

**Event Driven Strategy**

**Autoliv spin-off of Veoneer:** [Presentation](#), [Form 10](#), [Recent Conference Call Transcript](#)

**Key Investment Thesis:** ‘Our TAM (total addressable market) consists of three product areas: Active Safety, Restraint Control Systems and Brake Systems. The TAM is approximately \$20 billion in 2017, and we estimate it will grow by a 10% CAGR through 2025 to approximately \$43 billion. Veoneer owns 50% of Zenuity, a JV with Volvo Cars. Zenuity is an exclusive 50/50 Joint Venture with Volvo Cars to develop decision and control sensor fusion software solutions for ADAS (Advanced driver-assistance systems) and HAD (highly automated driving) towards AD (autonomous driving) (Form 10).’

**Capital Structure:** ~\$1b in net cash. ‘The (~\$1b) capital contribution from Autoliv will help fund our planned operations until we reach positive cash flow. The cash will be used for ongoing working capital requirements and capital expenditures and takes into account our on-going investments in joint ventures, particularly Zenuity.’

**Capital Intensity:** CFO Hermansson, ‘When it comes to CapEx, I think we will see a temporary rise in percentage of revenues ’18 and ’19 probably. And once now, around ’20, when revenue starts to grow quite dramatically towards the target, then you’re going to see that coming down over the years. And then we expect roughly right now **around mid-single-digit CapEx levels**. I think when it comes to Zenuity, I don’t think we have that much CapEx in there. We invested around \$70 million, our share of investment into Zenuity itself to keep them running, because we’re investing quite a lot in that development. But you shouldn’t expect too much money into CapEx into Zenuity itself.’

**Economics: Profitability is projected in ’20.** ‘We see a double digit growth with a significant margin improvement over the upcoming years and our targets for 2020, we expected \$3 billion revenue, out of which more than \$1 billion coming from active safety and our 2022 target, we expect a \$4 billion revenue with roughly around \$2 billion coming from active safety (CFO Hermansson).’

**Valuation:** This is certainly an interesting business and also one that is difficult to value due to complexity and the highly dynamic nature of the prospective competitive environment. Essentially, until Cruise is spun off Veoneer will be the only public pure supplier play in independent active safety electronics. At \$40 it’s ~1x EV/Sales. If VNE got to the mid \$30’s there would seem to be a reasonable margin of safety when evaluating comps. with above average growth prospects as measured by Bloomberg forward revenue estimates. It seems unlikely that with 10% TAM CAGR projections that Veoneer would trade at a material discount to 1x EV/Sales. Obviously, a GM/Softbank Cruise spin/listing could command a valuation premium to this due to scale and funding capability and would also capture potential sector allocations.

**Comp. Metrics**

Ticker	P/E	EV/Sales	EV/EBITDA	18 Rev. Est.	19 Rev. Est.	20 Rev. Est.	21 Rev. Est.	18-'21 Rev. %
VC	19	1.2	9.9	3,246	3,429	3,840	4,467	38%
FR FP	13	0.8	5.8	20,030	21,853	23,773	26,057	30%
GNTX	15	3.3	9.2	1,909	2,028	2,227	2,275	19%
APTV	19	2.1	12.4	14,290	15,223	16,180	17,011	19%
ALV	22	1.3	9.9	11,557	12,313	13,162	13,592	18%
CON GY	13	1.0	6.5	46,110	48,953	51,602	53,845	17%
DLPH	10	1.2	6.8	5,152	5,339	5,593	5,831	13%
CPS	11	0.8		3,696	3,699	4,101	*	11%
TEN	6	0.4	4.3	10,130	10,560	10,892	11,183	10%
MGA	9	0.6	5.8	42,039	43,679	44,949	46,232	10%
6902 JT	14	0.8	5.9	5,383,188	5,383,188	5,617,057	5,884,220	9%
BWA	11	1.1	6.3	10,899	11,498	12,045	11,906	9%
DAN	7	0.6	4.5	8,045	8,328	8,547	*	6%
LEA	10	0.7	5.7	22,206	23,284	24,314	23,581	6%
ADNT	8	0.5	6.5	17,265	17,370	17,809	*	3%
AXL	5	0.8	4.2	7,063	7,003	6,985	6,915	-2%

\* No. '21 rev. est. so rev. % is '18-'20

Sources: Bloomberg and Weeden & Co. L.P.

	EV/Sales						
	0.7x	0.85x	1x	1.15x	1.3x	1.45x	1.6x
\$2,300	29.41	33.35	37.29	41.23	45.18	49.12	53.06
\$2,350	29.81	33.83	37.86	41.89	45.92	49.95	53.98
\$2,400	30.21	34.32	38.43	42.55	46.66	50.78	54.89
\$2,450	30.61	34.81	39.01	43.21	47.41	51.61	55.81
\$2,500	31.01	35.29	39.58	43.86	48.15	52.43	56.72
\$2,550	31.41	35.78	40.15	44.52	48.89	53.26	57.63

Sources: Bloomberg and Weeden & Co. L.P.

### Notes from Form 10:

- Over the last decade, our Electronics business has grown and matured next to our world leading Passive Safety business and today we have two distinct, successful businesses, each with its own unique business drivers. The spin-off will better position both companies to address two distinct, growing markets with leading product offerings.
- Autoliv has transferred the Electronics business to Veoneer and its subsidiaries and will distribute 100% of the outstanding shares of common stock of Veoneer on a pro rata basis to existing holders of common shares of Autoliv, including shares represented by Swedish Depository Receipts (“SDRs”).
- It is estimated that the total available market for active safety electronics will grow from around \$20 billion in 2017 to more than \$40 billion in 2025
- Common stock will be listed in the U.S. on the New York Stock Exchange under the symbol “VNE” and our Swedish Depository Receipts will be listed on Nasdaq Stockholm under the symbol “VNE SDB.”
- We have a highly skilled workforce of approximately 7,500 employees, including over 3,500 engineers, of which more than two-thirds are software engineers. We have approximately 600 software engineers focused on vision, and our Zenuity joint venture has approximately 475. Our workforce and access to Zenuity’s work force through our joint venture provides us with significant strategic flexibility to deploy human capital towards new innovative projects.
- In connection with our spin-off from Autoliv, we expect that Autoliv will provide us with total cash liquidity of approximately \$1.0 billion (funded through a mixture of new external funding and existing cash at Autoliv). The capital contribution from Autoliv will help fund our planned operations until we reach positive cash flow. The cash will be used for ongoing working capital requirements and capital expenditures and takes into account our on-going investments in joint ventures, particularly Zenuity (details?), as well as certain anticipated business combinations. We will not have additional (how much existing) debt as a result of the transaction with Autoliv.
- Approximately 87.5 million shares of Veoneer common stock will be distributed in the spin-off, based on the number of shares of Autoliv common stock outstanding as of May 21, 2018, and assuming a distribution ratio of one to one.

	As of and for the three months ended March 31,		As of and for the year ended December 31,			
	Pro Forma 2018 (unaudited)	2018 (unaudited)	Pro Forma 2017 (unaudited)	2017	2016	2015
<b>Operating Results:</b>						
Net sales	\$ 594.3	\$ 594.3	\$ 2,322.2	\$ 2,322.2	\$ 2,218.3	\$ 1,588.6
Operating (loss) <sup>(1)</sup>	(15.6)	(16.0)	(280.3)	(282.7)	(24.8)	(8.4)
Net (loss)	(36.7)	(37.0)	(342.1)	(344.3)	(60.1)	(30.0)
Net (loss) attributable to controlling interest	(32.0)	(32.3)	(214.8)	(217.0)	(53.1)	(30.0)
<b>Financial Position:</b>						
Total Assets	\$ 2,771.4	1,760.6	N/A	1,662.5	1,739.1	1,059.1
Total Debt <sup>(2)</sup>	(37.3)	(60.0)	N/A	(62.2)	(14.6)	(0.0)

(1) Includes costs for goodwill impairment of \$234.2 in 2017.

(2) Includes short-term debt and related party long-term debt as of March 31, 2018, related party long-term debt as of December 31, 2017 and related party short-term debt and related party long-term debt as of December 31, 2016.

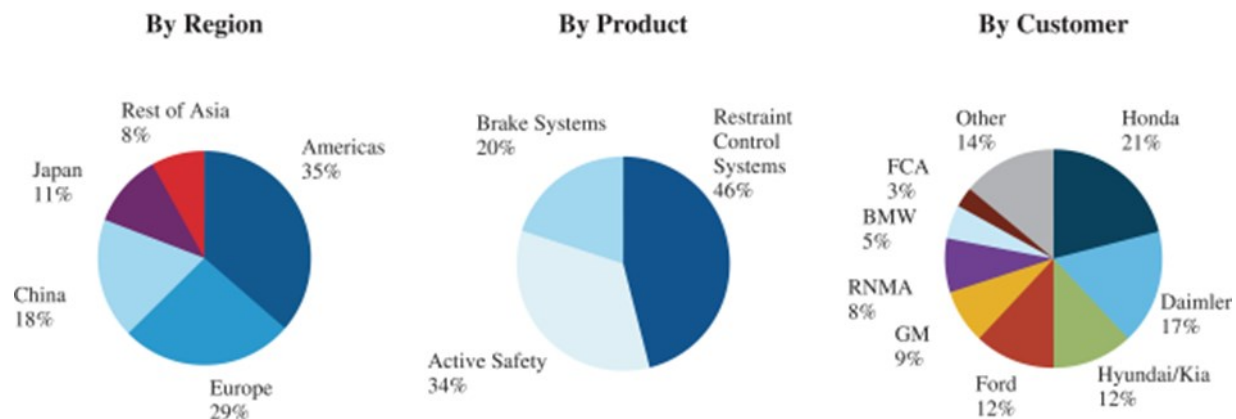
**Event Driven Strategy**

- The number of competitors shows risk of increasing as suppliers from outside the traditional automotive industry, such as Microsoft, Google, Apple, Argo, Uber, Lyft, Samsung, Panasonic, Here, Tesla, Intel, NVIDIA and other technology companies, consider the business opportunities presented by autonomous driving. Products and services provided by companies outside the automotive industry may also reduce demand for our products.
- we have focused significant resources on developing Zenuity, our **joint venture with Volvo Cars**, which is aimed at **developing software solutions for autonomous driving**. There is a risk that Zenuity or our other autonomous driving projects will not be able to deliver a competitive product. If we fail to develop and deliver innovative and competitive products, our business, results of operations and financial condition could be materially adversely effected.
- Any acquisition of our common stock within two years before or after the distribution (with exceptions, including public trading by less-than-5% stockholders and certain compensatory stock issuances) generally will be presumed to be part of such a plan unless that presumption is rebutted. The resulting tax liability would be substantial, and under U.S. Treasury regulations, each member of the Autoliv group at the time of the spin-off (including us and our subsidiaries) would be jointly and severally liable for the resulting U.S. federal income tax liability... **Two years is up June 30<sup>th</sup>, 2020.**
- In connection with the spin-off, we expect to adopt an equity incentive plan in which our employees, non-employee directors and other service providers may participate, under which an aggregate of 3,000,000 shares of our common stock will be available for future issuance, plus a number of shares to satisfy equity-based awards that are outstanding under Autoliv's Amended and Restated Stock Incentive Plan on the distribution date that will be converted into awards that will be exercisable for shares of our common stock.
- Diff. capital needs of the two businesses.
- Need to reconcile SDR's.
- Total cash liquidity of \$1.0 billion to be provided by Autoliv to us (funded through approximately \$700 million of new debt issued by Autoliv for which we have no obligation and approximately \$300 million of existing cash at Autoliv). The capital contribution from Autoliv will help fund our planned operations until we reach positive cash flow. The cash will be used for ongoing working capital requirements and capital expenditures and takes into account Veoneer's on-going investments in joint ventures, particularly Zenuity, as well as certain anticipated business combinations. Veoneer will not have any additional debt as a result of the transaction with Autoliv.
- Before 2014, we based our mono vision product offering on Mobileye software; however, in 2013, we made a strategic decision to develop our vision software internally. As a consequence, the cooperation with Mobileye for new business ended. We launched our internally developed mono and stereo vision solutions, including our internally developed software, on the Mercedes E-class in the fall of 2015 and on the S-class in 2016.
- Veoneer has emerged as the largest pure-play supplier (by revenue) in automotive safety electronics<sup>7</sup> and has been able to recruit highly qualified engineers to secure and maintain our technology leadership with continuous innovation. The number of engineering personnel has almost doubled from 1,796 to 3,576 over the last two fiscal years, of which 72% are software engineers.

**VEONEER**  
**UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

(in millions, except share and per share data)	Historical	Pro Forma Adjustments		Pro Forma
Net sales	\$ 2,322.2	\$		\$ 2,322.2
Cost of sales	(1,856.6)	0.1	(F)	(1,856.5)
<b>Gross profit</b>	<b>465.6</b>	<b>0.1</b>		<b>465.7</b>
Selling, general and administrative expenses	(110.0)	1.1	(F)	(108.9)
Research, development and engineering expenses, net	(375.4)	1.2	(F)	(374.2)
Goodwill, impairment charge	(234.2)			(234.2)
Amortization of intangibles	(37.0)			(37.0)
Other income, net	8.3			8.3
<b>Operating loss</b>	<b>(282.7)</b>	<b>2.4</b>		<b>(280.3)</b>
Loss from equity method investments	(30.7)			(30.7)
Interest income	0.3			0.3
Interest expense	(0.3)			(0.3)
Other non-operating items, net	(0.8)			(0.8)
<b>Loss before income taxes</b>	<b>(314.2)</b>	<b>2.4</b>		<b>(311.8)</b>
Income tax expense	(30.1)	(0.2)	(B)	(30.3)
<b>Net loss</b>	<b>(344.3)</b>	<b>2.2</b>		<b>(342.1)</b>
Less: Net loss attributable to non-controlling interest	(127.3)			(127.3)
<b>Net loss attributable to controlling interest</b>	<b>\$ (217.0)</b>	<b>\$ 2.2</b>		<b>\$ (214.8)</b>
Loss per share				
Basic and diluted	n/a		(C),(D)	(2.45)
Weighted-average shares outstanding	n/a		(C),(D)	87.50

**2017 Revenue Breakdown**



## Event Driven Strategy

- Lastly, Zenuity is an exclusive 50/50 Joint Venture with Volvo Cars to develop decision and control sensor fusion software solutions for ADAS (Advanced driver-assistance systems) and HAD (highly automated driving) towards AD (autonomous driving).



### Financial Reporting Segments

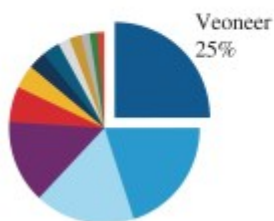
- Veoneer reports its financial results in two segments: Electronics and Brake Systems. Our Electronics reporting segment consists of our active safety and restraint control systems product areas. Our Brake Systems reporting segment consists of our brake systems product area, which are those products developed by ANBS.
- Fifth generation vision systems which are in the early planning stages, intended for production in 2022, will offer more than five times higher image resolution than the current generations as well as offer multiple camera solutions. Selected customers for our vision systems include Geely, Mercedes-Benz, Volvo Cars and one additional Asian OEM.
- Active Safety (\$777.7 million sales in 2017; 34% of Veoneer sales): Active safety systems are designed to intervene before a collision to make accidents avoidable or reduce the severity of the crash, in addition to making driving easier as well as more comfortable and convenient.
- Restraint Control Systems (\$1,072.8 million sales in 2017; 46% of Veoneer sales): The restraint control system is the brain triggering a vehicle's passive safety system in a crash situation. Restraint control systems consist of a restraint ECU and related remote crash sensors, including acceleration and pressure sensors. The ECU's algorithms decide when a seatbelt pretensioner should be triggered and an airbag system should be deployed.
- Brake Systems Segment (consisting of ANBS) (\$475.9 million sales in 2017; 20% of Veoneer sales). ANBS is our fully consolidated 51/49 joint venture established with Nissin Kogyo in 2016 for brake actuation and brake control systems. ANBS provides products for both traditional and new braking systems, which we see as building blocks, in the actuator area, towards HAD.
- In January 2017, we announced that ANBS is expanding its customer base beyond its primary customer Honda, winning lifetime contract order value of more than \$1 billion for our new braking system with a Detroit based OEM on a major vehicle platform. Production for this awarded business is currently scheduled to begin in 2020.

### **Acquisitions and JV's**

- February 2018: Zenuity announced the acquisition of Beyonav intellectual property and trademarks, a technology services company **delivering innovative location-based solutions that go beyond traditional applications of navigation technology.**
- November 2017: We acquired Fotonic, a Swedish company with expertise in LiDAR and Time of Flight cameras, building on our collaboration with Velodyne that was established in June 2017. This acquisition adds to our portfolio the **collaboration capabilities within LiDAR sensors, leveraging on our expertise in manufacturing and validation.**

**Event Driven Strategy**

- April 2017: We launched Zenuity, a strategic 50/50 joint venture with Volvo Cars. This JV is an industry first where an OEM and Tier-1 supplier, both recognized as pioneers in automotive safety, formed a company to **develop ADAS software towards AD**. Zenuity develops a software platform for AD and ADAS purposes, with the potential to become an integrated AD solution. Since formation, Zenuity has formed partnerships with Ericsson and TomTom to be able to provide fully integrated solutions to customers. Details of these partnerships are outlined below.
- April 2016: We formed ANBS, a 51/49 joint venture with Nissin Kogyo, a Japanese supplier of both traditional and new brake systems. The joint venture is consolidated by Veoneer. In January 2017, we announced that ANBS expanded its customer base beyond Honda, winning a lifetime contract order value of more than \$1 billion for our new braking system with a Detroit-based OEM.
- August 2015: We acquired MACOM's automotive business, a supplier of GPS modules along with radio frequency and antenna products, to expand M/A-COM's capabilities into active safety **and augment our positioning, V2X ("Vehicle-to-Vehicle and Vehicle-to-Infrastructure") and mapping capabilities.**
- **Partnerships, Collaborations and Supplier Agreements**
- January 2018: Zenuity announced a non-exclusive collaboration with TomTom, to provide reference map architecture for the "Zenuity Connected Roadview" system for autonomous vehicles. **TomTom's High Definition ("HD") Maps will power the localization, perception and path planning in the Zenuity AD software stack, in combination with on-vehicle sensors such as cameras, radar and LiDAR, to create continuously updated maps.**
- October 2017: We announced a non-exclusive collaboration with Massachusetts Institute of Technology AgeLab to develop **deep learning algorithms that enable effective communication and transfer of control between driver and vehicle.** This includes **sensing driver gaze, emotion, cognitive load, drowsiness, hand position, posture, and fusing this information with the perception of the driving environment to create safe, reliable vehicles that drivers can learn to trust.**
- September 2017: Zenuity announced a non-exclusive collaboration with Ericsson. The aim is to develop the Zenuity connected cloud, where Ericsson will contribute its "Internet of Things" accelerator platform, aiming **to integrate in-vehicle software and systems with connected safety data from other vehicles and infrastructure to potentially provide Over-the-Air ("OTA") real time updates across the vehicle fleet.**
- August 2017: We announced a non-exclusive collaboration with Seeing Machines, a pioneer in computer vision based human sensing technologies, to develop next generation Driver Monitoring Systems ("DMS") for autonomous vehicles.
- July 2017: We announced a non-exclusive collaboration with Velodyne to sell various LiDAR sensors as the Tier-1 supplier to the OEMs. Under the current agreement with Velodyne, we will act as the Tier-1 supplier to the OEMs for the Velodyne LiDAR sensors. We will provide project management services, product validation and verification capabilities and system/interface packaging in supplying automotive-grade LiDAR systems to the OEMs.
- June 2017: We announced a non-exclusive **early stage collaboration with NVIDIA, in combination with Zenuity, providing Veoneer and Zenuity with pre-commercial access to NVIDIA's AI computing platform for autonomous driving. Actual production vehicles utilizing said platform are not planned for sale before 2021.**
- The automotive production value chain is split among OEMs such as General Motors, Toyota and Volkswagen and automotive suppliers, such as ourselves, Aptiv, Bosch, Continental, Denso, Magna, Valeo and ZF. Veoneer acts mainly as a Tier-1 supplier to OEMs, meaning that we sell products directly to OEMs.
- Light Vehicle Production: Over the last two decades, LVP has increased at an average annual growth rate of around 3% despite the cyclical nature of the automotive industry. LVP is expected to grow to around 96 million in 2019, and 107 million in 2025, from approximately 92 million in 2017. The market is undergoing a shift from traditional ICE vehicles, to HEVs and EVs, as emission regulation becomes more stringent, and battery technology continues to evolve.
- Content Per Vehicle: Unlike LVP, we can directly influence the CPV by introducing new technologies to the market. Looking ahead, we expect that safety CPV growth will primarily be driven by active safety content (including software), with **total active safety market growing from approximately \$50 per vehicle in 2017 to around \$225 per vehicle in 2025**,<sup>12</sup> representing a CAGR of roughly 21% from 2017 to 2025, as the demand for advanced active safety features grows.
- We estimate our market share in 2017 is around 11%,<sup>14</sup> where our market is characterized as relatively fragmented with many large cap automotive tier 1 suppliers who also compete in many other product lines, other than automotive safety electronics.

*Our Estimated Market Shares - 2017A*
**Restraint Control Systems**

**Active Safety Systems**

**Brake Systems**


Source: The Company's market share estimates are based on internal market intelligence on geographies, OEMs and vehicle models.

- In 2013, we served 16 OEMs and **our top five customers represented approximately 70% of sales**. In 2017, we served a total of 16 customers and our largest customers were Honda (21% of sales), Daimler (17% of sales), Hyundai/Kia (12% of sales) and Ford (12% of sales). Some of the concentration is driven by the concentration in the automotive industry, with the five largest OEMs in 2017 accounting for 49% of global LVP and the ten largest for 74%.
- As of December 31, 2017, we had a total of 7,485 employees, with 3,576 in engineering, 2,232 in production and 1,323 in production overhead, with the remainder employed in management, general and administrative functions. Within engineering, approximately 72% of employees worked as software engineers.
- Major unions to which some of our employees belong in Europe include: IG Metall in Germany; Unite the union in the United Kingdom; Confédération Générale des Travailleurs, Confédération Française Démocratique du Travail, and Force Ouvrière in France; If Metall, Unionen, Sveriges Ingenjörer and Akademikerförningen in Sweden.
- Sales for Veoneer in 2017 of \$2.3B increased by a 21% CAGR since 2015 when Autoliv commenced reporting the Electronics business as a segment. During this period, the positive operating leverage from the organic growth contributed to the increase in gross margin from 17.5% in 2015 to 20.0% in 2017.
- During the period 2015 to 2017, Veoneer more than doubled its engineering employees to keep pace with the rapid advancements in innovation and technology in Active Safety. This has resulted in an increase in R,D&E from \$214 million in 2015 to \$375 million in 2017. Since R,D&E increased at a faster rate than sales, R,D&E increased from 13.4% to 16.2% as a percentage of sales.
- Zenuity is 50% owned by Volvo Cars and 50% owned by Veoneer. Generally, a party may not transfer its interest in Zenuity to a third party without the prior written consent of the other party, except that both parties may transfer their interest to an affiliate, provided that the transferring party guarantees the obligations of the transferee.
- The Zenuity JV Agreement describes the scope of the business activities of Zenuity, which is to develop automotive driver assistance and highly autonomous driving software solutions that can be supplied to Volvo Cars (Geely Auto subsidiary) and other potential customers. In addition, Zenuity conducts research within the areas of human factors, vehicle environments and computer techniques to develop algorithms for driving assistance or automated driving. Zenuity owns and licenses certain intellectual property rights pursuant to commercialization agreements between the parties. Veoneer is the exclusive supplier and distribution channel for all Zenuity's products sold to third parties; however, there is no exclusivity toward any customer or the owners. Volvo Cars can source such products directly from Zenuity.
- Geely (GELYF): The parties to the Zenuity JV Agreement made initial capital contributions to Zenuity in accordance with an investment agreement between the parties at the time of formation. Zenuity developed a business plan at formation detailing future cash flow projections, including investments in RD&E. This business plan also provided indications of anticipated future funding needs. **Any amounts agreed to be funded by Volvo Cars and Veoneer in the future will be funded 50% each by Volvo Cars and Veoneer.**

## Event Driven Strategy

- **Nissin Kogyo (7230 JT):** Brake Systems was formed by and operates pursuant to a number of agreements entered into between certain affiliates of each of Autoliv and Nissin Kogyo Ltd., Co. (“Nissin”), including a Share Purchase Agreement, dated September 9, 2015 (the “ANBS SPA”), and a Joint Venture Agreement, dated March 7, 2016 (the “ANBS JV Agreement”). The ANBS JV Agreement sets forth the agreements between Autoliv and Nissin with respect to the ownership, capitalization, governance and operations of Brake Systems. It provides that Autoliv owns 51% of each of the entities that comprise Brake Systems and Nissin owns the remaining 49% of each entity... The ANBS JV Agreement is governed by Japanese law, and any claims between the parties must be finally settled by arbitration before a tribunal in Singapore.
- The first quarter was a solid start to 2018 for Veoneer with record sales of \$0.6 billion while the operating margin was in line with our internal expectations, which includes planned increases in engineering costs to support our future sales targets.
- **In fiscal 2017, 35% of our revenue was derived from Americas, 29% from Europe and 36% from Asia. In terms of product areas, 46% of our revenue came from restraint control systems, 34% from active safety products and 20% from brake systems. No single customer accounted for more than 21% of our revenue and our top five customers accounted for a total of approximately 70% of our revenue.**

## Net Sales by Segment

Dollars in Millions	March 31, 2018	March 31, 2017	Reported change	Currency effects <sup>1)</sup>	Organic
	Unaudited	Unaudited	Based on Unaudited	Unaudited	Unaudited
<b>Electronics</b>	\$ 480.9	\$ 462.9	3.9%	6.3%	(2.4)%
Whereof					
Restraint Control					
Systems	\$ 267.7	\$ 271.3	(1.3)%	6.8%	(8.1)%
Active Safety	\$ 213.2	\$ 191.6	11.3%	5.5%	5.8%
<b>Brake Systems</b>	\$ 113.6	\$ 121.9	(6.8)%	4.6%	(11.4)%
Intersegment sales	\$ (0.2)	\$ (1.5)	—	—	—
<b>Veoneer net sales</b>	\$ 594.3	\$ 583.3	1.9%	5.9%	(4.0)%

- Higher level of autonomy requires also substantially more sensors. In level one, the driver assistance case here to the left of this page is a lower single digit number of sensors. This is growing to more than 15 sensors in level three and more than 25 sensors in level four and level five. And the estimate value for these sensors is growing from approximately \$100 to 500 for level one to somewhere between – up to \$10,000 for the higher cases level four and level five.
- Sales from Veoneer’s companies in Asia increased by 87.0%, primarily due to the inclusion of ANBS. The 24.8% increase in organic sales (non-U.S. GAAP measure, see “Non-U.S. GAAP Measures” section for reconciliation) was mainly driven by Restraint Control System sales in China and South Korea. In the Americas, consolidated sales were 27.8% higher compared to 2015, primarily due to the inclusion of ANBS, which began operations in 2016 and comprises our Brake Systems segment. The 4.8% increase in organic sales (non-U.S. GAAP measure, see “Non-U.S. GAAP Measures” section for reconciliation) from Veoneer’s companies was primarily driven by higher sales of radar products.
- In March 2016, we acquired a 51% interest in the entities that form ANBS for approximately \$263 million in cash. ANBS designs, manufactures and sells products in the brake and actuation systems business. Nissin Kogyo retained a 49% interest in the entities that formed ANBS. Veoneer has management and operational control of ANBS and consolidates the results of operation and balance sheet from ANBS.
- In April 2017, we formed Zenuity, our 50% owned joint venture with Volvo Cars. Zenuity, headquartered in Gothenburg, Sweden, develops software solutions for ADAS, HAD and AD applications. Veoneer is the exclusive supplier of and distribution channel for all Zenuity products sold to third parties. As part of the agreement, Autoliv invested about \$111.5 million into the joint venture as an upfront cash payment for Veoneer’s 50% share. In March 2018, we, together with our co-owner, contributed 600 MSEK (approximately \$71 million) cash each into Zenuity in funding for future capital needs.
- In August 2015, we acquired the “Automotive Solutions” business of M/A-COM Technology Solutions Holdings, Inc. (MACOM), which is a carve-out of the automotive business of MACOM, through the acquisition of all of the shares of M/A-COM Auto Solutions, Inc., for total consideration of approximately \$138.5 million including earn-outs. The transaction has been accounted for as a business combination.



## Event Driven Strategy

- Substantially all of the Company's non-U.S. earnings are permanently reinvested outside the U.S. The permanently reinvested earnings are not planned to be repatriated to the U.S. as they will be used to fund ongoing operations in Sweden.

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