang | Mitsubishi, Honda, GM  | EV OEM, Mercedes, Hyundai  |

#### Light vehicle production development

| First nine months 2025 | Americas      | Europe        | China         | Asia excl. China | Global      |
|------------------------|---------------|---------------|---------------|------------------|-------------|
| <b>LVP (Oct 2025)</b>  | <b>(0.1)%</b> | <b>(1.6)%</b> | <b>11.5 %</b> | <b>2.7%</b>      | <b>3.9%</b> |
| LVP (Jan 2025)         | (1.5)%        | (4.3)%        | 4.0%          | 1.9%             | 0.4%        |



## Key launches in the third quarter of 2025

Onvo L90



Kia PV5



New EV Customer SUV



Volvo XC70



New EV Customer SUV



Subaru Outback



Jeep Compass



Renault Clio



Geely Galaxy M9



Nissan Sentra



New EV



Honda N-ONE e



Driver/Passenger Airbags



Head/Inflatable Curtain Airbags



Front Center Airbag



Pedestrian Airbag



Seatbelts



Steering Wheel



Bag-in-Belt



Hood Lifter



Side Airbags



Knee Airbag



Pyrotechnical Safety Switch



Available as EV/PHEV



## Financial development

| Condensed Income Statement<br>(Dollars in millions, except per share data) | Third quarter |              |            | First nine months |              |             |
|----------------------------------------------------------------------------|---------------|--------------|------------|-------------------|--------------|-------------|
|                                                                            | 2025          | 2024         | Change     | 2025              | 2024         | Change      |
| Net sales                                                                  | \$2,706       | \$2,555      | 5.9%       | \$7,998           | \$7,774      | 2.9%        |
| Cost of sales                                                              | (2,184)       | (2,095)      | 4.2%       | (6,496)           | (6,398)      | 1.5%        |
| <b>Gross profit</b>                                                        | <b>522</b>    | <b>459</b>   | <b>14%</b> | <b>1,502</b>      | <b>1,377</b> | <b>9.1%</b> |
| S,G&A                                                                      | (137)         | (129)        | 6.2%       | (427)             | (399)        | 7.0%        |
| R,D&E, net                                                                 | (117)         | (96)         | 23%        | (319)             | (325)        | (1.6)%      |
| Other income (expense), net                                                | (1)           | (9)          | (91)%      | 13                | (27)         | n/a         |
| <b>Operating income</b>                                                    | <b>267</b>    | <b>226</b>   | <b>18%</b> | <b>769</b>        | <b>626</b>   | <b>23%</b>  |
| <b>Adjusted operating income<sup>1)</sup></b>                              | <b>271</b>    | <b>237</b>   | <b>14%</b> | <b>777</b>        | <b>657</b>   | <b>18%</b>  |
| Financial and non-operating items, net                                     | (27)          | (29)         | (7.5)%     | (76)              | (73)         | 4.0%        |
| <b>Income before taxes</b>                                                 | <b>240</b>    | <b>197</b>   | <b>22%</b> | <b>693</b>        | <b>554</b>   | <b>25%</b>  |
| Income taxes                                                               | (65)          | (58)         | 11%        | (183)             | (149)        | 23%         |
| <b>Net income</b>                                                          | <b>\$175</b>  | <b>\$139</b> | <b>26%</b> | <b>\$510</b>      | <b>\$404</b> | <b>26%</b>  |
| Earnings per share - diluted <sup>2)</sup>                                 | \$2.28        | \$1.74       | 31%        | \$6.59            | \$4.98       | 32%         |
| Adjusted earnings per share - diluted <sup>1,2)</sup>                      | \$2.32        | \$1.84       | 26%        | \$6.67            | \$5.30       | 26%         |
| Gross margin                                                               | 19.3%         | 18.0%        | 1.3pp      | 18.8%             | 17.7%        | 1.1pp       |
| S,G&A, in relation to sales                                                | (5.1)%        | (5.0)%       | (0.0)pp    | (5.3)%            | (5.1)%       | (0.2)pp     |
| R,D&E, net in relation to sales                                            | (4.3)%        | (3.7)%       | (0.6)pp    | (4.0)%            | (4.2)%       | 0.2pp       |
| Operating margin                                                           | 9.9%          | 8.9%         | 1.0pp      | 9.6%              | 8.1%         | 1.6pp       |
| Adjusted operating margin <sup>1)</sup>                                    | 10.0%         | 9.3%         | 0.7pp      | 9.7%              | 8.5%         | 1.3pp       |
| Tax Rate                                                                   | 26.9%         | 29.6%        | (2.6)pp    | 26.4%             | 27.0%        | (0.6)pp     |
| <b>Other data</b>                                                          |               |              |            |                   |              |             |
| No. of shares at period-end in millions <sup>2)</sup>                      | 76.0          | 78.8         | (3.5)%     | 76.0              | 78.8         | (3.5)%      |
| Weighted average no. of shares in millions, basic <sup>2)</sup>            | 76.4          | 79.2         | (3.6)%     | 77.0              | 80.7         | (4.6)%      |
| Weighted average no. of shares in millions, diluted <sup>2)</sup>          | 76.7          | 79.3         | (3.4)%     | 77.3              | 80.9         | (4.5)%      |

1) Non-U.S. GAAP measure, excluding effects from capacity alignments and antitrust related matters. See reconciliation table. 2) Net of treasury shares.

### Third quarter 2025 development

**Gross profit** increased by \$63 million, and gross margin increased by 1.3pp compared to the prior year. The drivers behind the gross profit improvement were mainly positive effects from higher sales and improved operational efficiency with lower costs for labor and waste and scrap. The gross profit improvement was also due to a Q3 2024 \$14 million cost related to a supplier settlement and a Q3 2025 \$15 million (unrelated) supplier compensation (of which around \$13 million impacted gross profit) as well as lower material costs. This was partly offset by negative effects from recalls and warranty, depreciation and un-recovered tariff costs.

**S,G&A** costs increased by \$8 million compared to the prior year, mainly due to higher costs for personnel. S,G&A costs in relation to sales increased from 5.0% to 5.1%.

**R,D&E, net** costs increased by \$22 million compared to the prior year, mainly due to lower engineering income. R,D&E, net, in relation to sales increased from 3.7% to 4.3%.

**Other income (expense), net** was negative \$1 million, compared to negative \$9 million in the same period last year. The difference compared to last year is almost entirely due to lower restructuring costs.

**Operating income** increased by \$41 million compared to the prior year, due to the higher gross profit and improvement in Other income (expense), net, partly offset by the higher costs for R,D&E, net, and S,G&A, as outlined above.

**Adjusted operating income\*** increased by \$34 million compared to the prior year, due to the higher gross profit, partly offset by the higher costs for R,D&E, net, and S,G&A, as outlined above.

**Financial and non-operating items, net** was negative \$27 million compared to negative \$29 million a year earlier. The improvement comes from \$2 million in lower interest expense.

**Income before taxes** increased by \$43 million compared to the prior year, mainly due to the higher operating income.

**Tax rate** decreased to 26.9% compared to 29.6% the prior year. Discrete tax items, net, had a favorable impact of 1.3pp in the third quarter of 2025, while discrete tax items, net had a favorable impact of 1.2pp in the corresponding quarter last year.

**Earnings per share, diluted** increased by \$0.54 compared to the prior year. The main drivers were \$0.36 from higher operating income, \$0.09 from taxes, \$0.08 from lower number of outstanding shares, diluted, and \$0.02 from financial items.

## First nine months 2025 development

**Gross profit** increased by \$125 million, and gross margin increased by 1.1pp compared to the prior year. The drivers behind the gross profit improvement were mainly improved operational efficiency with lower costs for labor, logistics, premium freight and waste and scrap. We also had positive effects from the organic sales growth and lower material costs partly offset by negative effects from recall and warranty costs and un-recovered tariffs.

**S,G&A** costs increased by \$28 million compared to the prior year, mainly due to increased personnel costs and credit loss reserves following generally higher default risk rate for the automotive industry. This was partly offset by lower costs for professional services. S,G&A costs in relation to sales increased from 5.1% to 5.3%.

**R,D&E, net** costs decreased by \$5 million compared to the prior year, mainly due to \$7 million from positive FX translation effects and \$6 million from lower professional service costs partly offset by \$8 million in lower engineering income. R,D&E, net, in relation to sales decreased from 4.2% to 4.0%.

**Other income (expense), net** was positive \$13 million, compared to negative \$27 million in the same period last year. The improvement compared to last year is due to lower restructuring costs and the recycled accumulated currency translation differences related to the divestment of our idled operations in Russia in Q1 2025.

**Operating income** increased by \$143 million compared to the prior year, due to the higher gross profit, lower costs for R,D&E, net, and the improvement in Other income (expense), partly offset by higher costs for S,G&A, as outlined above.

**Adjusted operating income\*** increased by \$120 million compared to the prior year, due to the higher gross profit, lower costs for R,D&E, net, and the improvement in Other income (expense), partly offset by higher costs for S,G&A, as outlined above.

**Financial and non-operating items, net**, was negative \$76 million compared to negative \$73 million a year earlier. The increase was mainly due to lower interest income and higher non-operating items partly offset by lower interest expense.

**Income before taxes** increased by \$140 million compared to the prior year, mainly due to the higher operating income.

**Tax rate** was 26.4% compared to 27.0% in the prior year. Discrete tax items, net, had a favorable impact of 1.8pp in the first nine months of 2025 compared to 2.8pp favorable impact in the same period last year.

**Earnings per share, diluted** increased by \$1.61 compared to the prior year. The main drivers were \$1.28 from higher operating income and \$0.29 from lower number of outstanding shares, diluted, and \$0.06 from taxes partly offset by \$0.02 from financial items.

## Selected Cash Flow and Balance Sheet Items

| Selected Cash Flow items<br>(Dollars in millions) | Third quarter |             |             | First nine months |              |               |
|---------------------------------------------------|---------------|-------------|-------------|-------------------|--------------|---------------|
|                                                   | 2025          | 2024        | Change      | 2025              | 2024         | Change        |
| Net income                                        | \$175         | \$139       | 26%         | \$510             | \$404        | 26%           |
| Depreciation and amortization                     | 103           | 97          | 7.1%        | 299               | 289          | 3.5%          |
| Other non-cash adjustments, net                   | 32            | 10          | 221%        | 20                | 1            | n/a           |
| Changes in operating working capital              | (53)          | (68)        | (22)%       | (217)             | (54)         | 300%          |
| <b>Operating cash flow</b>                        | <b>258</b>    | <b>177</b>  | <b>46%</b>  | <b>613</b>        | <b>639</b>   | <b>(4.1)%</b> |
| Capital expenditure, net <sup>1)</sup>            | (106)         | (145)       | (27)%       | (313)             | (431)        | (27)%         |
| <b>Free operating cash flow<sup>2)</sup></b>      | <b>\$153</b>  | <b>\$32</b> | <b>378%</b> | <b>\$300</b>      | <b>\$208</b> | <b>44%</b>    |
| <b>Cash conversion<sup>3)</sup></b>               | <b>87%</b>    | <b>23%</b>  | <b>64pp</b> | <b>59%</b>        | <b>52%</b>   | <b>7pp</b>    |
| <b>Shareholder returns</b>                        |               |             |             |                   |              |               |
| - Dividends paid                                  | (65)          | (54)        | 21%         | (173)             | (164)        | 5.3%          |
| - Share repurchases                               | (100)         | (130)       | (23)%       | (201)             | (450)        | (55)%         |
| Cash dividend paid per share                      | \$(0.85)      | \$(0.68)    | 25%         | \$(2.25)          | \$(2.04)     | 10%           |
| Capital expenditures, net in relation to sales    | 3.9%          | 5.7%        | (1.8)pp     | 3.9%              | 5.5%         | (1.6)pp       |

<sup>1)</sup> Defined as Expenditures for property, plant and equipment less Proceeds from sale of property, plant and equipment. <sup>2)</sup> Operating cash flow less Capital expenditure, net. Non-U.S. GAAP measure. See enclosed reconciliation table. <sup>3)</sup> Free operating cash flow relative to Net income. Non-U.S. GAAP measure. See reconciliation table.

| Selected Balance Sheet items<br>(Dollars in millions)        | Third quarter |         |         |
|--------------------------------------------------------------|---------------|---------|---------|
|                                                              | 2025          | 2024    | Change  |
| Trade working capital <sup>1)</sup>                          | \$1,504       | \$1,307 | 15%     |
| Trade working capital in relation to sales <sup>2)</sup>     | 13.9%         | 12.8%   | 1.1pp   |
| - Receivables outstanding in relation to sales <sup>3)</sup> | 21.8%         | 21.5%   | 0.3pp   |
| - Inventory outstanding in relation to sales <sup>4)</sup>   | 9.6%          | 9.8%    | (0.2)pp |
| - Payables outstanding in relation to sales <sup>5)</sup>    | 17.5%         | 18.4%   | (1.0)pp |
| Cash & cash equivalents                                      | 225           | 415     | (46)%   |
| Gross Debt <sup>6)</sup>                                     | 2,027         | 2,210   | (8.3)%  |
| Net Debt <sup>7)</sup>                                       | 1,772         | 1,787   | (0.8)%  |
| Capital employed <sup>8)</sup>                               | 4,331         | 4,085   | 6.0%    |
| Return on capital employed <sup>9)</sup>                     | 25.1%         | 22.9%   | 2.2pp   |
| Total equity                                                 | 2,559         | 2,298   | 11%     |
| Return on total equity <sup>10)</sup>                        | 27.9%         | 24.1%   | 3.8pp   |
| Leverage ratio <sup>11)</sup>                                | 1.3           | 1.4     | (0.1)   |

<sup>1)</sup> Outstanding receivables and outstanding inventory less outstanding payables. Non-U.S. GAAP measure, see reconciliation table. <sup>2)</sup> Outstanding receivables and outstanding inventory less outstanding payables relative to annualized quarterly sales. Non-U.S. GAAP measure, see reconciliation table. Annualized quarterly sales is calculated as the quarterly sales amount multiplied by four. <sup>3)</sup> Outstanding receivables relative to annualized quarterly sales. <sup>4)</sup> Outstanding inventory relative to annualized quarterly sales. <sup>5)</sup> Outstanding payables relative to annualized quarterly sales. <sup>6)</sup> Short- and long-term interest-bearing debt. <sup>7)</sup> Short- and long-term debt less cash and cash equivalents and debt-related derivatives. Non-U.S. GAAP measure. See reconciliation table. <sup>8)</sup> Total equity and net debt. <sup>9)</sup> Annualized operating income and income from equity method investments, relative to average capital employed. See definitions of "Annualized operating income" in footnote to the reconciliation tables below. <sup>10)</sup> Annualized net income relative to average total equity. See definitions of "Annualized net income" in footnote to the reconciliation tables below. <sup>11)</sup> Net debt adjusted for pension liabilities in relation to EBITDA. Non-U.S. GAAP measure. See reconciliation table.

## Third quarter 2025 development

**Changes in operating working capital** impacted operating cash flow by \$53 million negative compared to an impact of \$68 million negative in the prior year. The working capital increase in the quarter of \$53 million was mainly a result of \$78 million in negative effects from higher inventories impacted by higher sales and \$9 million from income taxes, partly offset by \$26 million from accounts payables and accrued expenses, and \$8 million from receivables.

**Operating cash flow** increased by \$81 million to \$258 million compared to the prior year, mainly because of higher net income, more positive non-cash items and less unfavorable effects from changes in operating working capital, as outlined above.

**Capital expenditure, net** decreased by \$40 million compared to the prior year. The level of capital expenditure, net, in relation to sales declined to 3.9% versus 5.7% a year earlier. The lower level of capital expenditure, net is mainly related to the lower activity level of footprint optimization in Europe and Americas and less capacity expansion, especially in Asia.

**Free operating cash flow\*** was positive \$153 million compared to positive \$32 million in the prior year. The increase was due to the higher operating cash flow and lower capital expenditure, net, as outlined above.

**Cash conversion\*** defined as free operating cash flow\* in relation to net income, was 87% in the quarter compared to 23% a year earlier. The increase occurred because free operating cash flow increased more than net income.



**Trade working capital\*** increased by \$197 million compared to the prior year, where the main drivers were \$165 million in higher accounts receivables, \$8 million in higher accounts payable and \$40 million in higher inventories. The increase in trade working capital is mainly due to increased sales. In relation to sales, trade working capital increased from 12.8% to 13.9%.

**Net debt\*** was \$1,772 million as of September 30, 2025, which was \$15 million lower than a year earlier, mainly due to that in the last twelve months, free operating cash flow was higher than dividends paid and share repurchases.

## First nine months 2025 development

**Operating cash flow** decreased by \$27 million to \$613 million compared to the prior year, mainly because the increase in operating working capital was larger than the increase in net income.

**Capital expenditure, net** decreased by \$118 million compared to the prior year. The level of capital expenditure, net, in relation to sales declined to 3.9% versus 5.5% a year earlier. The lower level of capital expenditure, net is mainly related to the lower activity level of footprint optimization in Europe and Americas and less capacity expansion, especially in Asia.

**Total equity** as of September 30, 2025, increased by \$261 million compared to September 30, 2024. This was mainly due to net income of \$754 million and \$33 million in positive currency translation effects, partly offset by \$306 million in share repurchases, including taxes and \$228 million in dividend payments.

**Leverage ratio\*:** On September 30, 2025, the Company had a leverage ratio of 1.3x compared to 1.4x on September 30, 2024, as the 12 months trailing adjusted EBITDA\* increased by \$148 million while net debt\* per the policy increased by \$5 million.

**Free operating cash flow\*** was positive \$300 million compared to positive \$208 million in the prior year. The increase was due to the lower capital expenditure, net, partly offset by the lower operating cash flow, as outlined above.

**Cash conversion\*** defined as free operating cash flow\* in relation to net income, was 59% for the period, compared to 52% in the prior year. The increase occurred because free operating cash flow growth was higher than net income growth.

## Headcount

|                                            | Sep 30<br>2025 | Jun 30<br>2025 | Sep 30<br>2024 |
|--------------------------------------------|----------------|----------------|----------------|
| Total headcount                            | 65,200         | 65,100         | 67,200         |
| Whereof: Direct headcount in manufacturing | 47,900         | 48,000         | 49,800         |
| Indirect headcount                         | 17,300         | 17,100         | 17,400         |
| Temporary personnel                        | 9%             | 9%             | 9%             |

As of September 30, 2025, total headcount (Full Time Equivalent) decreased by around 2,000, or 3.0%, compared to a year earlier, despite that organic sales\* increased by 3.9% and that we in-sourced about 250 FTEs (mainly in-directs). The indirect workforce decreased by around 100, or 0.5%, mainly reflecting our structural reduction initiatives, partly offset by the above mentioned in-sourcing. The direct workforce decreased by approximately 1,900, or 3.8%. The decrease was supported by an improvement in customer call-off accuracy which enabled us to accelerate operating efficiency improvements.

Compared to June 30, 2025, total headcount (Full Time Equivalent) increased by around 100, or 0.2%. Indirect headcount increased by around 200 (due to the in-sourced personnel mentioned previously), while direct headcount decreased by approximately 100.

## Other Items

- On October 14, 2025, Autoliv announced the signing of a strategic agreement with China Automotive Technology and Research Center Co (CATARC), the leading research institution setting standards in China's automotive sector, to jointly advance automotive safety standards and innovation in China and beyond. The collaboration will span research and development, testing, certification, and standards alignment - providing technical support for the R&D and global expansion of Chinese automakers.
- On October 9, 2025, Autoliv announced its intent to form a new joint venture with Hangsheng Electric Co., Ltd. (HSAE), a leading Chinese developer of automotive electronics. The joint venture will focus on developing and manufacturing advanced safety electronics for the rapidly evolving Chinese automotive market. The new joint venture will be located strategically near Shanghai and close to several existing Autoliv sites in China. The focus will be on products that include features such as Hands-On Detection (HOD), Pre-Pretensioner Mechatronic Integration (PPMI) and electronic applications for seatbelt systems and driver units.
- On July 27, 2025, Autoliv China officially held the groundbreaking ceremony for its new R&D center in Wuhan, China. This initiative reflects Autoliv's long-term commitment to the Chinese market and supports the global growth of Chinese OEMs. The center is scheduled to begin operations in Q3 2026 and will be equipped with state-of-the-art testing equipment and a digital R&D platform. It will play a critical role in advancing automotive safety technologies and enhancing Autoliv's capabilities in delivering secure and reliable innovative mobility solutions to customers worldwide.
- In Q3 2025, Autoliv repurchased and retired 0.84 million shares of common stock at an average price of \$118.75 per share under the Autoliv 2029 stock repurchase program. Under this program, repurchases may be made from July 1, 2025 through December 31, 2029. The maximum value of aggregate repurchases under this program is \$2.5 billion. Repurchases of stock may be made directly on the NYSE or indirectly through the repurchase of SDRs traded on the Stockholm Nasdaq.

## Next Report

Autoliv intends to publish the quarterly earnings report for the fourth quarter of 2025 on Friday, January 30, 2026.

## Inquiries: Investors and Analysts

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

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

## Inquiries: Media

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

Denna information är sådan information som Autoliv, Inc. är skyldigt att offentliggöra enligt EUs marknadsmissbruksförordning. Informationen lämnades, genom ovanstående kontaktpersons försorg, för offentliggörande den 17 oktober 2025 kl 12.00 CET.

## Footnotes

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

## Definitions and SEC Filings

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

This report includes content supplied by S&P Global; Copyright © Light Vehicle Production Forecast, January, March, July and October 2025. All rights reserved. S&P Global is a global supplier of independent industry information. The permission to use S&P Global copyrighted reports, data and information does not constitute an endorsement or approval by S&P Global of the manner, format, context, content, conclusion, opinion or viewpoint in which S&P Global reports, data and information or its derivations are used or referenced herein.

## “Safe Harbor Statement”

This report contains statements that are not historical facts but rather forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include those that address activities, events or developments that Autoliv, Inc. or its management believes or anticipates may occur in the future. All forward-looking statements are based upon our current expectations, various assumptions and/or data available from third parties. Our expectations and assumptions are expressed in good faith and we believe there is a reasonable basis for them. However, there can be no assurance that such forward-looking statements will materialize or prove to be correct as forward-looking statements are inherently subject to known and unknown risks, uncertainties and other factors which may cause actual future results, performance or achievements to differ materially from the future results, performance or achievements expressed in or implied by such forward-looking statements. In some cases, you can identify these statements by forward-looking words such as “estimates”, “expects”, “anticipates”, “projects”, “plans”, “intends”, “believes”, “may”, “likely”, “might”, “would”, “should”, “could”, or the negative of these terms and other comparable terminology, although not all forward-looking statements contain such words. Because these forward-looking statements involve risks and uncertainties, the outcome could differ materially from those set out in the forward-looking statements for a variety of reasons, including without limitation, general economic conditions, including inflation; changes in light vehicle production; fluctuation in vehicle production schedules for which the Company is a supplier; global supply chain disruptions, including port, transportation and distribution delays or interruptions; supply chain disruptions and component shortages specific to the automotive industry or the Company; geopolitical instability, including the ongoing war between Russia and Ukraine and the hostilities in the Middle East; changes in general industry and market conditions or regional growth or decline; changes in and the successful execution of our capacity alignment, restructuring, cost reduction and efficiency initiatives and the market reaction thereto; loss of business from increased competition; higher raw material, fuel and energy costs; changes in consumer and customer preferences for end products;

customer losses; changes in regulatory conditions; customer bankruptcies, consolidations, or restructuring or divestiture of customer brands; unfavorable fluctuations in currencies or interest rates among the various jurisdictions in which we operate; market acceptance of our new products; costs or difficulties related to the integration of any new or acquired businesses and technologies; continued uncertainty in pricing and other negotiations with customers; successful integration of acquisitions and operations of joint ventures; successful implementation of strategic partnerships and collaborations; our ability to be awarded new business; product liability, warranty and recall claims and investigations and other litigation, civil judgments or financial penalties and customer reactions thereto; higher expenses for our pension and other postretirement benefits, including higher funding needs for our pension plans; work stoppages or other labor issues; possible adverse results of pending or future litigation or infringement claims and the availability of insurance with respect to such matters; our ability to protect our intellectual property rights; negative impacts of antitrust investigations or other governmental investigations and associated litigation relating to the conduct of our business; tax assessments by governmental authorities and changes in our effective tax rate; dependence on key personnel; legislative or regulatory changes impacting or limiting our business; including changes in trade policy and tariffs, 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 under the headings “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Reports and Quarterly Reports on Forms 10-K and 10-Q and any amendments thereto. For any forward-looking statements contained in this or any other document, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we assume no obligation to update publicly or revise any forward-looking statements in light of new information or future events, except as required by law.

## Consolidated Statements of Income

| (Dollars in millions, except per share data, unaudited)   | Third quarter |               | First nine months |               | Latest 12     | Full Year     |
|-----------------------------------------------------------|---------------|---------------|-------------------|---------------|---------------|---------------|
|                                                           | 2025          | 2024          | 2025              | 2024          | months        | 2024          |
| Airbags, Steering Wheels and Other <sup>1)</sup>          | \$1,830       | \$1,736       | \$5,395           | \$5,264       | \$7,155       | \$7,023       |
| Seatbelt products and Other <sup>1)</sup>                 | 875           | 819           | 2,603             | 2,511         | 3,459         | 3,367         |
| <b>Total net sales</b>                                    | <b>2,706</b>  | <b>2,555</b>  | <b>7,998</b>      | <b>7,774</b>  | <b>10,614</b> | <b>10,390</b> |
| Cost of sales                                             | (2,184)       | (2,095)       | (6,496)           | (6,398)       | (8,561)       | (8,463)       |
| <b>Gross profit</b>                                       | <b>522</b>    | <b>459</b>    | <b>1,502</b>      | <b>1,377</b>  | <b>2,052</b>  | <b>1,927</b>  |
| Selling, general & administrative expenses                | (137)         | (129)         | (427)             | (399)         | (558)         | (530)         |
| Research, development & engineering expenses, net         | (117)         | (96)          | (319)             | (325)         | (393)         | (398)         |
| Other income (expense), net                               | (1)           | (9)           | 13                | (27)          | 21            | (19)          |
| <b>Operating income</b>                                   | <b>267</b>    | <b>226</b>    | <b>769</b>        | <b>626</b>    | <b>1,122</b>  | <b>979</b>    |
| Income from equity method investments                     | 2             | 2             | 4                 | 5             | 6             | 7             |
| Interest income                                           | 3             | 3             | 7                 | 10            | 10            | 13            |
| Interest expense                                          | (25)          | (27)          | (77)              | (81)          | (104)         | (107)         |
| Other non-operating items, net                            | (7)           | (7)           | (10)              | (7)           | (20)          | (16)          |
| <b>Income before income taxes</b>                         | <b>240</b>    | <b>197</b>    | <b>693</b>        | <b>554</b>    | <b>1,015</b>  | <b>875</b>    |
| Income taxes                                              | (65)          | (58)          | (183)             | (149)         | (261)         | (227)         |
| <b>Net income</b>                                         | <b>175</b>    | <b>139</b>    | <b>510</b>        | <b>404</b>    | <b>754</b>    | <b>648</b>    |
| Less: Net income attributable to non-controlling interest | 0             | 0             | 1                 | 1             | 1             | 1             |
| <b>Net income attributable to controlling interest</b>    | <b>\$175</b>  | <b>\$138</b>  | <b>\$509</b>      | <b>\$403</b>  | <b>\$752</b>  | <b>\$646</b>  |
| <b>Earnings per share - diluted</b>                       | <b>\$2.28</b> | <b>\$1.74</b> | <b>\$6.59</b>     | <b>\$4.98</b> | <b>\$9.70</b> | <b>\$8.04</b> |

1) Including Corporate sales.



## Consolidated Balance Sheets

| (Dollars in millions, unaudited)          | Sep 30<br>2025 | Jun 30<br>2025 | Mar 31<br>2025 | Dec 31<br>2024 | Sep 30<br>2024 |
|-------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Assets</b>                             |                |                |                |                |                |
| Cash & cash equivalents                   | \$225          | \$237          | \$322          | \$330          | \$415          |
| Receivables, net                          | 2,357          | 2,341          | 2,205          | 1,993          | 2,192          |
| Inventories, net                          | 1,036          | 957            | 913            | 921            | 997            |
| Prepaid expenses                          | 226            | 249            | 184            | 167            | 172            |
| Other current assets                      | 102            | 146            | 75             | 72             | 90             |
| <b>Total current assets</b>               | <b>3,946</b>   | <b>3,929</b>   | <b>3,699</b>   | <b>3,483</b>   | <b>3,865</b>   |
| Property, plant & equipment, net          | 2,402          | 2,399          | 2,286          | 2,239          | 2,317          |
| Operating leases right-of-use assets      | 167            | 171            | 168            | 158            | 173            |
| Goodwill and intangible assets, net       | 1,387          | 1,389          | 1,380          | 1,375          | 1,386          |
| Investments and other non-current assets  | 561            | 588            | 581            | 548            | 565            |
| <b>Total assets</b>                       | <b>8,463</b>   | <b>8,476</b>   | <b>8,114</b>   | <b>7,804</b>   | <b>8,306</b>   |
| <b>Liabilities and equity</b>             |                |                |                |                |                |
| Short-term debt                           | 654            | 679            | 540            | 387            | 624            |
| Accounts payable                          | 1,889          | 1,945          | 1,839          | 1,799          | 1,881          |
| Accrued expenses                          | 1,172          | 1,138          | 1,053          | 1,056          | 1,189          |
| Operating lease liabilities - current     | 44             | 44             | 42             | 41             | 44             |
| Other current liabilities                 | 383            | 430            | 327            | 351            | 297            |
| <b>Total current liabilities</b>          | <b>4,141</b>   | <b>4,235</b>   | <b>3,800</b>   | <b>3,633</b>   | <b>4,034</b>   |
| Long-term debt                            | 1,374          | 1,372          | 1,565          | 1,522          | 1,586          |
| Pension liability                         | 167            | 167            | 163            | 153            | 147            |
| Operating lease liabilities - non-current | 118            | 121            | 120            | 118            | 130            |
| Other non-current liabilities             | 105            | 102            | 103            | 92             | 110            |
| <b>Total non-current liabilities</b>      | <b>1,763</b>   | <b>1,762</b>   | <b>1,952</b>   | <b>1,885</b>   | <b>1,974</b>   |
| Total parent shareholders' equity         | 2,549          | 2,469          | 2,351          | 2,276          | 2,288          |
| Non-controlling interest                  | 10             | 11             | 10             | 10             | 10             |
| <b>Total equity</b>                       | <b>2,559</b>   | <b>2,480</b>   | <b>2,361</b>   | <b>2,285</b>   | <b>2,298</b>   |
| <b>Total liabilities and equity</b>       | <b>\$8,463</b> | <b>\$8,476</b> | <b>\$8,114</b> | <b>\$7,804</b> | <b>\$8,306</b> |

## Consolidated Statements of Cash Flow

| (Dollars in millions, unaudited)                           | Third quarter |              | First nine months |              | Latest 12 months | Full Year    |
|------------------------------------------------------------|---------------|--------------|-------------------|--------------|------------------|--------------|
|                                                            | 2025          | 2024         | 2025              | 2024         |                  | 2024         |
| Net income                                                 | \$175         | \$139        | \$510             | \$404        | \$754            | \$648        |
| Depreciation and amortization                              | 103           | 97           | 299               | 289          | 397              | 387          |
| Gain on divestiture of property                            | -             | -            | (6)               | -            | (10)             | (4)          |
| Other non-cash adjustments, net                            | 32            | 10           | 26                | 1            | 1                | (24)         |
| <i>Net change in operating working capital:</i>            |               |              |                   |              |                  |              |
| Receivables                                                | (4)           | (36)         | (170)             | (3)          | (121)            | 47           |
| Other current assets                                       | 12            | 7            | (122)             | 9            | (64)             | 67           |
| Inventories                                                | (78)          | (30)         | (52)              | 1            | (26)             | 28           |
| Accounts payable                                           | (57)          | (20)         | 10                | (76)         | 3                | (83)         |
| Accrued expenses                                           | 82            | 12           | 107               | 53           | 42               | (12)         |
| Income taxes                                               | (9)           | (1)          | 11                | (39)         | 56               | 6            |
| <b>Net cash provided by operating activities</b>           | <b>258</b>    | <b>177</b>   | <b>613</b>        | <b>639</b>   | <b>1,033</b>     | <b>1,059</b> |
| Expenditures for property, plant and equipment             | (106)         | (146)        | (323)             | (440)        | (462)            | (579)        |
| Proceeds from sale of property, plant and equipment        | 1             | 1            | 10                | 9            | 18               | 17           |
| <b>Net cash used in investing activities</b>               | <b>(106)</b>  | <b>(145)</b> | <b>(313)</b>      | <b>(431)</b> | <b>(445)</b>     | <b>(563)</b> |
| Net (decrease) increase in short term debt                 | (26)          | 152          | 247               | 85           | 36               | (126)        |
| Decrease in long-term debt                                 | -             | -            | (311)             | (306)        | (311)            | (306)        |
| Increase in long-term debt                                 | 46            | 46           | 122               | 581          | 68               | 526          |
| Dividends paid                                             | (65)          | (54)         | (173)             | (164)        | (227)            | (219)        |
| Share repurchases                                          | (100)         | (130)        | (201)             | (450)        | (303)            | (552)        |
| Common stock options exercised                             | -             | -            | 0                 | 0            | 1                | 1            |
| Dividend paid to non-controlling interests                 | (1)           | (4)          | (1)               | (5)          | (1)              | (5)          |
| <b>Net cash (used in) provided by financing activities</b> | <b>(146)</b>  | <b>11</b>    | <b>(316)</b>      | <b>(259)</b> | <b>(738)</b>     | <b>(680)</b> |
| Effect of exchange rate changes on cash                    | (18)          | (36)         | (89)              | (33)         | (40)             | 16           |
| <b>(Decrease) increase in cash and cash equivalents</b>    | <b>(12)</b>   | <b>6</b>     | <b>(105)</b>      | <b>(84)</b>  | <b>(190)</b>     | <b>(168)</b> |
| Cash and cash equivalents at period-start                  | 237           | 408          | 330               | 498          | 415              | 498          |
| <b>Cash and cash equivalents at period-end</b>             | <b>\$225</b>  | <b>\$415</b> | <b>\$225</b>      | <b>\$415</b> | <b>\$225</b>     | <b>\$330</b> |

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

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

### Components in Sales Increase/Decrease

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

### Reconciliation of GAAP measure "Working Capital" to Non-GAAP Measure "Trade Working Capital"

Due to the need to optimize cash generation to create value for shareholders, management focuses on operationally derived trade working capital as defined in the table below. Trade working capital is an indicator of operational efficiency, which impacts the Company's ability to return value to shareholders either through dividends or share repurchases. We believe this is useful for readers to understand the efficiency of the Company's operational capital management. The reconciling items used to derive this measure are, by contrast, managed as part of our overall management of cash and debt, but they are not part of the responsibilities of day-to-day operations management.

| (Dollars in millions)                        | Sep 30<br>2025 | Jun 30<br>2025 | Mar 31<br>2025 | Dec 31<br>2024 | Sep 30<br>2024 |
|----------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Total current assets                         | \$3,946        | \$3,929        | \$3,699        | \$3,483        | \$3,865        |
| Total current liabilities                    | (4,141)        | (4,235)        | (3,800)        | (3,633)        | (4,034)        |
| <b>Working capital (U.S. GAAP)</b>           | <b>(195)</b>   | <b>(305)</b>   | <b>(101)</b>   | <b>(150)</b>   | <b>(169)</b>   |
| Less: Cash and cash equivalents              | (225)          | (237)          | (322)          | (330)          | (415)          |
| Prepaid expenses                             | (226)          | (249)          | (184)          | (167)          | (172)          |
| Other current assets                         | (102)          | (146)          | (75)           | (72)           | (90)           |
| Less: Short-term debt                        | 654            | 679            | 540            | 387            | 624            |
| Accrued expenses                             | 1,172          | 1,138          | 1,053          | 1,056          | 1,189          |
| Operating lease liabilities - current        | 44             | 44             | 42             | 41             | 44             |
| Other current liabilities                    | 383            | 430            | 327            | 351            | 297            |
| <b>Trade working capital (non-U.S. GAAP)</b> | <b>\$1,504</b> | <b>\$1,354</b> | <b>\$1,279</b> | <b>\$1,115</b> | <b>\$1,307</b> |

| (Dollars in millions)                                                  | Sep 30<br>2025 | Jun 30<br>2025 | Mar 31<br>2025 | Dec 31<br>2024 | Sep 30<br>2024 |
|------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Receivables, net                                                       | \$2,357        | \$2,341        | \$2,205        | \$1,993        | \$2,192        |
| Inventories, net                                                       | 1,036          | 957            | 913            | 921            | 997            |
| Accounts payable                                                       | (1,889)        | (1,945)        | (1,839)        | (1,799)        | (1,881)        |
| <b>Trade working capital (non-U.S. GAAP)</b>                           | <b>\$1,504</b> | <b>\$1,354</b> | <b>\$1,279</b> | <b>\$1,115</b> | <b>\$1,307</b> |
| Annualized quarterly sales <sup>1)</sup>                               | \$10,822       | \$10,857       | \$10,312       | \$10,463       | \$10,218       |
| <b>Trade working capital in relation to annualized quarterly sales</b> | <b>13.9%</b>   | <b>12.5%</b>   | <b>12.4%</b>   | <b>10.7%</b>   | <b>12.8%</b>   |

1) Calculated as the quarterly amount multiplied by four.

| (Dollars in millions)                        | Dec 31<br>2023 | Dec 31<br>2022 | Dec 31<br>2021 | Dec 31<br>2020 |
|----------------------------------------------|----------------|----------------|----------------|----------------|
| Total current assets                         | \$3,974        | \$3,714        | \$3,675        | \$4,269        |
| Total current liabilities                    | (4,035)        | (3,642)        | (2,821)        | (3,147)        |
| <b>Working capital (U.S. GAAP)</b>           | <b>(61)</b>    | <b>72</b>      | <b>853</b>     | <b>1,122</b>   |
| Less: Cash and cash equivalents              | (498)          | (594)          | (969)          | (1,178)        |
| Prepaid expenses                             | (173)          | (160)          | (164)          | (164)          |
| Other current assets                         | (93)           | (84)           | (65)           | (307)          |
| Less: Short-term debt                        | 538            | 711            | 346            | 302            |
| Accrued expenses                             | 1,135          | 915            | 996            | 1,270          |
| Operating lease liabilities - current        | 39             | 39             | 38             | 37             |
| Other current liabilities                    | 345            | 283            | 297            | 284            |
| <b>Trade working capital (non-U.S. GAAP)</b> | <b>\$1,232</b> | <b>\$1,183</b> | <b>\$1,332</b> | <b>\$1,366</b> |

| (Dollars in millions)                                                  | Dec 31<br>2023 | Dec 31<br>2022 | Dec 31<br>2021 | Dec 31<br>2020 |
|------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| Receivables, net                                                       | \$2,198        | \$1,907        | \$1,699        | \$1,822        |
| Inventories, net                                                       | 1,012          | 969            | 777            | 798            |
| Accounts payable                                                       | (1,978)        | (1,693)        | (1,144)        | (1,254)        |
| <b>Trade working capital (non-U.S. GAAP)</b>                           | <b>\$1,232</b> | <b>\$1,183</b> | <b>\$1,332</b> | <b>\$1,366</b> |
| Annualized quarterly sales <sup>1)</sup>                               | \$11,006       | \$9,340        | \$8,476        | \$10,067       |
| <b>Trade working capital in relation to annualized quarterly sales</b> | <b>11.2%</b>   | <b>12.7%</b>   | <b>15.7%</b>   | <b>13.6%</b>   |

1) Calculated as the quarterly amount multiplied by four.



## Net Debt

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

| (Dollars in millions)                            | Sep 30<br>2025 | Jun 30<br>2025 | Mar 31<br>2025 | Dec 31<br>2024 | Sep 30<br>2024 |
|--------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Short-term debt                                  | \$654          | \$679          | \$540          | \$387          | \$624          |
| Long-term debt                                   | 1,374          | 1,372          | 1,565          | 1,522          | 1,586          |
| <b>Total debt</b>                                | <b>2,027</b>   | <b>2,051</b>   | <b>2,105</b>   | <b>1,909</b>   | <b>2,210</b>   |
| Cash & cash equivalents                          | (225)          | (237)          | (322)          | (330)          | (415)          |
| Debt issuance cost/Debt-related derivatives, net | (30)           | (62)           | 4              | (24)           | (9)            |
| <b>Net debt</b>                                  | <b>\$1,772</b> | <b>\$1,752</b> | <b>\$1,787</b> | <b>\$1,554</b> | <b>\$1,787</b> |

| (Dollars in millions)                            | Dec 31<br>2023 | Dec 31<br>2022 | Dec 31<br>2021 | Dec 31<br>2020 |
|--------------------------------------------------|----------------|----------------|----------------|----------------|
| Short-term debt                                  | \$538          | \$711          | \$346          | \$302          |
| Long-term debt                                   | 1,324          | 1,054          | 1,662          | 2,110          |
| <b>Total debt</b>                                | <b>1,862</b>   | <b>1,766</b>   | <b>2,008</b>   | <b>2,411</b>   |
| Cash & cash equivalents                          | (498)          | (594)          | (969)          | (1,178)        |
| Debt issuance cost/Debt-related derivatives, net | 3              | 12             | 13             | (19)           |
| <b>Net debt</b>                                  | <b>\$1,367</b> | <b>\$1,184</b> | <b>\$1,052</b> | <b>\$1,214</b> |

## Leverage ratio

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

| (Dollars in millions)                                      | Sep 30<br>2025 | Jun 30<br>2025 | Sep 30<br>2024 |
|------------------------------------------------------------|----------------|----------------|----------------|
| Net debt <sup>1)</sup>                                     | \$1,772        | \$1,752        | \$1,787        |
| Pension liabilities                                        | 167            | 167            | 147            |
| <b>Net debt per the Policy</b>                             | <b>\$1,939</b> | <b>\$1,919</b> | <b>\$1,934</b> |
| Net income <sup>2)</sup>                                   | \$754          | \$717          | \$632          |
| Income taxes <sup>2)</sup>                                 | 261            | 255            | 141            |
| Interest expense, net <sup>2, 3)</sup>                     | 94             | 96             | 93             |
| Other non-operating items, net <sup>2)</sup>               | 20             | 19             | 4              |
| Income from equity method investments <sup>2)</sup>        | (6)            | (6)            | (6)            |
| Depreciation and amortization of intangibles <sup>2)</sup> | 397            | 390            | 385            |
| Capacity alignments <sup>2)</sup>                          | (1)            | 6              | 121            |
| Antitrust related items <sup>2)</sup>                      | 5              | 6              | 7              |
| Other items <sup>2)</sup>                                  | -              | -              | 0              |
| <b>EBITDA per the Policy (Adjusted EBITDA)</b>             | <b>\$1,524</b> | <b>\$1,483</b> | <b>\$1,376</b> |
| <b>Leverage ratio</b>                                      | <b>1.3</b>     | <b>1.3</b>     | <b>1.4</b>     |

1) Short- and long-term debt less cash and cash equivalents and debt-related derivatives. 2) Latest 12 months. 3) Interest expense, including cost for extinguishment of debt, if any, less interest income.

## Reconciliation of GAAP measure "Operating cash flow" to "Free operating cash flow" and "Cash conversion"

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

| (Dollars in millions)                               | Third quarter |              | First nine months |              | Latest 12 months | Full Year    |
|-----------------------------------------------------|---------------|--------------|-------------------|--------------|------------------|--------------|
|                                                     | 2025          | 2024         | 2025              | 2024         |                  | 2024         |
| <b>Net income</b>                                   | <b>\$175</b>  | <b>\$139</b> | <b>\$510</b>      | <b>\$404</b> | <b>\$754</b>     | <b>\$648</b> |
| Depreciation and amortization                       | 103           | 97           | 299               | 289          | 397              | 387          |
| Gain on divestiture of property                     | -             | -            | (6)               | -            | (10)             | (4)          |
| Other, net                                          | 32            | 10           | 26                | 1            | 1                | (24)         |
| Changes in operating working capital, net           | (53)          | (68)         | (217)             | (54)         | (109)            | 53           |
| <b>Operating cash flow</b>                          | <b>258</b>    | <b>177</b>   | <b>\$613</b>      | <b>\$639</b> | <b>1,033</b>     | <b>1,059</b> |
| Expenditures for property, plant and equipment      | (106)         | (146)        | (323)             | (440)        | (462)            | (579)        |
| Proceeds from sale of property, plant and equipment | 1             | 1            | 10                | 9            | 18               | 17           |
| <b>Capital expenditure, net<sup>1)</sup></b>        | <b>(106)</b>  | <b>(145)</b> | <b>(313)</b>      | <b>(431)</b> | <b>(445)</b>     | <b>(563)</b> |
| <b>Free operating cash flow<sup>2)</sup></b>        | <b>\$153</b>  | <b>\$32</b>  | <b>\$300</b>      | <b>\$208</b> | <b>\$588</b>     | <b>\$497</b> |
| <b>Cash conversion<sup>3)</sup></b>                 | <b>87%</b>    | <b>23%</b>   | <b>59%</b>        | <b>52%</b>   | <b>78%</b>       | <b>77%</b>   |

<sup>1)</sup> Defined as Expenditures for property, plant and equipment less Proceeds from sale of property, plant and equipment. <sup>2)</sup> Operating cash flow less Capital expenditure, net. <sup>3)</sup> Free operating cash flow relative to Net income.

| (Dollars in millions)                               | Full year    | Full year    | Full year    | Full year    |
|-----------------------------------------------------|--------------|--------------|--------------|--------------|
|                                                     | 2023         | 2022         | 2021         | 2020         |
| <b>Net income</b>                                   | <b>\$489</b> | <b>\$425</b> | <b>\$437</b> | <b>\$188</b> |
| Depreciation and amortization                       | 378          | 363          | 394          | 371          |
| Gain on divestiture of property                     | -            | (80)         | -            | -            |
| Other, net                                          | (119)        | (54)         | (15)         | 13           |
| Changes in operating working capital, net           | 235          | 58           | (63)         | 277          |
| <b>Operating cash flow</b>                          | <b>982</b>   | <b>713</b>   | <b>754</b>   | <b>849</b>   |
| Expenditures for property, plant and equipment      | (572)        | (585)        | (458)        | (344)        |
| Proceeds from sale of property, plant and equipment | 4            | 101          | 4            | 4            |
| <b>Capital expenditure, net<sup>1)</sup></b>        | <b>(569)</b> | <b>(485)</b> | <b>(454)</b> | <b>(340)</b> |
| <b>Free operating cash flow<sup>2)</sup></b>        | <b>\$414</b> | <b>\$228</b> | <b>\$300</b> | <b>\$509</b> |
| <b>Cash conversion<sup>3)</sup></b>                 | <b>85%</b>   | <b>54%</b>   | <b>69%</b>   | <b>270%</b>  |

<sup>1)</sup> Defined as Expenditures for property, plant and equipment less Proceeds from sale of property, plant and equipment. <sup>2)</sup> Operating cash flow less Capital expenditure, net. <sup>3)</sup> Free operating cash flow relative to net income.

## Items Affecting Comparability

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

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

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

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

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

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

## Reconciliation of GAAP measure "Operating income" to Non-GAAP measure "Adjusted Operating income"

| (Dollars in millions)                                 | Third quarter |              | First nine months |              | Latest 12 months |
|-------------------------------------------------------|---------------|--------------|-------------------|--------------|------------------|
|                                                       | 2025          | 2024         | 2025              | 2024         |                  |
| <b>Operating income (GAAP)</b>                        | <b>\$267</b>  | <b>\$226</b> | <b>\$769</b>      | <b>\$626</b> | <b>\$1,122</b>   |
| <i>Non-GAAP adjustments:</i>                          |               |              |                   |              |                  |
| Less: Capacity alignments                             | 2             | 9            | 6                 | 25           | (1)              |
| Less: Antitrust related items                         | 2             | 2            | 3                 | 6            | 5                |
| <b>Total non-GAAP adjustments to operating income</b> | <b>4</b>      | <b>11</b>    | <b>8</b>          | <b>31</b>    | <b>4</b>         |
| <b>Adjusted Operating income (Non-GAAP)</b>           | <b>\$271</b>  | <b>\$237</b> | <b>\$777</b>      | <b>\$657</b> | <b>\$1,127</b>   |

| (Dollars in millions)                                 | 2024           | 2023         | 2022         | 2021         | 2020         |
|-------------------------------------------------------|----------------|--------------|--------------|--------------|--------------|
| <b>Operating income (GAAP)</b>                        | <b>\$979</b>   | <b>\$690</b> | <b>\$659</b> | <b>\$675</b> | <b>\$382</b> |
| <i>Non-GAAP adjustments:</i>                          |                |              |              |              |              |
| Less: Capacity alignments <sup>1)</sup>               | 19             | 218          | (61)         | 8            | 99           |
| Less: The Andrews litigation settlement               | -              | 8            | -            | -            | -            |
| Less: Antitrust related items                         | 8              | 4            | -            | -            | 1            |
| <b>Total non-GAAP adjustments to operating income</b> | <b>27</b>      | <b>230</b>   | <b>(61)</b>  | <b>8</b>     | <b>99</b>    |
| <b>Adjusted Operating income (Non-GAAP)</b>           | <b>\$1,007</b> | <b>\$920</b> | <b>\$598</b> | <b>\$683</b> | <b>\$482</b> |

<sup>1)</sup> For 2022, including a gain on divestiture of property of \$80 million.

## Reconciliation of GAAP measure "Operating margin" to Non-GAAP measure "Adjusted Operating margin"

|                                                       | Third quarter |             | First nine months |             | Latest 12 months |
|-------------------------------------------------------|---------------|-------------|-------------------|-------------|------------------|
|                                                       | 2025          | 2024        | 2025              | 2024        |                  |
| <b>Operating margin (GAAP)</b>                        | <b>9.9%</b>   | <b>8.9%</b> | <b>9.6%</b>       | <b>8.1%</b> | <b>10.6%</b>     |
| <i>Non-GAAP adjustments:</i>                          |               |             |                   |             |                  |
| Less: Capacity alignments                             | 0.1%          | 0.4%        | 0.1%              | 0.3%        | (0.0)%           |
| Less: Antitrust related items                         | 0.1%          | 0.1%        | 0.0%              | 0.1%        | 0.1%             |
| <b>Total non-GAAP adjustments to operating margin</b> | <b>0.1%</b>   | <b>0.4%</b> | <b>0.1%</b>       | <b>0.4%</b> | <b>0.0%</b>      |
| <b>Adjusted Operating margin (Non-GAAP)</b>           | <b>10.0%</b>  | <b>9.3%</b> | <b>9.7%</b>       | <b>8.5%</b> | <b>10.6%</b>     |

|                                                       | 2024        | 2023        | 2022          | 2021        | 2020        |
|-------------------------------------------------------|-------------|-------------|---------------|-------------|-------------|
| <b>Operating margin (GAAP)</b>                        | <b>9.4%</b> | <b>6.6%</b> | <b>7.5%</b>   | <b>8.2%</b> | <b>5.1%</b> |
| <i>Non-GAAP adjustments:</i>                          |             |             |               |             |             |
| Less: Capacity alignments                             | 0.2%        | 2.1%        | (0.7)%        | 0.1%        | 1.4%        |
| Less: The Andrews litigation settlement               | -           | 0.1%        | -             | -           | -           |
| Less: Antitrust related items                         | 0.1%        | 0.0%        | -             | -           | 0.0%        |
| <b>Total non-GAAP adjustments to operating margin</b> | <b>0.3%</b> | <b>2.2%</b> | <b>(0.7)%</b> | <b>0.1%</b> | <b>1.4%</b> |
| <b>Adjusted Operating margin (Non-GAAP)</b>           | <b>9.7%</b> | <b>8.8%</b> | <b>6.8%</b>   | <b>8.3%</b> | <b>6.5%</b> |

## Reconciliation of GAAP measure "Income before income taxes" to Non-GAAP measure "Adjusted Income before income taxes"

| (Dollars in millions)                                           | Third quarter |              | First nine months |              |
|-----------------------------------------------------------------|---------------|--------------|-------------------|--------------|
|                                                                 | 2025          | 2024         | 2025              | 2024         |
| <b>Income before income taxes (GAAP)</b>                        | <b>\$240</b>  | <b>\$197</b> | <b>\$693</b>      | <b>\$554</b> |
| <i>Non-GAAP adjustments:</i>                                    |               |              |                   |              |
| Less: Capacity alignments                                       | 2             | 9            | 6                 | 25           |
| Less: Antitrust related items                                   | 2             | 2            | 3                 | 6            |
| <b>Total non-GAAP adjustments to Income before income taxes</b> | <b>4</b>      | <b>11</b>    | <b>8</b>          | <b>31</b>    |
| <b>Adjusted Income before income taxes (Non-GAAP)</b>           | <b>\$244</b>  | <b>\$208</b> | <b>\$702</b>      | <b>\$585</b> |

## Reconciliation of GAAP measure "Net income" to Non-GAAP measure "Adjusted Net income"

| (Dollars in millions)                           | Third quarter |              | First nine months |              |
|-------------------------------------------------|---------------|--------------|-------------------|--------------|
|                                                 | 2025          | 2024         | 2025              | 2024         |
| <b>Net income (GAAP)</b>                        | <b>\$175</b>  | <b>\$139</b> | <b>\$510</b>      | <b>\$404</b> |
| <i>Non-GAAP adjustments:</i>                    |               |              |                   |              |
| Less: Capacity alignments                       | 2             | 9            | 6                 | 25           |
| Less: Antitrust related items                   | 2             | 2            | 3                 | 6            |
| Less: Tax on non-GAAP adjustments               | (1)           | (3)          | (2)               | (5)          |
| <b>Total non-GAAP adjustments to Net income</b> | <b>3</b>      | <b>8</b>     | <b>7</b>          | <b>26</b>    |
| <b>Adjusted Net income (Non-GAAP)</b>           | <b>\$178</b>  | <b>\$147</b> | <b>\$517</b>      | <b>\$430</b> |

## Reconciliation of GAAP measure "Net income attributable to controlling interest" to Non-GAAP measure "Adjusted Net income attributable to controlling interest"

| (Dollars in millions)                                                                | Third quarter |              | First nine months |              |
|--------------------------------------------------------------------------------------|---------------|--------------|-------------------|--------------|
|                                                                                      | 2025          | 2024         | 2025              | 2024         |
| <b>Net income attributable to controlling interest (GAAP)</b>                        | <b>\$175</b>  | <b>\$138</b> | <b>\$509</b>      | <b>\$403</b> |
| <i>Non-GAAP adjustments:</i>                                                         |               |              |                   |              |
| Less: Capacity alignments                                                            | 2             | 9            | 6                 | 25           |
| Less: Antitrust related items                                                        | 2             | 2            | 3                 | 6            |
| Less: Tax on non-GAAP adjustments                                                    | (1)           | (3)          | (2)               | (5)          |
| <b>Total non-GAAP adjustments to Net income attributable to controlling interest</b> | <b>3</b>      | <b>8</b>     | <b>7</b>          | <b>26</b>    |
| <b>Adjusted Net income attributable to controlling interest (Non-GAAP)</b>           | <b>\$178</b>  | <b>\$146</b> | <b>\$516</b>      | <b>\$429</b> |

## Reconciliation of GAAP measure "Earnings per share - diluted" to Non-GAAP measure "Adjusted Earnings per share - diluted"

|                                                                   | Third quarter |               | First nine months |               |
|-------------------------------------------------------------------|---------------|---------------|-------------------|---------------|
|                                                                   | 2025          | 2024          | 2025              | 2024          |
| <b>Earnings per share - diluted (GAAP)</b>                        | <b>\$2.28</b> | <b>\$1.74</b> | <b>\$6.59</b>     | <b>\$4.98</b> |
| <i>Non-GAAP adjustments:</i>                                      |               |               |                   |               |
| Less: Capacity alignments                                         | 0.03          | 0.12          | 0.07              | 0.31          |
| Less: Antitrust related items                                     | 0.02          | 0.02          | 0.04              | 0.07          |
| Less: Tax on non-GAAP adjustments                                 | (0.01)        | (0.04)        | (0.02)            | (0.06)        |
| <b>Total non-GAAP adjustments to Earnings per share - diluted</b> | <b>0.04</b>   | <b>0.10</b>   | <b>0.09</b>       | <b>0.32</b>   |
| <b>Adjusted Earnings per share - diluted (Non-GAAP)</b>           | <b>\$2.32</b> | <b>\$1.84</b> | <b>\$6.67</b>     | <b>\$5.30</b> |
| Weighted average number of shares outstanding - diluted           | 76.7          | 79.3          | 77.3              | 80.9          |

## Reconciliation of GAAP measure "Return on Capital Employed" to Non-GAAP measure "Adjusted Return on Capital Employed"

|                                                                                 | Third quarter |              | First nine months |              |
|---------------------------------------------------------------------------------|---------------|--------------|-------------------|--------------|
|                                                                                 | 2025          | 2024         | 2025              | 2024         |
| <b>Return on capital employed<sup>1)</sup> (GAAP)</b>                           | <b>25.1%</b>  | <b>22.9%</b> | <b>24.9%</b>      | <b>21.2%</b> |
| <i>Non-GAAP adjustments:</i>                                                    |               |              |                   |              |
| Less: Capacity alignments                                                       | 0.2%          | 0.8%         | 0.2%              | 0.8%         |
| Less: Antitrust related items                                                   | 0.1%          | 0.2%         | 0.1%              | 0.2%         |
| <b>Total non-GAAP adjustments to Return on capital employed<sup>1)</sup></b>    | <b>0.3%</b>   | <b>1.0%</b>  | <b>0.3%</b>       | <b>1.0%</b>  |
| <b>Adjusted Return on capital employed<sup>1)</sup> (Non-GAAP)</b>              | <b>25.5%</b>  | <b>23.9%</b> | <b>25.2%</b>      | <b>22.1%</b> |
| Annualized adjustment <sup>2)</sup> on Return on capital employed <sup>1)</sup> | \$15          | \$44         | \$11              | \$42         |

<sup>1)</sup> Annualized operating income and income from equity method investments, relative to average capital employed. The average capital employed amount is calculated as an average of the opening balance amount and the closing balance amounts for each quarter included in the period.

<sup>2)</sup> The quarterly annualized adjustment to the operating income and income from equity method investments amount is calculated as the quarterly amount multiplied by four. The year-to-date annualized adjustment to the operating income and income from equity method investments amount is calculated as the year-to-date amount divided by the quarterly period number (two, three or four) multiplied by four.



## Reconciliation of GAAP measure "Return on Total Equity" to Non-GAAP measure "Adjusted Return on Total Equity"

|                                                                                  | Third quarter |              | First nine months |              |
|----------------------------------------------------------------------------------|---------------|--------------|-------------------|--------------|
|                                                                                  | 2025          | 2024         | 2025              | 2024         |
| <b>Return on total equity<sup>1)</sup> (GAAP)</b>                                | <b>27.9%</b>  | <b>24.1%</b> | <b>28.1%</b>      | <b>22.4%</b> |
| <i>Non-GAAP adjustments:</i>                                                     |               |              |                   |              |
| Less: Capacity alignments                                                        | 0.3%          | 1.4%         | 0.3%              | 1.3%         |
| Less: Antitrust related items                                                    | 0.2%          | 0.3%         | 0.1%              | 0.3%         |
| Less: Tax on non-GAAP adjustments                                                | (0.1)%        | (0.5)%       | (0.1)%            | (0.3)%       |
| <b>Total non-GAAP adjustments to Return on total equity<sup>1)</sup></b>         | <b>0.4%</b>   | <b>1.1%</b>  | <b>0.3%</b>       | <b>1.3%</b>  |
| <b>Adjusted Return on total equity<sup>1)</sup> (Non-GAAP)</b>                   | <b>28.3%</b>  | <b>25.3%</b> | <b>28.4%</b>      | <b>23.7%</b> |
| <b>Annualized adjustment<sup>2)</sup> on Return on total equity<sup>1)</sup></b> | <b>\$12</b>   | <b>\$32</b>  | <b>\$9</b>        | <b>\$35</b>  |

<sup>1)</sup> Annualized net income relative to average total equity. The average total equity amount is calculated as an average of the opening balance amount and the closing balance amounts for each quarter included in the period.

<sup>2)</sup> The quarterly annualized adjustment to net income amount is calculated as the quarterly amount multiplied by four. The year-to-date annualized adjustment to the net income amount is calculated as the year-to-date amount divided by the quarterly period number (two, three or four) multiplied by four.

| (Dollars in millions, except per share data, unaudited)    | 2024     | 2023     | 2022    | 2021    | 2020    |
|------------------------------------------------------------|----------|----------|---------|---------|---------|
| <b>Sales and Income</b>                                    |          |          |         |         |         |
| Net sales                                                  | \$10,390 | \$10,475 | \$8,842 | \$8,230 | \$7,447 |
| Airbags, Steering Wheels and Other <sup>1)</sup>           | 7,023    | 7,055    | 5,807   | 5,380   | 4,824   |
| Seatbelt Products and Other <sup>1)</sup>                  | 3,367    | 3,420    | 3,035   | 2,850   | 2,623   |
| Operating income                                           | 979      | 690      | 659     | 675     | 382     |
| Net income attributable to controlling interest            | 646      | 488      | 423     | 435     | 187     |
| Earnings per share – basic <sup>2)</sup>                   | 8.06     | 5.74     | 4.86    | 4.97    | 2.14    |
| Earnings per share – diluted <sup>2)</sup>                 | 8.04     | 5.72     | 4.85    | 4.96    | 2.14    |
| Gross margin <sup>3)</sup>                                 | 18.5%    | 17.4%    | 15.8%   | 18.4%   | 16.7%   |
| S,G&A in relation to sales                                 | (5.1)%   | (4.8)%   | (4.9)%  | (5.3)%  | (5.2)%  |
| R,D&E net in relation to sales                             | (3.8)%   | (4.1)%   | (4.4)%  | (4.7)%  | (5.0)%  |
| Operating margin <sup>4)</sup>                             | 9.4%     | 6.6%     | 7.5%    | 8.2%    | 5.1%    |
| Adjusted operating margin <sup>5,6)</sup>                  | 9.7%     | 8.8%     | 6.8%    | 8.3%    | 6.5%    |
| <b>Balance Sheet</b>                                       |          |          |         |         |         |
| Trade working capital <sup>6,7)</sup>                      | 1,115    | 1,232    | 1,183   | 1,332   | 1,366   |
| Trade working capital in relation to sales <sup>8)</sup>   | 10.7%    | 11.2%    | 12.7%   | 15.7%   | 13.6%   |
| Receivables outstanding in relation to sales <sup>9)</sup> | 19.0%    | 20.0%    | 20.4%   | 20.0%   | 18.1%   |
| Inventory outstanding in relation to sales <sup>10)</sup>  | 8.8%     | 9.2%     | 10.4%   | 9.2%    | 7.9%    |
| Payables outstanding in relation to sales <sup>11)</sup>   | 17.2%    | 18.0%    | 18.1%   | 13.5%   | 12.5%   |
| Total equity                                               | 2,285    | 2,570    | 2,626   | 2,648   | 2,423   |
| Total parent shareholders' equity per share                | 29.26    | 30.93    | 30.30   | 30.10   | 27.56   |
| Current assets excluding cash                              | 3,153    | 3,475    | 3,119   | 2,705   | 3,091   |
| Property, plant and equipment, net                         | 2,239    | 2,192    | 1,960   | 1,855   | 1,869   |
| Goodwill and Intangible assets                             | 1,375    | 1,385    | 1,382   | 1,395   | 1,412   |
| Capital employed                                           | 3,840    | 3,937    | 3,810   | 3,700   | 3,637   |
| Net debt <sup>6)</sup>                                     | 1,554    | 1,367    | 1,184   | 1,052   | 1,214   |
| Total assets                                               | 7,804    | 8,332    | 7,717   | 7,537   | 8,157   |
| Long-term debt                                             | 1,522    | 1,324    | 1,054   | 1,662   | 2,110   |
| Return on capital employed <sup>12)</sup>                  | 25.0%    | 17.7%    | 17.5%   | 18.3%   | 10.0%   |
| Return on total equity <sup>13)</sup>                      | 27.2%    | 19.0%    | 16.3%   | 17.1%   | 9.0%    |
| Total equity ratio                                         | 29%      | 31%      | 34%     | 35%     | 30%     |
| <b>Cash flow and other data</b>                            |          |          |         |         |         |
| Operating cash flow                                        | 1,059    | 982      | 713     | 754     | 849     |
| Depreciation and amortization                              | 387      | 378      | 363     | 394     | 371     |
| Capital expenditures, net                                  | 563      | 569      | 485     | 454     | 340     |
| Capital expenditures, net in relation to sales             | 5.4%     | 5.4%     | 5.5%    | 5.5%    | 4.6%    |
| Free operating cash flow <sup>6,14)</sup>                  | 497      | 414      | 228     | 300     | 509     |
| Cash conversion <sup>6,15)</sup>                           | 77%      | 85%      | 54%     | 69%     | 270%    |
| Direct shareholder return <sup>16)</sup>                   | 771      | 577      | 339     | 165     | 54      |
| Cash dividends paid per share                              | 2.74     | 2.66     | 2.58    | 1.88    | 0.62    |
| Number of shares outstanding (millions) <sup>17)</sup>     | 77.7     | 82.6     | 86.2    | 87.5    | 87.4    |
| Number of employees, December 31                           | 59,500   | 62,900   | 61,700  | 55,900  | 61,000  |

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