

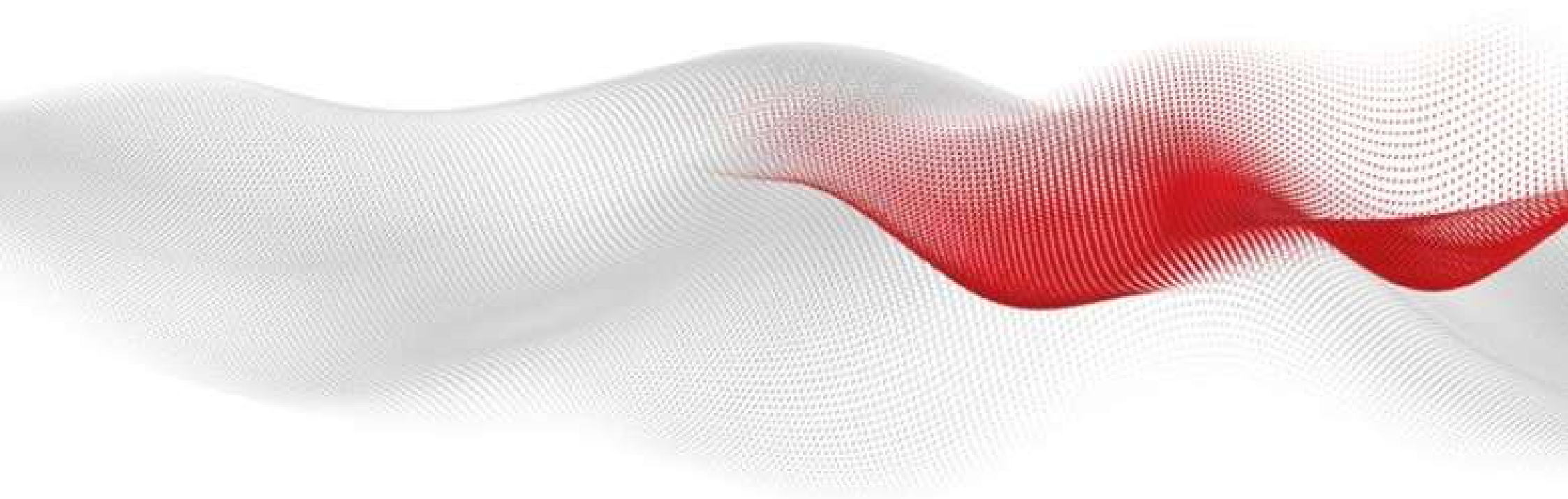


ABB LTD, ZURICH, SWITZERLAND, APRIL 17, 2019

Resilient growth

Q1 2019 results

Peter Voser, Chairman and interim CEO and Timo Ihamuotila, CFO



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”) division. 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 and annual reports” on our website at www.abb.com/investorrelations

Today's leadership announcement

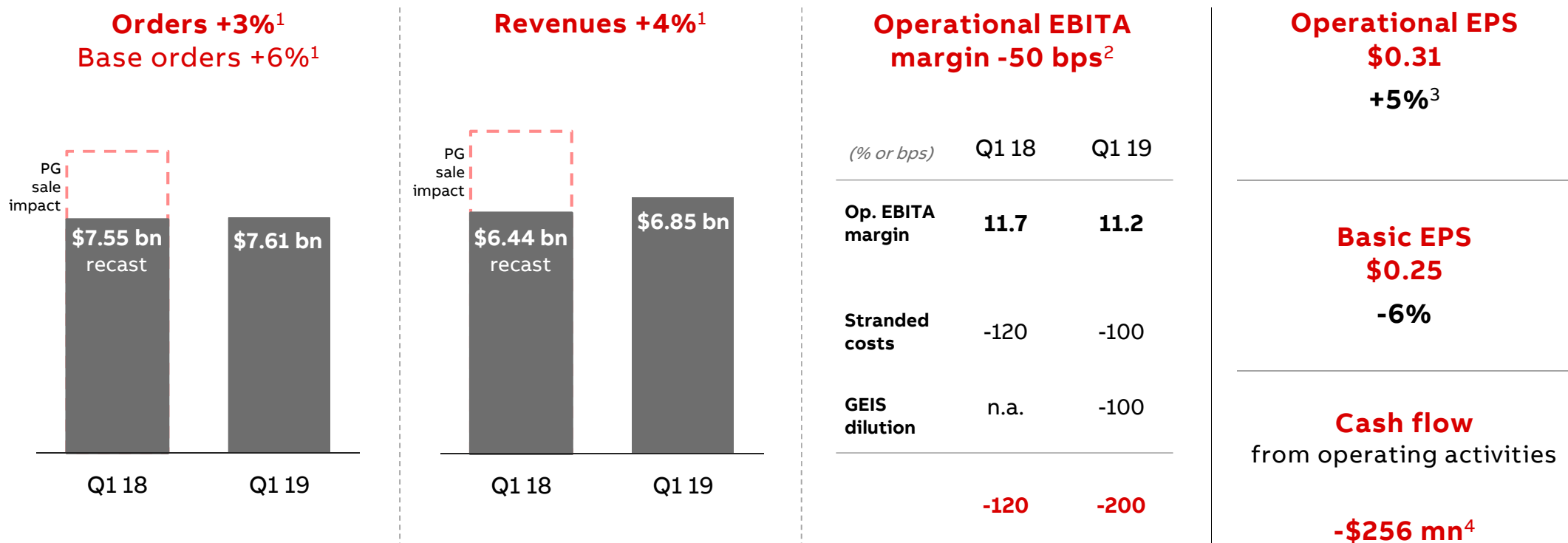
- ▶ Selection process for new CEO to commence
- ▶ Chairman to fulfill dual role as interim CEO until new CEO in role
- ▶ Transformation of ABB to continue with full support of the Board

The new ABB investment proposition

		Medium-term financial framework
Attractive growth	Uniquely positioned portfolio focused on digital industries	3 – 6% p.a. comparable revenue growth ¹
	Four leading entrepreneurial businesses in attractive growth markets	
	Value creation through ABB Ability™, innovation	
Stronger margins	Enhanced efficiency through simplification, ABB-OS™	13 – 16% operational EBITA margin
	~\$500 million p.a. net savings medium-term across the Group	
Optimized capital allocation	Organic investment in R&D, digital, brand	15 – 20% ROCE ~100% cash conversion EPS growth > revenue growth
	Active portfolio management	
	Attractive shareholder returns	

Q1 2019 resilient growth

Financial summary

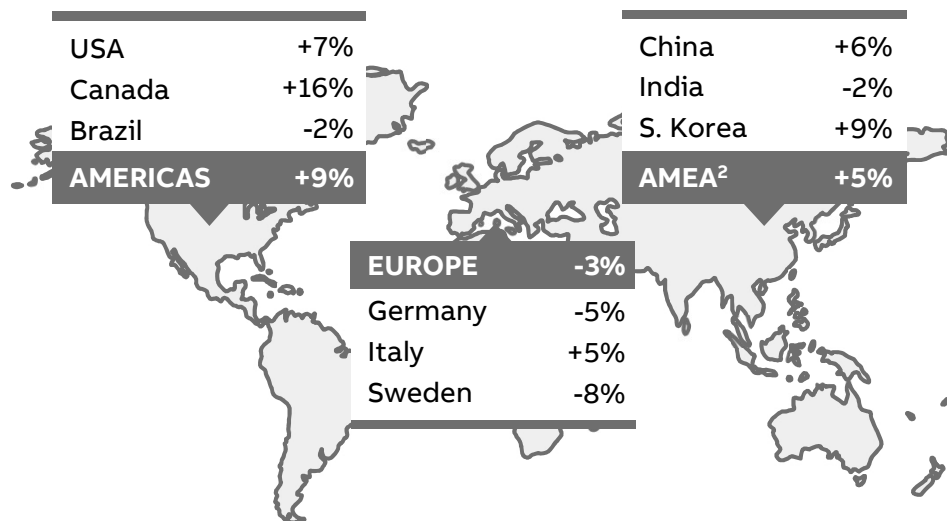


Q1 2019 orders

Base order growth in all regions

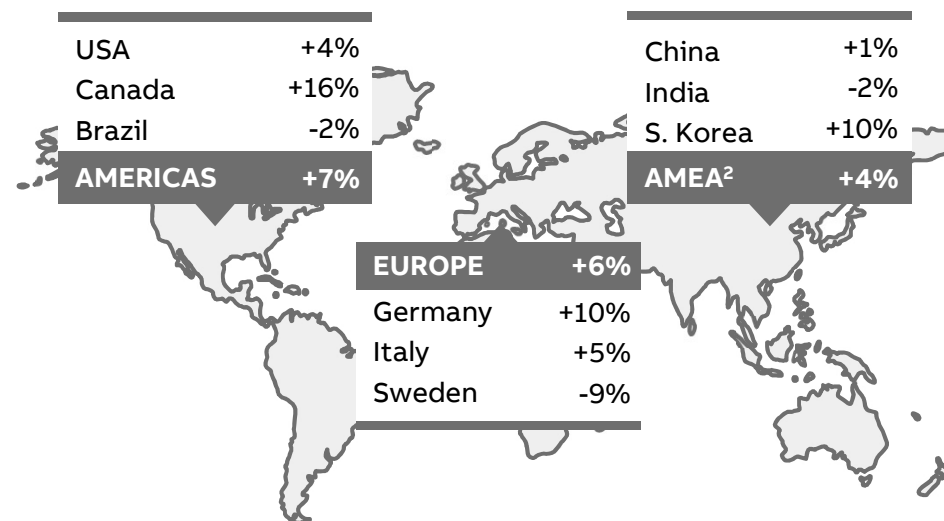
Total orders +3%¹

Growth by region and key country markets in \$ terms¹



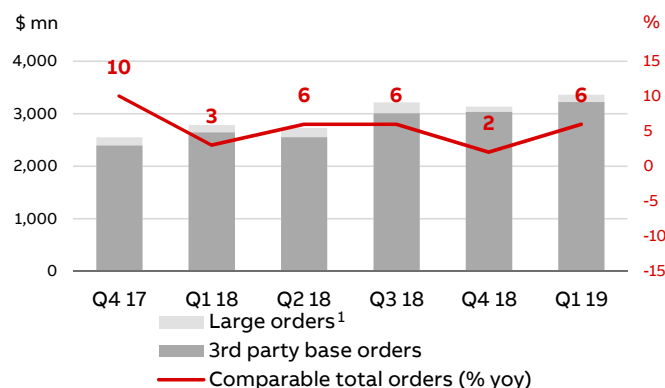
Third-party base orders +6%¹

Growth by region and key country markets in \$ terms¹



Q1 2019 Electrification Products

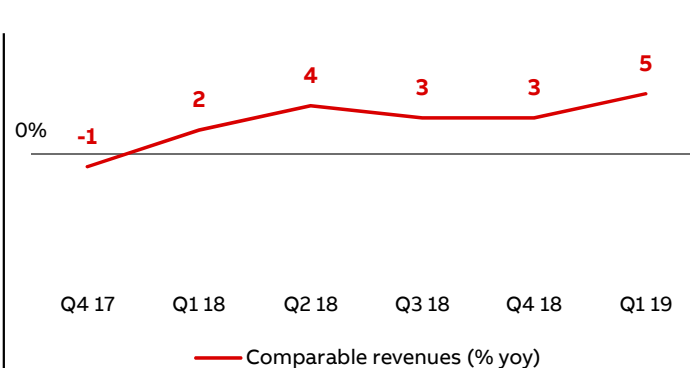
Strong order and revenue growth



Orders \$3,363 mn

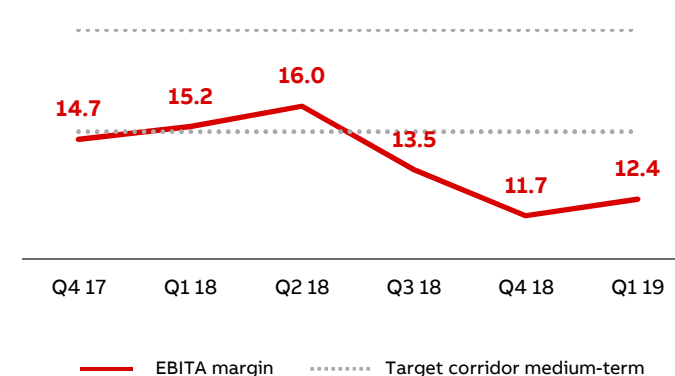
Third-party base orders +5%²

Growth across systems and products



Revenues \$3,057 mn

Order backlog end Q4 +7%, end Q1 +6%



Operational EBITA \$377 mn

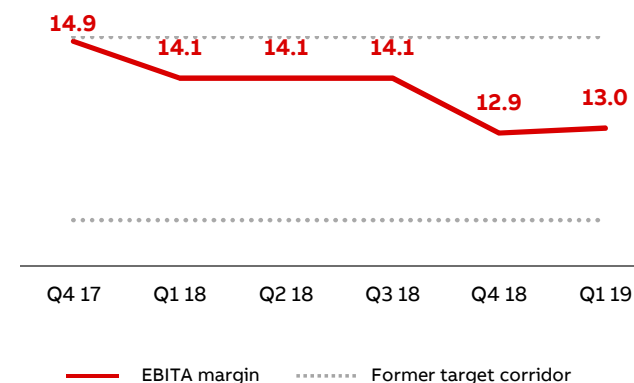
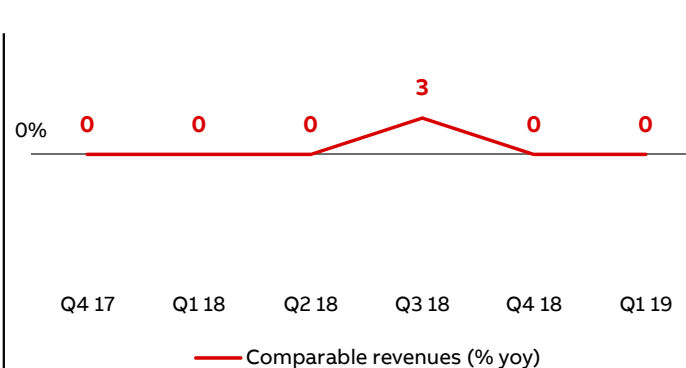
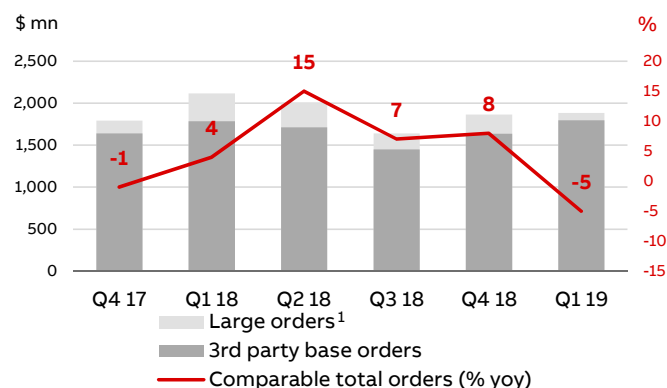
Margin yoy -280 bps

GEIS dilution -270 bps

Positive volumes offset by mix effects

Q1 2019 Industrial Automation

Continued base order momentum



Orders \$1,884 mn

Third-party base orders +7%²

Tough comparison for large orders

Subdued market in discrete

Revenues \$1,738 mn

Good backlog execution

Order backlog end Q4 +2%, end Q1 +2%

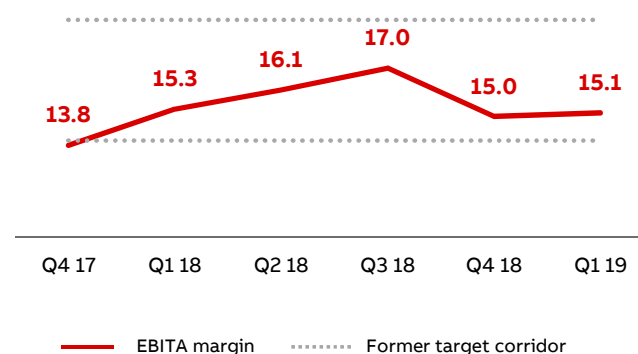
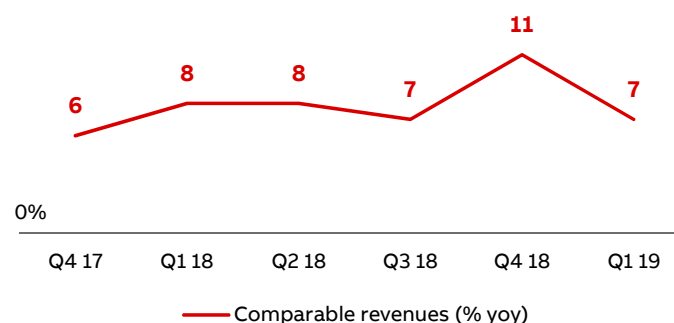
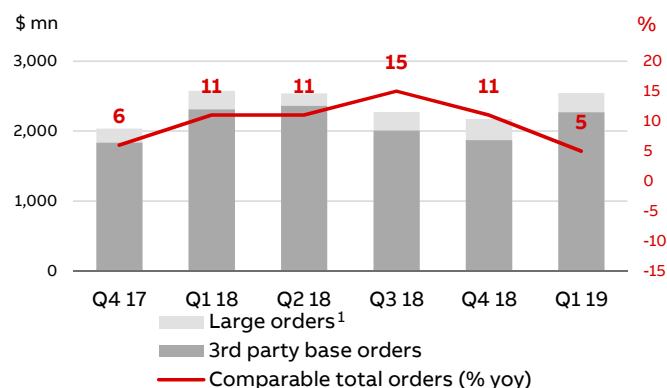
Operational EBITA \$226 mn

Margin yoy -110 bps, relative to strong Q1 18

Mix, growth investments impact

Q1 2019 Robotics and Motion

Solid execution



Orders \$2,545 mn

Third-party base orders +4%²

Tough comparison period

Strong growth in motion

Revenues \$2,229 mn

Good book-and-bill in motion

Order backlog end Q4 +10%, end Q1 +9%

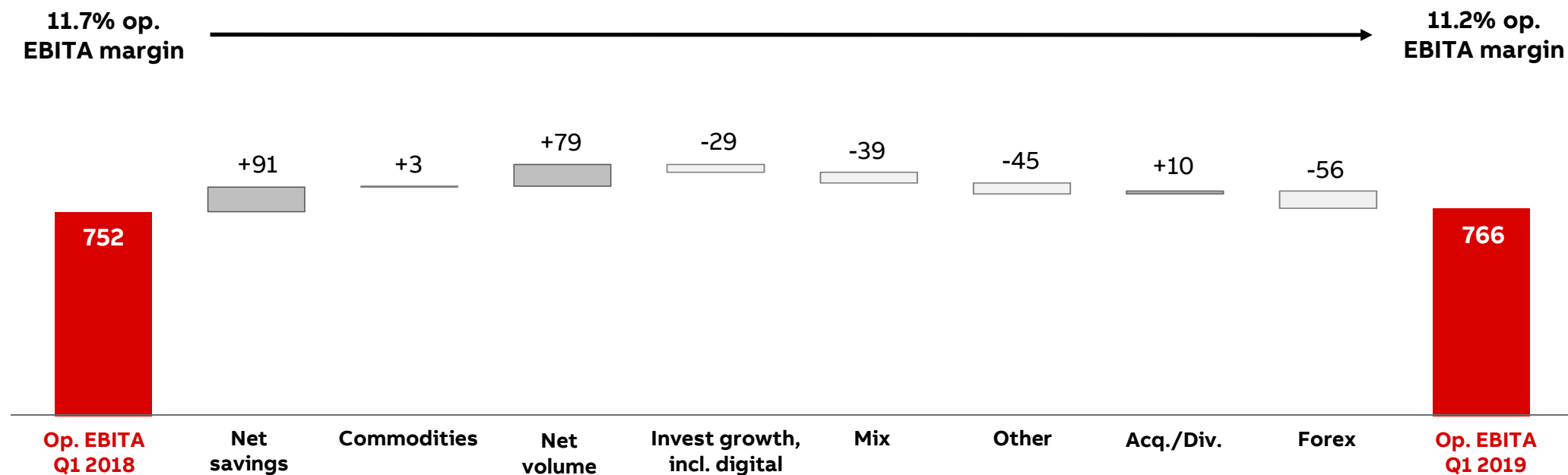
Operational EBITA \$337 mn

Margin yoy -20 bps

Negative mix effects in robotics

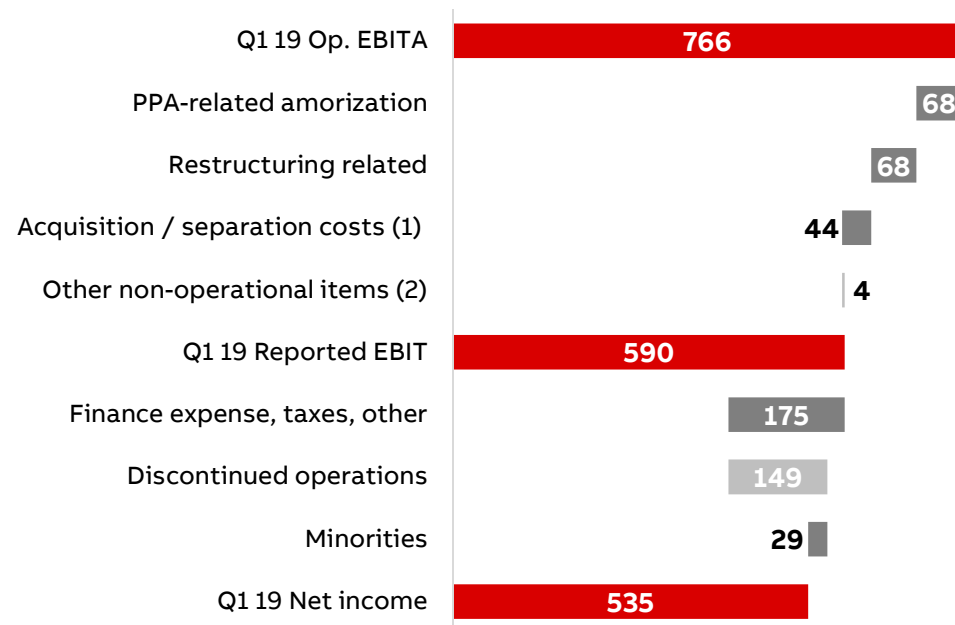
Q1 2019 operational EBITA

Operational EBITA bridge Q1 2018 to Q1 2019 (\$ mn)



Q1 2019 net income drivers

Operational EBITA to net income walk Q1 2019 (\$ mn)



Key non-operating items

Restructuring related includes \$19 mn ABB-OS™ simplification

Power Grids related transaction and separation costs \$20 mn

Discontinued operations (Power Grids)

Net income \$149 mn, reflects seasonality, ongoing restructuring and Power Up investments

2019 framework

\$ mn unless otherwise stated

	FY 2019 framework	Q1 2019	Q2 2019 framework
Corporate & Other operational EBITA	~(800)	(174)	~(225)
Of which, stranded costs (gross)	~(300)	(76)	~(75)
Stranded cost elimination	~60	9	~10
Non-operating items			
Normal restructuring	~(100)	(49)	~(25)
Simplification program ¹	~(400)	(19)	~(100)
PG transaction and separation related costs	~(350)	(20)	~(75)
GEIS acquisition related expenses and integration costs	~(120)	(21)	~(30)
PPA-related amortization	~(275)	(68)	~(75)

	FY 2019 framework	Q1 2019
Net finance expenses	~(230)	(43)
Effective tax rate	~27%	27.2%
PG tax impact	~(200) in H2	
Capital expenditure	~(850)	(159) ²
Cash flow from operating activities <i>(continuing + discontinued)</i>	Solid	(256) ³

Accelerating growth in digital

Q1 highlights

Strengthened end-to-end offering



Dassault Systèmes, PLM / IT-OT

Solutions from product lifecycle management to asset health

Optimized processes and systems, enhanced flexibility

1st joint solution showcased

Advancing wireless automation



Ericsson alliance, 5G / IT-OT

5G technologies for digital industries

Higher flexibility, lower cost, shorter lead-times

Up to 20% of automation solutions in “factory of the future” to use 5G¹

Connected packaging solution



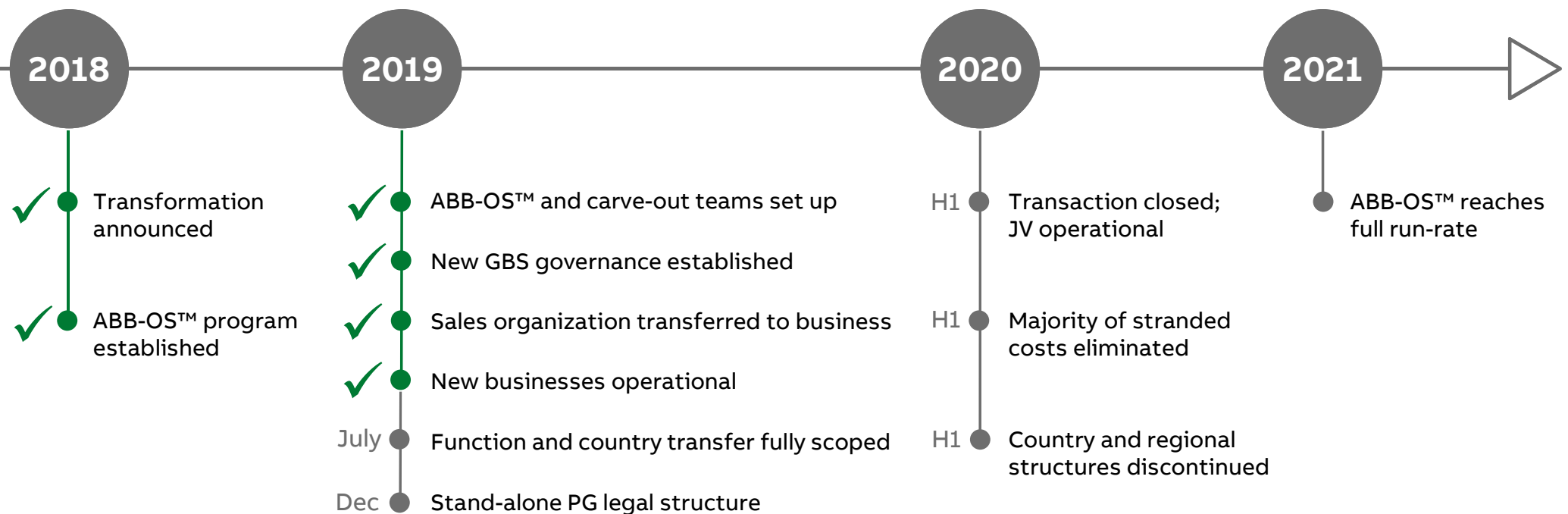
Tetra Pak collaboration

Pioneering energy program for F&B sector

Improved flexibility, productivity

15-25% cut in energy costs

Managing the transformation



2019 priorities

Running the company

- Solid order and revenue growth, demonstrating quality and resilience
- Continued focus on operational execution
- GEIS turnaround proceeding to plan

Managing the transformation

- PG separation on track
- ABB-OS™ implementation underway
- Four leading businesses operational April 1, 2019

ABB

Key figures Q1 2019

	Q1 2019	Q1 2018 recast	Change yoy		
<i>\$ in millions, unless otherwise indicated</i>			\$	Local currency	Comparable ¹
Orders	7,613	7,555	+1%	+7%	+3%
Order backlog (end March)	13,853	13,624	+2%	+9%	+6%
Revenues	6,847	6,441	+6%	+13%	+4%
Income from operations	590	626	-6%		
Operational EBITA ²	766	752	+2%	+10% ³	
as % of operational revenues	11.2%	11.7%	-0.5 pts		
Income from continuing operations, net of tax	415	414	+0%		
Net income attributable to ABB	535	572	-6%		
Basic earning per share (\$)	0.25	0.27	-6% ⁴		
Operational earnings per share (\$) ²	0.31	0.31	-3% ⁴		+5% ⁴
Cash flow from operating activities	(256)	(518)	+51%		

¹Growth rates for orders, order backlog and revenues are on a comparable basis (local currency adjusted for acquisitions and divestitures);

²For non-GAAP measures, see the "Supplemental Financial Information" attachment to the press release; ³Constant currency (not adjusted for portfolio changes); ⁴EPS growth rates are computed using unrounded amounts. Comparable operational earnings per share is in constant currency (2014 exchange rates not adjusted for changes in the business portfolio)

Total orders and order backlog

By division

		Q1 2019	Q1 2018	Change yoy
<i>In \$ mn unless stated otherwise</i>				Comparable
Electrification Products	Total orders	3,363	2,786	+6%
	Order backlog	4,394	3,441	+6%
Industrial Automation	Total orders	1,884	2,117	-5%
	Order backlog	5,297	5,595	+2%
Robotics and Motion	Total orders	2,545	2,579	+5%
	Order backlog	4,341	4,261	+9%
Corporate and Other	Total orders	(179)	73	n.a.
	Order backlog	(179)	327	n.a.
ABB Group	Total orders	7,613	7,555	+3%
	Order backlog	13,853	13,624	+6%
Order backlog, year of recognition		2019	2020	Thereafter
Conversion estimate, as at end Q1 19		69%	19%	12%

Cash flow from operating activities by division

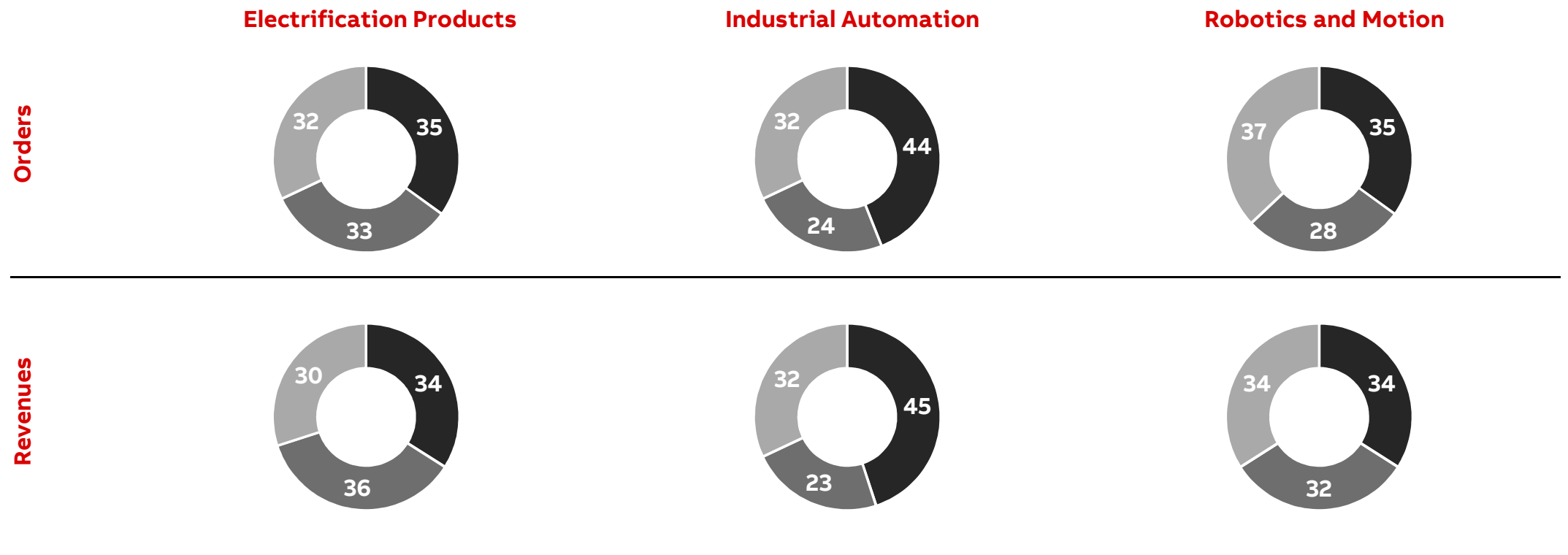
	Q1 2019	Q1 2018	Change yoy
<i>In \$ mn unless stated otherwise</i>			
Electrification Products	-2	81	n.a.
Industrial Automation	40	79	-49%
Robotics and Motion	175	73	+140%
Corporate and Other	(310)	(598)	+48%
Discontinued operations	(159)	(153)	-4%
ABB Group	(256)	(518)	+51%

Operational EPS analysis

	Q1 2019		Q1 2018		Change yoy ¹
<i>\$ mn, except per share data in \$</i>	EPS		EPS		
Net income (attributable to ABB)	535	0.25	572	0.27	-6%
Operational adjustments:					
Acquisition-related amortization	68		63		
Restructuring, related and implementation costs ²	68		7		
Non-operational pension cost (credit)	(23)		(27)		
Changes in obligations related to divested businesses	3		7		
Gains and losses on sale of businesses	1		6		
Acquisition- and divestment-related expenses and integration costs	24		25		
FX / commodity timing differences in income from operations	(21)		13		
Certain other non-operational items:					
Costs for planned divestment of Power Grids	20		–		
Regulatory, compliance and legal costs	8		3		
Division transformation costs	3		2		
Losses and other costs (recoveries) on Korea fraud	(1)		3		
Other non-operational items	3		(3)		
Operational adjustments in discontinued operations	6		36		
Tax on operational adjustments ³	(42)		(38)		
Operational net income / Operational EPS	652	0.31	669	0.31	5%⁴

Regional share of total orders and revenues by division

Q1 2019, in % terms

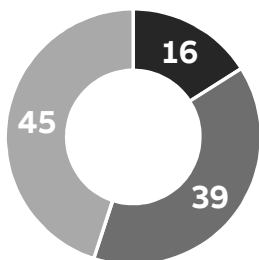


End-customer and product type revenues by division

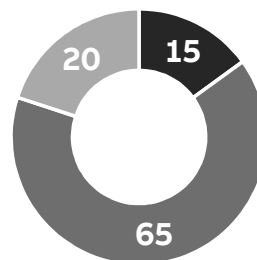
Q1 2019, in % terms

Revenues
End-customer market

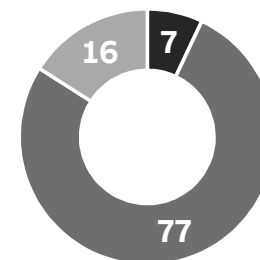
Electrification Products



Industrial Automation



Robotics and Motion



Revenues
Product type

