



Veoneer Provides Update to First Quarter 2020 and Current Market Situation

Stockholm, Sweden, March 20, 2020 – Given the rapid changes in the market caused by the effects of the coronavirus outbreak, Veoneer Inc. (NYSE: VNE and SSE: VNE SDB), updates indications of its first quarter 2020, current business situation and short term response actions.

- Health and operational crisis management teams have been activated since February, and are working continuously, taking the appropriate actions. In this time of crisis and uncertainty health and safety is our first priority.
- First quarter sales are expected to see limited negative impact from the coronavirus outbreak, mainly from the second half of March, and are expected to be in the range of \$350 million to \$370 million, including sales from VNBS Asia for January. Underlying sales for January and February were stronger than anticipated, despite negative effects from the initial coronavirus outbreak in China.
- Cash balance at the end of February of around \$970 million, up from \$894 million at year-end 2019, following the previously-announced completion of the sale of our Asian brake control business (VNBS Asia) on February 3.
- New order intake through the end of February was around \$160 million average annual sales, however due to the current situation we expect order intake activity in March to be limited.
- OEM production downtime or lower production rates are expected in Europe and North America for the next 2 to 4 weeks commencing in mid-March. We are adjusting our production according to customer demand and local government initiatives, and anticipate that our production facilities in Europe and North America will operate in the range of 20 to 30% of capacity during this 2-4 week period, including potential temporary facility closures. It is highly uncertain how long the production reductions will last.
- Our Asian business is recovering and our manufacturing facility and engineering center in China are operating at increasingly high levels and general local business activity is increasing.
- As an extension to the “Market Adjustment Initiatives” launched during Q1’19, Veoneer intends to take further actions to preserve cash and focus on its core product portfolio and customer launches, including:
 - Reductions in professional services,
 - Adjusting to market conditions in direct labor and production overheads,
 - Reductions in SG&A,
 - Focus on all actions that are not driving up-front cost,
 - Cuts in discretionary spending,
 - Capital expenditure reductions.
- Through these actions we expect to improve the current run rate of cash flow before financing activities during the remainder of the year, achieved improvements could potentially not suffice to offset the effects of the coronavirus outbreak.
- The strategic reviews of the priorities for Zenuity, our software joint venture with Volvo Cars and our North American Brake control business (VBS), have been accelerated and we expect to reach a conclusion shortly.
- The major customer launches in year 2020 are mainly progressing according to plan, however volumes and timing are currently difficult to estimate due to the unpredictability caused by the coronavirus outbreak. Veoneer sales growth is increasingly driven by new vehicle launches and increasing content per vehicle, rather than light vehicle production levels.
- It is too early to detail the negative effects from the coronavirus outbreak to our full year 2020 outlook. We intend to provide further updates to the full year expectations at the time of our Q1’20 earnings release on April 24.

“This is in many ways an unprecedented situation, signified by very rapid changes and everyone’s health and safety is our first priority”, said Jan Carlson, Chairman, President and CEO. “We are working in rapid response mode, to meet customer demand while running effective operations, reducing costs and preserving our core RD&E to build for the future. With the support of our associates, customers, suppliers and shareholders, Veoneer is determined to come through this crisis as an even stronger company”, added Carlson.

This report is information that Veoneer, Inc. is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the EVP Communications and IR set out above, at 13.00 CET on March 20, 2020. Inquiries – Company Corporate website www.veoneer.com.

For more information please contact:

Thomas Jönsson, EVP Communications & IR, tel +46 (0)8 527 762 27

Ray Pekar, Investor Relations, tel +1 (248) 794-4537

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