

Greg Scheu, Regional President Americas, ABB Ltd., Capital Markets Day, September 9, 2015

# Next Level Stage 2

## Americas: accelerating transformation

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- costs associated with compliance activities
- raw materials availability and prices
- market acceptance of new products and services
- changes in governmental regulations and currency exchange rates, and,
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The presentations also contain non-GAAP measures of performance. Definitions of these measures and reconciliations between these measures and their US GAAP counterparts can be found in “Supplemental financial information” under “Capital Markets Day 2015” on our website at <http://new.abb.com/investorrelations/>

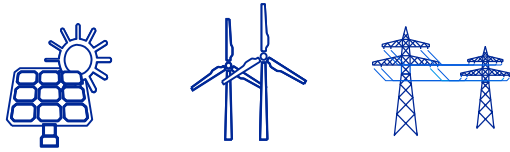
# Well positioned in attractive markets

## Significant growth opportunities in the Americas



### Power & Automation

#### Utilities



#### Renewables

Mature market grid upgrades  
Emerging market grid expansion  
Digital substations, microgrids

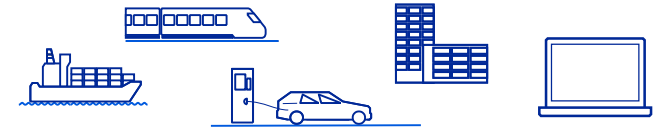
#### Industry



#### Energy independence

Re-industrialization  
Food and Beverage  
Energy and operational efficiency

#### Transport & Infrastructure



#### Infrastructure

Electric transport  
Data centers  
Urbanization

Internet of Things, Services and People

**Attractive offering in a dynamic market – opportunity for growth**

# Next Level Stage 2

## Americas: accelerating transformation

### Profitable Growth

#### Shifting the Center of Gravity

- Driving organic growth – Penetration, Innovation, Expansion
- High growth segments focus

### Relentless Execution

#### Getting closer to customers – NPS

Driving change through 1'000 day programs

White Collar Productivity – shared service centers

### Business-led Collaboration

#### Simplifying how we work together

Synergistic sales growth across business units: account management, channels, project pursuits

Aligned and focused to increase sales

**Driving profitable growth and productivity through collaboration**

# Shifting the Center of Gravity – driving organic growth

Through heat map framework and drive Penetration, Innovation and Expansion (PIE)



## Proven growth approach

Systematic framework established

Penetration and expansion opportunities identified

Growth initiatives operationalized

Regular progress tracking

Performance linked to compensation

**PIE focused on organic growth in the Americas, creating momentum**

# Shifting the Center of Gravity – driving organic growth

## Penetration of US distribution channel with broad ABB offering

### "Line Cards" from all ABB product businesses

**Distributor the card**  
Drives and Controls  
North America offerings

ABB is a world leader in automation technologies. Our portfolio of drives, from micro and machinery drives for industrial drives for controlling processing lines, our drive requirements.

Product	Offering	Benefits
Micro drives	ACS505 0.25 to 2 hp (\$18 to \$2.2 kW)	Easy to set up and commission, the design focus of is on easy integration into machines, with flexible no alternatives.
	ACS150 0.5 to 5 hp (\$27 to \$4.5 kW)	Available in both single and three phase supplies, the includes many functions as standard, such as PID control to drive chopper and DAC filter.
	ACS520 0.5 to 20 hp (\$27 to 15 kW)	Compact and available with flexible mounting options the need for auxiliary mounting fits. These drive a panel buttons and OEMs reading a motor drive with flexible mounting options, and need parameter setup.
	ACS310 0.5 to 30 hp (\$27 to 22 kW)	A drive dedicated to optimize your variable torque as such as boiler pumps and centrifugal fans. Despite a powerful set of features that, use the drive's performance based on any changes in the pressure, flow, or other data, this drive helps you save on operating costs, in energy efficiency and reduce CO <sub>2</sub> emissions.
Machinery drives	ACS505 0.5 to 20 hp (\$27 to 22 kW)	Designed to be the fastest drive to install, permeate set and commission, these drives are also highly cost and cost effective. Equipped with cutting-edge install and an innovative safety capabilities, the drive are designed specifically to meet the production and performance system integration, OEMs and panel builders, as well requirements of end users in a broad range of applications.
	ACS500 0.5 to 750 hp (\$27 to 560 kW)	Flexibility and reliability to meet your challenges. For motor control lets you use a variety of motor types. T programming flexibility along with a wide range of top safety features allows you to easily integrate the drive process.
General purpose drives	ACS505 1 to 500 hp (\$75 to 355 kW)	Ideal for variable and constant torque applications, it is plug-and-play right from the start. It is ideal for the situations where there is a need for simplicity to make commission and use and where outsourcing or speed engineering is not required.

The information contained in this document is for general information purposes only. Please contact your local Distributor Office for complete product offerings and for local product availability.

**Distributor the card**  
Industrial Electric Motors  
United States offerings

ABB is a leader in power and automation technologies that enable utility, industrial and commercial customers to improve performance, reduce cost and minimize environmental impact. ABB partners with customer-focused distributors to deliver a very wide range of innovative and high-quality products, solutions and services.

**Stock Motor Products**  
Baldor Electric Company provides customers with safe, reliable and energy efficiency industrial electric motors for almost every industrial application. Our offering of NEMA and IEC motors are sold under the Baldor-Halco™ and ABB brands and are complemented with Baldor-Motrol™ mechanical power transmission products including driveshafts, couplings and couplers.

Product Family	Offering	Applications	Features
Single Phase	TEFC	Compressors, fans, pumps, fans, conveyors, material handling equipment, machine tools	Heavy gauge sheet frame and heavy duty base cast-iron welded to the frame, ball bearings, "Cage Action" cast-iron end caps and cast-iron feet and capacitor cover.
	ODP	Compressors, pumps, conveyors, machine tools, air handling	Copper windings, optimally balanced rotor, ball bearings, heavy duty gauge sheet frame.
General Purpose	3 Phase TEFC	Compressors, pumps, conveyors, machine tools, air handling	Super™ motor have NEMA Premium™ efficiency ball bearings, heavy gauge sheet and cast iron frame, general control box, 1.15 slip factor or greater, and low loss electrical grade laminated steel.
	3 Phase ODP	Compressors, pumps, conveyors, machine tools, air handling	Super™ motor have NEMA Premium™ efficiency Copper windings, ball bearings, heavy duty steel or cast iron frame.
Pump	All Pump	Hydraulic and industrial pumps, centrifugal pump	Single phase or three phase available in Totally Enclosed, Fan Cooled and Open Top (Top) enclosures. Closest clearance and space with machined steel bearing seat insert. Stainless steel shaft extension, ball bearings and end feet and end.
	Close Coupled Pump	Pumps, circulating and transferring fluids	Available in single phase and three phase. Close, hot mounted design. Totally enclosed, fan cooled and open top (Top) enclosures. Closest clearance and space with machined steel bearing seat insert. Stainless steel shaft extension, ball bearings and end feet and end.
HAC	Three phase motor with Super Check Grounding Switch	Heating, ventilation, and air conditioning blower and fan motors, pump motors or all other applications controlled by adjustable speed drive	Balanced steel grounding brush installed internally. Class II insulated motor, regenerative ball bearings. All models are Super™ design and meet NEMA Premium™ efficiency.
	Three phase motor with AIG™ bearing protection ring	Heating, ventilation, and air conditioning blower and fan motors, pump motors or all other applications controlled by adjustable speed drive	Class II insulated motor with AIG™ bearing protection ring installed internally. Regenerative ball bearings. All models are Super™ design and meet NEMA Premium™ efficiency.

### Significant potential

Total distributor served market more than \$40 bn  
Cross-selling opportunity

- Broad ABB offering
- Distribution channels: ABB, Baldor, Thomas & Betts

Momentum

- Focused distributor programs
- 2x GDP growth on base business



## Expanding market access through distributor channel programs across offering

# Shifting the Center of Gravity – driving organic growth

## Penetration of customer base through account management approach

### Complete line of motors (ANSI & NEMA)

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### Systematic account management

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High potential growth accounts

Dedicated top sales resource

Single point of contact

ABB value proposition across whole offering

**Leveraging existing relationships for further growth**

# Shifting the Center of Gravity – driving organic growth

## Collaboration for mega projects



Risk  
reduction

Capital  
efficiency

Equipment  
optimization

Schedule  
efficiency

Efficient startup  
& commissioning

Customer value proposition

### Example: Sasol Chemical Plant (Lake Charles, LA, USA)

#### Customer approach

- Dedicated cross-business capture team

#### Differentiated value proposition

- Dedicated focus
- Integrated Power & Automation offering
- Local service capabilities

Total orders for site ~\$100 mn

**FLUOR**

**sasol**  
reaching new frontiers



**Significant opportunity to drive growth by combining Power & Automation offering for mega projects**

# Shifting the Center of Gravity – driving organic growth

## Expansion in Food & Beverage – 1'000 day programs

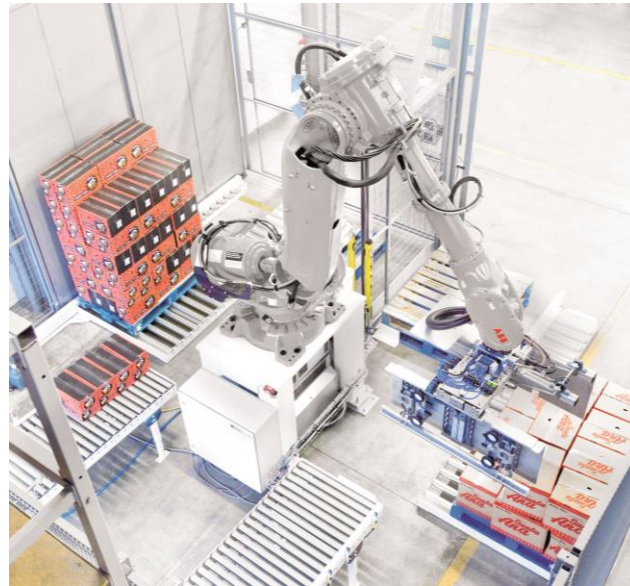
### Food & Beverage opportunity

Attractive market – growth driver

- Plant efficiency, reliability
- Consistency of production
- Hygiene, food safety

Well positioned

- Broad Power & Automation offering
- Double digit y-o-y growth



### Example: Nestlé Mexico

Ice cream and chocolate production

Energy efficiency solution

- 30% savings
- Service contract



**Focusing on attractive growth sector is yielding results in the Americas**

# Shifting the Center of Gravity – driving organic growth

## Expansion in microgrids – 1'000 day programs



**Offering: innovative flywheel and battery energy storage system stabilizes wind and solar**

Kodiak Island: 15,000 inhabitants rely almost entirely on renewable energy

Introduction of electric crane prompts need for grid stabilization

ABB microgrid solution smooths supply and mitigates disruptions

**Renewables and energy storage driving grid stability**

# Shifting the Center of Gravity – driving organic growth

## Innovation: Energy Storage System for municipal rail



**Battery energy storage system captures energy from braking trains**

SEPTA (Southeastern Pennsylvania Transit Authority, USA)

Increased efficiency by capturing “lost” energy

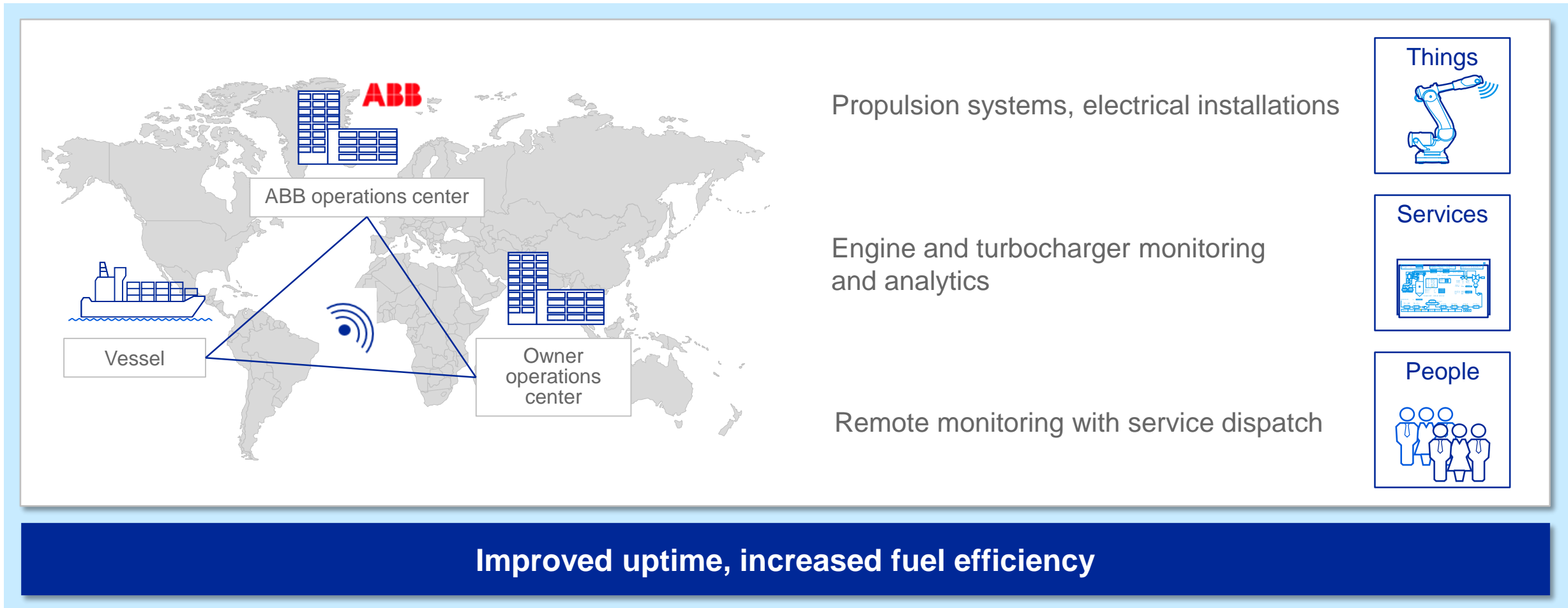
Helps to stabilize power system

Creates a new revenue stream by providing ancillary services back to local utility

**Smart transit meets smart grid**

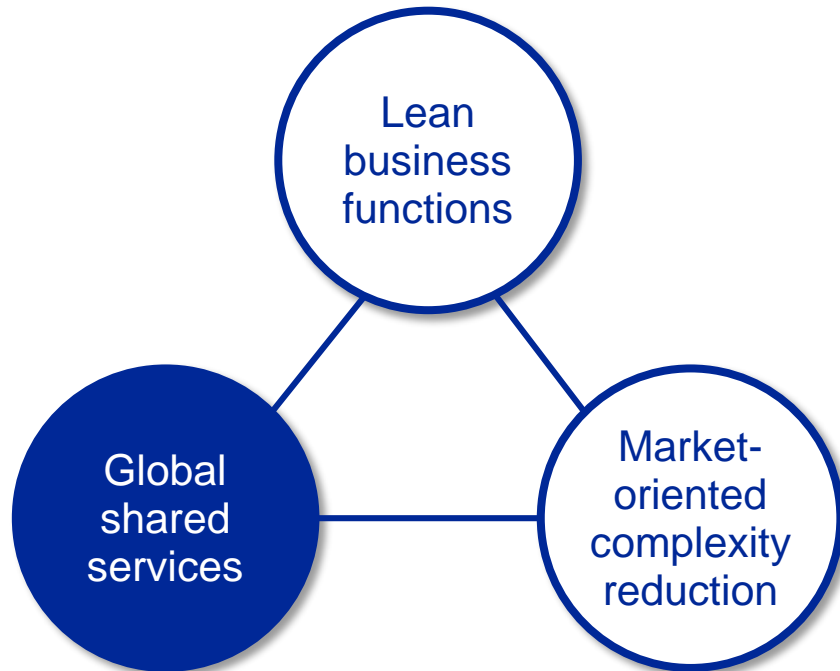
# Shifting the Center of Gravity – driving organic growth

## Innovation: Internet of Things, Services and People for marine applications



# Relentless Execution – White Collar Productivity

## Shared service center consolidation



### Shared services in the Americas

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From 9 to 2 shared service centers

Standardizing processes

Low-cost locations

Quick wins underway

**Leveraging scale and efficiency across businesses and region**

# Next Level Stage 2 – accelerating transformation in the Americas

## Summary

Significant growth opportunities  
in the Americas

Systematic growth framework  
realizing growth across entire offering

Driving productivity and efficiency  
with shared service centers



Power and productivity  
for a better world™

