



Ulrich Spiesshofer, CEO; Eric Elzvik, CFO, February 3<sup>rd</sup>, 2016

# Increased profitability in challenging markets

## ABB 2015 Q4 and full-year results

# 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.

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- business risks associated 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.

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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 “Financial results & presentations” – “Quarterly results & annual reports” on our website at [www.abb.com/investorrelations](http://www.abb.com/investorrelations)

# Q4 2015 – Next Level Strategy delivering positive results

## Progress in all three focus areas

### Profitable Growth

Orders and revenues stable<sup>1</sup>; base orders -6%  
PIE<sup>2</sup> showing positive results mitigating market headwinds; order backlog +5%  
Market oriented divisional realignment complete  
Strategic portfolio review of Power Grids on track

### Relentless Execution

Op. EBITA margin up 60 bps. to 11.7%  
Power Systems entered target margin corridor, op. EBITA margin 7.5%  
Accelerated productivity and cost out measures in white collar, supply chain and op. excellence  
Cash flow from operating activities up 18%<sup>3</sup>; cash return on invested capital up 70 bps. to 13.4%

### Business-led Collaboration

Streamlined and simplified organization in place  
Leadership appointed; nomination of 4 new Board Members  
Collaborative sales platform, salesforce.com, operational in 40 countries  
Next Level account management defined and implemented

# Q4 and full-year 2015

## Key figures

| Q4 2015        | Orders                               | Revenues                            | Op. EBITA margin         | Cash flow from operating activities  |                                      |
|----------------|--------------------------------------|-------------------------------------|--------------------------|--------------------------------------|--------------------------------------|
|                | <b>\$8.3 bn</b><br>-2% <sup>1</sup>  | <b>\$9.2 bn</b><br>-1% <sup>1</sup> | <b>11.7%</b><br>+60 bps. | <b>\$2.0 bn</b><br>+18% <sup>2</sup> |                                      |
| Full-year 2015 | Orders                               | Revenues                            | Op. EBITA margin         | Operational EPS                      | Free Cash Flow                       |
|                | <b>\$36.4 bn</b><br>-1% <sup>1</sup> | <b>\$35.5 bn</b><br>0% <sup>1</sup> | <b>11.8%</b><br>+60 bps. | <b>\$1.35</b><br>+5% <sup>2</sup>    | <b>\$3.0 bn</b><br>+16% <sup>2</sup> |

# Full-year 2015 versus targets 2020

## Steady revenues, solid execution, margin accretion, strong cash

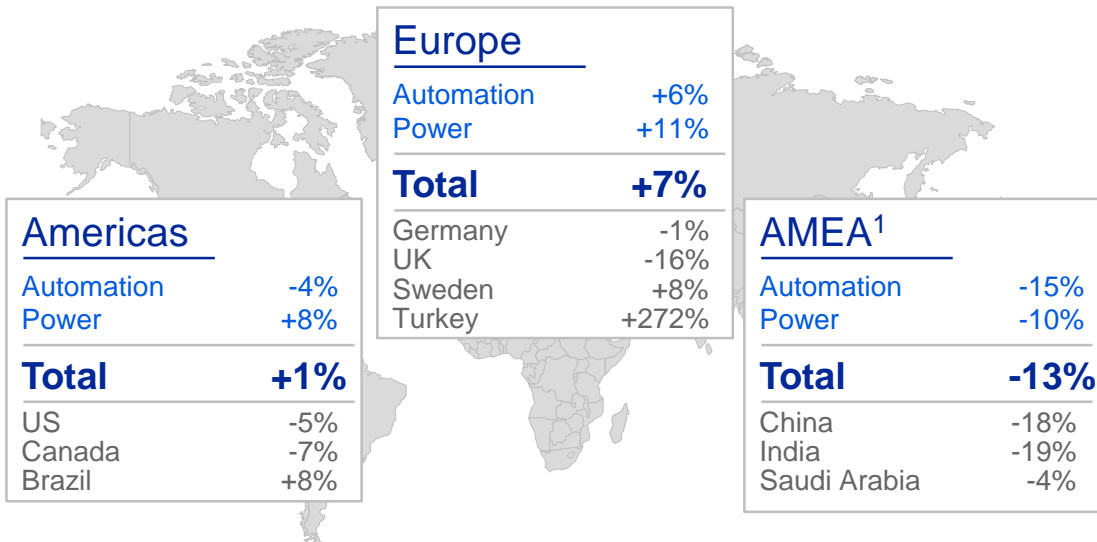
|                                   | Target    | Result 2015 | Comments  |
|-----------------------------------|-----------|-------------|---|
| Revenue growth <sup>1</sup>       | 3-6%      | 0%          | Growth momentum in key segments tainted by market headwinds |
| Operational EBITA % <sup>2</sup>  | 11-16%    | 11.8%       | 60 bps. accretion; solid execution                          |
| Operational EPS CAGR <sup>3</sup> | 10-15%    | 5%          | Execution strength tainted by market headwinds              |
| FCF conversion to net income      | >90%      | 156%        | Solid results, new cash culture well underway               |
| CROI % <sup>4</sup>               | Mid-teens | 13.4%       | 70 bps. accretion   |

# Orders in key markets – a mixed picture

## Success in target segments mitigates market headwinds

### 2015 Q4 total order growth by region

Change on a comparable basis



### 2015 Q4 base order growth<sup>2</sup>

Change on a comparable basis

|              |      |
|--------------|------|
| Canada       | -5%  |
| China        | -21% |
| Germany      | -1%  |
| India        | -15% |
| Italy        | -9%  |
| Norway       | -29% |
| Saudi Arabia | +57% |
| Sweden       | +6%  |
| Turkey       | +69% |
| UK           | -16% |
| US           | -16% |

# Q4 2015 performance by division

## Key figures quarter on quarter

| <i>\$ bn<br/>unless otherwise<br/>stated</i> | Discrete<br>Automation<br>and Motion | Low Voltage<br>Products | Process<br>Automation | Power<br>Products | Power<br>Systems | ABB Group |
|--|--------------------------------------|-------------------------|-----------------------|-------------------|------------------|-----------|
| <b>Orders</b>                                | 2.0                                  | 1.5                     | 1.6                   | 2.4               | 1.3              | 8.3       |
| △ Comparable                                 | -9%                                  | -2%                     | -1%                   | +3%               | +3%              | -2%       |
| <b>Revenues</b>                              | 2.3                                  | 1.6                     | 1.7                   | 2.5               | 1.8              | 9.2       |
| △ Comparable                                 | -4%                                  | 0%                      | -8%                   | -2%               | -1%              | -1%       |
| <b>Op. EBITA %</b>                           | 12.2%                                | 16.5%                   | 11.9%                 | 12.9%             | 7.5%             | 11.7%     |
| △  | -3.4 pts.                            | -0.6 pts.               | -0.6 pts.             | +0.2 pts.         | +6.2 pts.        | +0.6 pts. |

# Op. EBITA margin: 60 basis points of margin accretion

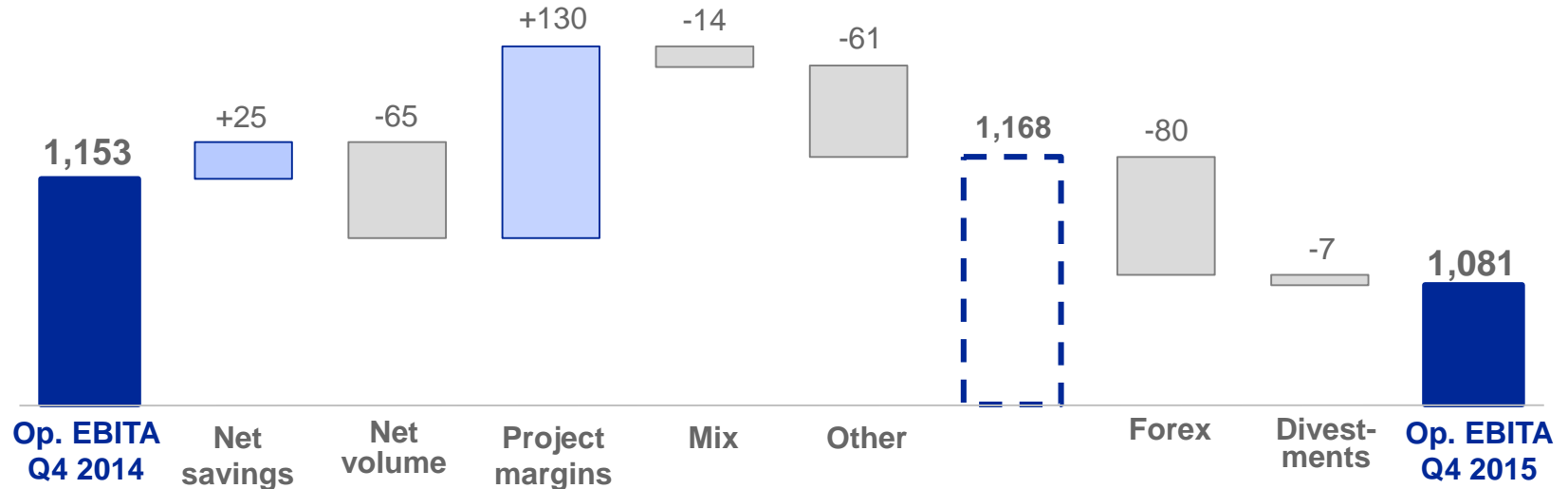
## Driving Relentless Execution

11.1% op.  
EBITA margin

11.7% op.  
EBITA margin

### Operational EBITA bridge Q4 2015 vs Q4 2014

\$ mn



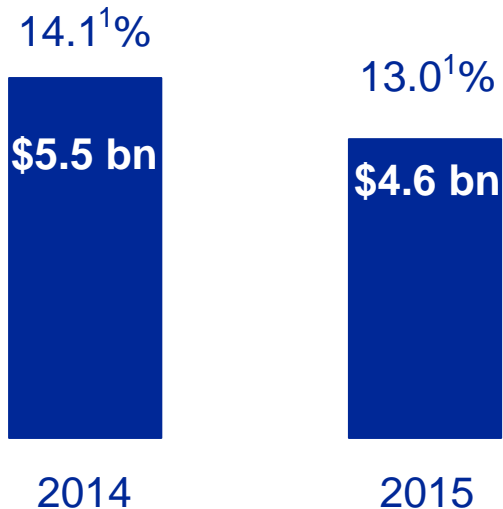


# Strong cash development in 2015

## On track to release \$2 bn of cash by end of 2017

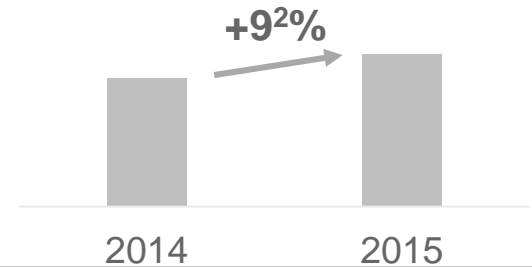
### Working Capital 1'000 day program on track

Net Working Capital

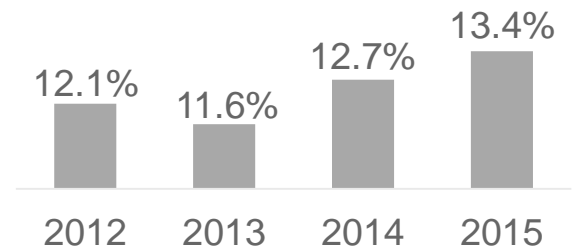


### Strong cash generation

Cash flow from operating activities, full-year



### CROI<sup>3</sup> improving

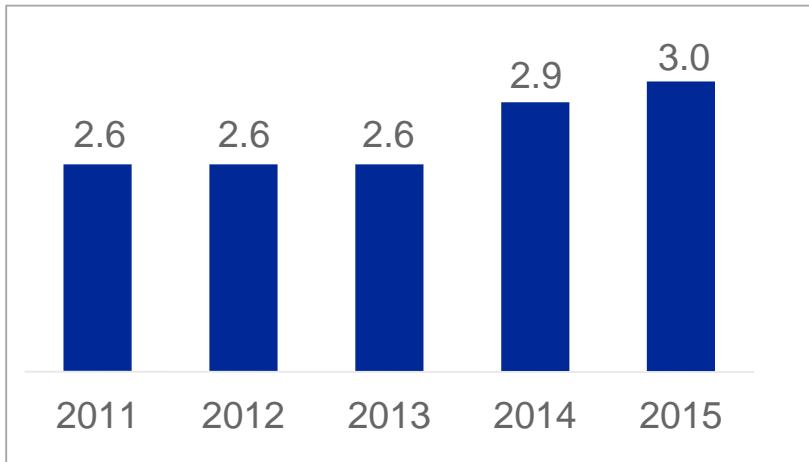


# Solid financial foundation supports strategy execution

## Efficient balance sheet and financing flexibility

### Consistently driving cash generation

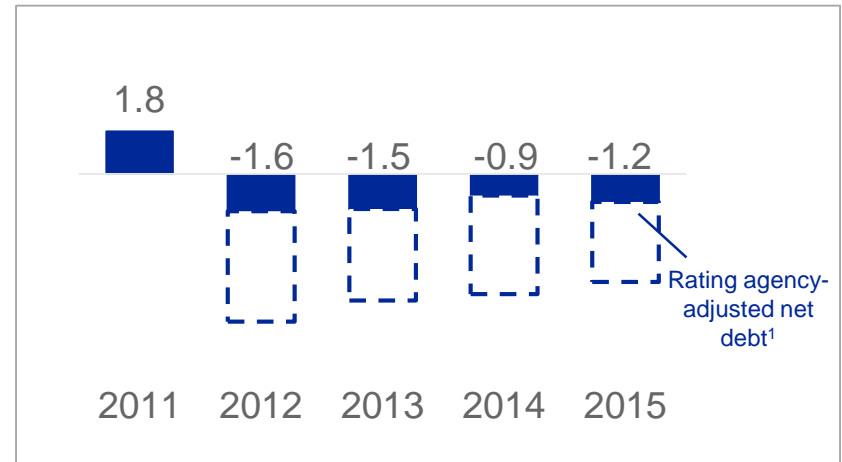
Free Cash Flow  
US\$ billions



Funding growth and shareholder returns

### Targeting efficient balance sheet

Net cash / debt  
US\$ billions



Single "A" rating, solid base for funding

# Capital allocation priorities unchanged

## Returned \$3.2 bn of cash to shareholders 2015

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

Steadily rising sustainable dividend

Value-creating acquisitions

Returning additional cash to shareholders

**Dividend per share**  
CHF



**Share repurchase volume**  
US\$ bn cumulative



# Full-year 2015: Next Level delivering positive results

## Progress in all three focus areas

### Profitable Growth

Orders & revenues stable<sup>1</sup>; PIE initiatives offsetting market headwinds  
NPS increased 4 percentage units to 48%  
Market oriented divisional structure in place  
Power Grids portfolio review on track, to be completed in 2016

### Relentless Execution

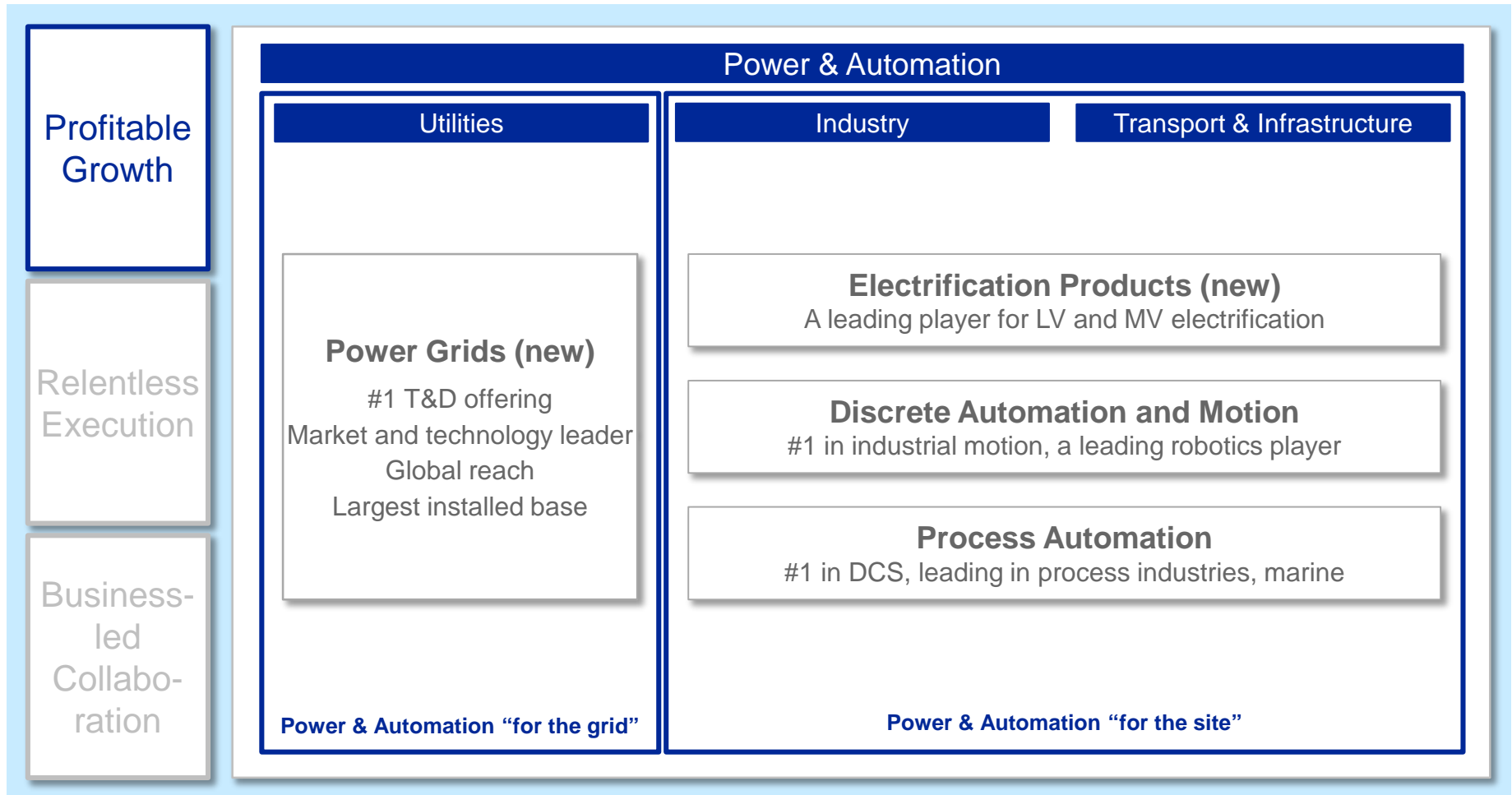
Operational EBITA margin up 60 bps. to 11.8%; Power Systems turnaround successful  
Accelerated cost savings (~\$1.2 bn) and productivity measures (e.g. WCP<sup>2</sup>)  
Working Capital program delivers positive results, cash flow from operating activities +9%<sup>3</sup>  
Performance based compensation implemented for 70,000 employees

### Business-led Collaboration

Streamlined and simplified organization in place  
Leadership appointed; nomination of 4 new Board Members  
Collaborative sales platform, salesforce.com, operational in 40 countries  
Key collaboration wins in regional accounts (e.g. Statoil, Stadler)

# Full-year 2015: Profitable Growth

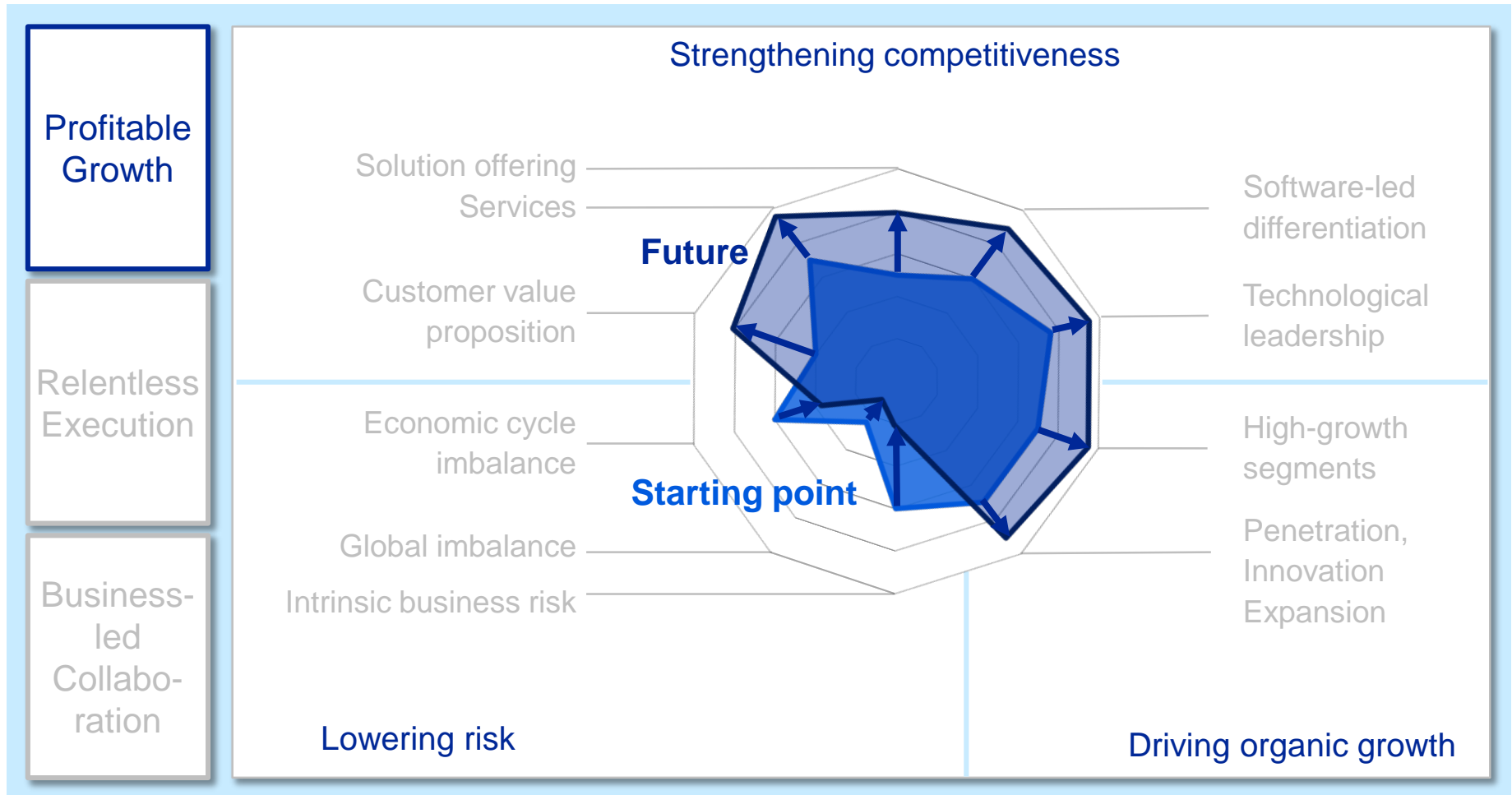
## Market oriented divisional realignment completed



# Full-year 2015: Profitable Growth

## Shifting the Center of Gravity

Presented September 9<sup>th</sup>, 2014



# Full-year 2015: Profitable Growth

## Shifting the Center of Gravity – strengthening competitiveness

Examples



Profitable  
Growth

Relentless  
Execution

Business-  
led  
Collabo-  
ration

### Service

**+1pts<sup>1</sup> to 17%**

Service revenues as a % of  
Group revenues

**+6%**

Revenues

**34%**

Installed base (penetration)

**~90%**

Service offerings localized

# Full-year 2015: Profitable Growth

## Shifting the Center of Gravity – strengthening competitiveness

Examples



Profitable  
Growth

Relentless  
Execution

Business-  
led  
Collabo-  
ration

Utilities

Sustainable grid infrastructure  
Eco-efficient switchgear



Industry

Industry 4.0, IoTSP<sup>1</sup>  
YuMi<sup>®</sup>



Transport &  
Infrastructure

Sustainable transport  
Fast charging robot for public buses





# Full-year 2015: Profitable Growth

## Shifting the Center of Gravity – strengthening competitiveness

Examples



Profitable  
Growth

Relentless  
Execution

Business-  
led  
Collabo-  
ration

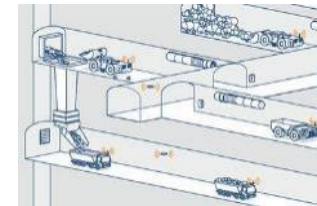
Utilities

Ellipse Select Enterprise Software  
Asset Health Suite



Industry

Digital mine  
Boliden, Sweden



Transport &  
Infrastructure

Azure: EV charging services platform  
Octopus software for Marine efficiency



# Full-year 2015: Profitable Growth

## Market oriented and collaborative approach showing results

Profitable  
Growth

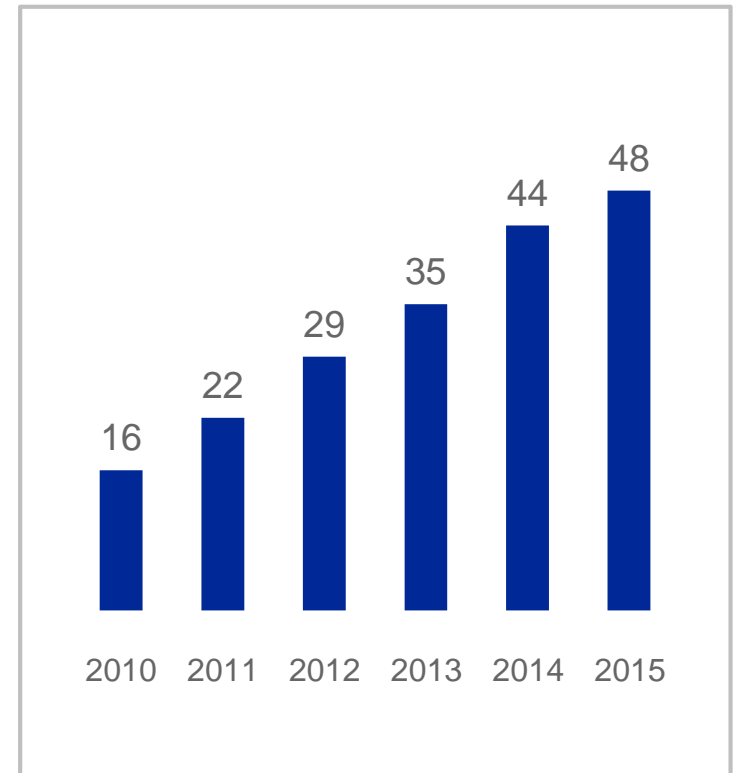
Relentless  
Execution

Business-  
led  
Collabo-  
ration

### Key wins



### NPS<sup>1</sup> (%)



# Full-year 2015: Relentless Execution

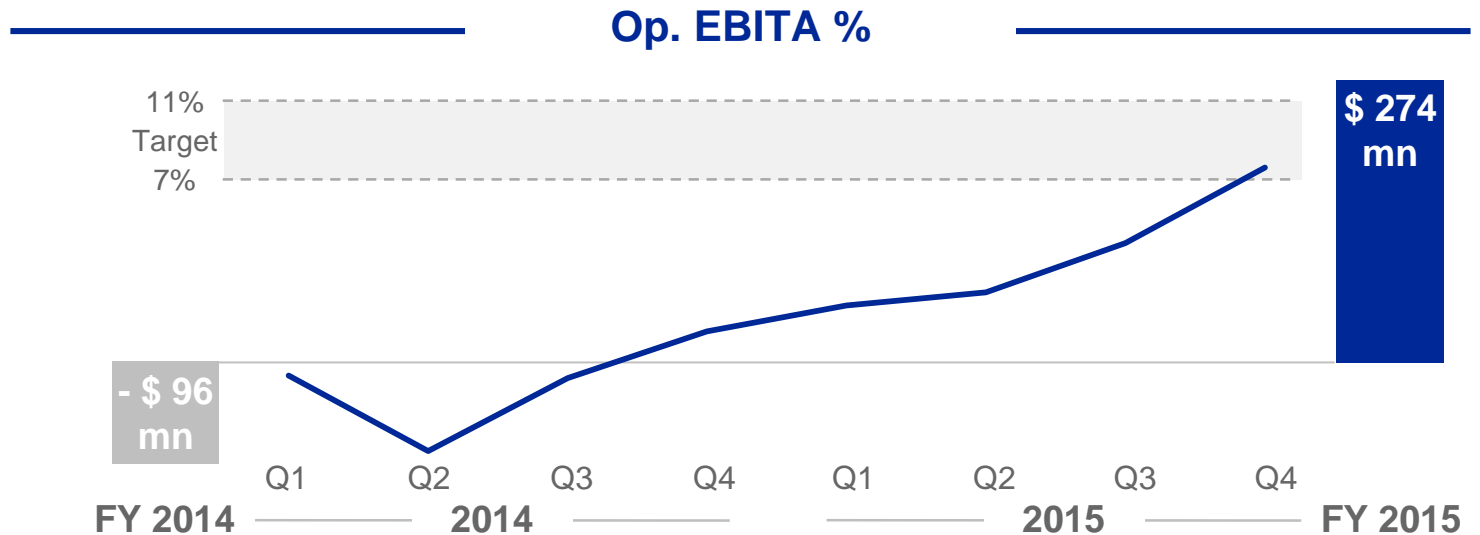
## Power Systems entered target margin corridor in Q4

Illustrative

Profitable  
Growth

Relentless  
Execution

Business-  
led  
Collabo-  
ration



### Actions completed in 2015

Status offshore wind connections:  
2 connections handed over,  
1 in energization phase

Exit of solar EPC completed  
Business model transformation; de-risking on track  
Hitachi HVDC joint venture in operation

# Full-year 2015: Relentless Execution

## 7<sup>th</sup> consecutive year more than \$1 billion in cost savings

Profitable  
Growth

Relentless  
Execution

Business-  
led  
Collabo-  
ration



Accelerated cost savings; 2015 savings ~5% of cost of sales

# Full-year 2015: Relentless Execution

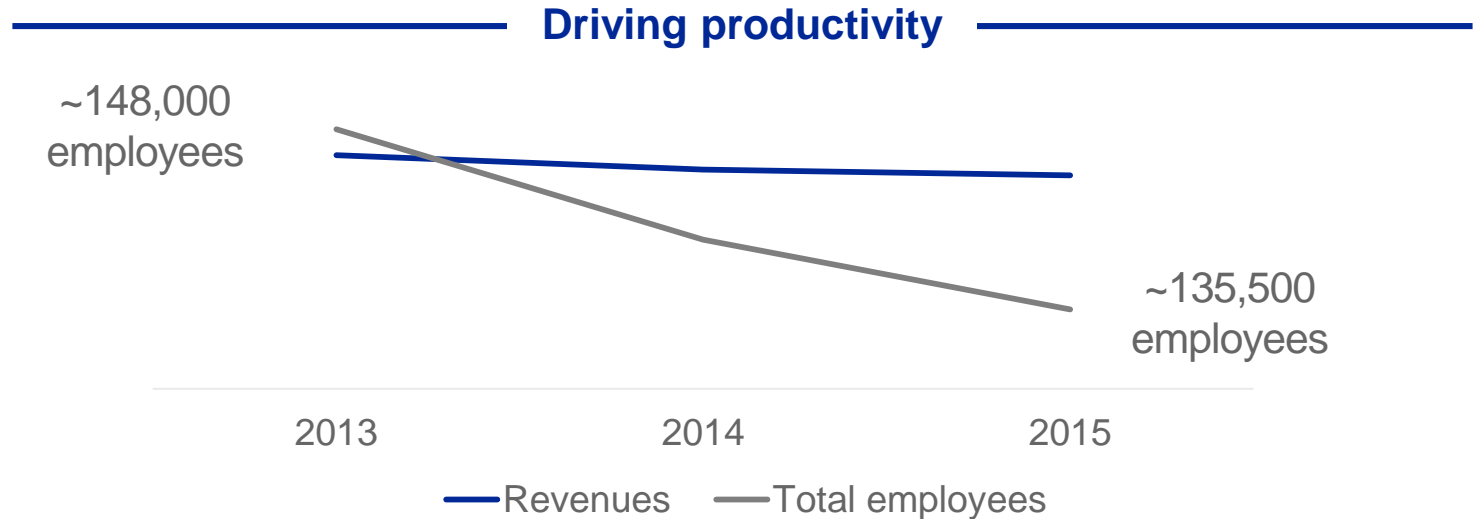
## Managing capacity and market headwinds

Illustrative

Profitable  
Growth

Relentless  
Execution

Business-  
led  
Collabo-  
ration



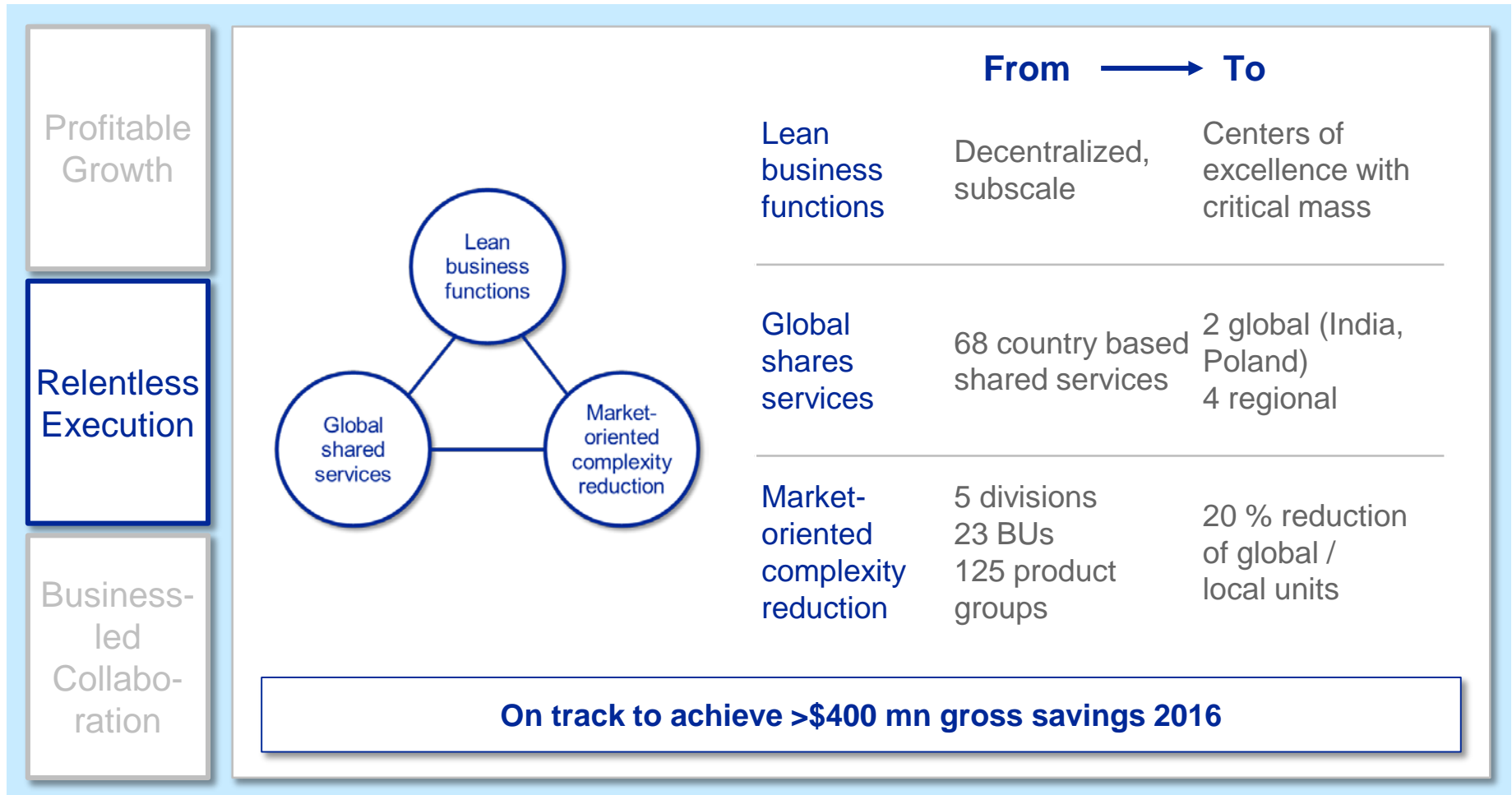
### Example: actions completed in DM division

Capacity / footprint adjustments underway

~7% reduction in workforce in 2015

# Full-year 2015: Relentless Execution

## White Collar Productivity – well on track for \$1 bn<sup>1</sup> cost savings



# Full-year 2015: Business-led Collaboration

## Leadership appointments

Profitable  
Growth

Relentless  
Execution

Business-  
led  
Collabo-  
ration

### Executive Committee



Ulrich Spiesshofer  
CEO

#### Division Leaders



Tarak Mehta  
Electrification  
Products



Pekka Tiitinen  
Discrete Automation  
and Motion



Peter Terwiesch  
Process  
Automation



Claudio Facchin  
Power  
Grids

#### Corporate Officers



Eric Elzvik  
CFO



Jean-Christophe  
Deslarzes  
Human Resources



Diane  
de Saint Victor  
Legal & Integrity

#### Regional Leaders



Frank Duggan  
AMEA



Greg Scheu  
Americas



Bernhard Jucker  
Europe

### Proposed new members of the Board



Frederico Fleury  
Curado



Robyn Denholm











David Meline



Satish Pai

# 2016 market outlook

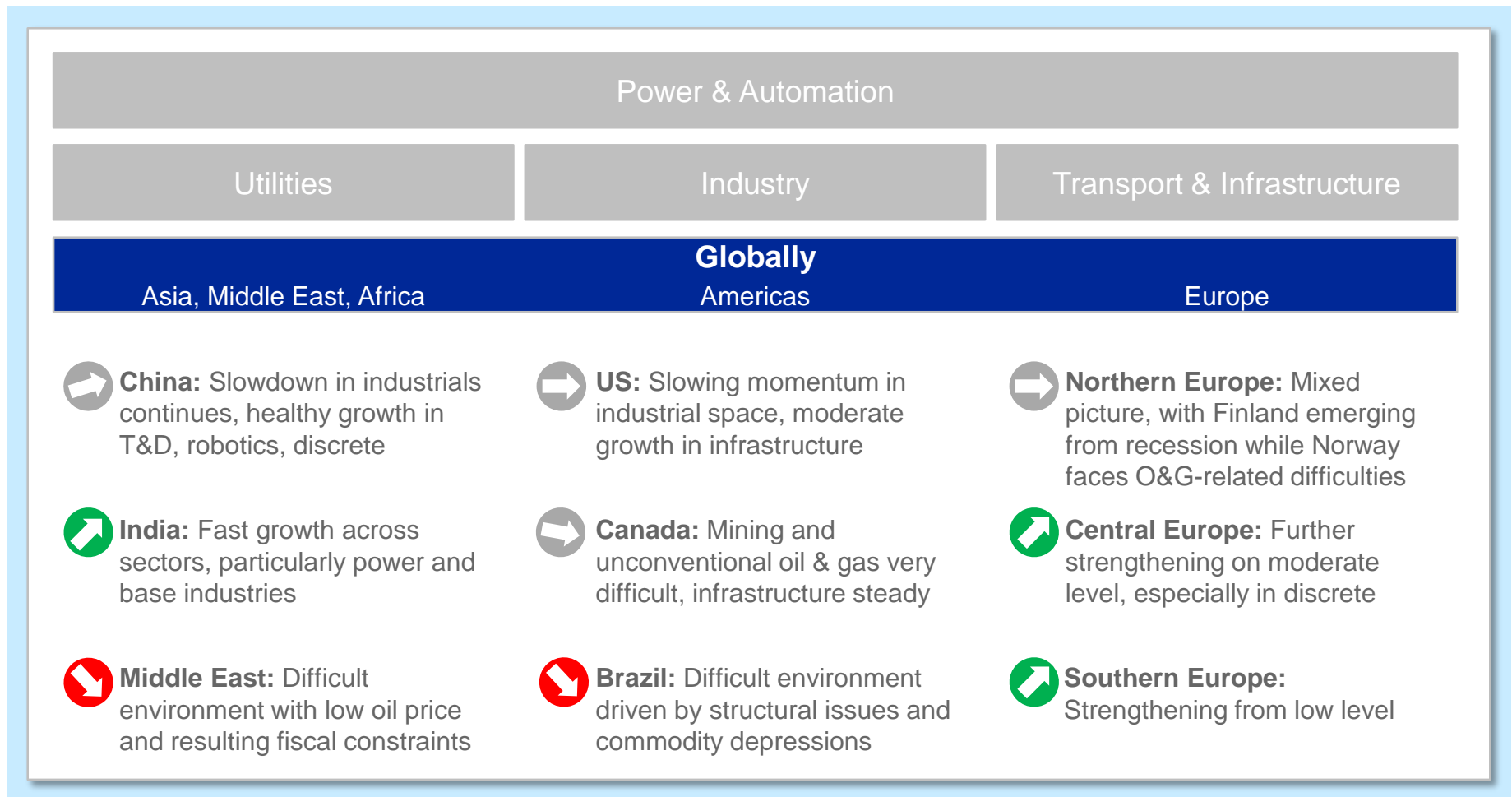
## Challenging environment

| Power & Automation  |  |   |
|---|--|---|
| Utilities   | Industry   | Transport & Infrastructure  |
| Asia, Middle East, Africa   | Globally<br>Americas   | Europe  |
|  Continued growth in T&D, positive fundamental drivers intact                            |  Discrete industries <sup>1</sup> grow moderately after several high-growth years         |  Transportation mixed with growing rail but difficult Marine environment |
|  Solar and Wind continue growth at mid-to-high single-digit rate                         |  Mining and other process industries to decline on global overcapacity and lowered demand |  Construction holding up well, driven by residential and commercial      |
|  Fewer coal capacity additions from historical high, gas stable (smaller ABB exposure) |  O&G remains difficult with further investment cuts                                     |   |



# 2016 geographical outlook

## Challenging environment



# 2016 Priorities

## Next Level Strategy in action

### Profitable Growth

- Drive organic growth through PIE, expand technology leadership
- Realize benefits from divisional realignment; conclude Power Grids strategic portfolio review
- Deliver value from partnerships
- Ready for disciplined inorganic moves

### Relentless Execution

- Continue cost savings program of 3-5% cost of sales
- Deliver >\$400 mn savings from White Collar Productivity
- Accelerate Working Capital reduction towards 2017 target of \$2 bn

### Business-led Collaboration

- Tap “growth collaboration” opportunities in countries and accounts
- Drive momentum with newly shaped organization and leadership team
- Ramp up shared services

# ABB Next Level

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™



125

YEARS SERVING  
THE WORLD FROM  
SWITZERLAND

[www.abb.com](http://www.abb.com)

# Key figures full-year 2015

|   | FY 15  | FY 14  | Change            |                |            |
|---|--------|--------|-------------------|----------------|------------|
| <i>\$ mn unless otherwise indicated</i>                       |        |        | \$                | Local currency | Comparable |
| Orders  | 36,429 | 41,515 | -12%              | -2%            | -1%        |
| Revenues  | 35,481 | 39,830 | -11%              | -1%            | +0%        |
| Operational EBITA   | 4,169  | 4,475  | -7%               | +2%            | +3%        |
| as % of operational revenues                                  | 11.8%  | 11.2%  | +0.6pts           |                |            |
| Income from operations  | 3,049  | 4,178  | -27%              |                |            |
| as % of revenues  | 8.6%   | 10.5%  | -1.9 pts          |                |            |
| Net income  | 1,933  | 2,594  | -25%              |                |            |
| Basic earnings per share (\$)                                 | 0.87   | 1.13   | -23% <sup>1</sup> |                |            |
| Operational Earnings per Share (\$) (constant currency basis) |        |        |                   |                |            |
| Cash flow from operating activities                           | 3,818  | 3,845  | -1%               | +9%            |            |
| Free Cash Flow  | 3,019  | 2,857  | +6%               | +16%           |            |
| Cash return on invested capital                               | 13.4%  | 12.7%  |                   |                |            |

# Key figures Q4 2015

|   | Q4 15  | Q4 14  | Change            |                |            |
|---|--------|--------|-------------------|----------------|------------|
| <i>\$ mn unless otherwise indicated</i> |        |        | \$                | Local currency | Comparable |
| Orders                                  | 8,262  | 9,365  | -12%              | -3%            | -2%        |
| Order backlog (end December)            | 24,121 | 24,900 | -3%               |                | +5%        |
| Revenues                                | 9,242  | 10,346 | -11%              | -2%            | -1%        |
| Operational EBITA                       | 1,081  | 1,153  | -6%               | +1%            | +1%        |
| as % of operational revenues            | 11.7%  | 11.1%  | +0.6 pts          |                |            |
| Income from operations                  | 347    | 1,049  | -67%              |                |            |
| as % of revenues                        | 3.8%   | 10.1%  | -6.3 pts          |                |            |
| Net income                              | 204    | 680    | -70%              |                |            |
| Basic earnings per share (\$)           | 0.09   | 0.30   | -69% <sup>1</sup> |                |            |
| Cash flow from operating activities     | 1,994  | 1,833  | +9%               | +18%           |            |

# Order backlog by division

|  | Q4 2015       | Q4 2014       | Change %   |            |
|--|---------------|---------------|------------|------------|
| <i>Order backlog (end December)</i><br><i>\$ mn</i>            |               |               | \$         | Comparable |
| Discrete Automation and Motion                                 | 4,232         | 4,385         | -3%        | +3%        |
| Low Voltage Products   | 857           | 891           | -4%        | +6%        |
| Process Automation   | 5,203         | 5,661         | -8%        | +3%        |
| Power Products   | 7,717         | 7,791         | -1%        | +7%        |
| Power Systems  | 8,218         | 8,246         | -0%        | +8%        |
| Consolidation and Other<br>(incl. Inter-division eliminations) | (2,106)       | (2,074)       |            |            |
| <b>Total Group</b>   | <b>24,121</b> | <b>24,900</b> | <b>-3%</b> | <b>+5%</b> |

# Cash flow from operating activities by division

|  | Q4 2015      | Change %          | FY 2015      | Change %          |
|--|--------------|-------------------|--------------|-------------------|
| <i>Cash flow from operating activities<br/>\$ mn</i>           |              | Constant currency |              | Constant currency |
| Discrete Automation and Motion                                 | 328          | -25%              | 1,232        | -13%              |
| Low Voltage Products   | 399          | -1%               | 981          | -9%               |
| Process Automation   | 267          | -25%              | 607          | -29%              |
| Power Products   | 659          | +38%              | 1,174        | +16%              |
| Power Systems  | 426          | +128%             | 458          | n.a.              |
| Consolidation and Other<br>(incl. Inter-division eliminations) | (85)         |                   | (634)        |                   |
| <b>Total Group</b>   | <b>1,994</b> | <b>+18%</b>       | <b>3,818</b> | <b>+9%</b>        |



# Operational EPS analysis

|   | Q4 2015 |      | Q4 2014 |        |      |
|---|---------|------|---------|--------|------|
| <i>mn \$</i><br><i>except per share data in \$</i>  |         | EPS1 |         | EPS1   | △2   |
| Net income<br>(attributable to ABB)   | 204     | 0.09 | 680     | 0.30   | -69% |
| Restructuring and restructuring-<br>related expenses <sup>3</sup> (including WCP implementation costs)                  | 389     | 0.18 | 69      | 0.03   |      |
| Gains and losses on sale of businesses, acquisition-<br>related expenses and certain non-operational items <sup>4</sup> | 66      | 0.03 | (76)    | (0.03) |      |
| FX/commodity timing differences in income from<br>operations <sup>3</sup>   | 40      | 0.02 | 32      | 0.01   |      |
| Acquisition-related amortization <sup>3</sup>   | 54      | 0.02 | 67      | 0.03   |      |
| Operational net income  | 753     | 0.34 | 772     | 0.34   | 0%   |
| Operational EPS (constant currency)   |         | 0.35 |         | 0.34   | 4%   |

<sup>1</sup>EPS amounts are computed separately, therefore the sum of the per share amounts may not equal to the total; <sup>2</sup>Calculated on earnings per share before rounding; <sup>3</sup>Net of tax at the Adjusted Group effective tax rate; <sup>4</sup>Net of tax at the Adjusted Group effective tax rate, except for gains and losses on sale of businesses which are net of the actual provision for taxes

# Operational EPS analysis

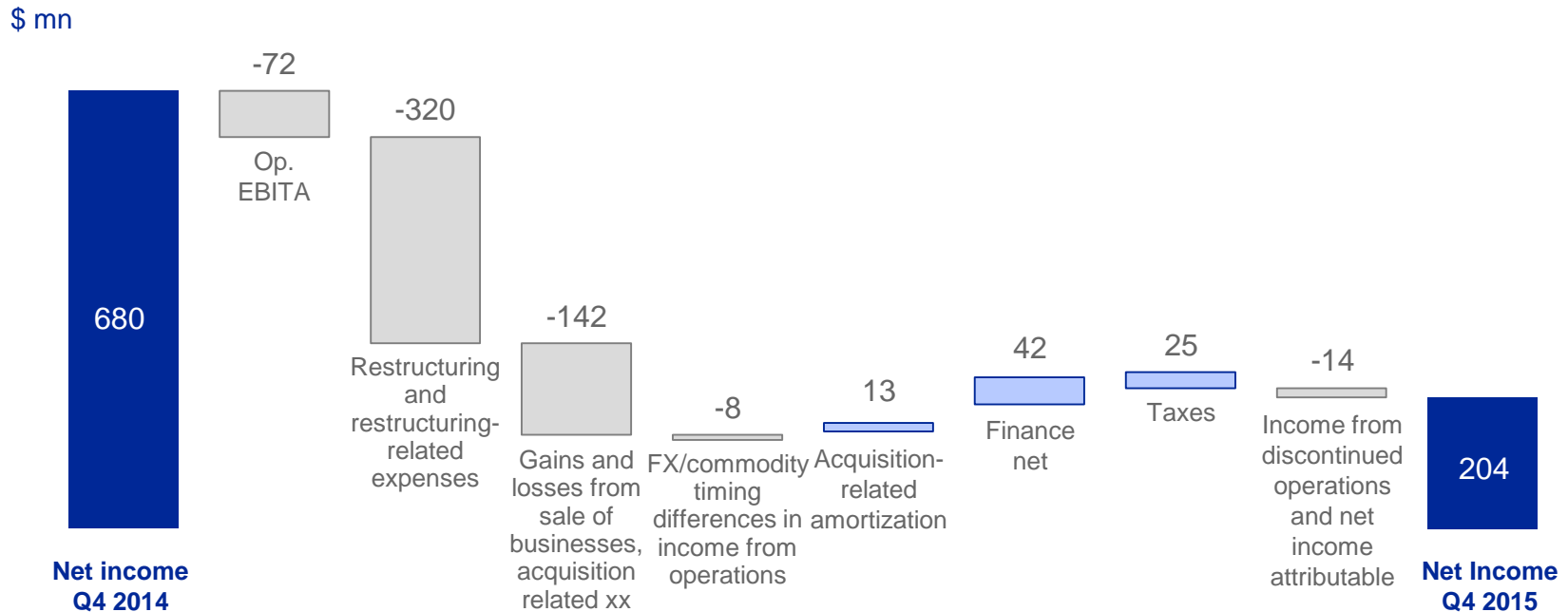
|   | FY 2015      |                  | FY2014       |                  |                       |
|---|--------------|------------------|--------------|------------------|-----------------------|
| <i>mn \$</i><br><i>except per share data in \$</i>  |              | EPS <sup>1</sup> |              | EPS <sup>1</sup> | $\Delta$ <sup>2</sup> |
| <b>Net income (attributable to ABB)</b>   | <b>1,933</b> | <b>0.87</b>      | <b>2,594</b> | <b>1.13</b>      | <b>-23%</b>           |
| Restructuring and restructuring-related expenses <sup>3</sup> (including WCP implementation costs)                  | 492          | 0.22             | 171          | 0.07             |                       |
| Gains and losses on sale of businesses, acquisition-related expenses and certain non-operational items <sup>4</sup> | 107          | 0.05             | (221)        | (0.10)           |                       |
| FX/commodity timing differences in income from operations <sup>3</sup>  | 13           | 0.01             | 120          | 0.05             |                       |
| Acquisition-related amortization <sup>3</sup>   | 224          | 0.10             | 275          | 0.12             |                       |
| Operational net income  | 2,769        | 1.24             | 2,939        | 1.28             | -3%                   |
| <b>Operational EPS (constant currency)</b>  |              | <b>1.35</b>      |              | <b>1.28</b>      | <b>5%</b>             |

<sup>1</sup>EPS amounts are computed separately, therefore the sum of the per share amounts may not equal to the total; <sup>2</sup>Calculated on earnings per share before rounding; <sup>3</sup>Net of tax at the Adjusted Group effective tax rate; <sup>4</sup>Net of tax at the Adjusted Group effective tax rate, except for gains and losses on sale of businesses which are net of the actual provision for taxes

# Q4 2015 Net Income development

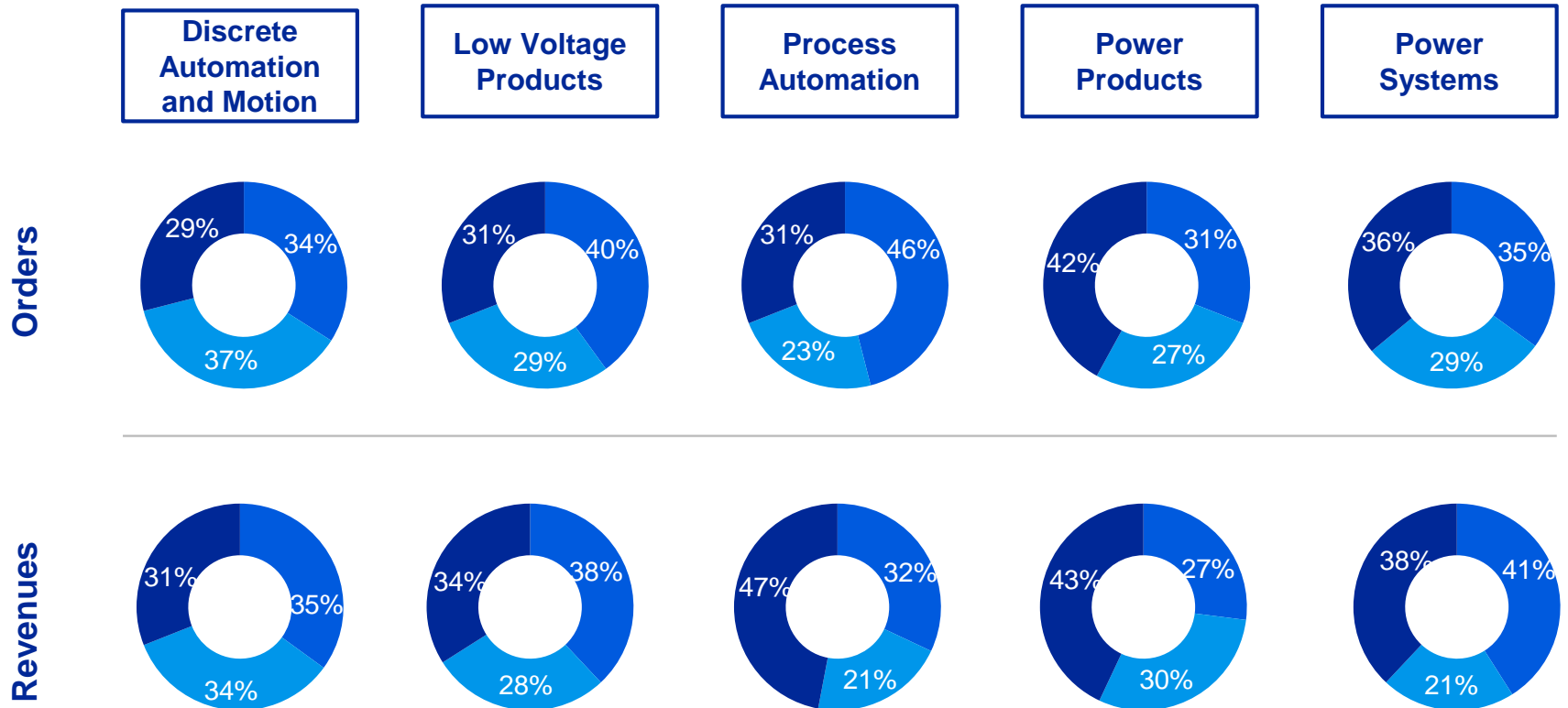
## Significant impact from restructuring and one off charges

### Net Income reconciliation



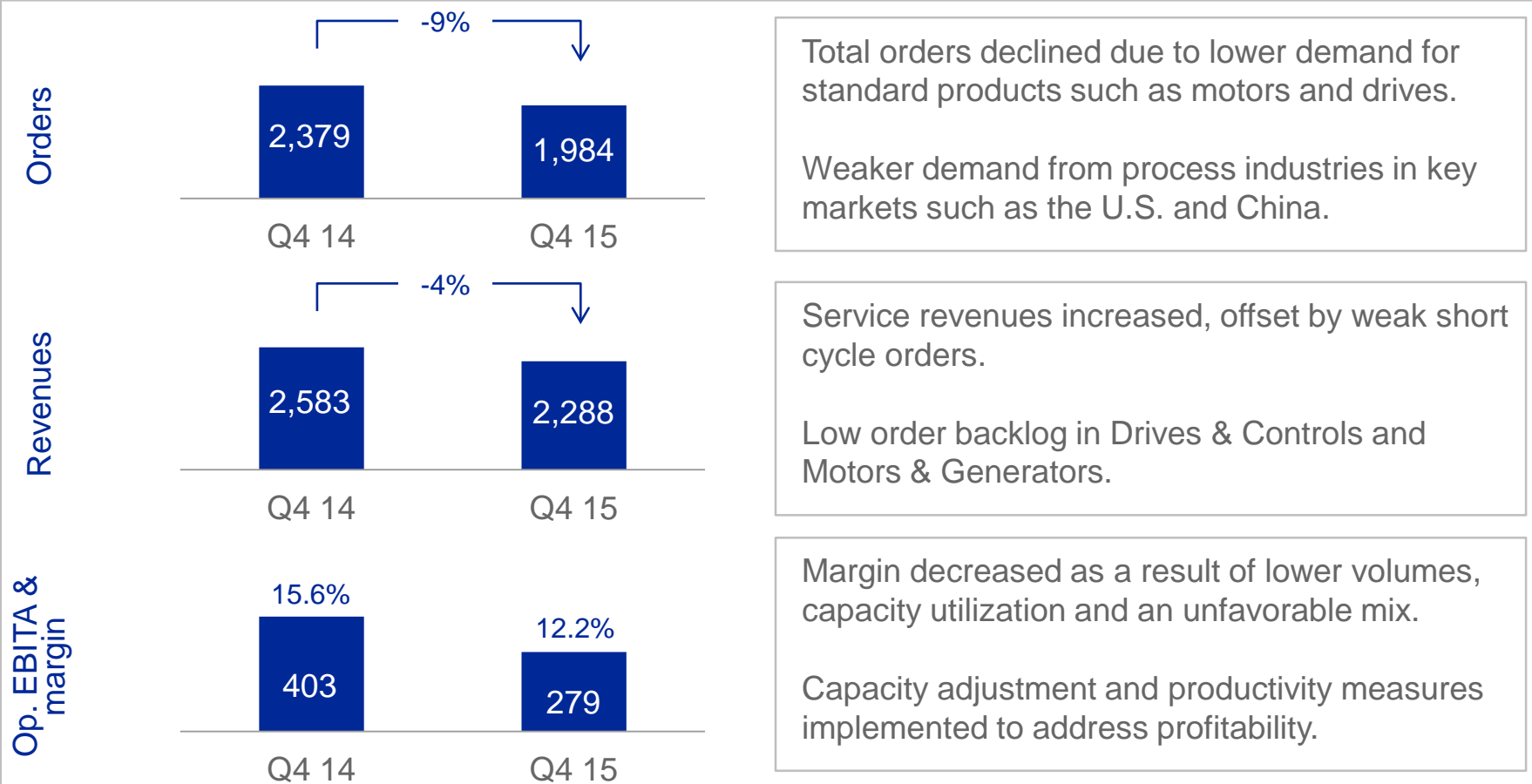
**Productivity and capacity measures impacted net income**

# Regional share of total orders and revenues by division Q4 2015



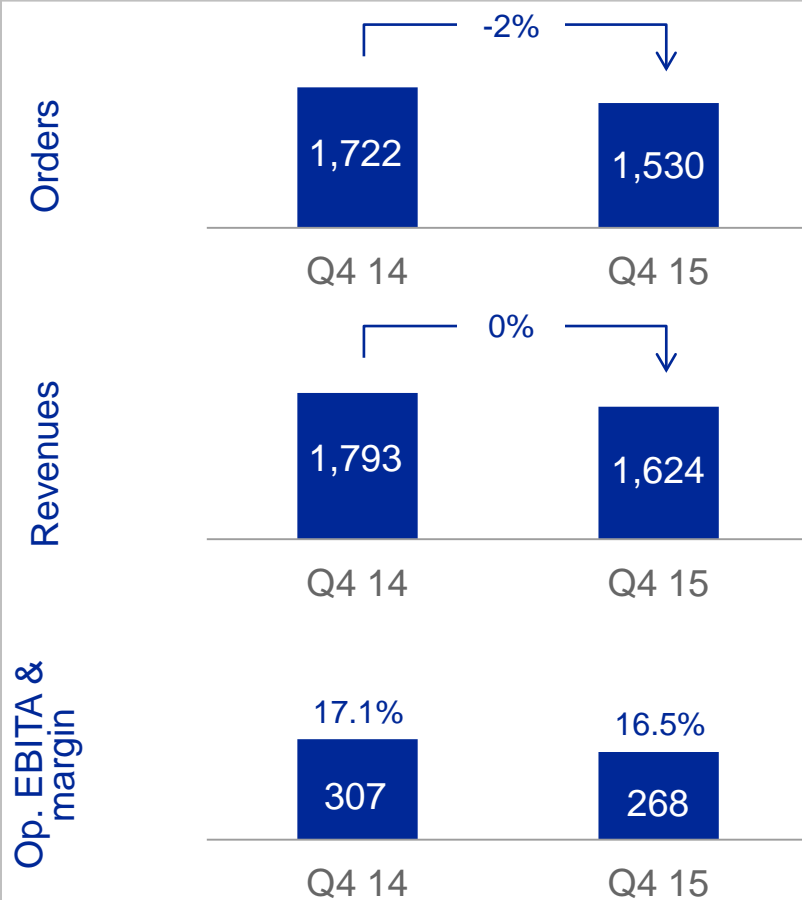
# Discrete Automation & Motion

## Q4 2015



# Low Voltage Products

## Q4 2015



Stable order development in Europe partially offset declines in AMEA and the Americas

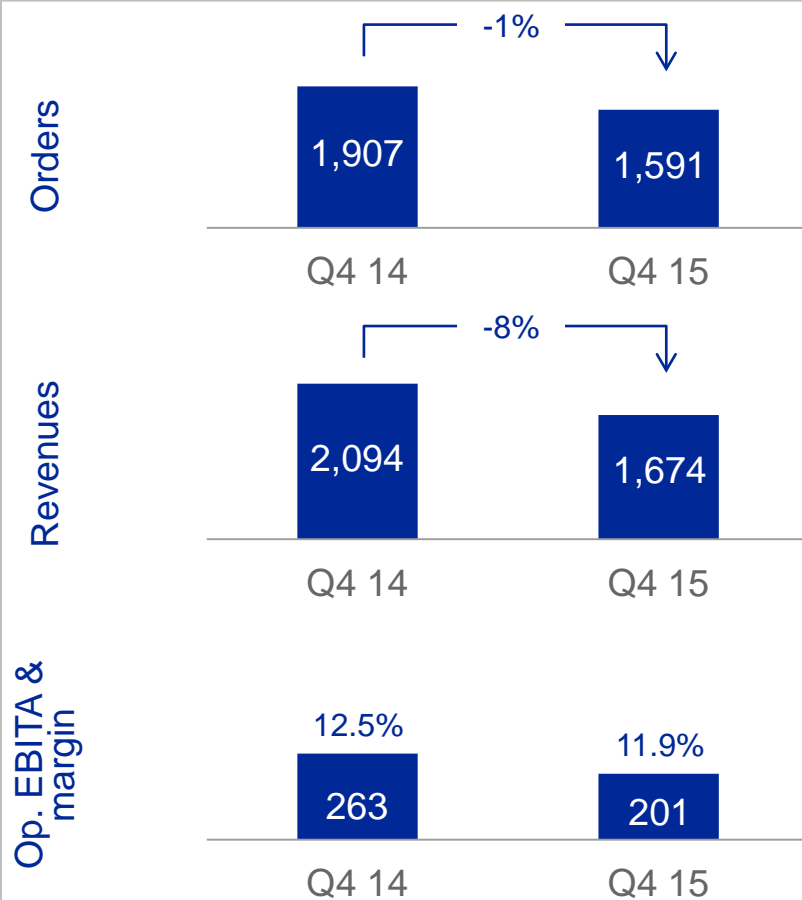
Product orders were softer in China, the US and Canada

Revenues were steady in the quarter.

Margin impacted by mix partially compensated by increased cost savings and the strong focus on execution.

# Process Automation

## Q4 2015



Total orders were flat as an increase in large orders offset a base order decline

Lower spending in oil and gas and related sectors.

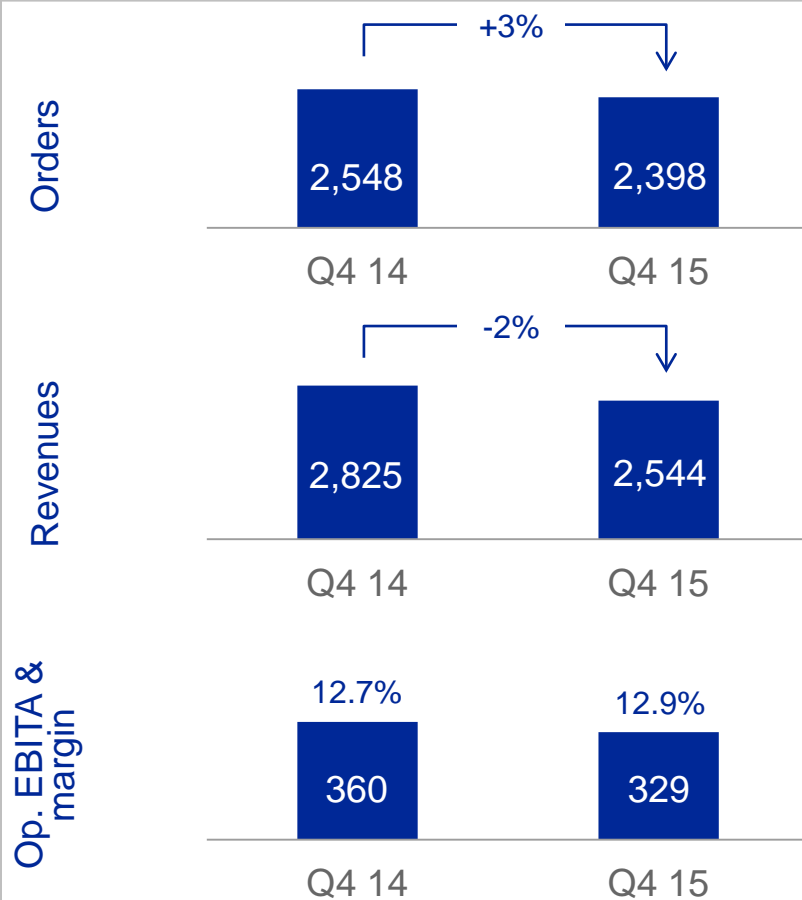
Revenues were lower reflecting the decline in short cycle volumes for the full year specifically related to decreased in the discretionary spending in the oil and gas sector.

Operational EBITA and margin declined due to weaker revenues and an unfavorable mix.

Capacity adjustments are on track.

# Power Products

## Q4 2015



Orders increased with selective transmission utility investments compensating the decline in industrial orders.

Revenues were lower mainly reflecting project milestones

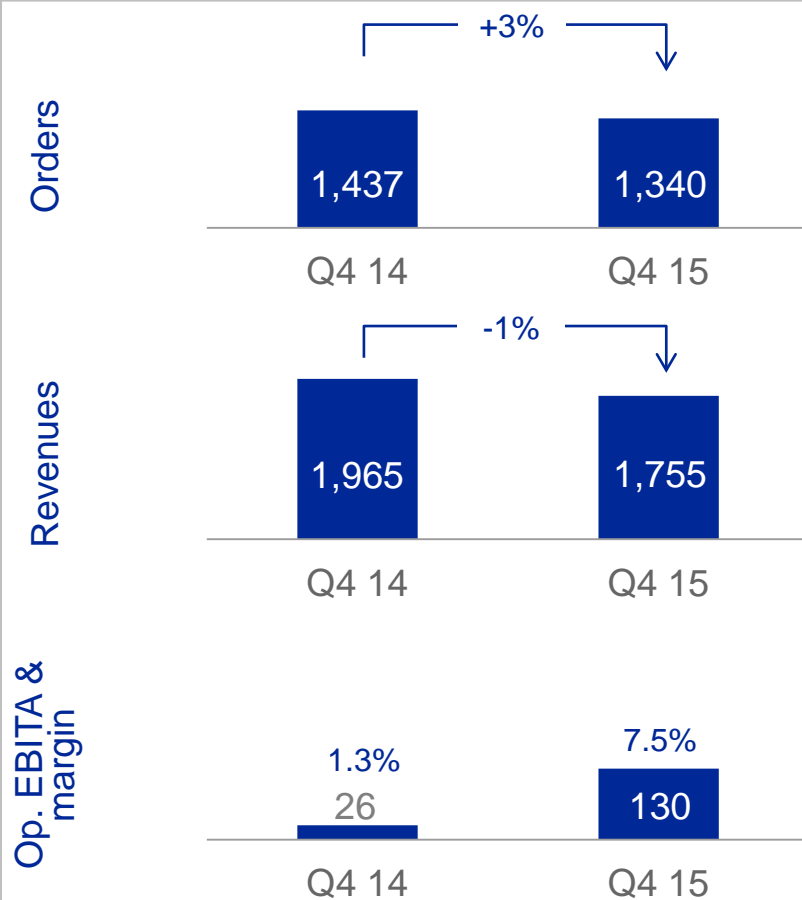
Slower short cycle demand in key industrial markets like China and the US.

Operational EBITA margin improved as steady execution and cost savings offset the lower revenues.



# Power Systems

## Q4 2015



Orders were higher primarily due to a double digit growth in large orders.

Revenues were maintained, reflecting steady execution of the order backlog.

Margin higher as a result of ongoing 'step change' efforts and continued cost out measures.

The financial turnaround is on track as the division entered margin target corridor of 7-11%.

# 2014 key figures for the new divisions

|                                 | <b>Electrification<br/>Products</b> | <b>Discrete<br/>Automation<br/>and Motion</b> | <b>Process<br/>Automation</b> | <b>Power Grids</b> |
|---------------------------------|-------------------------------------|---|-------------------------------|--------------------|
| Orders<br>(\$ mn)               | 10,861                              | 10,559  | 9,213                         | 12,768             |
| Revenues<br>(\$ mn)             | 10,572                              | 10,142  | 8,618                         | 12,518             |
| Operational EBITA<br>(\$ mn)    | 1,741                               | 1,589   | 1,028                         | 595                |
| Operational EBITA<br>margin (%) | 16.4                                | 15.7  | 11.9                          | 4.7                |

# Q1 2015 key figures for the new divisions

|                                 | <b>Electrification<br/>Products</b> | <b>Discrete<br/>Automation<br/>and Motion</b> | <b>Process<br/>Automation</b> | <b>Power Grids</b> |
|---------------------------------|-------------------------------------|---|-------------------------------|--------------------|
| Orders<br>(\$ mn)               | 2,555                               | 2,569   | 2,272                         | 3,741              |
| Revenues<br>(\$ mn)             | 2,229                               | 2,271   | 1,764                         | 2,772              |
| Operational EBITA<br>(\$ mn)    | 340                                 | 318   | 216                           | 164                |
| Operational EBITA<br>margin (%) | 15.2                                | 14.2  | 12.3                          | 5.9                |

# 2015 key figures for the new divisions

## Pro-forma

|                                 | Electrification<br>Products | Discrete<br>Automation<br>and Motion | Process<br>Automation | Power Grids |
|---------------------------------|-----------------------------|--------------------------------------|-----------------------|-------------|
| Orders<br>(\$ bn)               | 9.8                         | 9.2                                  | 7.3                   | 12.2        |
| Revenues<br>(\$ bn)             | 9.5                         | 9.1                                  | 7.2                   | 11.6        |
| Operational EBITA<br>(\$ bn)    | 1.6                         | 1.3                                  | 0.9                   | 0.9         |
| Operational EBITA<br>margin (%) | 16.4                        | 13.9                                 | 11.8                  | 7.5         |

# 2015-2020 targets

## Group targets and divisional Operational EBITA margin targets effective January 2016

Presented September 9<sup>th</sup>, 2014

### Group

Revenue growth<sup>1</sup> 3-6%

Operational EBITA %<sup>2</sup> 11-16%

Operational EPS CAGR<sup>3</sup> 10-15%

FCF conversion to net income >90%

CROI %<sup>4</sup> Mid-teens

### Divisions

Electrification Products 15-19%

Discrete Automation and Motion 14-19%

Process Automation 11-15%

Power Grids 8-12%

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