



ABB LTD, ZURICH, SWITZERLAND, APRIL 20, 2017, Q1 2017 RESULTS

ABB continues its transformation

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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
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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

Q1 2017: key figures

Orders	Base orders	Revenues
\$8.4 bn -3% ¹	\$7.6 bn +2% ¹	\$7.9 bn +3% ¹
Operational EBITA margin	Operational EPS	Cash flow from operating activities
12.1% steady	\$0.28 +1% ²	\$509 mn +102% ³

Q1 2017: ABB continues its transformation

Profitable Growth

Revenues up 3%; book to bill ratio 1.07x

Base orders up 2%; total orders reflect lower large contract awards

Active portfolio management: HV cables business divested, B&R acquisition announced April 4

Commercial launch of ABB Ability™

Relentless Execution

Op EBITA margin 12.1%

Solid operating leverage considering 60 bps positive insurance reserve adjustment in 2016

Continued delivery on productivity and cost savings program

Net income \$724 million; operational EPS up 1%¹

Business-led Collaboration

Entrepreneurial spirit in performance / compensation system enhanced

Improved country and account collaboration drives momentum (e.g. F&B, 3C, service)

Global Business Service centers operational; Krakow facility inaugurated

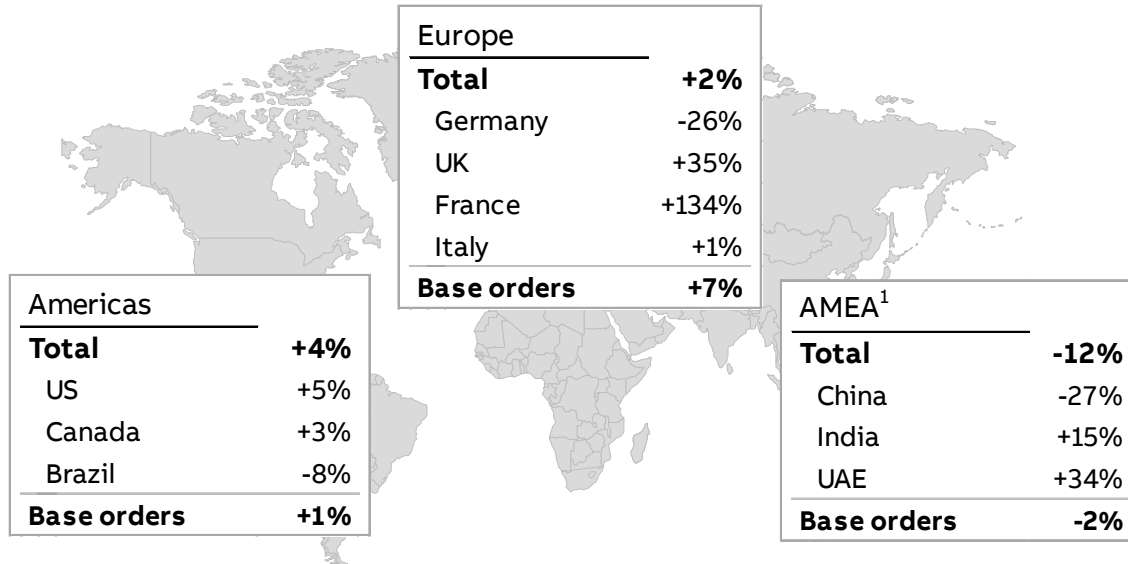
Delivering on Next Level strategy

Q1 2017: regional order development

Base orders up 2%

2017 Q1 total order growth by region

Change on a comparable basis



2017 Q1 base order growth²

Change on a comparable basis

US	+3%
China	-3%
Germany	+14%
India	+11%
Canada	-5%
Italy	-1%
Sweden	+45%
UK	+3%
Saudi Arabia	-40%
South Korea	+4%
Finland	+7%
Norway	-6%
Spain	+8%

China's underlying demand positive, high HVDC comparable in 2016

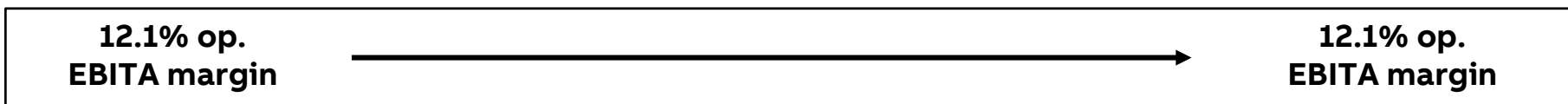
Q1 2017: performance by division

Key figures

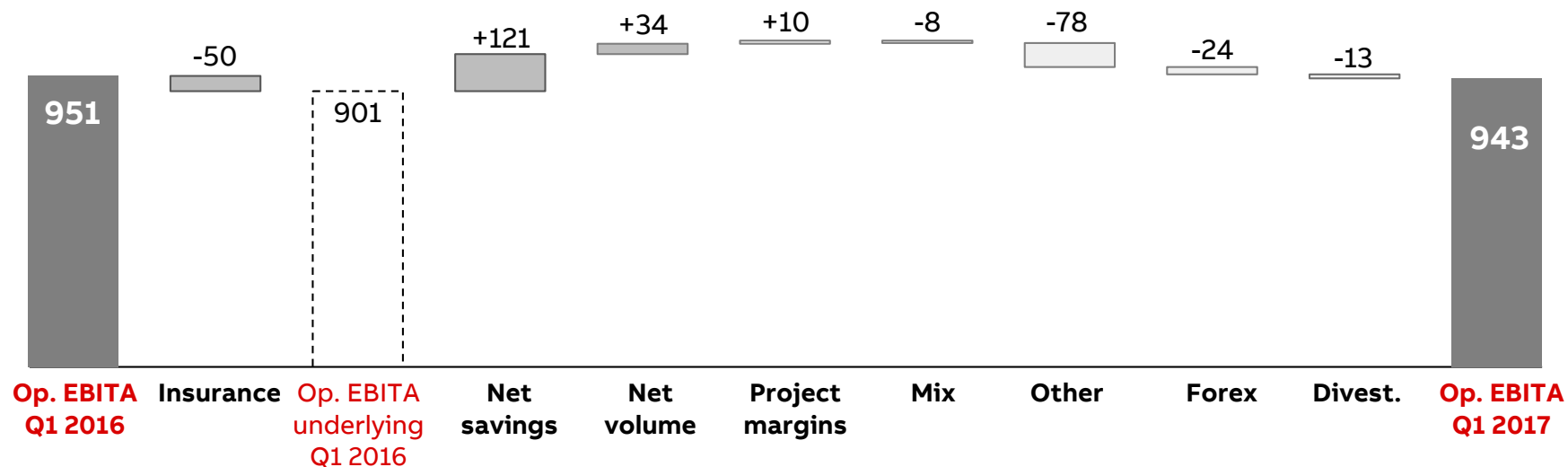
<i>\$ bn unless otherwise stated</i>	ABB Group	Electrification Products	Robotics and Motion	Industrial Automation	Power Grids
Orders	8.4	2.5	2.2	1.7	2.4
Δ Comparable	-3%	+4%	+7%	-6%	-17%
Revenues	7.9	2.3	1.9	1.5	2.4
Δ Comparable	+3%	+3%	+5%	-5%	+4%
Op. EBITA %	12.1%	14.1%	14.3%	13.3%	10.3%
Δ	steady	+60 bps	-100 bps	+130 bps	+280 bps

Q1 2017: operational EBITA

Solid operating leverage



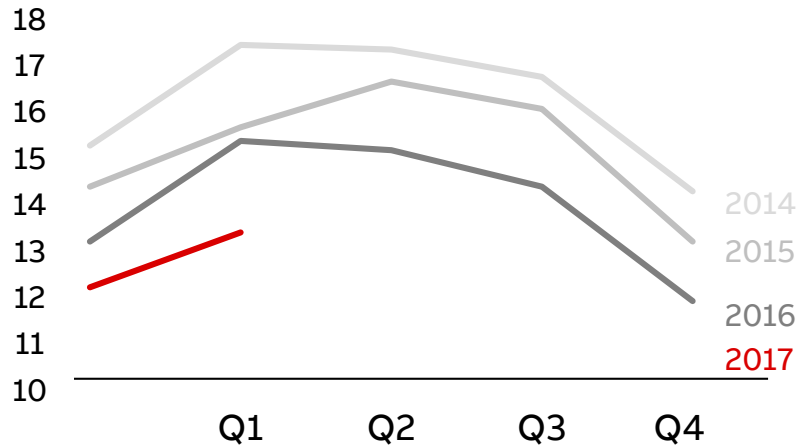
Operational EBITA bridge Q1 2016 to Q1 2017, \$ mn



Q1 2017: net working capital and cash flow

Net Working Capital reduction

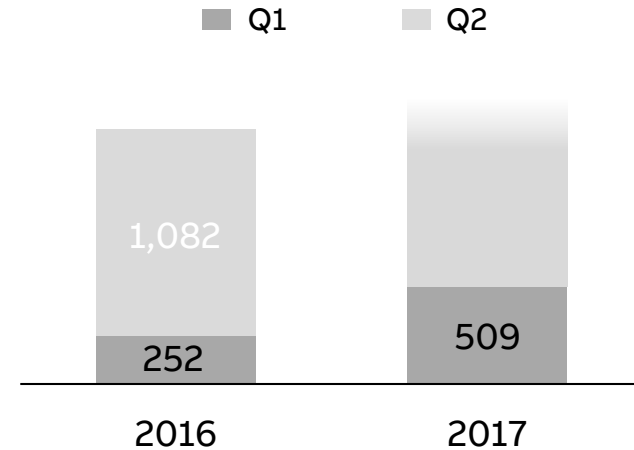
NWC as a % of revenues



Continued focus on working capital mgmt.

A solid, consistent cash generator

Cash flow from operating activities, \$ mn



Q1 2017 improvement reflects delay in incentive payments to Q2 caused by South Korea case

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

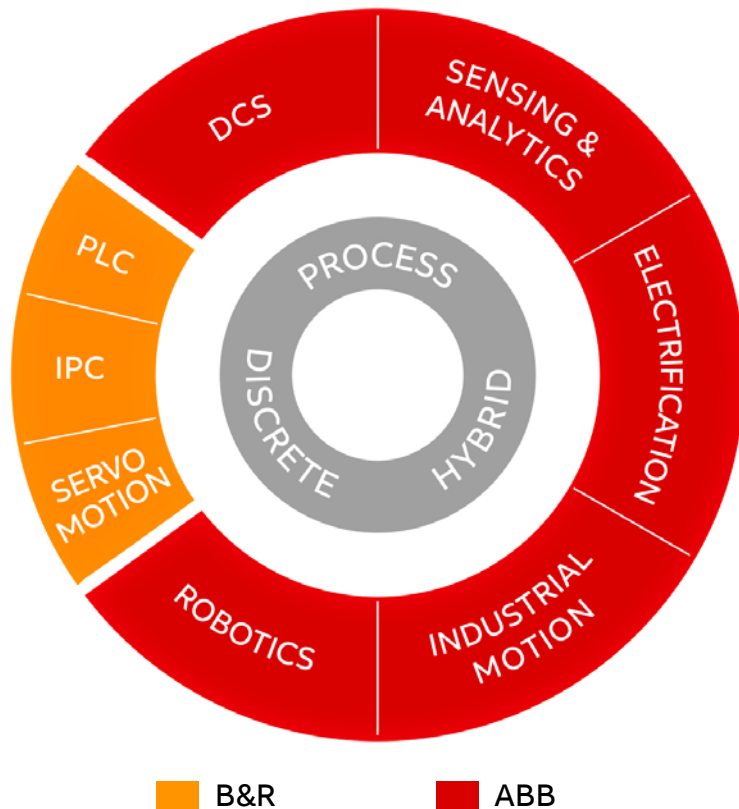
**Business-led
Collaboration**

4 Strengthening the global ABB brand

Delivering attractive shareholder returns

Acquisition of B&R – leadership in industrial automation

Closing ABB's historic gap in machine and factory automation



Deal rationale

Attractive market segment
(CAGR 4-5%)

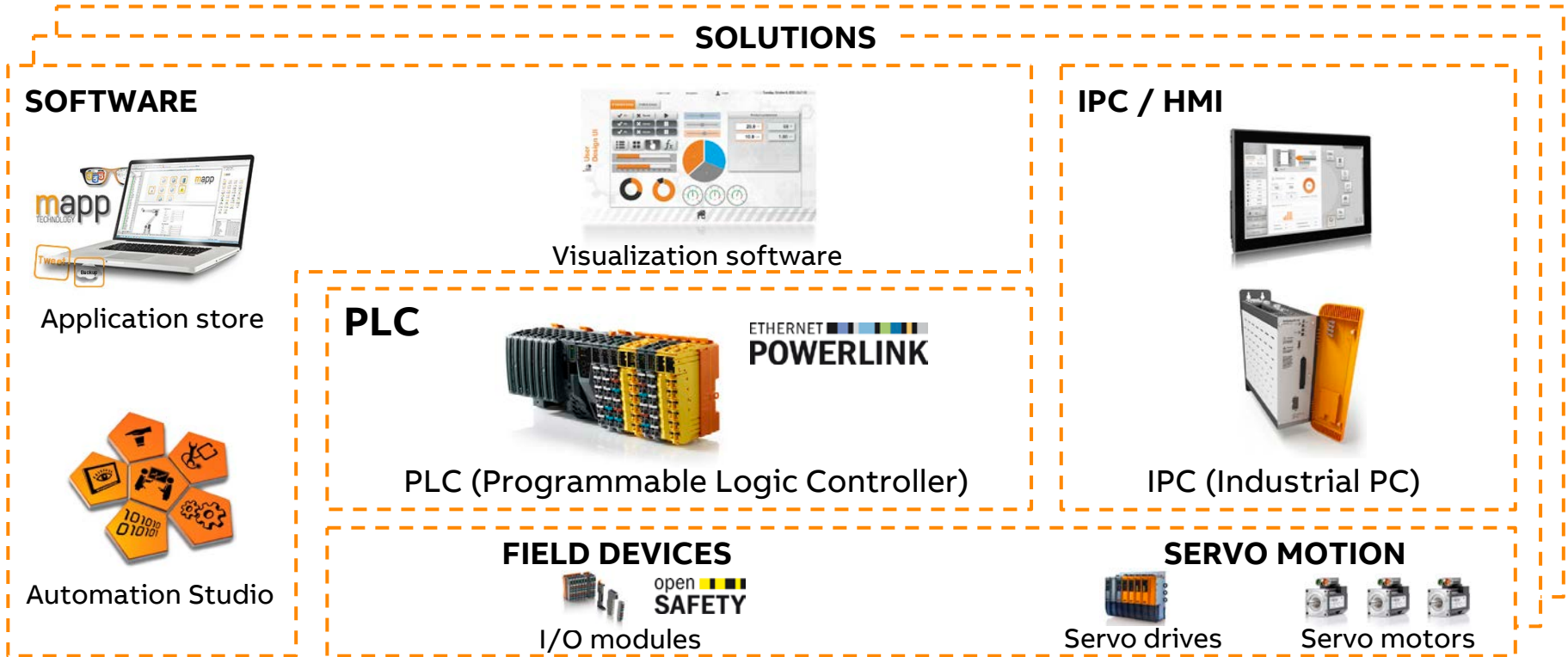
Attractive company
(CAGR ~11%)

Attractive strategic rationale
(shaping global #2 in industrial automation)

Attractive financials
(incl. strong growth and cost synergies)

B&R – a leader in machine and factory automation

Integrated product, software and solutions portfolio



~4,000 machine builder / OEM customers | >\$600 mn revenue¹ | CAGR ~11% since 1995 | \$75 mn, 12% EBIT¹ | >3,000 employees², >1,000 R&D & application engineers

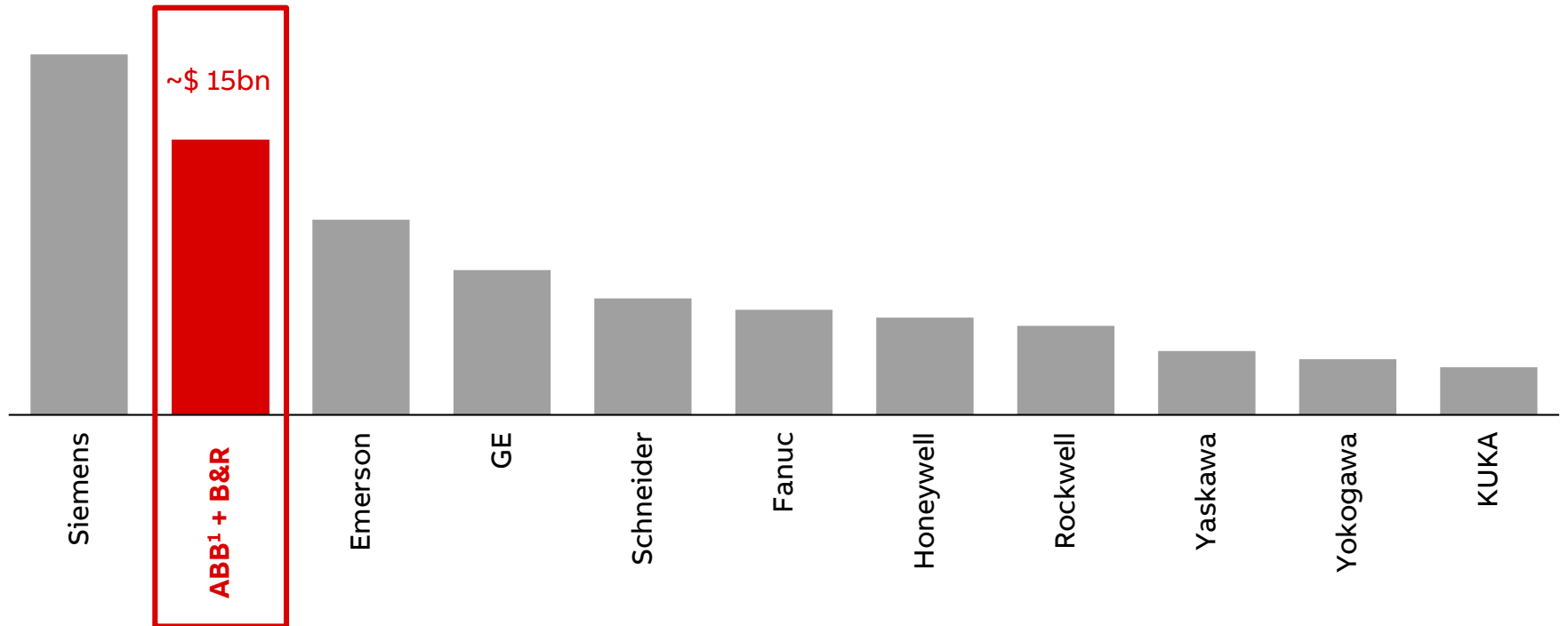
B&R and ABB – leadership in industrial automation

Closing ABB’s historic gap in machine and factory automation

	Sensing & analytics	DCS	PLC / IPC servo motion	Industrial motion ¹	Robotics	Digital platform	Electrification ²
B&R			Orange				
ABB	Red	Red	White	Red	Red	Red	Red
B&R + ABB	Red	Red	Orange	Red	Red	Red	Red
Siemens	Grey	Grey	Grey	Grey		Grey	Grey
Emerson	Grey	Grey					Grey
GE	Grey		Grey	Grey		Grey	Grey
Schneider	Grey	Grey	Grey	Grey		Grey	Grey
Fanuc			Grey		Grey		
Honeywell	Grey	Grey					
Rockwell	Grey		Grey	Grey			Grey
Yaskawa			Grey	Grey	Grey		
Yokogawa	Grey	Grey					
KUKA					Grey		

B&R and ABB – strong #2 in industrial automation

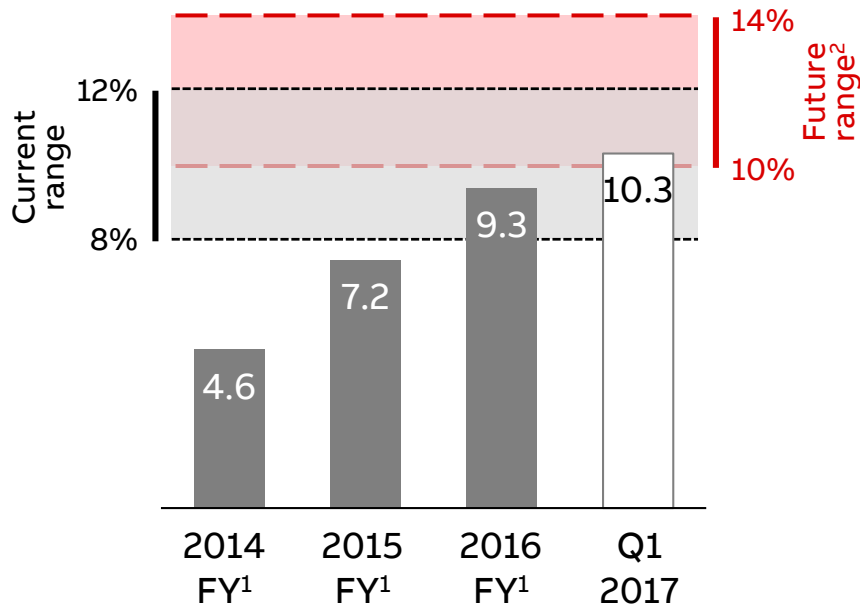
Business volume industrial automation (products, software, solutions, services)



Q1 2017: Power Grids continuing to transform

Power Up well underway

Operational EBITA margin, %



Shifting the Center of Gravity

- Business model change
- HV cables divestment closed
- Commercial launch of ABB Ability
- Investment in Enbala – a distributed energy management company

Operational Excellence

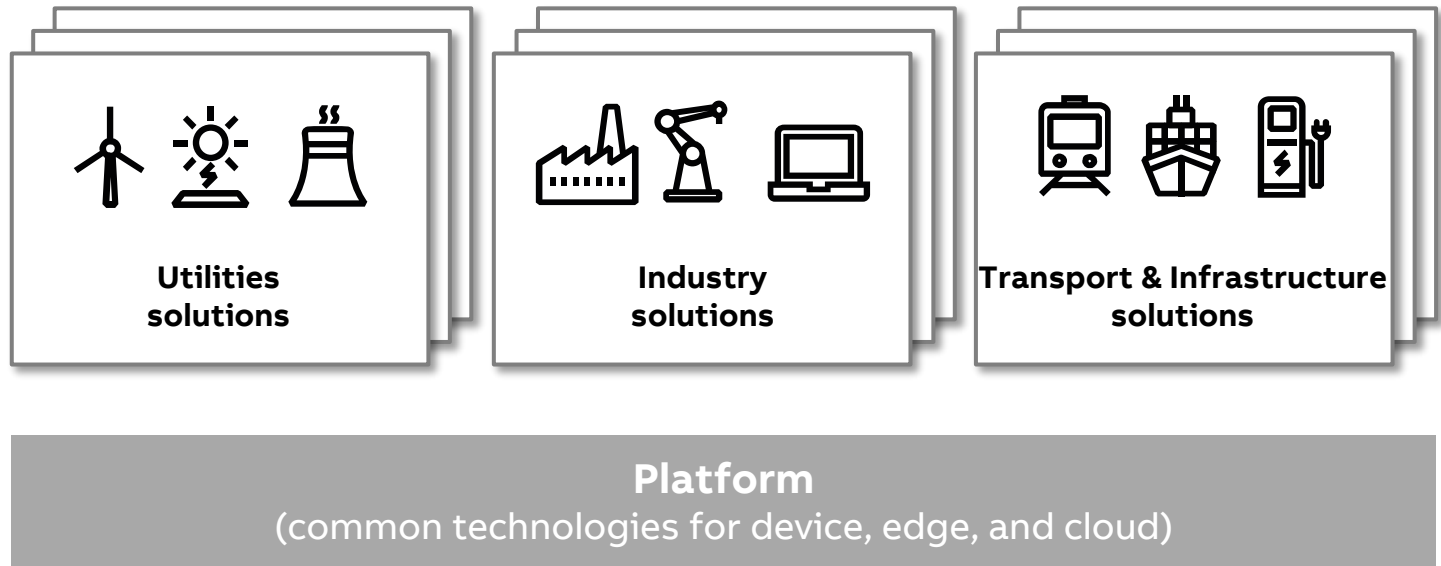
- WCP program
- Project execution
- Quality and continuous improvement
- Working capital initiative

Sustainable 2X margin improvement since 2014

Q1 2017: commercially launched ABB Ability

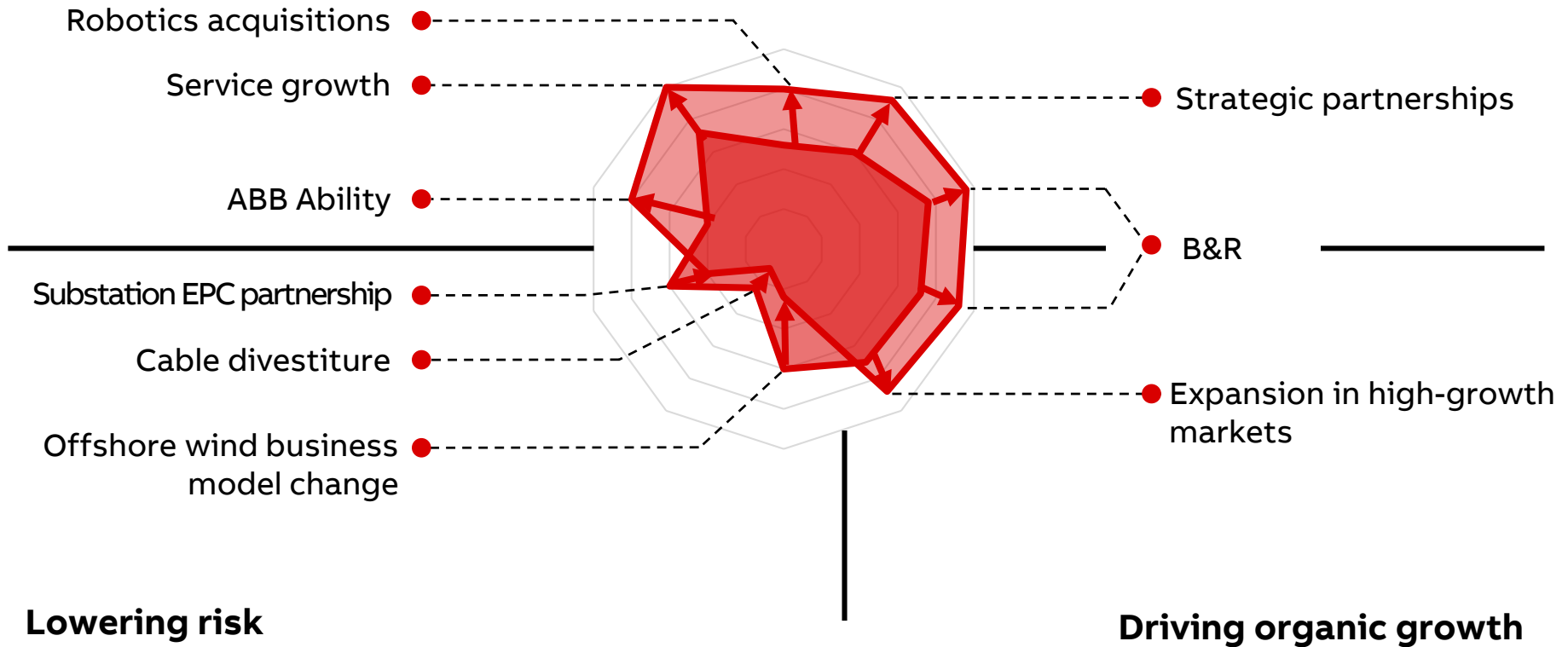
180+ ABB Ability solutions customized for our end markets

**ABB
Ability**



Continuing to shift ABB's Center of Gravity

Strengthening competitiveness



Q1 2017: summary and outlook

ABB continues its transformation

Q1 2017 results

Revenues up 3 percent; book to bill ratio 1.07x

Base order growth of 2 percent

Total orders reflect lower large contract awards

Op EBITA margin 12.1%

Solid operating leverage considering 60 bps positive insurance reserve adjustment in 2016

Net income \$724 million vs \$500 million; operational EPS +1%

Cash flow from operating activities reflects delay of incentive payments caused by South Korea

Active portfolio management: HV cables divestment closed, B&R acquisition announced

Commercial launch of ABB Ability

Outlook unchanged

Mixed short-term picture

Some macroeconomic signs remain positive in US and growth in China expected to continue

Overall global market impacted by modest growth and increased uncertainties

2017 expected to be a transitional year

Long-term demand outlook remains positive – growth drivers in place for utility, industry, transport & infrastructure

ABB

Key figures Q1 2017

	Q1 17	Q1 16	Change		
<i>\$ mn unless otherwise indicated</i>			\$	Local currency	Comparable
Orders	8,403	9,253	-9%	-7%	-3%
Order backlog	23,084	25,978	-11%	-7%	-2%
Revenues	7,854	7,903	-1%	+2%	+3%
Operational EBITA	943	951	-1%	+2%	
as % of operational revenues	12.1%	12.1%	steady		
Income from operations	1,030	784	31%		
as % of revenues	13.1%	9.9%	+3.2 pts		
Net income	724	500	45%		
Basic earnings per share (\$)	0.34	0.23	48%		
Operational earnings per share	0.28	0.28	0% ¹		+1% ²
Cash flow from operating activities	509	252	+102%		

Third party base orders by division

	Q1 17	Q1 16	% Change
<i>Third-party base orders \$ mn</i>			Comparable
Electrification Products	2,365	2,351	+4%
Robotics and Motion	1,991	1,803	+13%
Industrial Automation	1,445	1,452	+2%
Power Grids	1,782	2,016	-10%
Corporate and Other	15	21	
Total Group	7,598	7,643	+2%

Cash flow from operating activities by division

	Q1 17	Q1 16	% Change
<i>Cash flow from operating activities \$ mn</i>			
Electrification Products	205	24	+754%
Robotics and Motion	254	118	+115%
Industrial Automation	110	52	+112%
Power Grids	154	26	+492%
Corporate and Other	-214	32	
Total Group	509	252	+102%

Order backlog by division

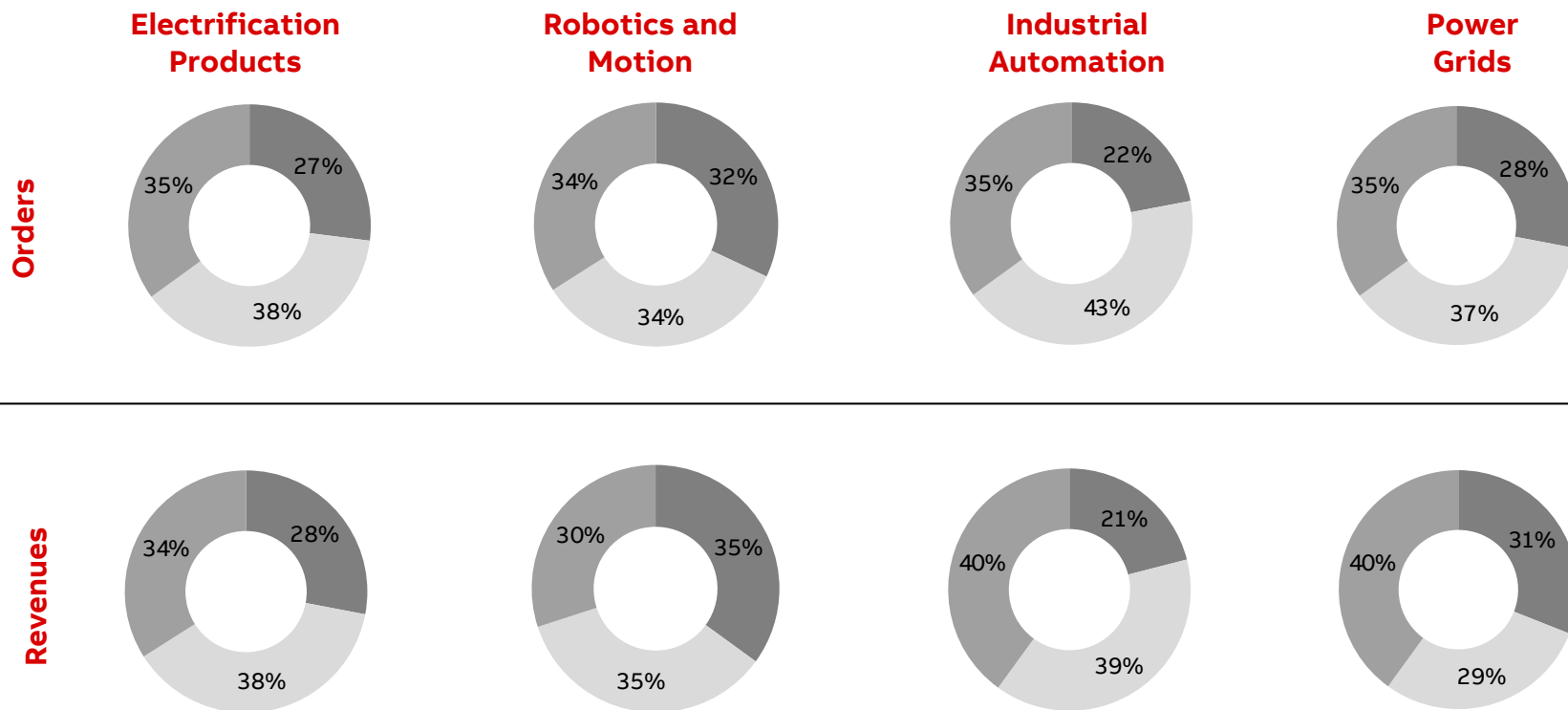
	Q1 17	Q1 16	% Change	
<i>Order backlog (end March) \$ mn</i>				\$ Comparable
Electrification Products	3,157	3,421	-8%	-3%
Robotics and Motion	3,956	4,145	-5%	0%
Industrial Automation	5,609	6,576	-15%	-11%
Power Grids	11,812	12,671	-7%	-2%
Corporate and Other	-1,450	-835		
Total Group	23,084	25,978	-11%	-2%

Operational EPS analysis

	Q1 17		Q1 16		Δ ¹
<i>mn \$, except per share data in \$</i>		EPS		EPS	
Net income (attributable to ABB)	724	0.34	500	0.23	+48%
Operational adjustments:					
Acquisition-related amortization	59		71		
Restructuring and restructuring-related expenses ²	48		69		
Non-operational pension cost	-7		0		
Changes in retained obligations of divested businesses	94		0		
Changes in pre-acquisition estimates	0		8		
Gains and losses on sale of businesses	-338		0		
Acquisition-related expenses and certain non-operational items	108		2		
FX / commodity timing differences in income from operations	-51		17		
Tax on operational adjustments ³	-30		-46		
Operational net income / Operational EPS	607	0.28	621	0.28	+1% ⁴

Regional share of total orders and revenues by division

Q1 2017

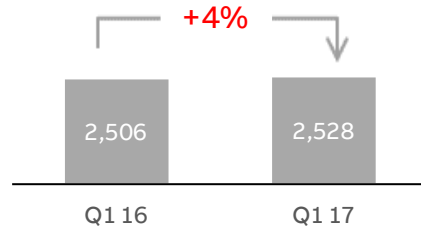


Electrification Products

Q1 2017

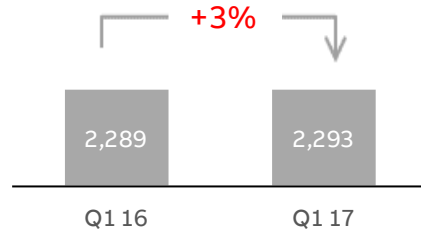
In \$ mn, y-o-y change comparable

Orders



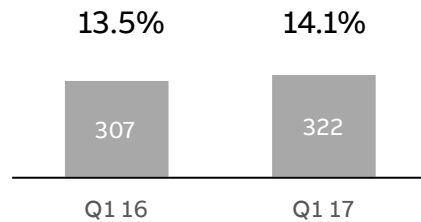
Total orders improved reflecting improved market demand in the United States, China and Germany.

Revenues



Revenues grew 3 percent in the quarter.

Op. EBITA & margin



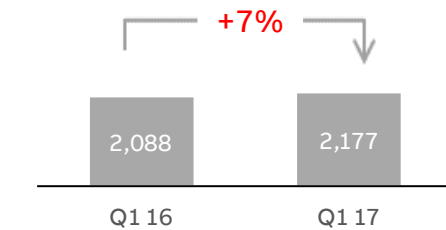
Operational EBITA margin improved due to volume, mix, productivity and cost savings.

Robotics and Motion

Q1 2017

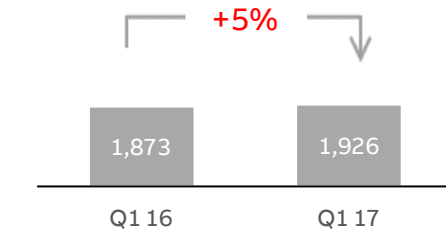
In \$ mn, y-o-y change comparable

Orders



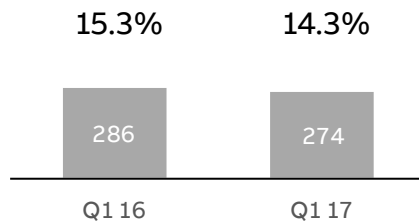
Total orders grew 7 percent with third party base orders increasing 13 percent on continued strong demand patterns in robotics and light industry.

Revenues



Revenues improved 5 percent.

Op. EBITA & margin



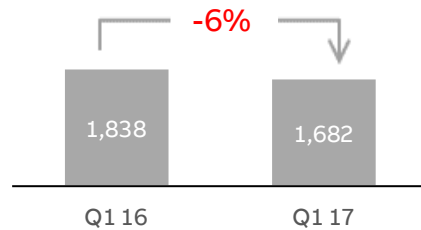
Operational EBITA margin was impacted by unfavorable mix and low capacity utilization in the quarter. Demand pattern and increasing backlog will ease this situation over time.

Industrial Automation

Q1 2017

In \$ mn, y-o-y change comparable

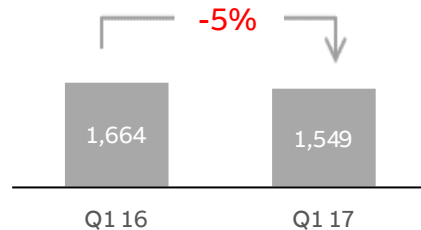
Orders



Total orders reflect lower large orders related to specialty vessels.

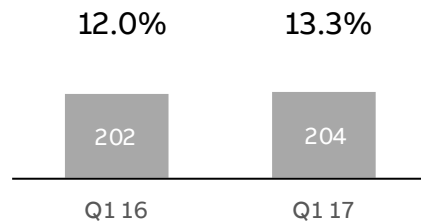
Improved demand for products, services and software was seen in the positive base order development in the quarter.

Revenues



Revenues declined 5 percent on lower revenue coming from the order backlog.

Op. EBITA & margin



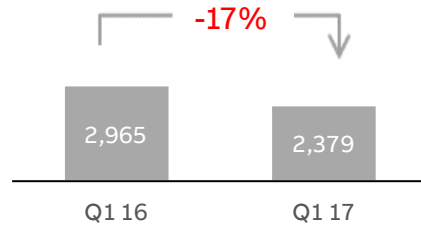
Operational EBITA margin increased 130 basis points to 13.3 percent due to positive mix and successfully implemented cost reduction and productivity measures.

Power Grids

Q1 2017

In \$ mn, y-o-y change comparable

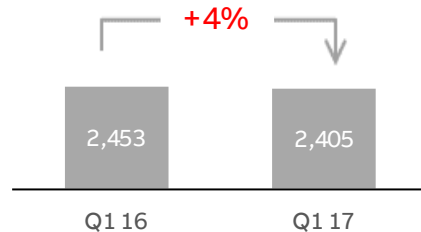
Orders



Total orders were lower primarily due to the timing of large contract awards.

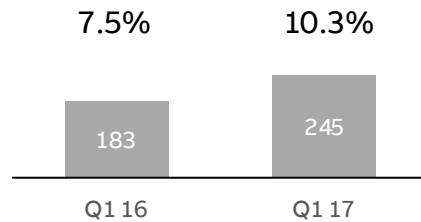
Positive base order development in many markets could not offset soft demand in the Middle East and a tough comparison in China last year.

Revenues



Revenues were 4 percent higher due to steady execution of a healthy order backlog.

Op. EBITA & margin



Operational EBITA margin was 10.3 percent, driven by higher revenues, improved productivity, solid project execution and continued cost savings.

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