

ABB

Let’s write the future. Together.

March 4, 2021

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.

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.

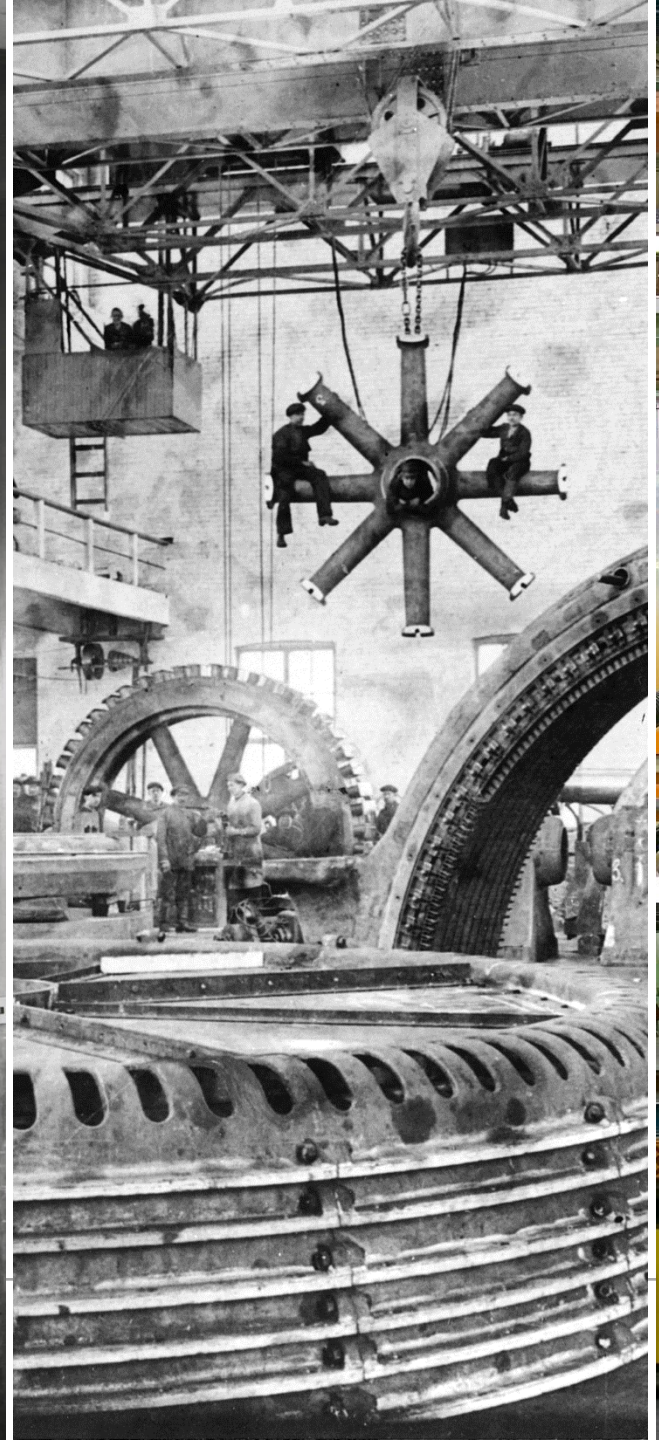
Well positioned across global markets



ABB is a leading global technology company that energizes the transformation of society and industry to achieve a more productive, sustainable future.

By connecting software to its **electrification**, **motion**, **process automation and robotics & discrete automation** portfolio, ABB pushes the boundaries of technology to drive performance to new levels.

ABB has been pushing the boundaries of technology for +130 years



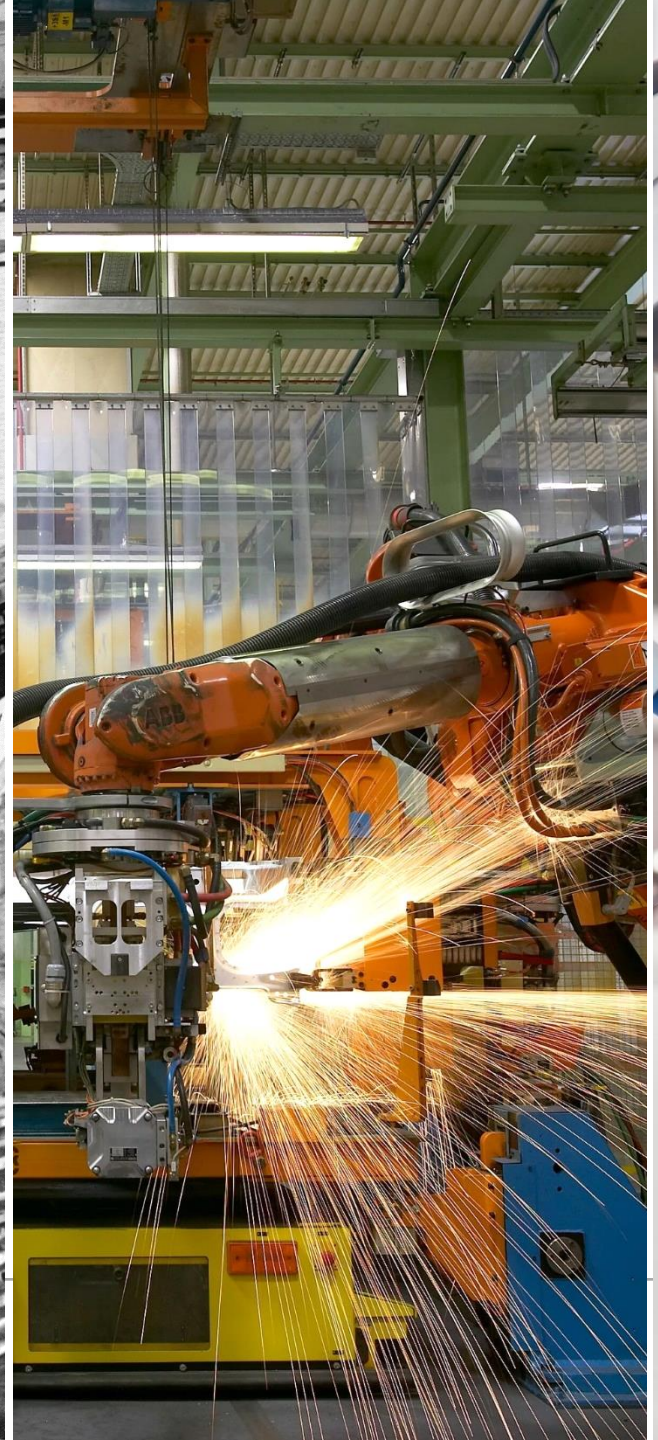






ABB Way Forward

Following our Purpose and leveraging our strong positions in Electrification, Motion, Process Automation and Robotics & Discrete Automation, we aim to create superior value for all our stakeholders. With our Purpose at its core, the way we operate – the ABB Way – is our lever to implement our strategy.

By pushing the boundaries of technology and embedding sustainability in everything we do, our people drive the performance of our market-leading and empowered businesses to new levels. Together with our common values, strong brand and governance framework, the ABB Way will be leading us to become a more focused, successful, value-creating company.

Our Business Areas

Electrification

Motion

Process Automation

Robotics & Discrete Automation









Electrification

Writing the future of safe, smart and sustainable electrification.

ABB's Electrification business offers a wide-ranging portfolio of products, digital solutions and services, from substation to socket, enabling safe, smart and sustainable electrification.

$	**Revenues**	$11.9 bn
	Employees	~50 k

FY 2020 figures



Motion

Writing the future of motion.

ABB's Motion business is the largest supplier of drives and motors, globally. We provide customers with the complete range of electrical motors, generators, drives and services, as well as mechanical power transmission products and integrated digital powertrain solutions.

$	**Revenues**	$6.4 bn
	Employees	~21 k

FY 2020 figures



Process Automation

Writing the future of safe, smart and sustainable operations.

ABB's Process Automation business offers a broad range of solutions for process and hybrid industries, including industry-specific integrated automation, electrification and digital solutions, control technologies, software and advanced services, as well as measurement & analytics, and marine and turbocharging offerings.

$	**Revenues**	$5.8 bn
	Employees	~22 k

FY 2020 figures



Robotics & Discrete Automation

Writing the future of flexible manufacturing and smart machines.

ABB's Robotics & Discrete Automation business provides value-added solutions in robotics, machine and factory automation. Our integrated automation solutions, our application expertise across a wide scope of industries and our global presence deliver tangible customer value.

$	**Revenues**	$2.9 bn
	Employees	~11 k

FY 2020 figures



Fully decentralized business model with 21 Divisions

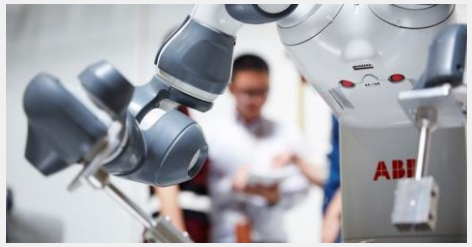
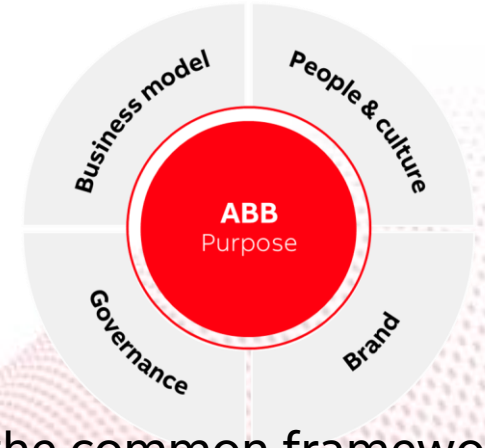
BUSINESS AREA	Electrification	Motion	Process Automation	Robotics & Discrete Automation
				
DIVISION	Distribution Solutions	IEC LV Motors	Energy Industries	Robotics
	Smart Power	Large Motors & Generators	Process Industries	Machine Automation
	Smart Buildings	NEMA Motors	Marine & Ports	
	Installation Products	Drive Products	Turbocharging	
	Power Conversion	Systems Drives	Measurement & Analytics	
	E-mobility	Service		
		Traction		
		Mechanical Power Transmission		

ABB Way

Our operating model



The ABB Way represents the common framework under which we operate – it describes who we are and how we act.

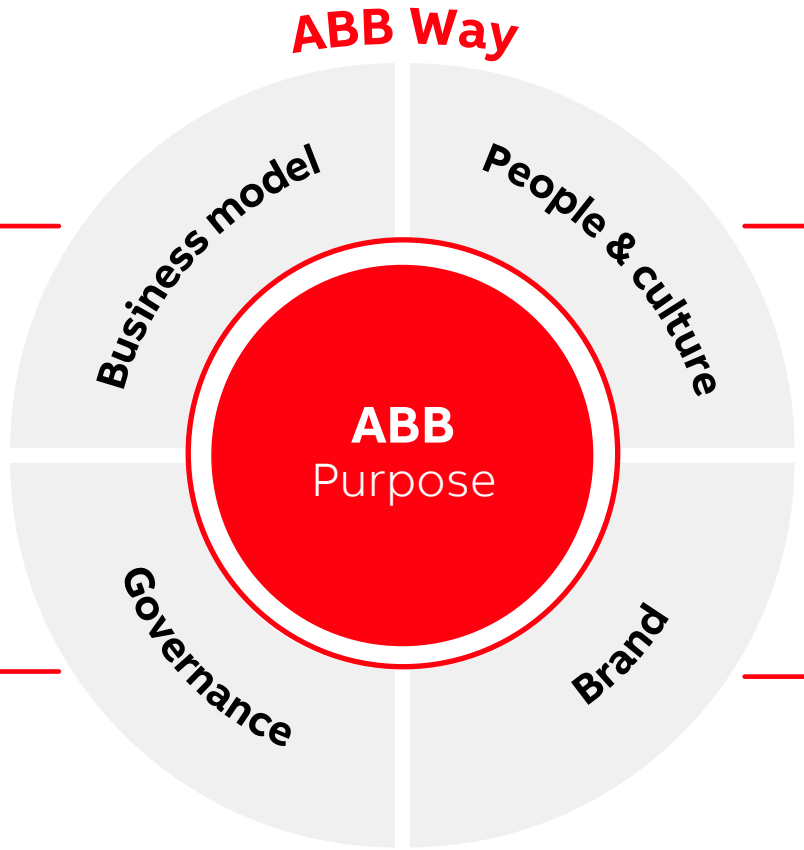
With our company Purpose at its core, the ABB Way empowers our Divisions with full ownership and accountability for their strategies, performance and resources, while serving as the “glue” that holds our Group together.

The ABB Way consists of two parts; “how” we will operate and create superior value in the future, namely with our **Business model**, **People & culture**, **Brand** and **Governance**, and our Purpose, “why” our company exists.

The ABB Way provides standardized policies, processes and systems, including portfolio, performance and risk management as well as internal control and compliance.

ABB Way

Decentralized setup
– full Division accountability
Performance management
Portfolio management



Values
People
Leadership

Code of conduct
Internal control & compliance
Risk management
Regulations,
processes and policies

Positioning
Reputation management

ABB Way – performance with purpose

We succeed by creating superior value.

We push the boundaries of technology to drive performance to new levels.

We energize the transformation of society and industry to achieve a more productive, sustainable future.













ABB Values

Courage

Care

Curiosity

Collaboration

Our priorities

Market leadership

Technology & digital

People

Portfolio management

Sustainability

Financial performance













Our priorities

Market leadership

Market leadership is key to the long-term success of our Divisions. We aim to maintain or strengthen a no. 1 or no. 2 position in all markets by providing our customers with leading products, systems and solutions. Market leadership helps to improve profitability, drive superior returns and enable growth opportunities for our people.



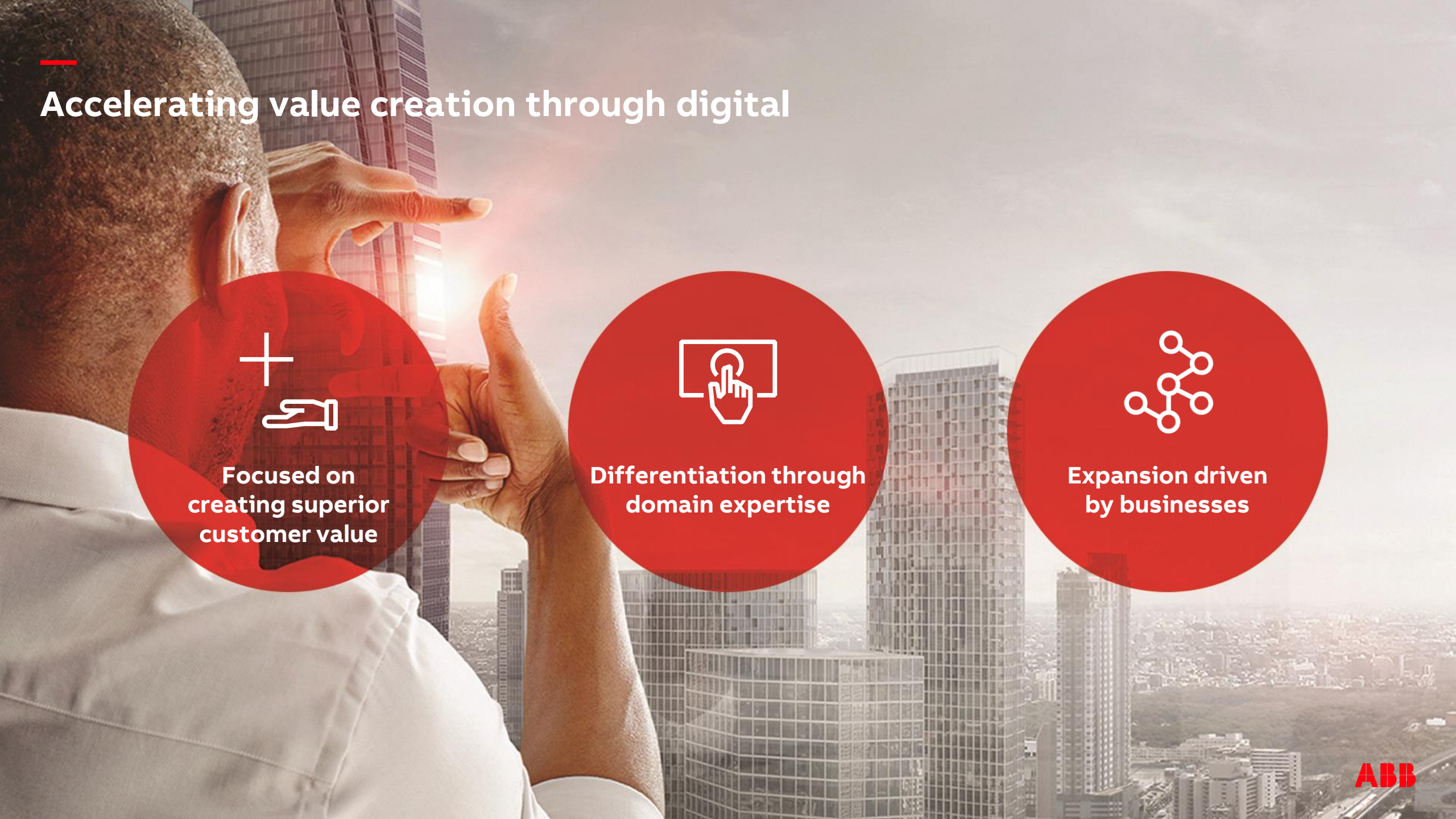
Our priorities

Technology & digital

Our world-class technology and domain-led digital capabilities are deeply embedded in our DNA. Maintaining and improving our innovation, technology and digital leadership is a strategic priority across Divisions. Pushing the boundaries of technology and digital enables us to help our customers attain new levels of performance and clearly differentiate ABB’s offering.



Accelerating value creation through digital



Focused on creating superior customer value

Differentiation through domain expertise

Expansion driven by businesses

ABB Ability™



Insight. It’s the power to see and understand how something works in a new way, to unravel complexity and take action. It comes from visibility, intelligence and experience. It’s what makes transformation possible.

ABB Ability™ solutions combine ABB’s deep domain expertise with connectivity and software innovation to empower real-time, data-driven decisions for safer, smarter operations that maximize resource efficiency and contribute to a low-carbon future. Our large portfolio of digital solutions helps organizations automate, optimize and future-proof their business to achieve new heights of performance and drive sustainable progress.

Our priorities

People

We believe our people are the most critical ingredient to our long-term success. A culture of diversity, inclusion and equal opportunity is critical to our business success and makes us stronger.

Relying on our people’s unique attitude, experience and domain expertise, we push the boundaries of technology to drive performance, shape new business models and find new ways of working that make our customers, partners and society better off.



Our priorities

Portfolio management

Through active portfolio management we systematically evolve our portfolio at all levels of the organization to reinforce our Divisions' market leadership by investing in growth, M&A activities and portfolio consolidation.

On the one hand, we continuously question whether we are the best owner of our Divisions; on the other, we steer our businesses in line with their respective strategic mandates. Lastly, we actively pursue synergetic acquisition opportunities to fill white-spots and steer our overall portfolio mix towards high-growth sectors.



Our priorities

Sustainability

At ABB, we believe that sustainable development means progress towards a healthier and more prosperous world for future generations. This means balancing the needs of society, the environment and economy. To achieve this, we act and embed this approach to business across our value chain, creating superior value for all our stakeholders.

As we push the boundaries of technology, we support our customers to preserve resources and enable a low-carbon society. We act with integrity and transparency at the core of our governance, and we promote social progress for our people and communities around the world.



Acknowledged history in sustainability, with a new level of ambition



Rooted in Purpose, **embedding sustainability** across all aspects of value chain

We enable a low-carbon society

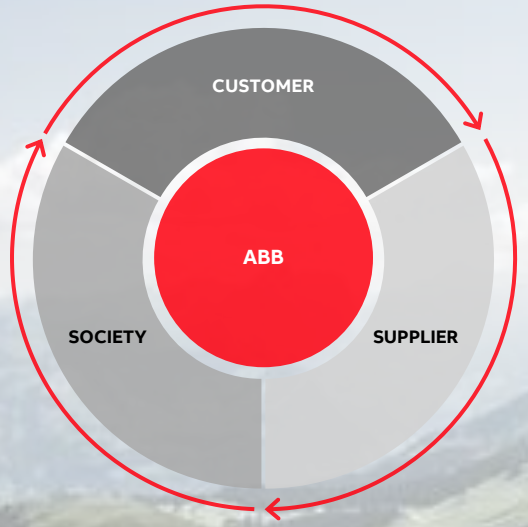
We preserve resources

We promote social progress

INTEGRITY AND TRANSPARENCY

Main sustainability targets

Striving to achieve all targets by 2030



Sustainable Value Chain

We enable a **low-carbon society**

- **Carbon neutrality** in own operations
- Support our customers in reducing annual CO_2 emissions by **>100 Mt**[1]
- Supply chain emission reduction

We preserve **resources**

- **80%** of ABB products & solutions covered by circularity approach
- **Zero waste** to landfill[2]
- Supplier Sustainability Framework

We promote **social progress**

- **Zero harm** to our people and contractors
- Comprehensive D&I framework[3]; **25% women** among ABB leaders
- **Top-tier** employee engagement score in our industry
- Impactful support for community-building initiatives

INTEGRITY AND TRANSPARENCY ACROSS OUR VALUE CHAIN

1. Savings in the year 2030 from solutions provided to customers 2021-30
2. Wherever local conditions allow
3. Diversity & Inclusion framework


ABB Purpose
We enable a low-carbon society
We reach carbon neutrality in our operations by 2030 and partner with our customers and suppliers to reduce their emissions.
Integrity
We promote social progress
We take care of our people and promote social progress with our partners, suppliers and in communities.
Transparency
We preserve resources
We embed circularity by reducing waste, improving recycling and fostering reusability.

Our priorities

Financial performance

By pairing our strategic priorities with a continuous improvement mindset, we aim to deliver improved performance in line with our financial framework:

- 3 - 5% average annual revenue growth through economic cycle[1]
- 13 - 16% operational EBITA margin[2]
  - Electrification: 15 - 19%
  - Motion: 15 - 19%
  - Process Automation: 12 - 16%
  - Robotics & Discrete Automation: 13 - 17%
- ~100% cash conversion[2]
- 15 - 20% ROCE[2]
- EPS growth > revenue growth

[1]Calculated to exclude FX impacts and transformational acquisition and divestments, includes bolt-on acquisitions and divestments within divisions; [2]Mid-term guidance



ABB and Formula E are drivers of progress for the future of electric mobility

The ABB FIA Formula E World Championship brings together a global leader in electric vehicle fast-charging with the world's first all-electric international motorsport class.

Together, ABB and Formula E are driving progress in e-mobility technology and infrastructure adoption.

ABB Formula E is much more than a race: it showcases cutting-edge e-mobility solutions that will shape the future.

ABB FORMULA E
FIA WORLD CHAMPIONSHIP



Executive Committee



Björn Rosengren
Chief Executive Officer



Tarak Mehta
President
Electrification



Peter Terwiesch
President
Process Automation



Morten Wierod
President
Motion



Sami Atiya
President
Robotics & Discrete Automation



Timo Ihamuotila
Chief Financial
Officer



Carolina Granat
Chief Human Resources
Officer



Maria Varsellona
General Counsel



Theodor Swedjemark
Chief Communications
and Sustainability Officer


ABB