



ABB LTD, ZURICH, SWITZERLAND, FEBRUARY 8, 2017, FULL-YEAR AND Q4 2016 RESULTS

ABB delivers growth in fourth quarter

Solid transformation progress in 2016

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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” 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.

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

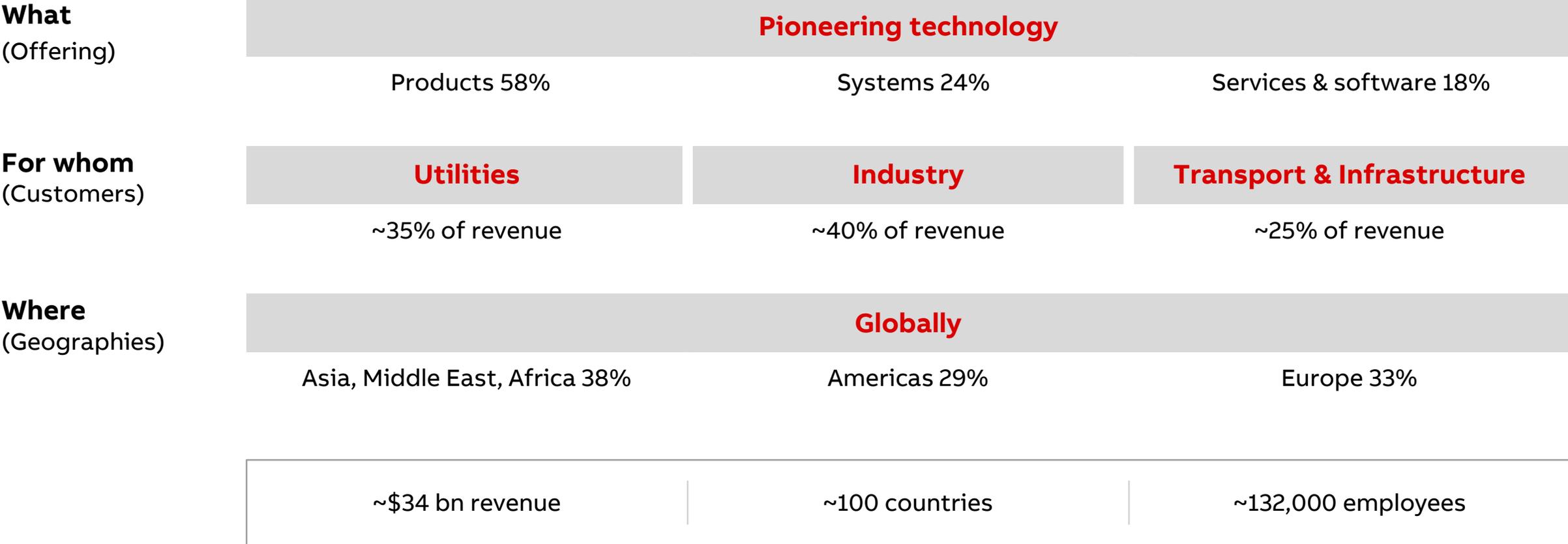
Agenda

Q4 and full-year 2016 performance

Next Level transformation

Outlook and priorities 2017

ABB: the pioneering technology leader



Full-year and Q4 2016

FY 2016

| Orders | Revenues | Operational EBITA margin | Operational EPS | Free cash flow |
|------------------|------------------|--------------------------|------------------|-----------------|
| \$33.4 bn | \$33.8 bn | 12.4 % | \$1.29 | \$3.2 bn |
| -5% ¹ | -1% ¹ | +50 bps | +4% ² | +5% |

Q4 2016

| Orders | Base orders | Revenues | Operational EBITA margin |
|------------------|------------------|------------------|--------------------------|
| \$8.3 bn | \$6.9 bn | \$9.0 bn | 11.7 % |
| +3% ¹ | -1% ¹ | +1% ¹ | -20 bps ³ |

Q4 2016: ABB delivers growth

Profitable Growth

+3%¹ order growth reflects strong orders in Power Grids, strong growth in US & China +9%¹
Revenues grew¹; positive contribution by Power Grids and Electrification Products
Launched ABB Ability™ – significant interest, momentum building

Relentless Execution

Op. EBITA impacted ~30 bps by default of a large distributor and foreign currency losses
Process Automation op. EBITA margin up 130 bps and Power Grids up 90 bps
WCP² on track to meet \$1.3 bn savings; NWC³ as % of revenues reduced 150 bps

Business-led Collaboration

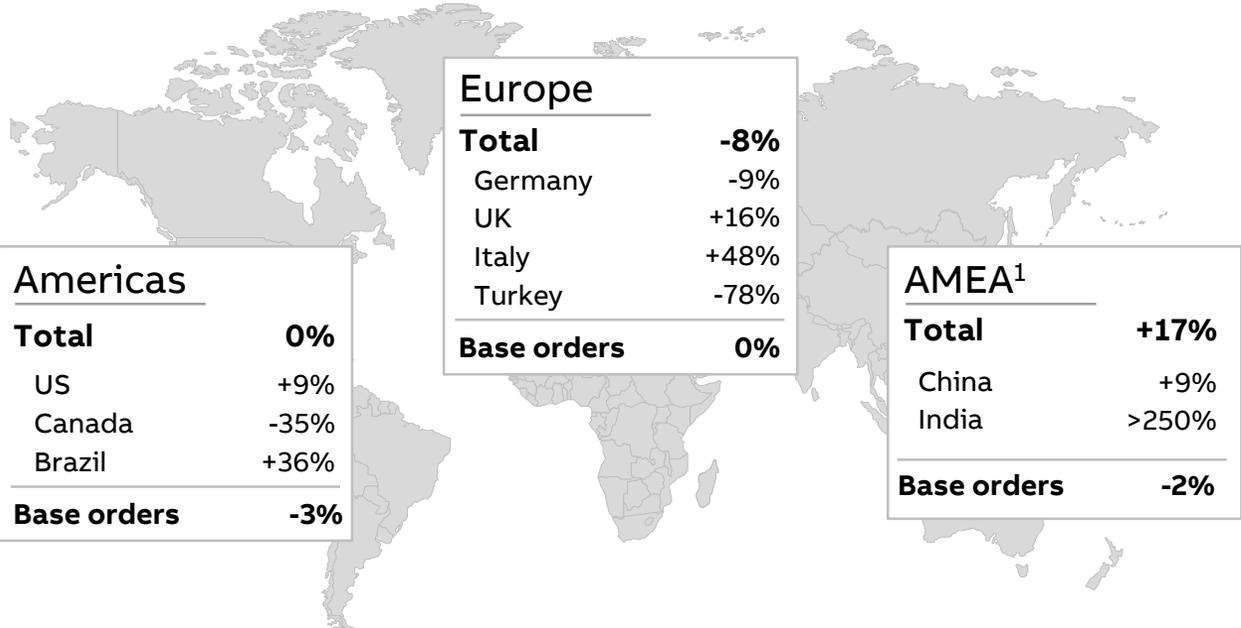
Improved country and account collaboration
Global business service centers operational; ramped up >2,500 people
Successful launch of ABB brand campaign

Stage 3 of Next Level Strategy launched – committed to unlocking value

Q4 2016: strong growth in the US and China

Q4 2016 total order growth by region

Change on a comparable basis



Q4 2016 base order growth²

Change on a comparable basis

| | |
|--------------|------|
| Brazil | -36% |
| Canada | -30% |
| China | +11% |
| Germany | +3% |
| India | +14% |
| Italy | +2% |
| Norway | +44% |
| Saudi Arabia | -44% |
| South Korea | +17% |
| Spain | +58% |
| Sweden | +1% |
| UK | +7% |
| US | +6% |

Q4 2016: Power Grids orders

>\$840 million, 3 continents

India



Raigarh-Pugalur 800kV

\$640 mn

UHVDC system India
Integrate renewable & conventional power over long distances at low losses

Reliable, efficient electricity to 80 mn people

USA



Sylmar converter station Pacific Intertie power link

\$100 mn

Upgrade HVDC station includes ABB Ability™ to monitor, control & protect
Advanced fault registration & remote control

Improves operational efficiency and reliability

Brazil



Belo Monte

\$75 mn

800kV ultra-high voltage converter transformers
Integrate clean power from hydro over long distance

Efficient and safe UHVDC conversion with low losses

Philippines



National Grid Corp of Philippines

\$27 mn

Design, supply & commission transformers
Support power infrastructure upgrade

Improve grid reliability and increase power capacity

Q4 2016: performance by division

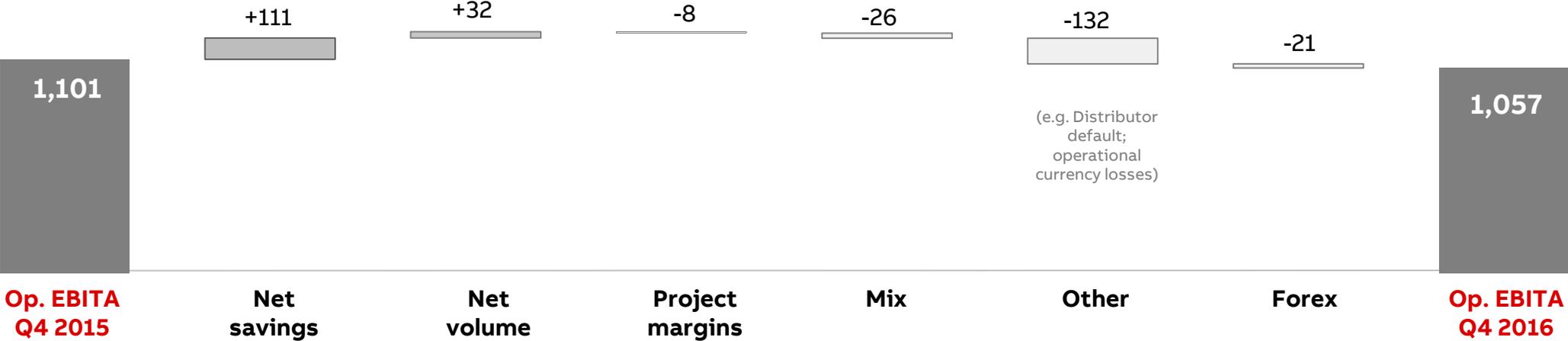
Key figures

| \$ bn unless otherwise stated | ABB Group | Electrification Products | Discrete Automation and Motion | Process Automation | Power Grids |
|-------------------------------------|------------------|-------------------------------------|---|-------------------------------|------------------------|
| Orders | 8.3 | 2.2 | 2.0 | 1.5 | 2.9 |
| △ Comparable | +3% | -5% | +4% | -14% | +15% |
| Revenues | 9.0 | 2.5 | 2.2 | 1.7 | 3.0 |
| △ Comparable | 1% | +3% | -1% | -8% | +4% |
| Op. EBITA % | 11.7% | 15.5% | 11.7% | 13.4% | 10.4% |
| △ | -20 bps | -90 bps | -100 bps | +130 bps | +90 bps |

Q4 2016: Operational EBITA margin bridge



Operational EBITA bridge Q4 2015 to Q4 2016, \$ mn

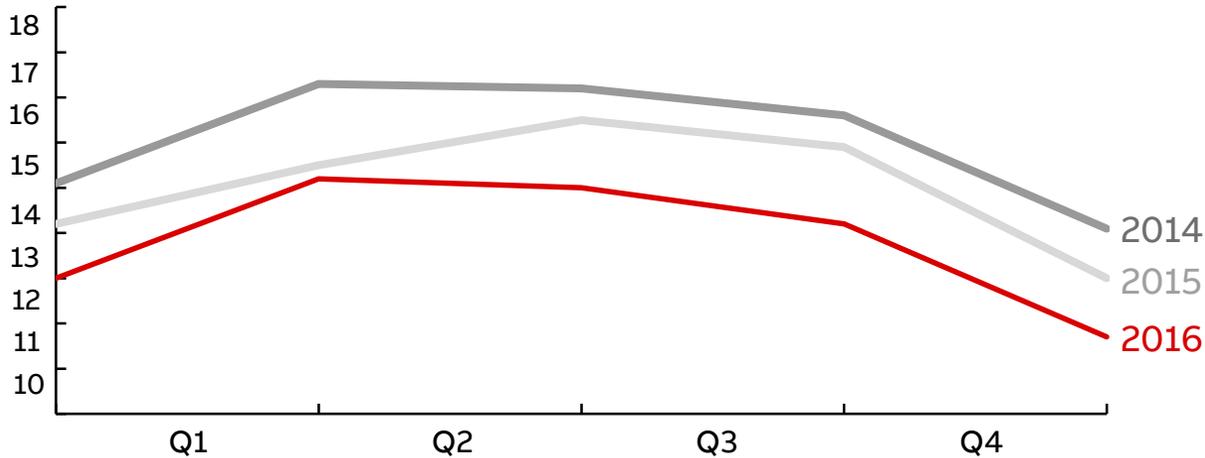


Large distributor default and Egyptian currency losses impacted op. EBITA margin ~30 bps

2016: Working Capital program yielding results

Net Working Capital reduction

NWC as a % of revenues

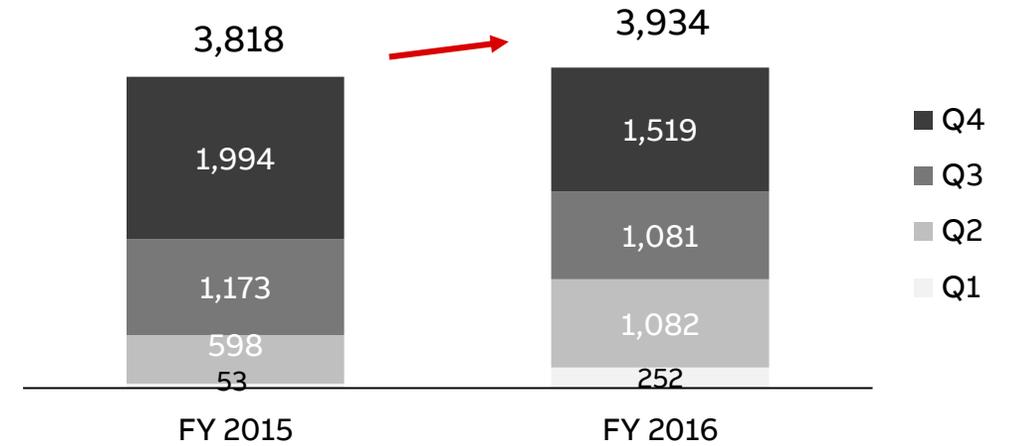


150 bps reduction 2015 vs 2016

Opportunities in value chain optimization

A solid, consistent cash generator

Cash flow from operating activities, \$ mn



Strong working capital management contributions

Consistent cash generation through the year

Next Level transformation

Profitable Growth

Starting point 2013

Lack of organic growth focus

2016 achievements

Growth momentum building (i.e. PIE¹) in key markets
Double digit growth in F&B², robotics
Launch of ABB Ability™, 3 partnerships
Strategic portfolio review Power Grids completed

Relentless Execution

Underperforming units
Fat, inefficient white collar organization
Inadequate cash culture
Static, lack of accountability

Power Grids transformation delivered
Delivered +\$1 bn normal cost savings
Delivered ~\$550 mn of WCP gross savings
Reduced working capital ~\$550 mn
>70k people on performance/compensation system

Business-led Collaboration

Complex organizational setup
Fragmented brand landscape

Simpler, customer-focused organization
Unified brand and brand migration

ABB ready to deliver on growth – Next Level Stage 3

Next Level Stage 3 – committed to unlocking value

Four actions

ANNOUNCED OCTOBER 4TH, 2016

**Profitable
Growth**

1 Driving growth in four market-leading entrepreneurial divisions

2 Quantum leap in digital

**Relentless
Execution**

3 Accelerating momentum in operational excellence

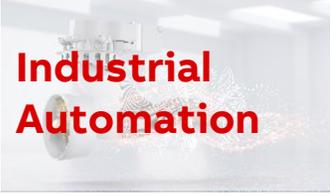
**Business-led
Collaboration**

4 Strengthening the global ABB brand

Delivering attractive shareholder returns

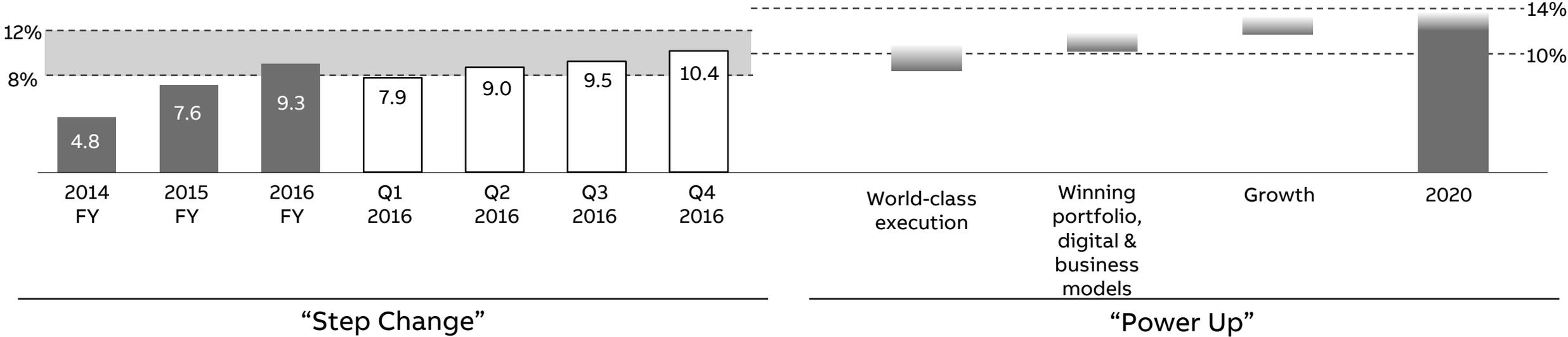
Four market-leading entrepreneurial divisions

Operational as of January 1, 2017

| | Partner of choice for... | Position | Actions |
|---|--|--|--|
|  <p>Electrification Products</p> | ...electrification of all consumption points | #2 in electrification | Combine all electrification components Investment in growth platforms (renewables, EV charging, power quality) |
|  <p>Robotics and Motion</p> | ...robotics and intelligent motion solutions | #1 in motion #2 in robotics | Simplified and focused portfolio Driving growth in robotics |
|  <p>Industrial Automation</p> | ...industrial automation | #1 in process control | Driving digitalization across industry sectors Driving service offering |
|  <p>Power Grids</p> | ...a stronger, smarter and greener grid | #1 in T&D | Focus on high growth, digitalization, “Power Up” transformation Prune niche non-core & grow with de-risked business model |

Power Grids shift from “Step Change” to “Power Up” transformation

Operational EBITA margin, %

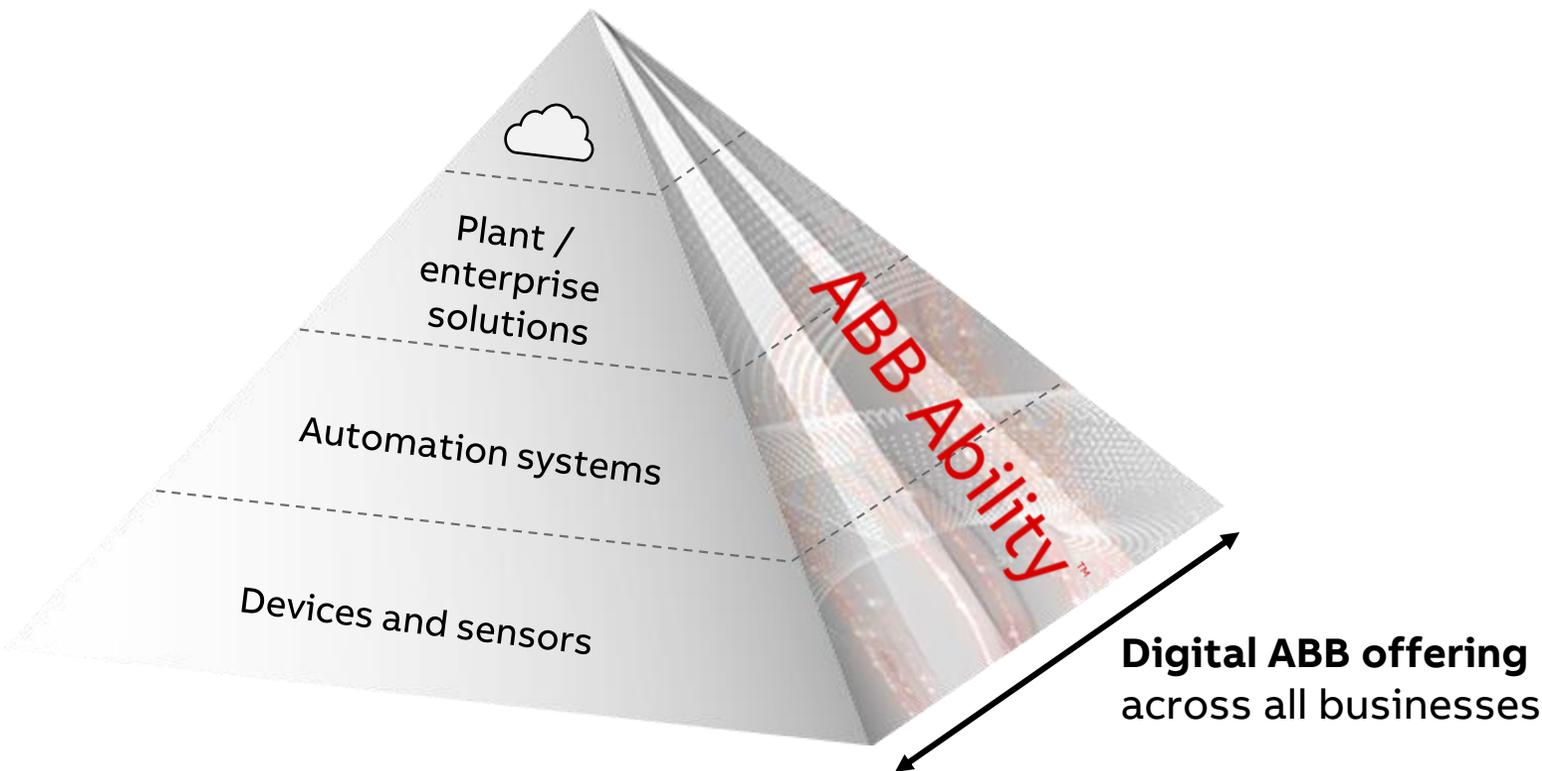


Significant value creation potential, mainly driven by self-help



Quantum leap in digital: launch of ABB Ability™

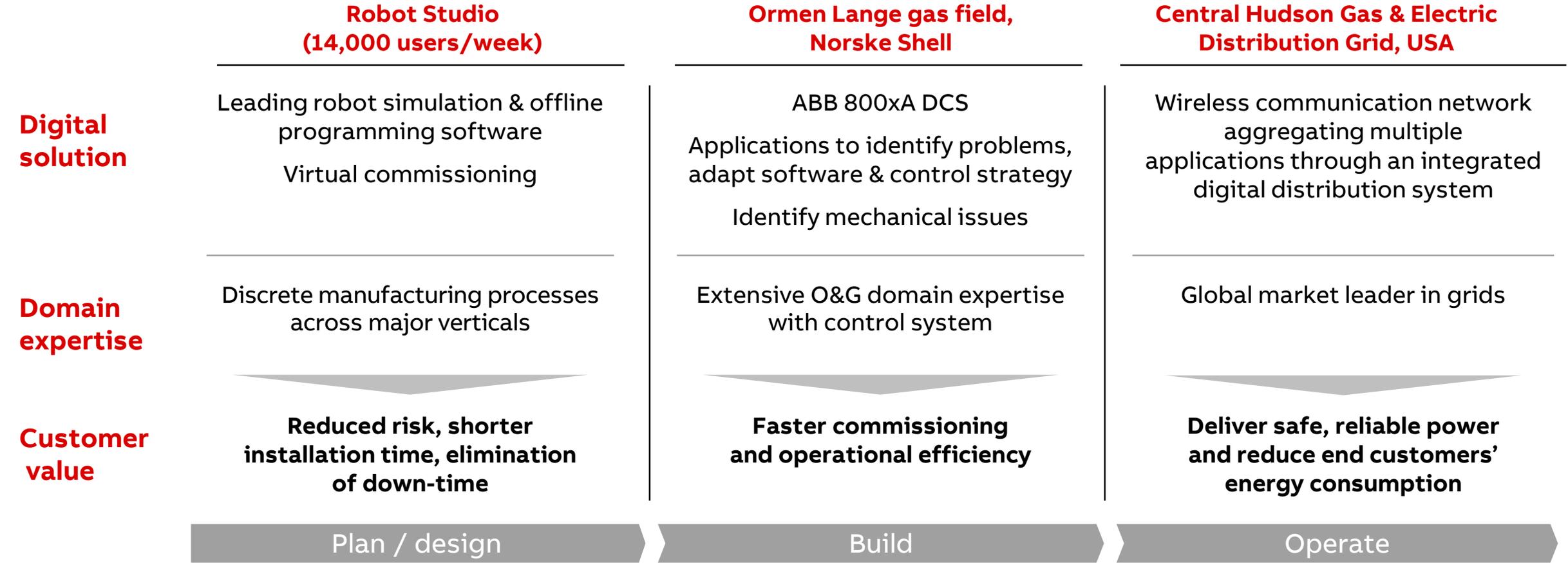
One common offering for digital end-to-end solutions



Driving growth by:

- ▶ Integrating
- ▶ Penetrating
- ▶ Replicating

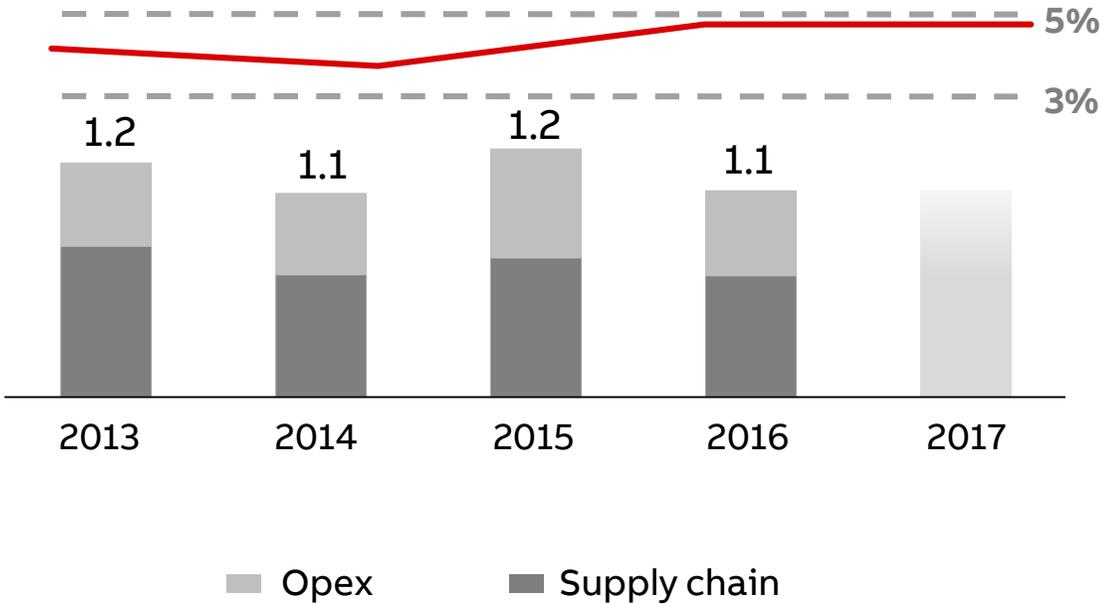
ABB Ability™ – creating value for customers



Accelerating momentum in operational excellence

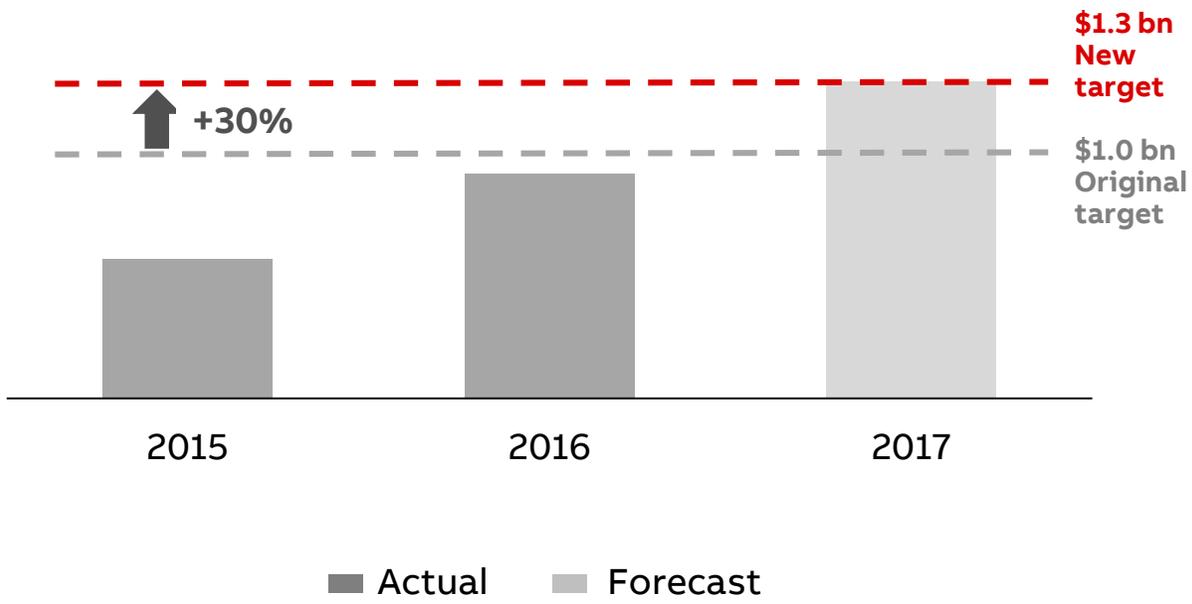
Constant Opex and SCM savings

Target 3-5% of cost of sales



Increased White Collar Productivity

Run rate gross savings in \$ mn



Strengthening global ABB brand

High visibility in key markets

+571 mn total impressions globally

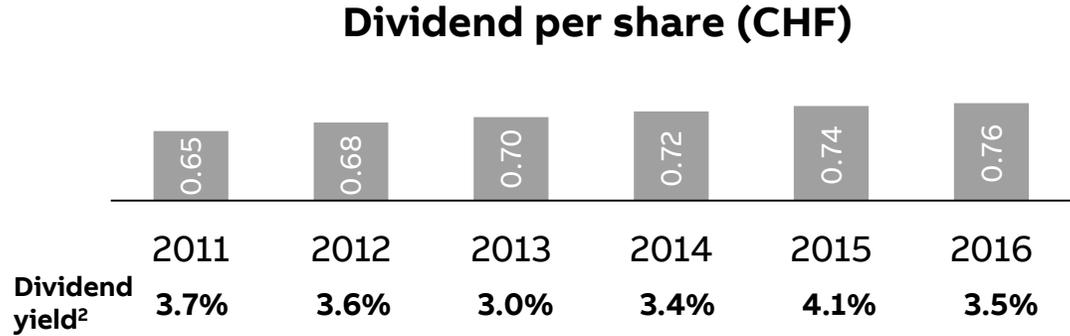
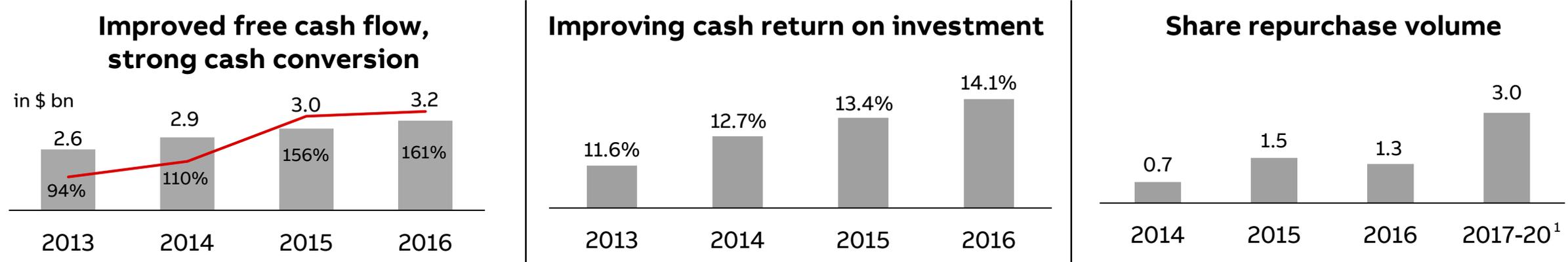


Let's write the future

| | |
|-------------|---|
| Out of Home | +142 mn impressions |
| Digital | +336 mn impressions +1,415,508 clicks on ads |

Committed to delivering attractive shareholder returns

Returned \$2.9 bn of cash to shareholders in 2016



Outlook – short term market conditions

Pioneering technology

Utilities

-  T&D
-  Solar and Wind
-  Conventional Power

Industry

-  Discrete & hybrid industries¹
-  Oil & Gas
-  Mining & metals

Transport & Infrastructure

-  Transportation
-  Construction
-  Data centers

Africa, Middle East and Asia

-  China
-  India
-  Middle East

Globally Americas

-  US
-  Canada
-  Brazil

Europe

-  Northern Europe
-  Central Europe
-  Southern Europe

2017 priorities

Profitable Growth

- Drive organic growth through PIE, expand technology leadership
- Drive ABB Ability™ momentum through customer base and within every business unit
- Ready for disciplined inorganic moves and partnerships

Relentless Execution

- Deliver White Collar Productivity and Working Capital programs
- Drive Leading Operating Model, Supply Chain Management and Quality programs
- Live new performance culture and performance systems

Business-led Collaboration

- Tap “growth collaboration” opportunities in countries and accounts
- Drive high performance culture with newly shaped organization and leadership team
- Continue strengthening the global ABB brand

Why own ABB

Pioneering technology leader

Strong positions in attractive markets

Clear transformation agenda driving operational EPS and CROI

Efficient balance sheet; generating attractive returns for shareholders

Committed to unlocking value

Let's write the future

