

Ulrich Spiesshofer, President & CEO, ABB Ltd., JPM European Capital Goods CEO Conference, June 9, 2016, Pennyhill Park, UK

Next Level Stage 2

Accelerating transformation – Status update

Important notices

Presentations given during the Capital Markets Day 2015 include 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” 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 with the volatile global economic environment and political conditions
- 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,
- 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.

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/>

ABB in simple terms

What
(Offering)

Power & Automation

Power ~ 40% of revenue

Automation ~ 60% of revenue

For whom
(Customers)

Utilities

~35% of revenue

Industry

~45% of revenue

Transport & Infrastructure

~20% of revenue

Where
(Geographies)

Globally

Asia, Middle East, Africa 37%

Americas 30%

Europe 33%

~\$35 bn
revenue

~100
countries

~135,000
employees

Single "A"
credit rating

HQ Zurich

“Big shifts” in power & automation

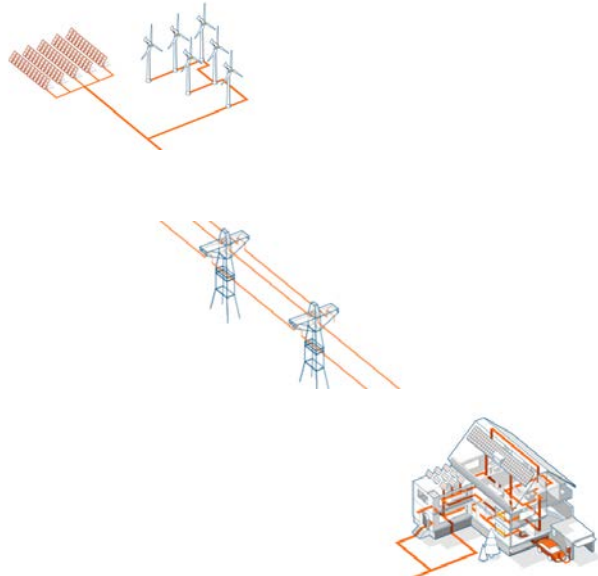
Well positioned in a changing market

“Big shift in power”

Generation mix

Power transmission and distribution

Micro- / Nano-grids

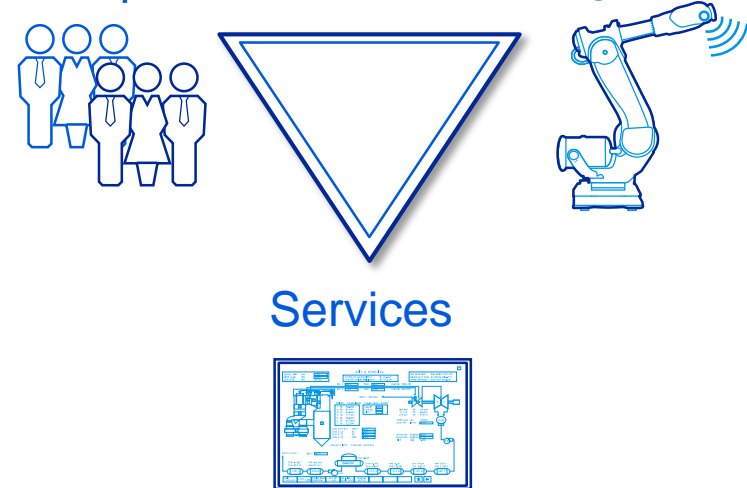


“Big shift in automation”

People

Things

Services



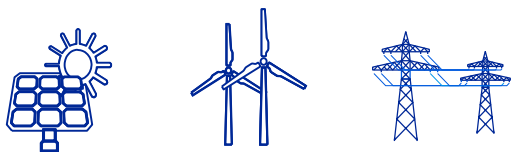
Power: renewables, electrical transport, storage, prosumers
Automation: data availability, connectivity, growth in processing power

Long-term market growth drivers intact

Well positioned in a changing market

Power & Automation

Utilities



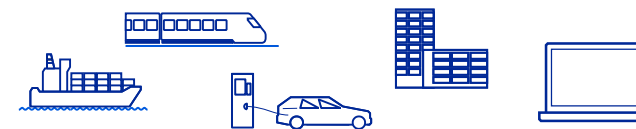
Renewables
Grid automation / digitalization
Microgrids
Smart upgrades
Electrification penetration
Energy storage

Industry



Productivity
Energy efficiency
Automation penetration
Internet of Things, Services and People
Power quality / reliability
Emerging markets

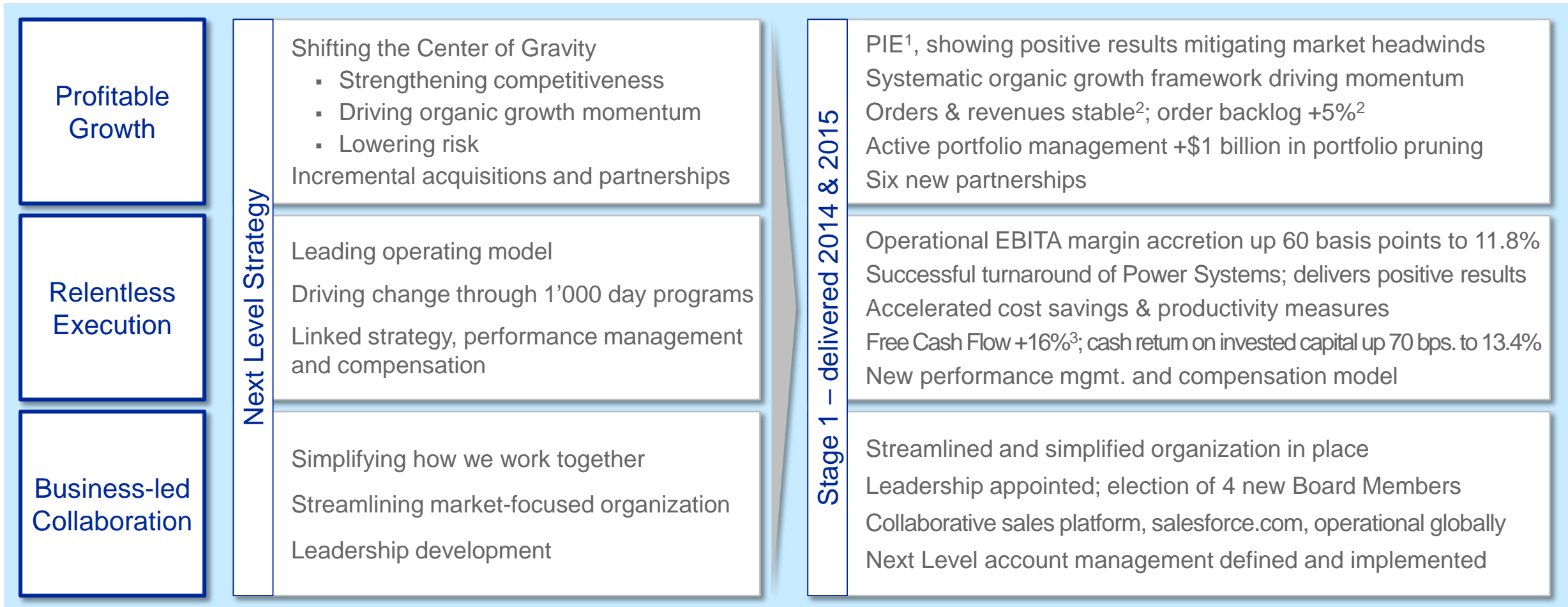
Transport & Infrastructure



Urbanization
Data management
Electric transport
Energy efficiency
Power quality / reliability
Decentralized power generation

Our aspiration: #1 or #2 in all businesses

Next Level Stage 1 Delivered



Next Level Stage 2

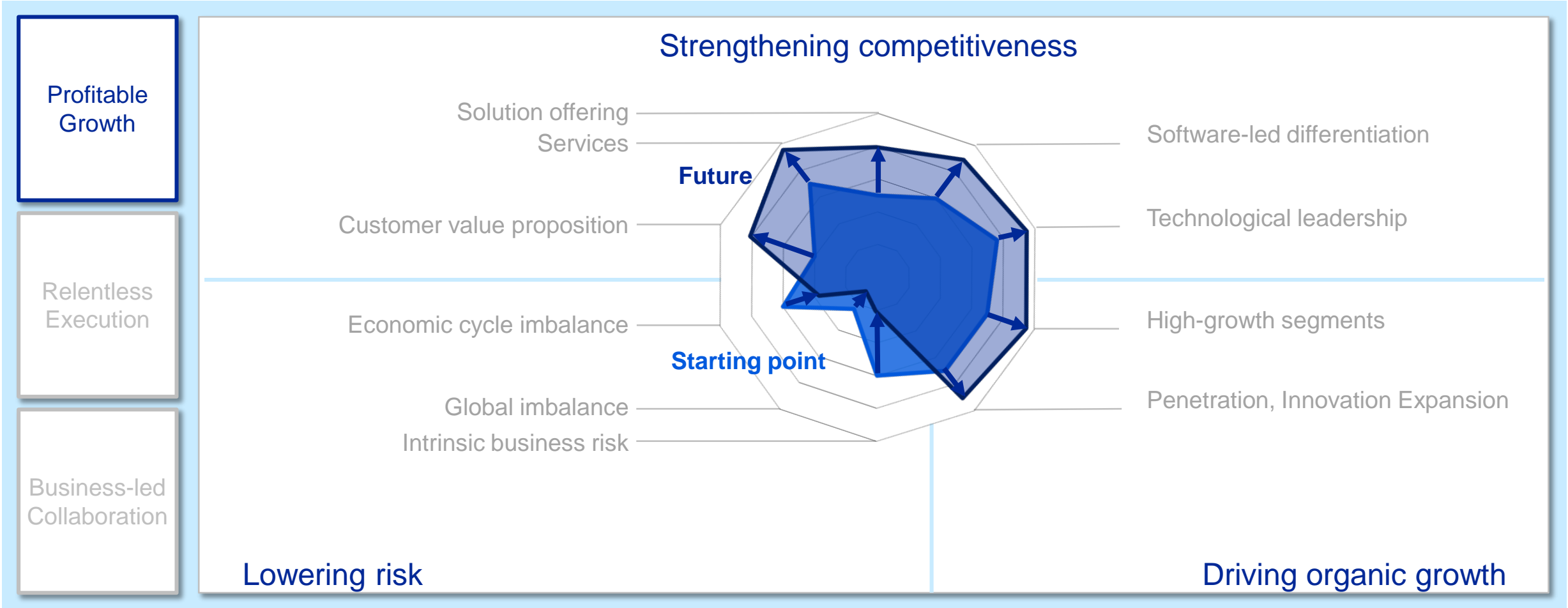
Accelerating transformation



Profitable Growth

Shifting the Center of Gravity

Presented September 9th, 2014



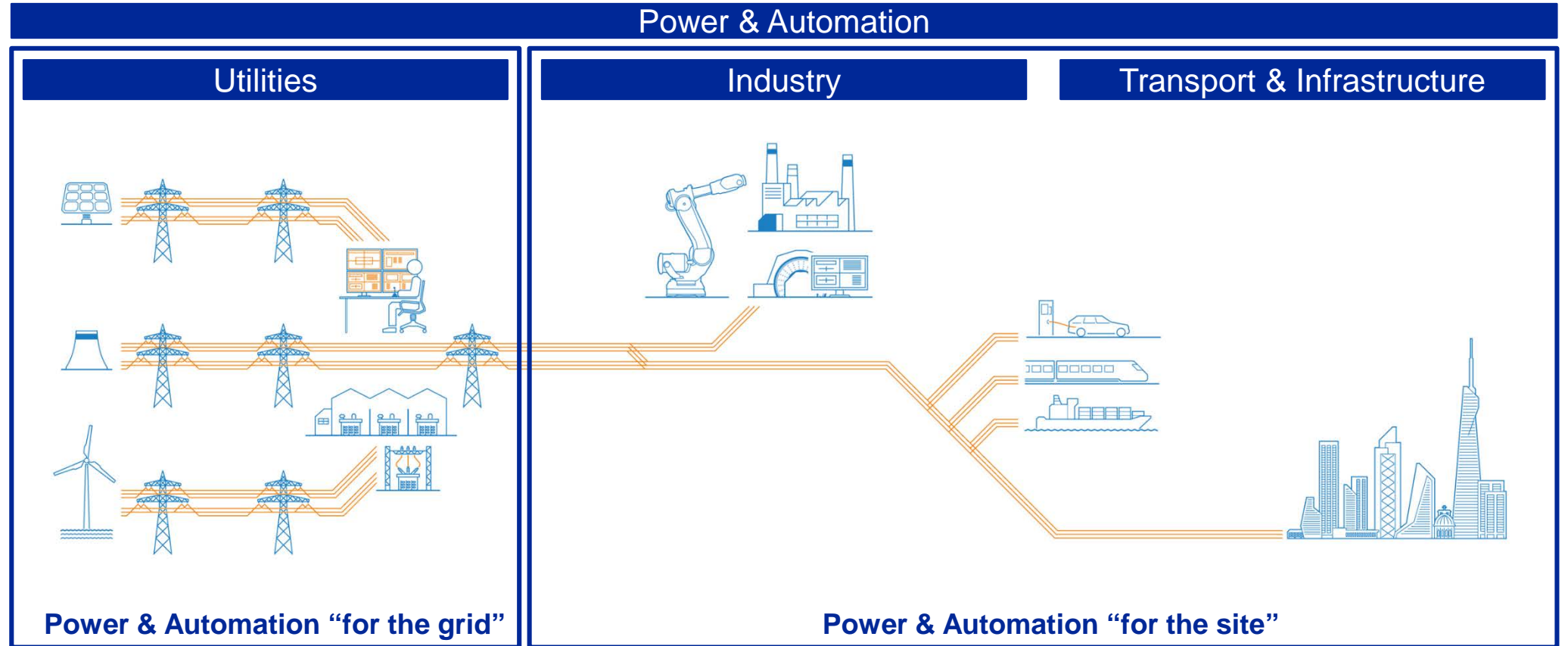
Shifting the Center of Gravity – divisional realignment completed

Aligned with our customer value proposition

Profitable
Growth

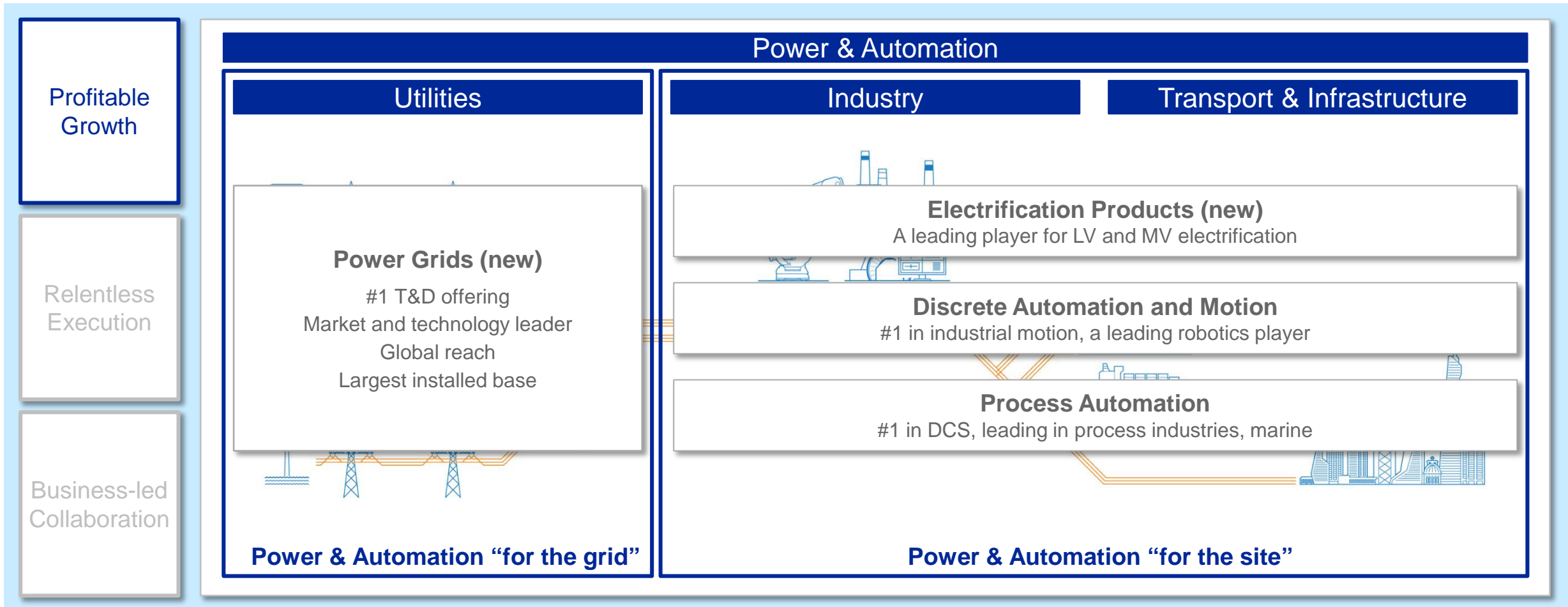
Relentless
Execution

Business-led
Collaboration



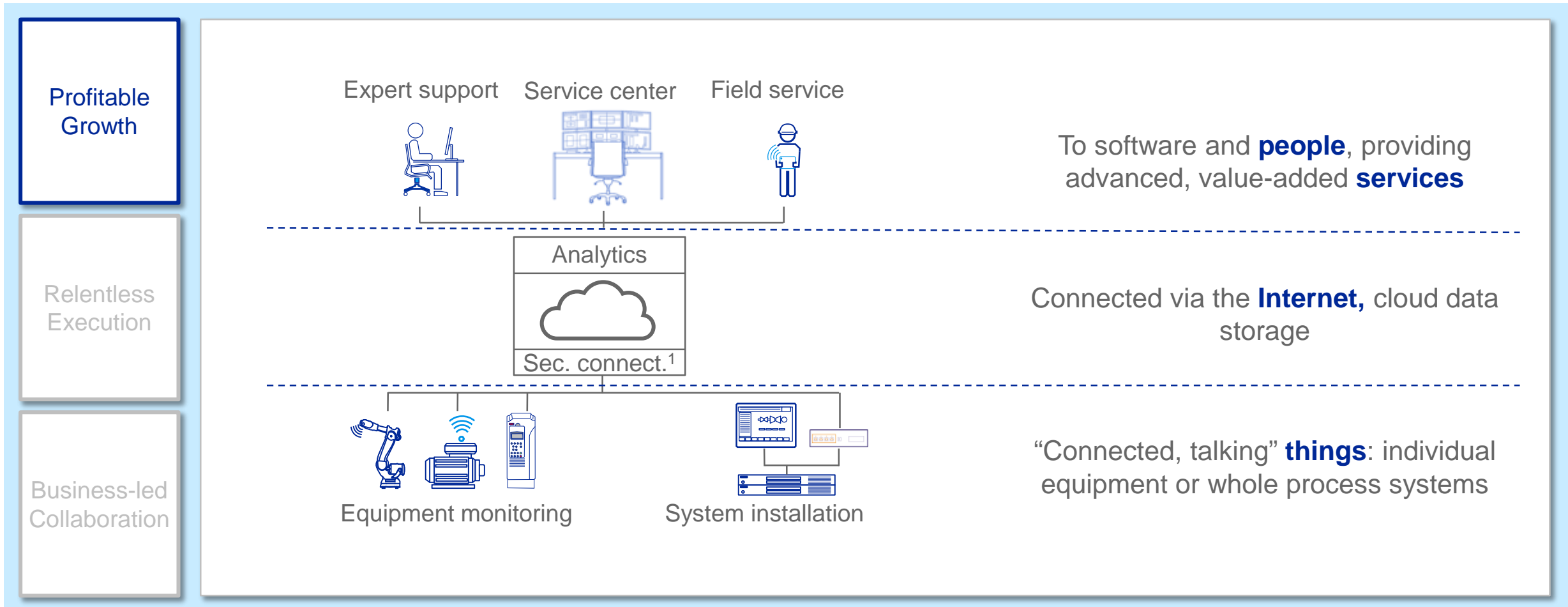
Shifting the Center of Gravity – divisional realignment completed

Moved from 5 to 4 divisions – aligned with our customer value proposition



Strengthening competitiveness

Software-led differentiation – Internet of Things, Services and People - IOTSP



Strengthening competitiveness

Software led differentiation - Examples of IoTSP offerings

Profitable
Growth

Relentless
Execution

Business-led
Collaboration

Utilities



Ellipse – enterprise asset management



CoreTec®
(transformer electronic control)

Industry



Remote monitoring of robots worldwide from Bangalore



Smart sensor

Transport & Infrastructure



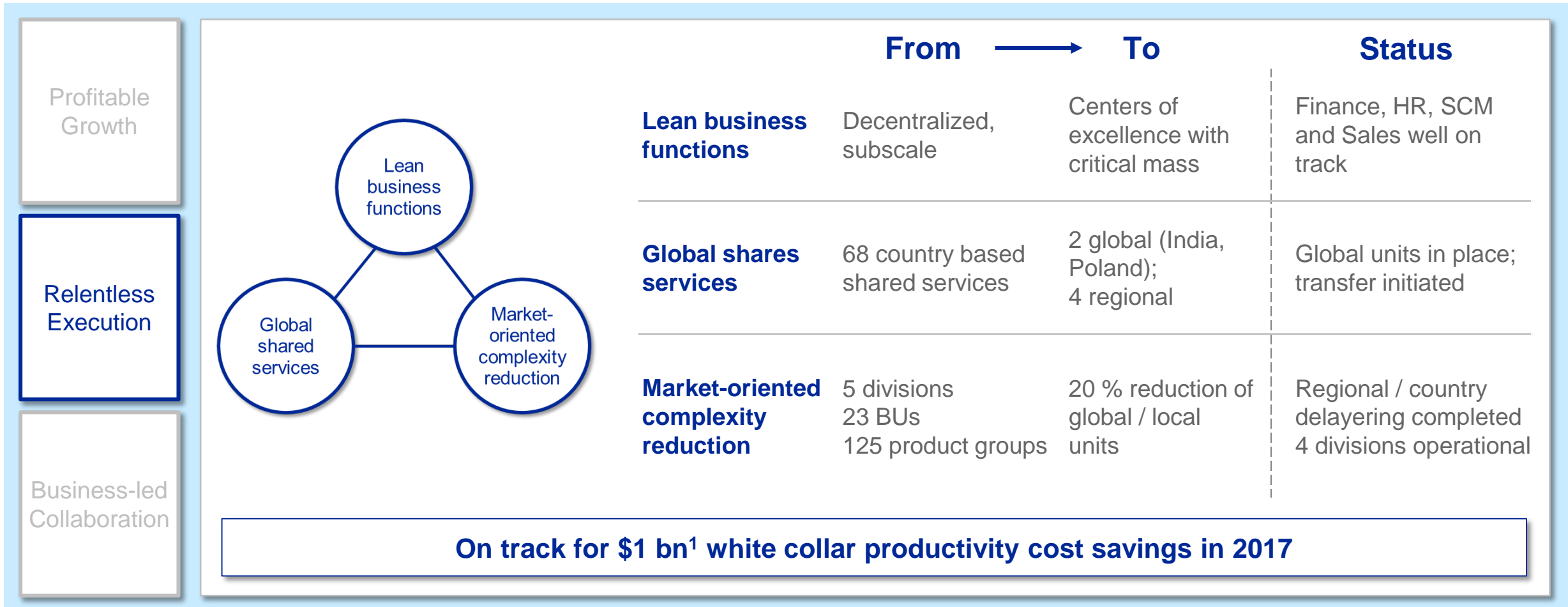
Partnership with Microsoft on EV charging



Route optimization software for 140 Maersk ships

Relentless Execution

White Collar Productivity: >\$ 400 mn gross savings – on track for 2016



Relentless Execution

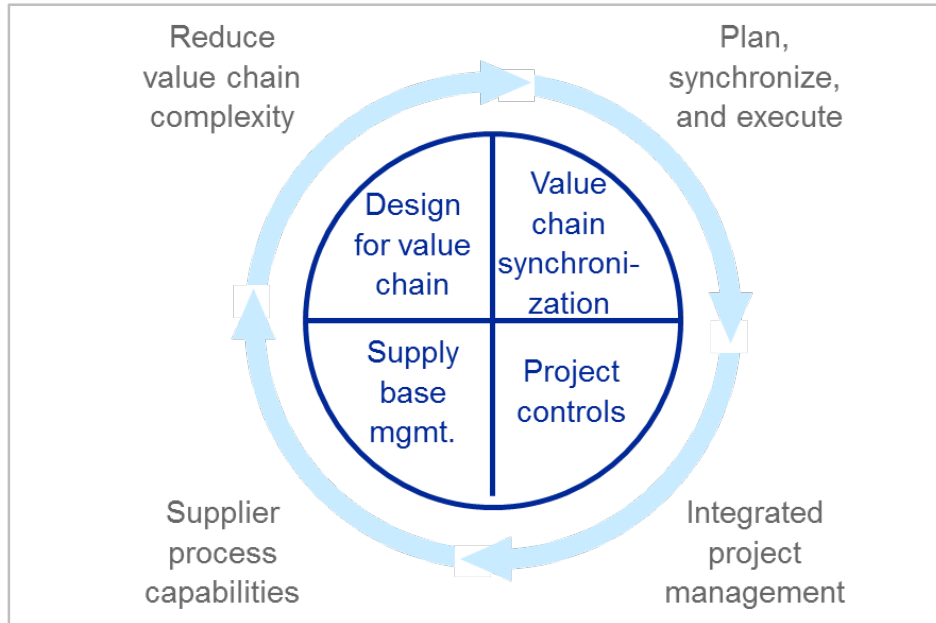
Working Capital: freed up \$600 mn in cash over last twelve months

Profitable
Growth

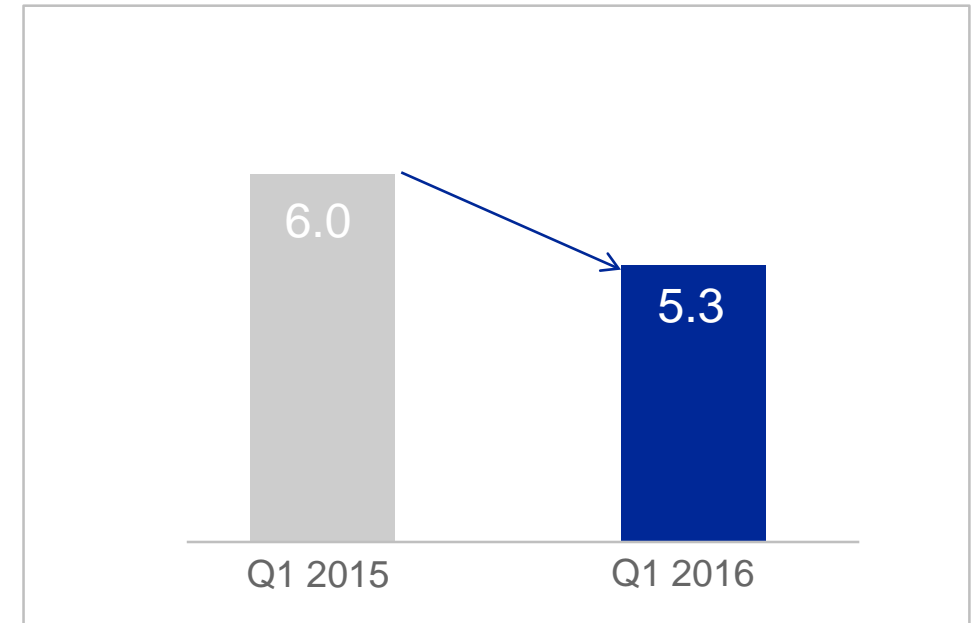
Relentless
Execution

Business-led
Collaboration

Approach



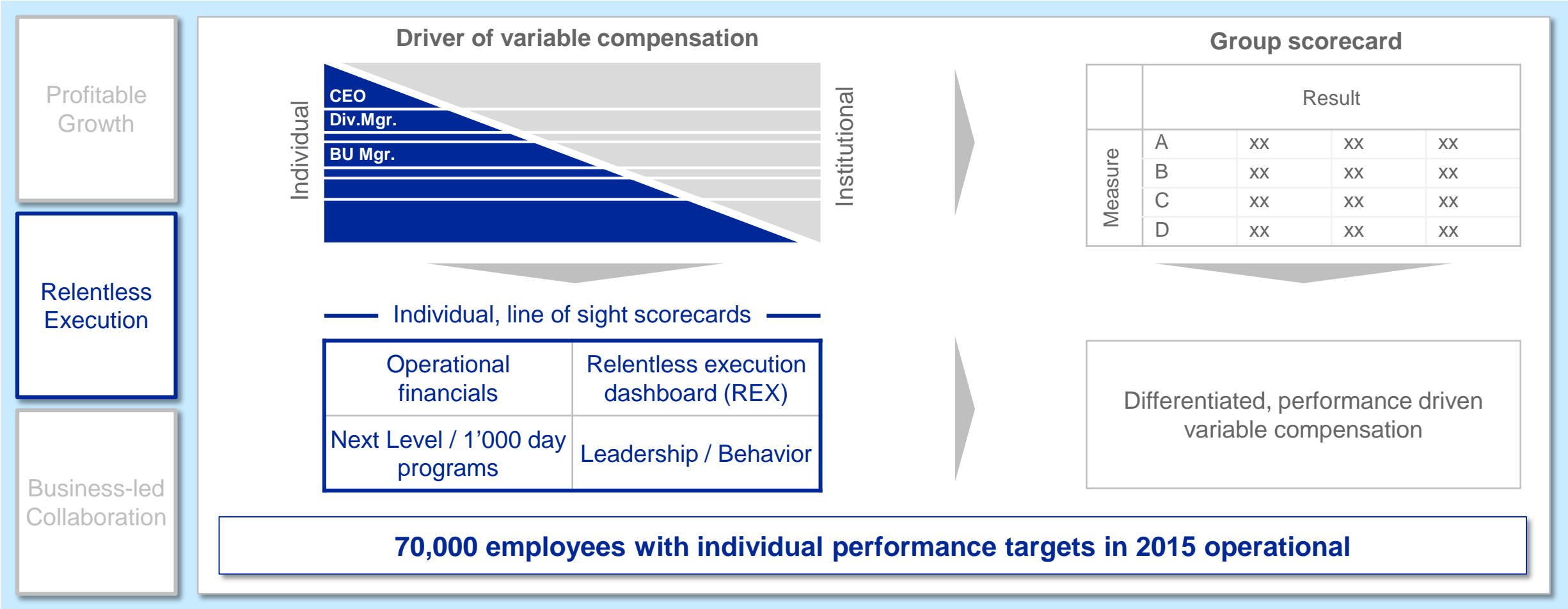
NWC \$ bn



On track for freeing up \$2 bn¹ of cash in 2017

Relentless Execution

Living the new performance culture - linking strategy, performance and compensation



Capital allocation priorities remain unchanged

Returned +\$6 bn¹ of cash to shareholders since Capital Market Day 2014

Capital allocation priorities

Fund organic growth, R&D, capex at attractive CROI

Steadily rising sustainable dividend

Value-creating acquisitions

Returning additional cash to shareholders

Delivered

Dividend per share CHF



Share repurchase volume US\$ bn cumulative



ABB Next Level – why own ABB

Pioneering technology leader with strong positions in attractive markets

Clear transformation agenda driving EPS and CROI

Strong balance sheet; committed to attractive returns to shareholders

Next Level Strategy: accelerating sustainable value creation

Power and productivity
for a better world™

