

---

ZURICH, SWITZERLAND, JULY 20, 2022

# ABB to spin off its Accelleron turbocharging business

- ABB to spin off Accelleron and list the company on SIX Swiss Exchange
- The transaction will allow both ABB and Accelleron to focus on their respective core strategies and long-term value creation for their stakeholders
  - ABB's shareholders can realize the full value of Accelleron while allowing ABB to focus on its core portfolio in the areas of electrification and automation
  - Accelleron as the market-leader in heavy-duty turbocharging can focus on reaching its full potential in the large engine industry
- Accelleron is a profitable and cash generative business targeting an attractive dividend policy
- ABB shareholders to receive 1 Accelleron share for every 20 ABB shares they hold
- The spin-off is subject to approval by ABB's Extraordinary General Meeting (EGM) scheduled for September 7, 2022, and subsequent listing planned for October 3, 2022

Following a decision by its Board of Directors, ABB today announces its intention to spin off Accelleron (formerly ABB Turbocharging), its market-leading turbocharging division, by way of a dividend in kind of Accelleron Industries Ltd's shares to ABB's shareholders. Accelleron's listing on SIX Swiss Exchange in Zurich is planned for October 3, 2022, and is subject to, among others, approval by ABB's shareholders at an Extraordinary General Meeting scheduled for September 7, 2022.

The proposed spin-off of Accelleron represents a unique opportunity for both companies, allowing them to focus on their respective core strategies and create long-term value for their stakeholders. ABB's shareholders will be able to realize the full value of Accelleron, while ABB continues to simplify its portfolio and focus on the megatrends of electrification and automation. Accelleron will be able to concentrate exclusively on reaching its full potential in the large engine industry where the company is known as the market leader in heavy-duty turbocharging, with a compelling growth profile, high cash generation and an attractive expected dividend policy.

Björn Rosengren, Chief Executive Officer of ABB, commented: "After careful consideration involving a dual-track process, we have concluded that spinning off Accelleron is the best way forward – for Accelleron itself and for ABB's shareholders. This decision also forms a key part of ABB's active portfolio management, while allowing our shareholders to actively participate in the future growth of this Swiss champion."

## **Global market leader in the turbocharging sector**

Accelleron's potential is driven by its position, built on its very long track record, as a global market leader in heavy-duty turbocharging for mission-critical applications.

Accelleron develops, produces and services turbochargers and large turbocharging components for engines, which enhance propulsion and increase fuel efficiency while reducing emissions. Its leading products support clients in sectors including marine, energy and rail, helping to provide sustainable and reliable power and highest efficiencies. Accelleron has an installed base of over 180,000 turbochargers globally and delivers around 10,000 turbochargers every year.

The turbochargers are produced, sold and serviced by Accelleron's ~2,200 employees across its network of 100 service stations in approximately 50 countries. The business has a significant and increasing presence in key established and growth markets in Asia.

Accelleron is considered best-in-class when it comes to reducing fuel consumption and improving the emissions and green profile of its clients' applications. The company's outstanding technological competence is increasingly important as pressure grows on its clients to decarbonize, and will remain so, as its turbochargers can also be implemented in alternative and low-carbon fuel applications and drive systems.

## **Strong financial profile to invest for growth and reward shareholders**

Accelleron's technological pre-eminence is underpinned by market leading investments in research and development, representing approximately 7 percent of its 2021 revenues. Following the spin-off, the company expects that its strong financial profile will allow it to remain at the forefront of innovation by continuing investing in R&D and strengthening partnerships with OEM's and end users as well as to offer attractive returns to its shareholders.

In 2021, Accelleron generated revenues of \$756 million with an operating margin of 25 percent. These results are comprised of resilient service revenues accounting for about 75 percent of 2021 revenues. Accelleron has a profitability above sector average with robust cashflow generation with Cash Flows from Operating Activities of \$163 million in 2021. This will allow Accelleron to adopt an attractive dividend policy.

Daniel Bischofberger, CEO of Accelleron, commented: "Through the spin-off, we will have an even greater focus on our own operations, meeting the critical high-power propulsion needs of our customers while enabling them to achieve their environmental targets. Our strong track record and financial profile position the business to be a leader in the energy transition, developing cutting-edge products and services – both now and far into the future; all while remunerating our shareholders."

## **Accelleron leadership**

Following the spin-off, Accelleron will be served by an experienced leadership team with deep and long-lasting expertise in the turbocharging field.

Daniel Bischofberger as Chief Executive Officer and Adrian Grossenbacher as Chief Financial Officer are part of the Executive Committee. The designated Board of Directors of Accelleron will be chaired by Oliver Riemenschneider, who contributes over 35 years industry experience and has previously served as CEO of ABB Turbocharging since 2011. He will be complemented by a diverse and highly experienced group of directors namely Monika Krüsi, Gabriele Sons, Bo Cerup-Simonsen, Stefano Pampalone and Detlef Trefzger.

## Transaction structure

Provided that the spin-off is approved at the EGM and the conditions precedent for it are met, ABB will distribute to its shareholders, on a pro rata basis, as a dividend in kind, 1 Accelleron share for 20 ABB shares held. Further information on the transaction structure and other important dates in connection with the spin-off will follow in the invitation to the EGM and in the Shareholder Information Brochure prepared by ABB in relation to this process.

On August 31, 2022, ABB has scheduled a Capital Markets Day focusing on Accelleron in order to provide further information on the company and the transaction.

ABB has retained Credit Suisse and Goldman Sachs International as exclusive financial advisors on the transaction. Credit Suisse will be acting as listing agent.

**Accelleron** is a global leader in turbocharging technologies and optimization solutions for 0.5 to 80+ MW engines, helping to provide sustainable, efficient and reliable power to the marine, energy, rail, and off-highway sectors. Through its innovative product offerings and research leadership, the company accelerates the decarbonization of the industries it operates in. Accelleron has an installed base of approximately 180,000 turbochargers and a network of more than 100 service stations across 50 countries worldwide. [www.acceleron-industries.com](http://www.acceleron-industries.com)

**ABB** (ABBN: SIX Swiss Exchange) 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, robotics, automation and motion portfolio, ABB pushes the boundaries of technology to drive performance to new levels. With a history of excellence stretching back more than 130 years, ABB's success is driven by about 105,000 talented employees in over 100 countries. [www.abb.com](http://www.abb.com)

This press release and the information contained herein are for information purposes only and do not constitute a prospectus or an offer to sell or a solicitation of an offer to buy or subscribe for any securities in the United States of America ("U.S."), Switzerland, Sweden or in any other jurisdiction. Any securities to be distributed in connection with this transaction have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or the laws of any state of the U.S. Neither ABB Ltd nor Accelleron Industries Ltd intends to register any securities referred to herein in the U.S.

## Important notice about forward-looking information

This press release includes forward-looking information and statements which are based on current expectations, estimates and projections about the factors that may affect our future performance, including the economic conditions of the regions and industries that are major markets for ABB. These expectations, estimates and projections are generally identifiable by statements containing words such as "anticipates", "expects", "believes", "estimates", "plans", "targets", "aims" or similar expressions. However, there are risks and uncertainties, many of which are beyond our control, that could cause actual results to differ materially from the forward-looking information and statements made in this press release and which could affect our ability to achieve any or all of our stated targets or anticipated transactions. Some important factors that could cause such differences include, among others, business risks associated with the COVID-19 pandemic, 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, the impact of the financial performance of Accelleron, 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 each of ABB Ltd and Accelleron Industries 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 foregoing list of factors is not exclusive and undue reliance should not be placed upon any forward-looking statements, including projections, which speak only as of the date made. ABB Ltd and Accelleron Industries Ltd do not undertake to update, and expressly disclaim any duty to update, any forward-looking statements, whether as a result of circumstances or events that arise after the date they are made, new information, or otherwise.

—

**For more information please contact:**

**Media Relations**

Phone: +41 43 317 71 11

Email: [media.relations@ch.abb.com](mailto:media.relations@ch.abb.com)

**Investor Relations**

Phone: +41 43 317 71 11

Email: [investor.relations@ch.abb.com](mailto:investor.relations@ch.abb.com)

**ABB Ltd**

Affolternstrasse 44

8050 Zurich

Switzerland