



Autoliv, Inc. (ALV)

Updated February 10th, 2026, by Josh Arnold

Key Metrics

Current Price:	\$124	5 Year CAGR Estimate:	14.7%	Market Cap:	\$9.2 B
Fair Value Price:	\$154	5 Year Growth Estimate:	8.0%	Ex-Dividend Date:	03/04/2026 ¹
% Fair Value:	81%	5 Year Valuation Multiple Estimate:	4.4%	Dividend Payment Date:	03/13/2026
Dividend Yield:	2.8%	5 Year Price Target	\$226	Years Of Dividend Growth:	7
Dividend Risk Score:	C	Sector:	Industrials	Rating:	Hold

Overview & Current Events

Autoliv is a global manufacturer of airbags, seatbelts, and steering wheels for automobile manufacturers all over the globe. The company is the industry leader in a critical and growing segment of the automobile manufacturing process. It was founded in 1953 and since then, has grown to 58,000 employees, more than \$11 billion in revenue this year and a \$9.2 billion market capitalization. Autoliv is listed in both New York and Stockholm and is headquartered in the latter city; we use the New York listing and U.S. dollars for this report.

Autoliv posted fourth quarter and full-year earnings on January 30th, 2026, and results were better than expected on both the top and bottom lines, and by wide margins for both. The company saw \$3.19 in adjusted earnings-per-share for Q4, which was 31 cents ahead of estimates. Revenue was up 7.6% year-on-year to \$2.82 billion, beating expectations by \$50 million. Organic sales were up 4.2%.

Gross profit was up \$22 million, while adjusted operating income was \$337 million, and adjusted operating margin was 12% of revenue for the quarter. Q4 operating cash flow was \$544 million, while free cash flow was \$434 million. For the year FCF was \$734 million.

2025 was the first time ever Autoliv posted \$1 billion in annual operating income, highlighting how strong the year was. Autoliv bought back \$150 million in common shares in Q4, retiring 1.3 million shares.

The company expects 2026 to see flat organic sales and adjusted operating margin of 10.5% to 11.0% of revenue. We start the year at \$10.60 in adjusted earnings-per-share.

Autoliv also boosted its dividend once again, this time adding 2.4% to a new payout of \$3.48 annually per share.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$6.42	\$4.87	\$6.83	\$5.72	\$3.15	\$5.02	\$4.50	\$8.19	\$8.32	\$9.85	\$10.60	\$15.57
DPS	\$2.30	\$2.38	\$2.46	\$2.48	\$0.62	\$1.88	\$2.58	\$2.66	\$2.74	\$3.12	\$3.48	\$4.44
Shares²	88	87	87	87	87	88	88	83	78	75	72	62

Autoliv's earnings-per-share has been volatile in the past decade, and recent years have seen a sharp upswing in earnings. The company struggled during the Great Recession given its exposure to the automobile market, which of course declined significantly as a result of the economic downturn. However, the recovery was swift and strong. We're estimating long-term earnings growth of 8% annually from this year's record base. We like the company's margin expansion and buyback program to power earnings-per-share, but note tariffs are a wildcard completely out of the company's control.

Autoliv is performing well against benchmarks over the long term. Light vehicle production is generally back to normalized levels, but there was a sizable decline in late-2021 due to supply constraints globally, and there are signs of continued volatility. We note that Autoliv's level of outperformance against LVP has remained strong throughout all

¹ Estimated date

² Share count in millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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portions of the cycle. Outperformance has narrowed in recent periods, and we note that if LVP continues to weaken, Autoliv would likely suffer as a result. The outlook for earnings growth is quite good right now overall for Autoliv.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	17.1	23.1	14.1	13.3	22.7	19.1	17.0	13.5	11.3	11.3	11.7	14.5
Avg. Yld.	2.1%	2.1%	2.5%	3.3%	0.9%	2.0%	3.4%	2.4%	2.9%	2.9%	2.8%	2.0%

Autoliv's price-to-earnings ratio has declined since our last report to 11.7 times our earnings estimate for 2026. We see fair value at 14.5 times earnings, which is more normalized based upon historical data, and the fact that global vehicle production is clearly weak. Given the valuation, we see a meaningful positive impact from the valuation going forward.

The current yield is 2.8%, meaning it's quite an attractive income stock in addition to its growth prospects.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	36%	49%	36%	43%	20%	37%	57%	32%	33%	32%	33%	29%

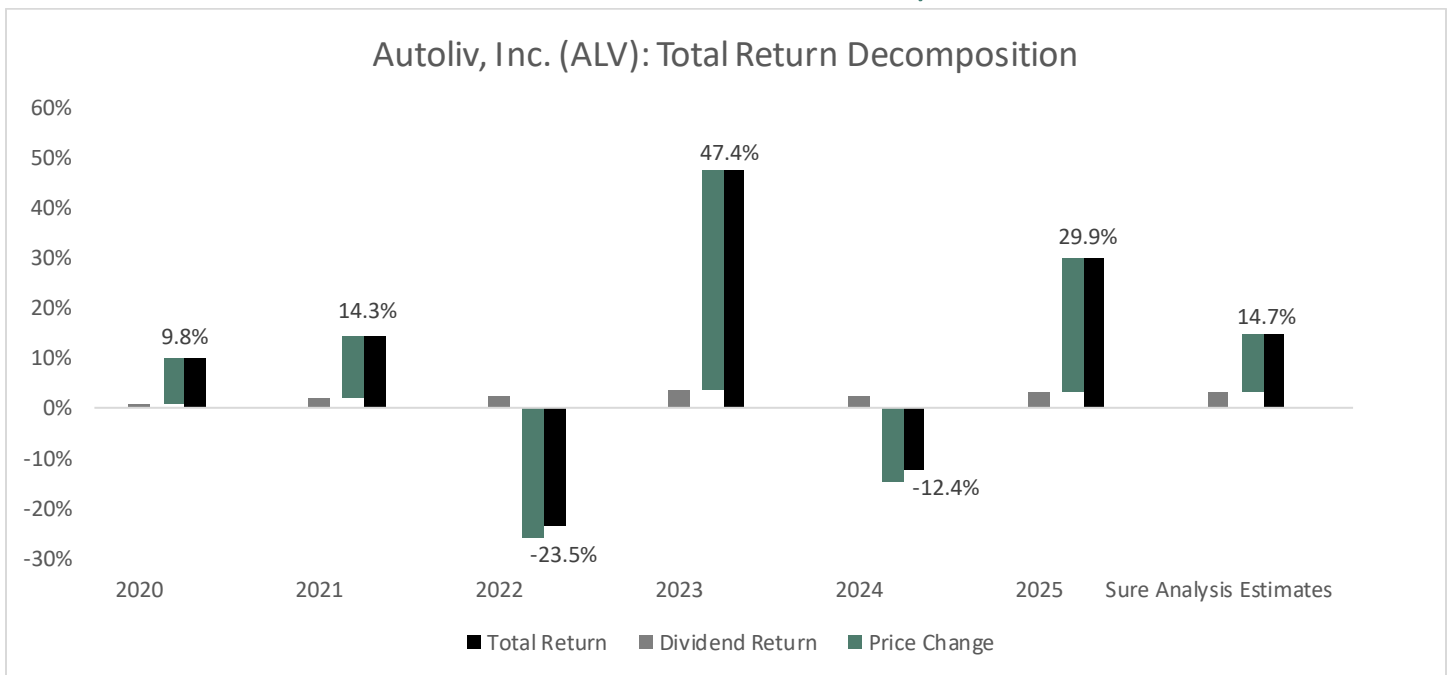
We expect moderate dividend growth given management is likely to be shy about raising it to the point where it may need to be cut again in the future. The current payout ratio of 33% is more than sustainable.

Autoliv's competitive advantage is in its strong market share and the fact that it counts every major global automaker among its customers. It undoubtedly suffered in 2020, as it did during the last recession, but has rebounded. Autoliv continues to get multiple products in major vehicle launches across the world, reaffirming its strong market position, but it will remain reliant upon global light vehicle production.

Final Thoughts & Recommendation

Autoliv's valuation is slightly lower again since our last update. The dividend is growing, and we see Autoliv's total return outlook as exceptional at 14.7% annually, based on projected growth of 8%, a 4.4% tailwind from the valuation, and the 2.8% yield. With outstanding projected returns, but a modest dividend history, we're reiterating the stock at a hold.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	7,922	8,137	8,678	8,548	7,447	8,230	8,842	10,475	10,390	10,815
Gross Profit	1,628	1,680	1,711	1,584	1,247	1,511	1,396	1,822	1,927	2,074
Gross Margin	20.6%	20.6%	19.7%	18.5%	16.7%	18.4%	15.8%	17.4%	18.5%	19.2%
SG&A Exp.	394	407	390	399	389	432	437	498	530	571
D&A Exp.	383	426	397	351	371	394	363	378	387	407
Operating Profit	831	860	686	726	382	675	659	690	980	1,090
Operating Margin	10.5%	10.6%	7.9%	8.5%	5.1%	8.2%	7.5%	6.6%	9.4%	10.1%
Net Profit	567	427	190	462	187	435	423	488	646	736
Net Margin	7.2%	5.2%	2.2%	5.4%	2.5%	5.3%	4.8%	4.7%	6.2%	6.8%
Free Cash Flow	361	356	31	165	509	296	128	410	480	715
Income Tax	224	204	235	186	103	177	178	123	227	250

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	8,234	8,550	6,722	6,771	8,157	7,537	7,717	8,332	7,804	8,644
Cash & Equivalents	1,227	960	616	445	1,178	969	594	498	330	604
Accounts Receivable	1,960	1,697	1,652	1,627	1,822	1,699	1,907	2,198	1,993	2,236
Inventories	773	704	758	741	798	777	969	1,012	921	992
Goodwill & Int. Ass.	2,083	1,440	1,423	1,410	1,412	1,395	1,382	1,385	1,375	1,386
Total Liabilities	4,308	4,381	4,825	4,649	5,734	4,889	5,091	5,762	5,519	6,061
Accounts Payable	1,197	957	978	951	1,254	1,144	1,693	1,978	1,799	2,007
Long-Term Debt	1,543	1,330	2,230	2,094	2,411	2,008	1,765	1,862	1,909	1,856
Shareholder's Equity	3,677	4,035	1,884	2,109	2,409	2,633	2,613	2,557	2,276	2,572
LTD/E Ratio	0.42	0.33	1.18	0.99	1.00	0.76	0.68	0.73	0.84	0.90

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	7.2%	5.1%	2.5%	6.8%	2.5%	5.5%	5.5%	6.1%	8.0%	8.9%
Return on Equity	15.9%	11.1%	6.4%	23.1%	8.3%	17.3%	16.1%	18.9%	26.6%	30.2%
ROIC	10.8%	7.8%	4.0%	11.1%	4.1%	9.2%	9.4%	11.1%	15.0%	15.9%
Shares Out.	88	87	87	87	87	88	87.2	85.2	80.4	76.9
Revenue/Share	89.61	92.78	99.41	97.91	85.11	93.84	101.40	122.95	129.23	140.64
FCF/Share	4.08	4.06	0.35	1.89	5.82	3.38	1.47	4.81	5.97	9.30

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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