NOVEMBER 5, 2019

ABB Electrification Investor Day

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Important notices

This presentation includes forward-looking information and statements including statements concerning the outlook for our businesses. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, and the economic conditions of the regions and industries that are major markets for ABB Ltd. These expectations, estimates and projections are generally identifiable by statements containing words such as “expects,” “believes,” “estimates,” “targets,” “plans,” “outlook”, “on track”, “framework” or similar expressions.

There are numerous risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this presentation and which could affect our ability to achieve any or all of our stated targets. The important factors that could cause such differences include, among others:

- business risks associated with the volatile global economic environment and political conditions
- costs associated with compliance activities
- market acceptance of new products and services
- changes in governmental regulations and currency exchange rates, and
- such other factors as may be discussed from time to time in ABB Ltd’s filings with the U.S. Securities and Exchange Commission, including its Annual Reports on Form 20-F.

Although ABB Ltd believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

Some of the planned changes might be subject to any relevant I&C processes with the Employee Council Europe and / or local employee representatives / employees.

On December 17, 2018, ABB announced an agreed sale of its Power Grids (“PG”) business. Consequently, the results of the Power Grids business are presented as discontinued operations. The company’s results for all periods have been adjusted accordingly. Net income, EPS and Cash flow from operating activities include results from continuing and discontinued operations.

This presentation contains non-GAAP measures of performance. Definitions of these measures and reconciliations between these measures and their US GAAP counterparts can be found in the ‘Supplemental reconciliations and definitions’ section of “Financial Information” under “Quarterly results, annual reports and regulatory filings” on our website at www.abb.com/investorrelations

Meet the Electrification team

Business lines

Alessandro Palin
Managing Director, Distribution Solutions

Giampiero Frisio
Managing Director, Smart Power

Oliver Iltisberger
Managing Director, Smart Buildings

Matthias Heilmann
Managing Director, Installation Products

Global markets

Mike Mustapha
Head of Global Markets

U.S.

Maryrose Sylvester
U.S. Country Managing Director

Functions

Christian Nilsson
Chief Financial Officer

Amina Hamidi
Chief Technology Officer

Tarek ElHadidi
Chief Information Officer

Andrea Menti
Head of Operations

Anton Kotov
Head of Strategy & Digital

Monique Elliott
Head of Customer Experience

Electrification in ABB's portfolio

	Electrification	Industrial Automation	Motion	Robotics & Discrete Automation
				
	Global #2	Global #2	Global #1	Global #2
Market size	$160 bn	$90 bn	$80 bn	$80 bn
Mid-term growth	3%	3%	3%	6%
2018 revenues	$13.0 bn[1]	$6.5 bn	$6.5 bn	$3.6 bn
2018 op. EBITA %	12.8%[1]	14.1%	15.9%	14.6%
Employees	~55 k	~21 k	~20 k	~11 k

[1]Electrification result adjusted to include GEIS on an annualized basis, based on H2 2018 contribution

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Safe, smart, and sustainable electrification
for our customers and partners

What we will show you today

1 Driving growth

- Aligned to key mega-trends
- Well positioned in high-growth segments

2 Differentiating in our markets

- Scope and scale advantage
- Market leading core technology and innovation
- Digital creating value for customers

3 Creating value through operational excellence

- Continuous improvement
- GEIS integration, Installation Products turnaround

ABB Electrification

Understanding ABB Electrification

Driving growth

Differentiating in our markets

Creating value

Q&A

Serving markets from source to socket

Products, solutions and services across utilities, industry, transport & infrastructure

Utilities

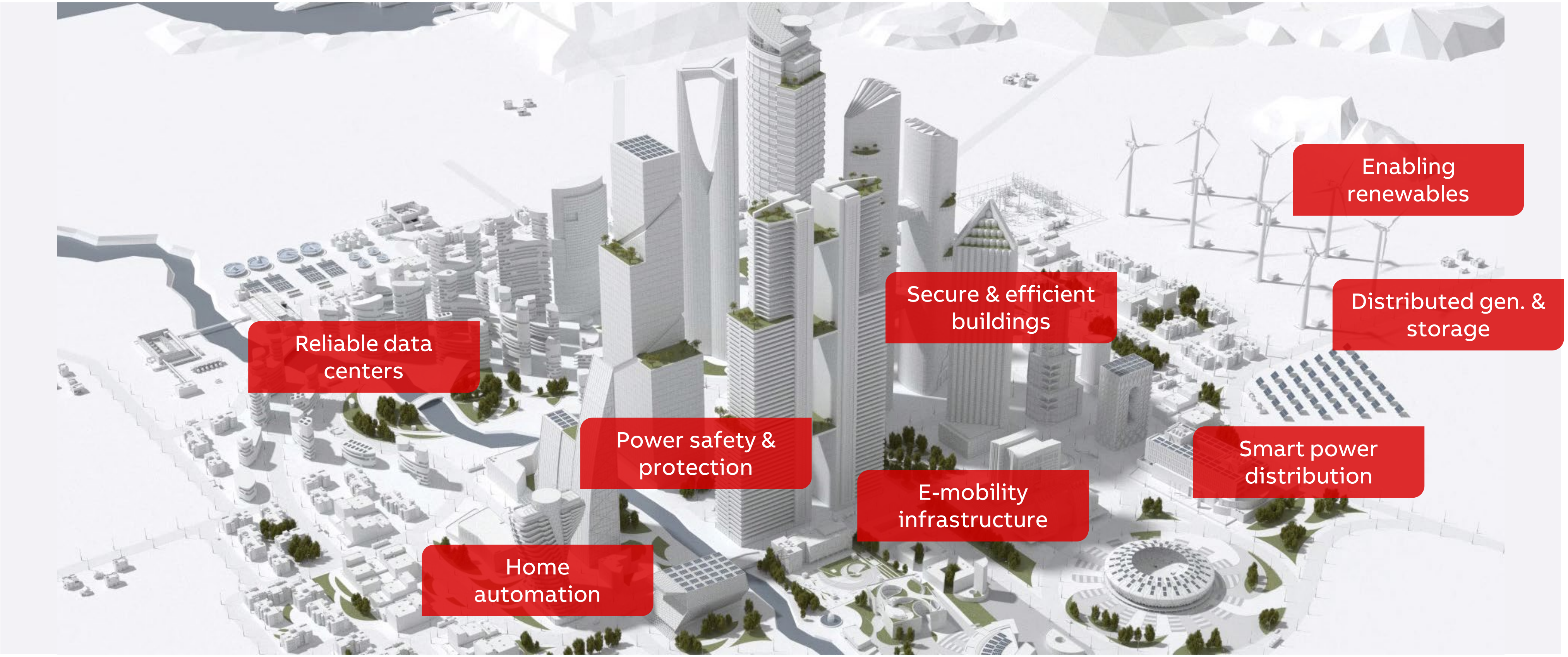
- Renewables
- Distribution

Industry

- Oil, gas & chemicals
- Food & Beverage
- Machine builders

Transport & infra

- Buildings
- E-mobility
- Data centers



Electrification business lines

Aligned to customer needs

Distribution Solutions

~$5 bn[1]

#1 Medium voltage

Medium and low voltage control & protection products, systems & switchgear, automation & services

Smart Power

~$3 bn[1]

Smart Buildings

~$3 bn[1]

#2 Low voltage

Smart Power: Low voltage breakers & switches, motor & power protection, electric vehicle charging infrastructure & service

Smart Buildings: Miniature breakers, distribution enclosures, wiring accessories, building automation

Installation Products

~$2 bn[1]

#2 Installation products

Wire & cable management, termination, fittings & other accessories

GEIS integration

[1]Management estimates for business line revenues over last twelve months to end Q3 2019 including GEIS, on an unconsolidated basis and excluding Solar inverters

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How we run our business lines

Mid-term priorities

	Distribution Solutions	Smart Power	Smart Buildings	Installation Products
Focus	**Margin**	**Profitable growth**	**Profitable growth**	**Turnaround**
Priorities	**Integrate GEIS** New solutions design ABB Ability™ Asset mgmt.	**Integrate GEIS** ABB Ability™ Energy mgmt. Solar inverter business carve-out	**Integrate GEIS** ABB Ability™ Building mgmt. and IoT ecosystem	**Turnaround** Simplify portfolio
Skills & capabilities	**Distribution grids** **Solution architects**	**Digital talent** **E-mobility**	**Building automation** **System integration**	**Operational excellence** **Supply chain turnaround**
Salesforce spend	=	++	++	−
R&D investment	+	++	++	=
Capital intensity	−	−	−	−
Cash flow	++	+	+	++

ABB Electrification build phase

+Thomas & Betts (2012) — Broadened LV offer, U.S. became ABB's largest market → LV Products division → ABB realignment from 5 to 4 divisions → Bringing together all electrification components → +GEIS — Strengthens #2 global position, expands U.S.

	2015[1]	2016[1]	2017	2018[2]	Today[3]
	Incl. T&B	+ MV Products	+ Solar inverters, critical power, EV charging	+ expanded LV, MV for U.S.	
Revenues	6.5	9.3	10.1	13.0	12.8
Total margin[4]	~17	← (~150) bps →		(>250) bps	12.9

($ bn or % terms, unless otherwise stated)

[1]Not recast for later portfolio changes; [2]Annualized performance for GEIS based on H2 18 contribution; [3]Last twelve months to end Q3 2019; [4]Operational EBITA margin

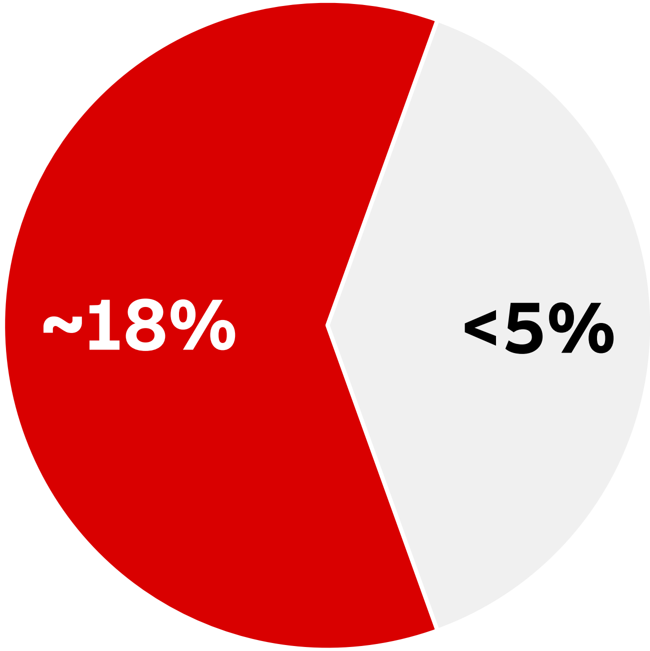
Electrification operational EBITA margin

High performing businesses (~60% revenues)

Distribution Solutions

Smart Power

Smart Buildings



12.9% operational EBITA[1]

Businesses in change mode (~40% revenues)

Solar inverters	Exit >50 bps accretion
Installation Products	Turnaround
GEIS	Integration into **high performing businesses**

[1]Last twelve months to end Q3 2019

ABB Electrification

Understanding ABB Electrification

Driving growth

Differentiating in our markets

Creating value

Q&A

Aligned to key mega-trends

The world is going digital, urban, and electric

Data and digitalization[1]

7.5x

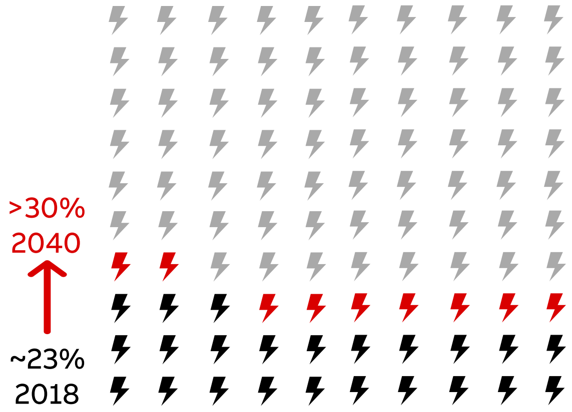
Increase in data processed outside of originating core

Urbanization[2]

+2 billion

people living in cities

Shift to electricity[3]



+35%

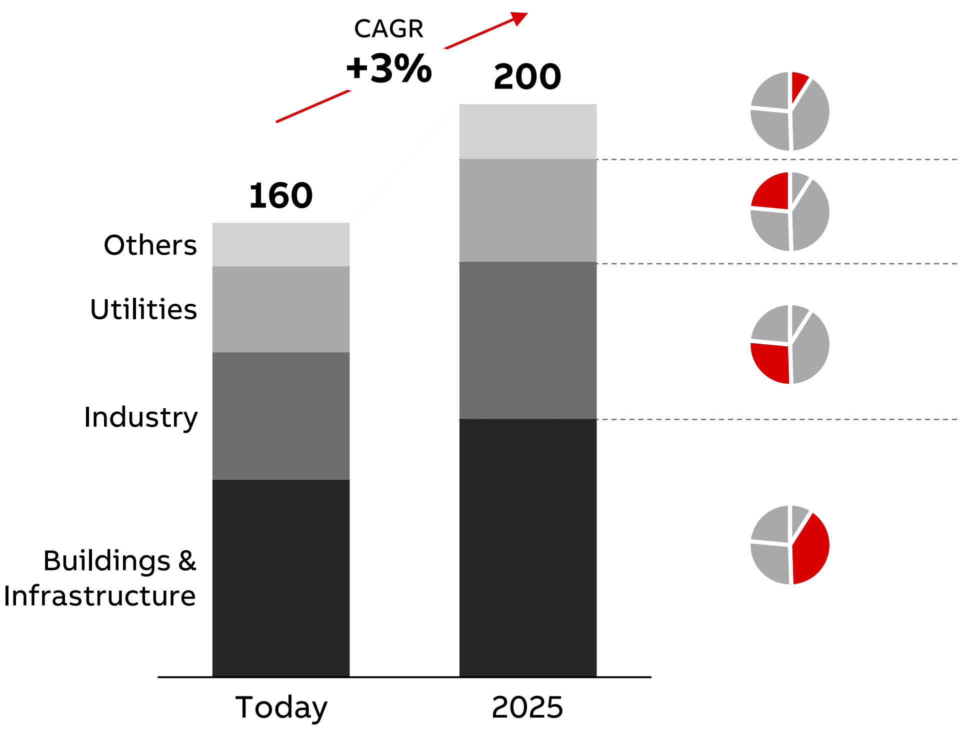
Share of electricity in the energy consumption mix

Source: [1]Gartner; [2]UN World Urbanization Prospects (2018 Revision); [3]IEA, BP Energy Outlook 2018 (electricity as % of total building and industrial energy consumption)

Well positioned in high-growth segments

Global addressable market
in $ bn

Business exposure
% of revenues



Market growth drivers

Electricity grows 2x faster than other energy sources

New sources of consumption

Rising importance of distributed generation

Expansion of E-commerce and digitalization

High-growth segments[1]

E-mobility >8%

Data centers >6%

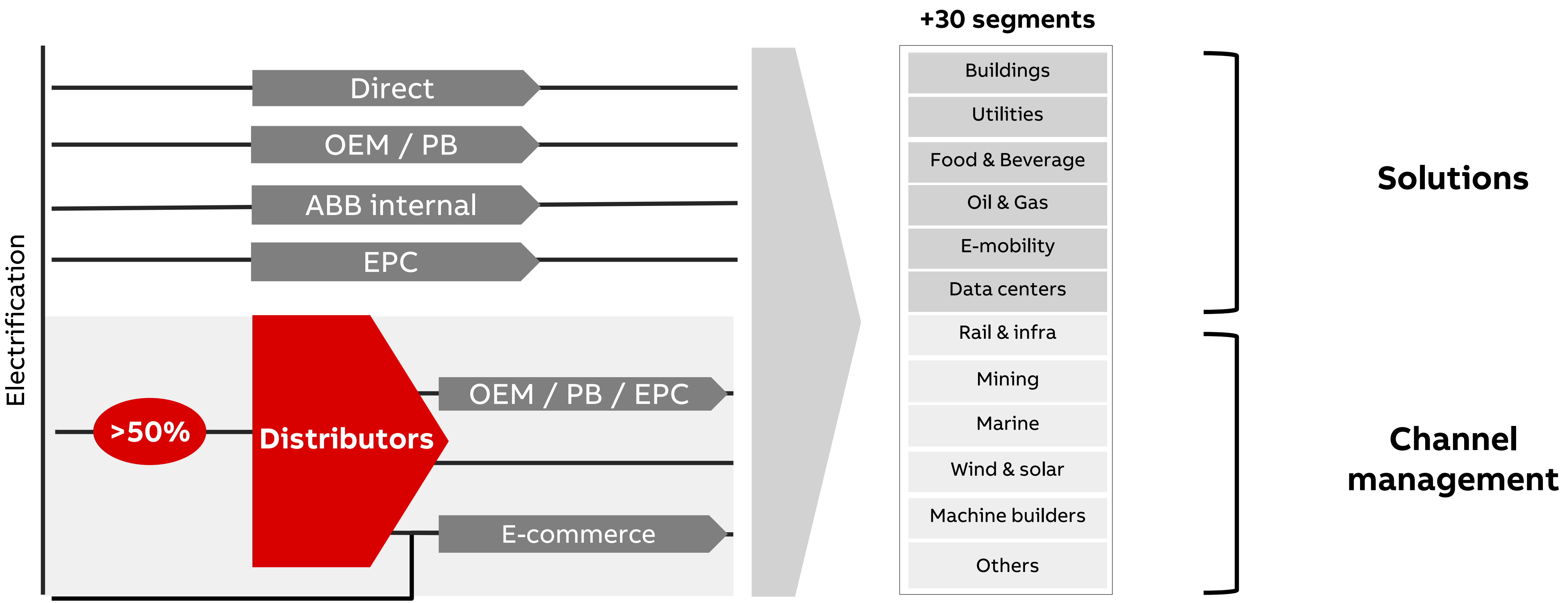
Commercial buildings >4%

Food & Beverage 3-4%

Oil & Gas 3-4%

[1]CAGR 2017-2025. Source: ABB analysis

Distinct channels and solutions



OEM = Original Equipment Manufacturer; PB = Panel Builder; EPC = Engineering, Procurement and Construction

ABB Electrification

Understanding ABB Electrification

Driving growth

Differentiating in our markets

Scope and scale Innovation Execution

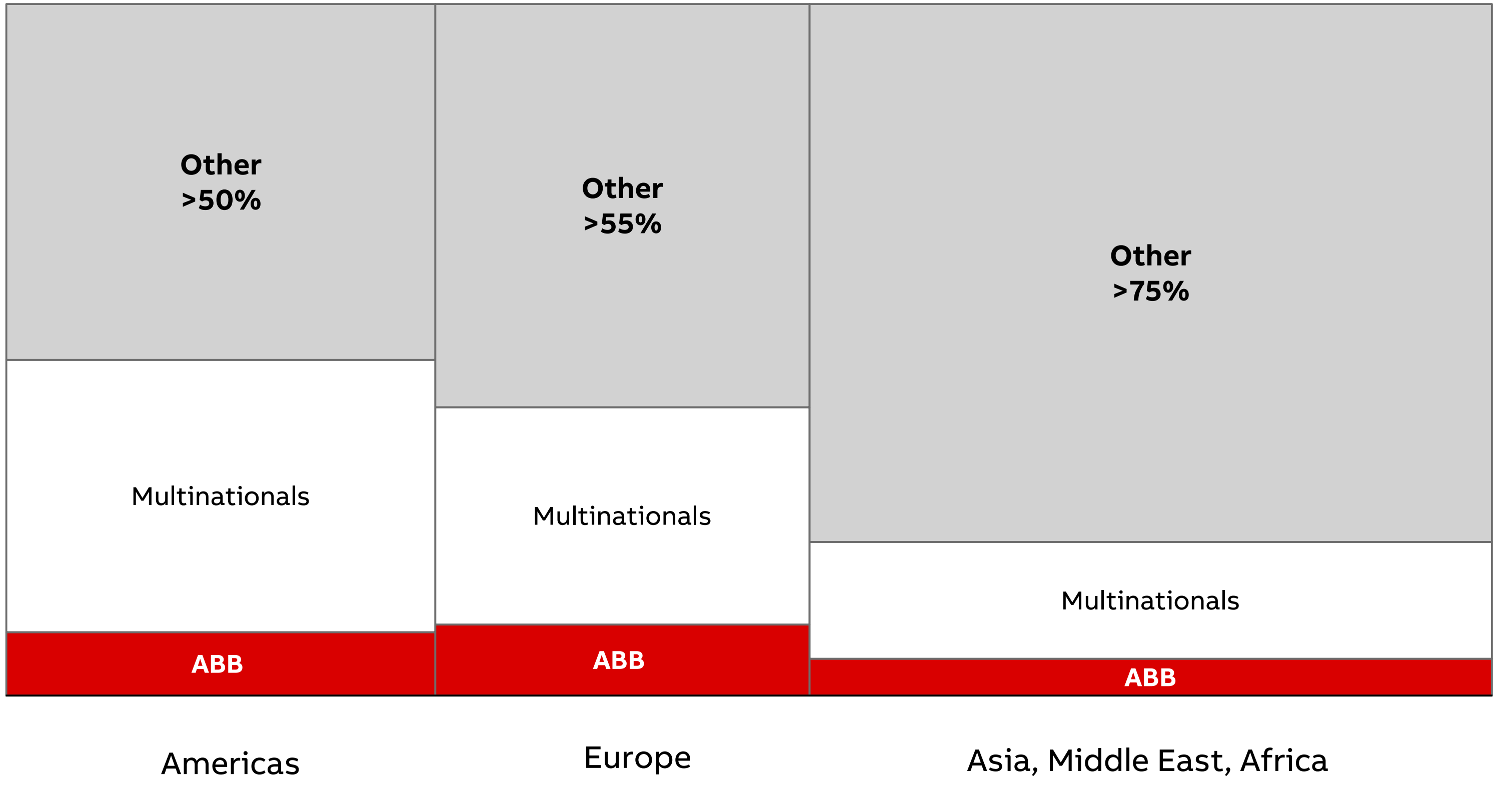
Creating value

Q&A

Scope and scale advantage

Local access combined with large scale advantage

Global electrification market structure[1]



Local offers / global core

+

Manufacturing scale (cost advantage)

+

R&D leverage

+

Global digital platform

[1]Source: ABB analysis

Market leading core technology

Electrification's cutting-edge innovation DNA

NeoGear switchgear

Safest product in the market

25% space saving

30% operational costs saving

Major innovation in +$35 bn market

Solid state breaker concept

Architectural control point for electrification

Market-defining products

+

Innovation ecosystem: >2,700 technologists in 48 centers

+

R&D investment: >$300 mn p.a.[1]

↓

70% Net Promoter Score[2] **for innovation**

[1]Non-order related R&D investment excluding GEIS; [2]Net Promoter Score is a management tool to measure customer satisfaction

Digital innovation

Creating customer impact and new revenue streams

E-commerce | ABB Ability™ Marketplace

Data centers | Oil & Gas | Food & Bev | Build-ings | E-mobility | Utilities

PARTNER SOLUTIONS

DIGITAL SERVICES

ENERGY Management | **ASSET Management** | **BUILDING Management**

ABB ABILITY™ PLATFORM

Cloud | Analytics | AI | Cybersecurity

SMART CONNECTED PRODUCTS

Hardware | Embedded software

3 mn connected[1]
10 mn connectable[1]

Ease of doing business (including E-commerce)

+

Scalable, segment-focused solutions

+

Subscription-based SaaS

+

Global cloud platform

+

Products with embedded intelligence

[1]Installed base of ABB Electrification devices in the field

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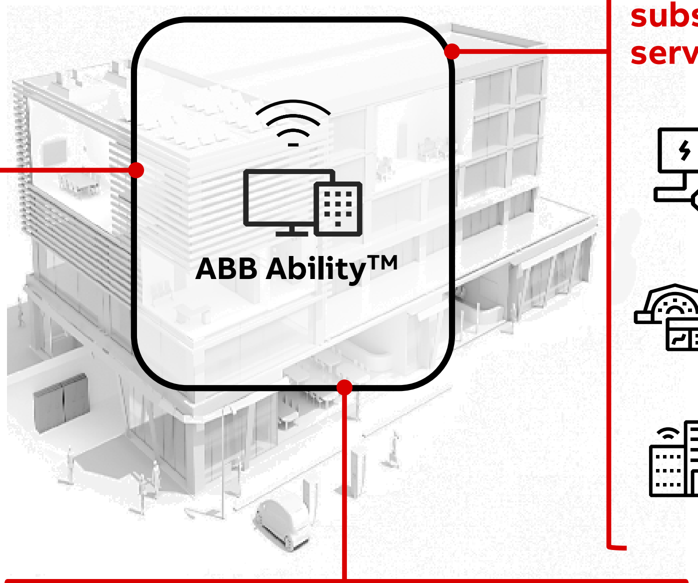
Digital innovation

Creating value for customers

Building segment example

Connected products with embedded intelligence

- Distribution, protection & connection
- Sensing & metering
- Emergency lighting & access control
- EV charging



Cloud-enabled, subscription-based digital services

- Energy management
- Asset management
- Building management

Automation & Control

- Lighting & shading control
- HVAC control

up to 30%

Optimize energy bill

+

Avoid energy waste

+

Reduce total cost of ownership

+

Maximize uptime

Driving continuous improvement

Operational excellence framework to benchmark and drive success

Operational KPI examples

Claims resolution[1]

24 hours

Time to quote

products: 1 day | systems: 10 days

On-time deliveries[2]

Aim at level of 95%

Simplification

Legal entities ↘ | SKUs ↘

Lead time[2]

5 days → 3 days

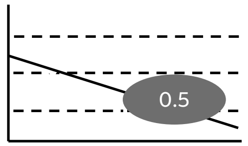
Price increase[2]

$5 mn → $80 mn

GEIS synergies[3]

$200 mn

Incidents (TRIFR)



Outstanding customer experience

Speed | Simplicity | Quality

Pricing | M&A integration

Safety | People

[1]For non-material complaints; [2]Targeted improvement over 3 years; [3]Cost synergies by 2022

GEIS integration

On track

Strategic rationale

Market access

– North America

– Global installed base

Performance improvement

– ABB technology leadership

– ~$200 mn cost synergies by 2022

Closing portfolio gaps

– Complementary NEMA, LV products

Strategic supply partnership

Integration status

Organization

– 13k employees transitioned into ABB

Footprint and product rationalization

– 13 facilities announced for closure

– Product substitutions ahead of plan

Investing for growth

– Expanding 4 facilities in North America

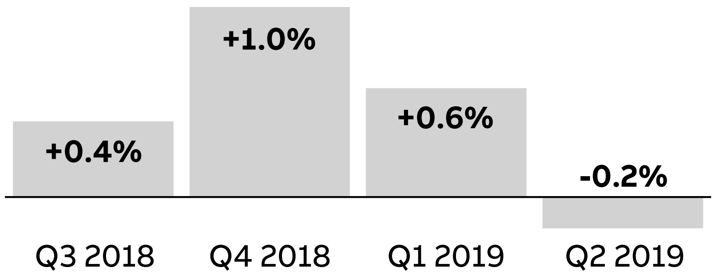
– On track with ~$480 mn[1] investment

'Best of Both' = success

Cross-selling

>$70 mn cross-sales YTD 2019

Market share growth[2]



~2x market growth ➔ total share gain ~0.5%

1/3 complete

[1]pre-tax H2 2018 to 2022 estimate, excluding approximately $130 mn lower cash taxes; [2]NEMA results

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Installation Products turnaround

In progress

Restoring the basics 2019

Addressing issues

– Price / commodities mismatch
– Unfavorable mix
– Cost to serve

Actions taken

– New leadership, simpler structure: +$21 mn cost saving
– Net pricing +$13 mn 2019 benefit
– Portfolio review

2020-21 actions

Optimize sales and channel structures to most profitable products

Strengthen pricing

Reduce cost to serve

Optimize manufacturing footprint

Talent upgrade

Future direction

Shift product mix

– Invest, expand specialty 'Power Brands' globally

Harnessflex Adaptaflex Ty-Rap PMA furse

– Scale up differentiated products

Selective market approach

– Broad portfolio in North America
– Tailored offer globally
– Transition out of non-core countries

Re-establishing profitable growth in attractive segments

ABB Electrification

ABB Operating System (ABB-OS)

ABB Operating System

Speed

- Empowerment: faster decision making
- Shared service centers report to business
- Alignment on capital allocation

Simplification

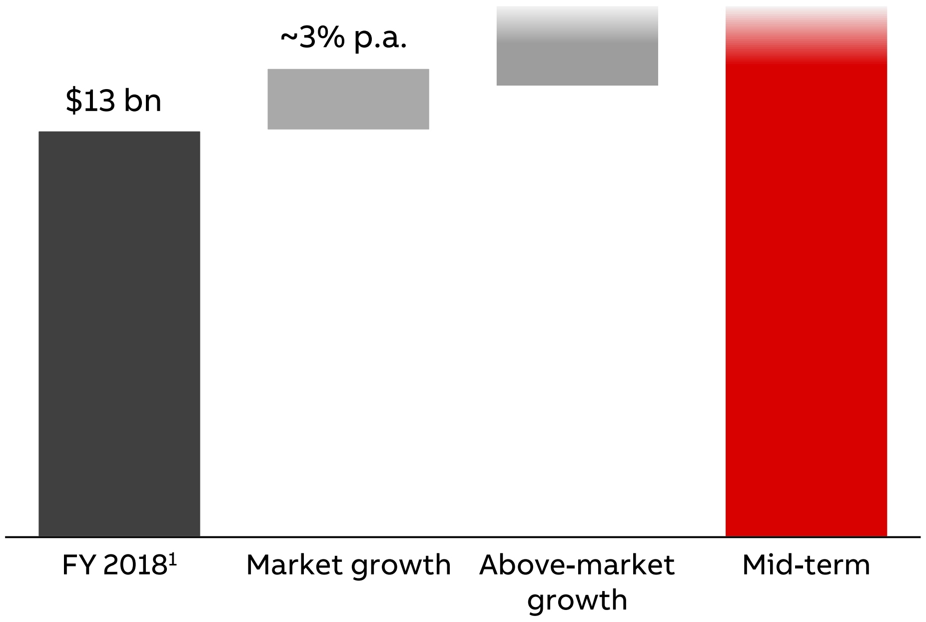
- From 6 to 4 operating business lines
- Integration of GEIS into business lines
- Reduction of legal entities

Accountability

- Country structure integrated into business
- Tailored employee incentives
- Direct owned costs vs. allocated costs

Driving above-market growth

Mid-term revenue development



Approach

Scope and scale
- Common sales organization across business lines
- Local sales coverage in +100 countries

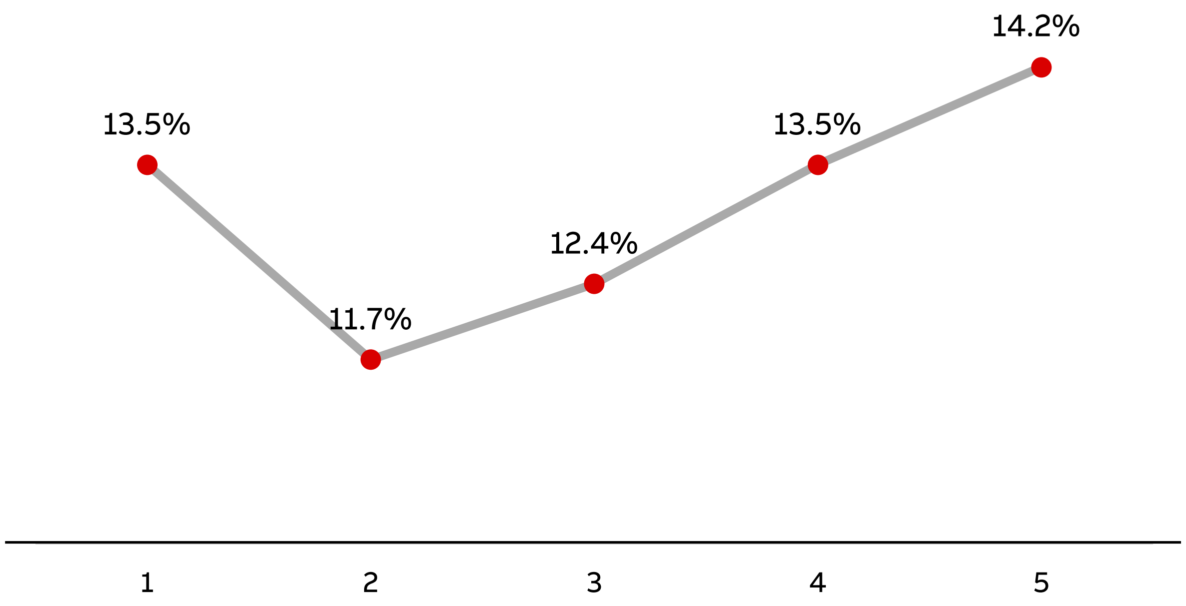
Innovation
- Core technology innovation
- Scalable solutions for key segments
- Digital services on ABB Ability™

Execution
- GEIS integration: 'Best of Both'
- Customer focus via ABB-OS simplification

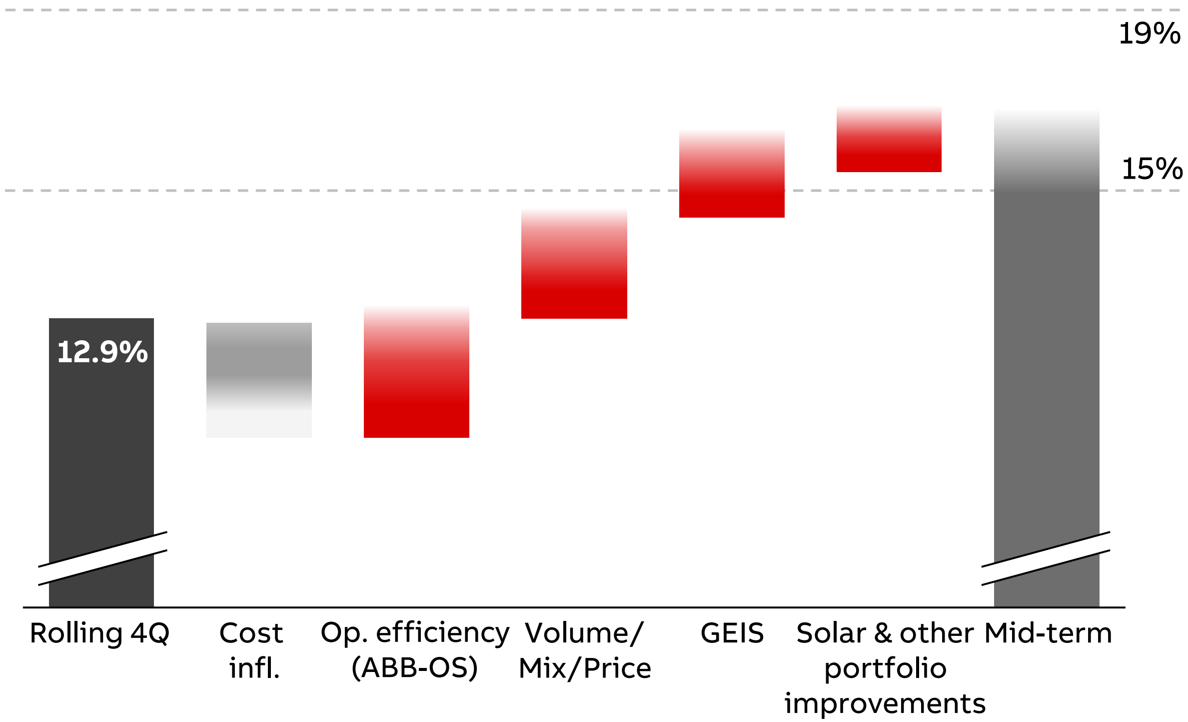
[1]Annualized performance for GEIS based on H2 18 contribution

Reaching margin corridor during 2020

Momentum since GEIS acquisition



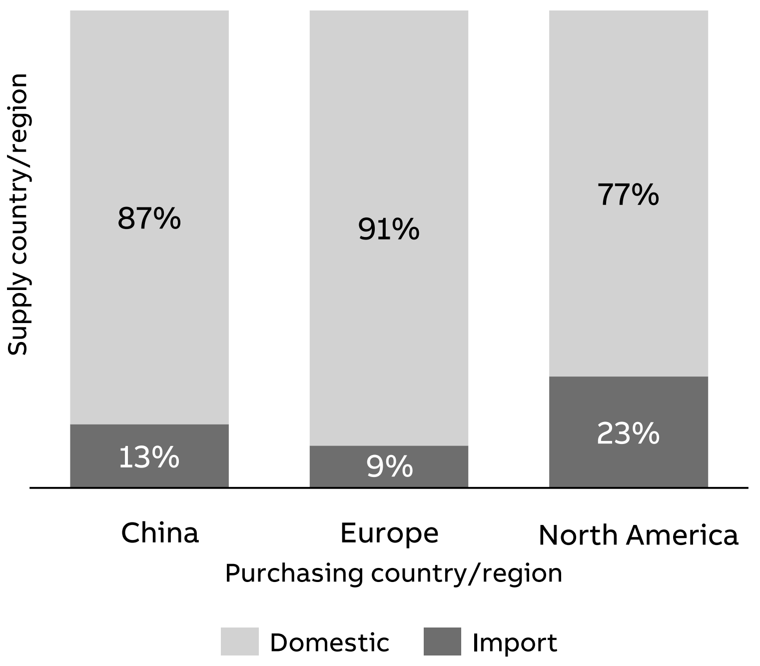
Mid-term outlook



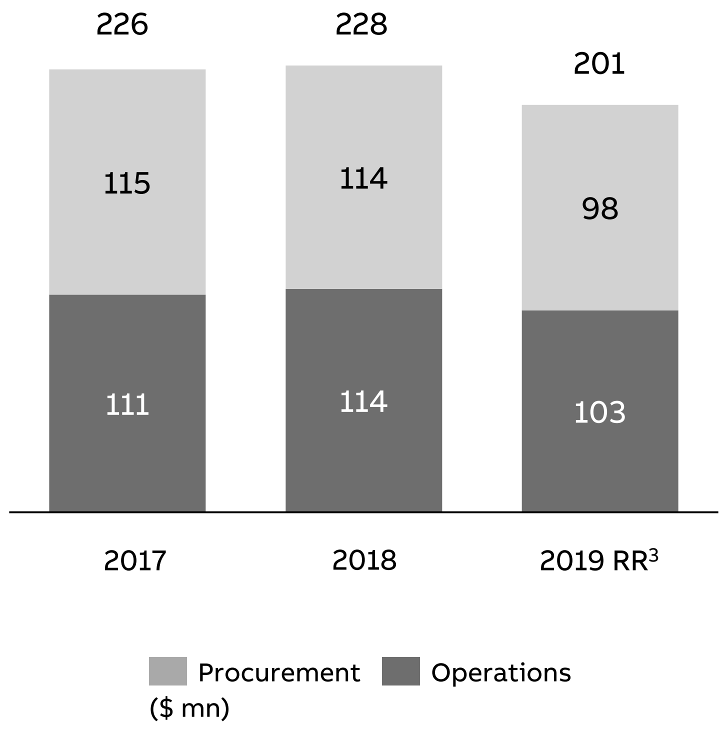
Optimizing gross margin

Cost management and pricing strategy

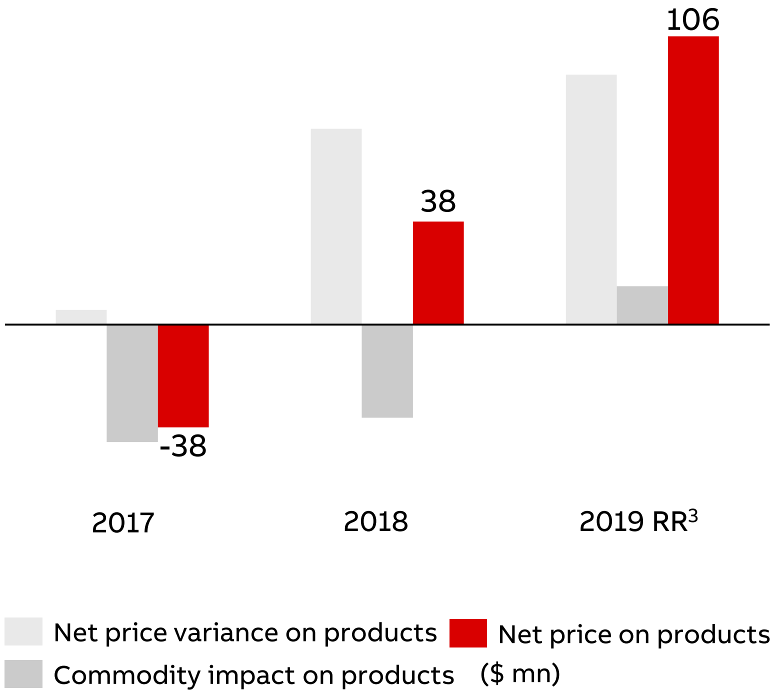
Balanced material distribution[1]



Procurement & op. productivity savings



Product pricing actions[2]

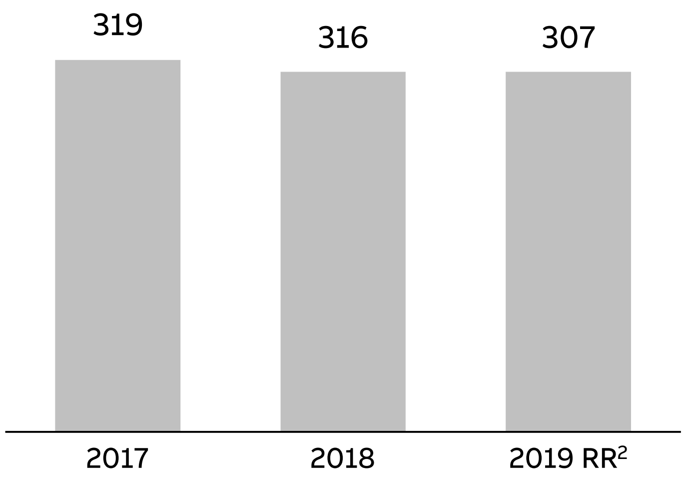


Note: calculations excluding GEIS unless otherwise stated
[1]Geographic distribution of tier 1 suppliers to North America, China and Europe as at end H1 2019. Includes raw and direct material purchases for consolidated Electrification; [2]Excludes Distribution Solutions and Solar inverter business lines; [3]2019 run-rate as at end Q3 2019

Managing growth investment

R&D investment ($ mn)[1]

~3%
of revenues



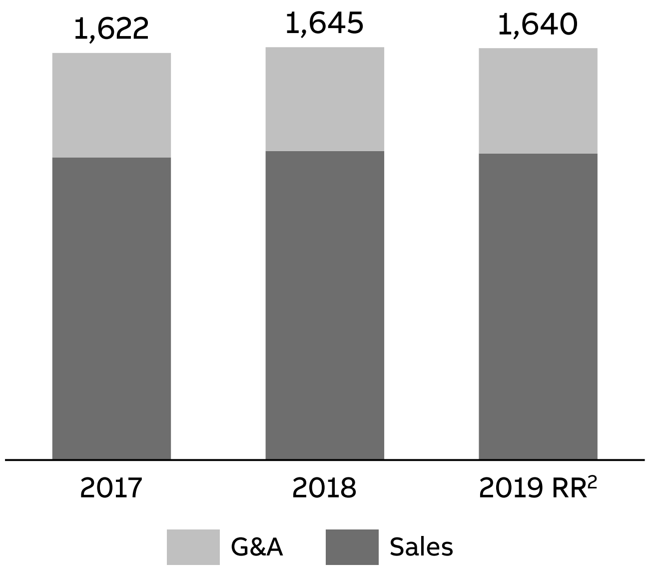
Core technology

ABB Ability™

Digital investment 5 year CAGR +20%

~$400 mn p.a. including GEIS and corporate share

SG&A investment ($ mn)[3]



Investments in sales training and pricing tools

Salesforce.com across business

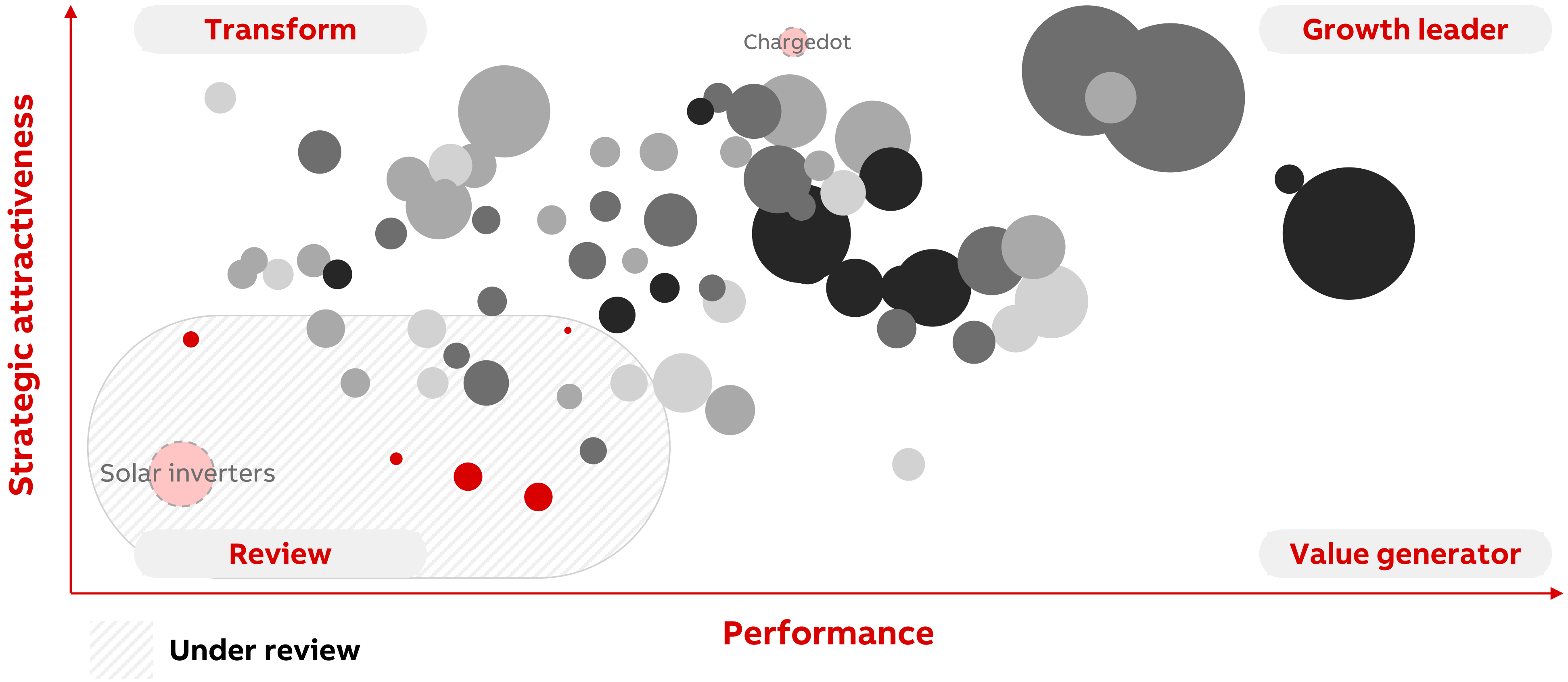
GEIS integration to drive reinvestment from G&A to Sales in 2020

Note: calculations excluding GEIS unless otherwise stated
[1]Non-order related R&D investment, including investments in GEIS-related product conversion; [2]2019 run-rate as at end Q3 2019; [3]Sales and G&A expenses, excluding primarily GEIS, restructuring, bad debts and FX impacts

Enhancing our portfolio

Continuing systematic portfolio management down to a product line level

Illustrative



Announced   Completed divestment

Electrification CFO priorities

Attractive growth	Above market growth Continuously reinvesting in R&D, digital and sales
Disciplined execution	Delivering ~$200 mn GEIS cost synergies Pricing, operational efficiency, cash generation
Continuous portfolio management	Solar inverter exit agreed Other portfolio actions ongoing

Reaching operational EBITA margin corridor of 15-19% during 2020

Safe, smart, and sustainable electrification

1 Driving growth

- Aligned to key mega-trends
- Well positioned in high-growth segments

2 Differentiating in our markets

- Scope and scale advantage
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