

Tarak Mehta, Head of Low Voltage Products, ABB Ltd., Capital Markets Day, September 9, 2015

## Next Level Stage 2

New Electrification Products division: Power & Automation for the site

# Important notices

Presentations given during the Capital Markets Day 2015 include 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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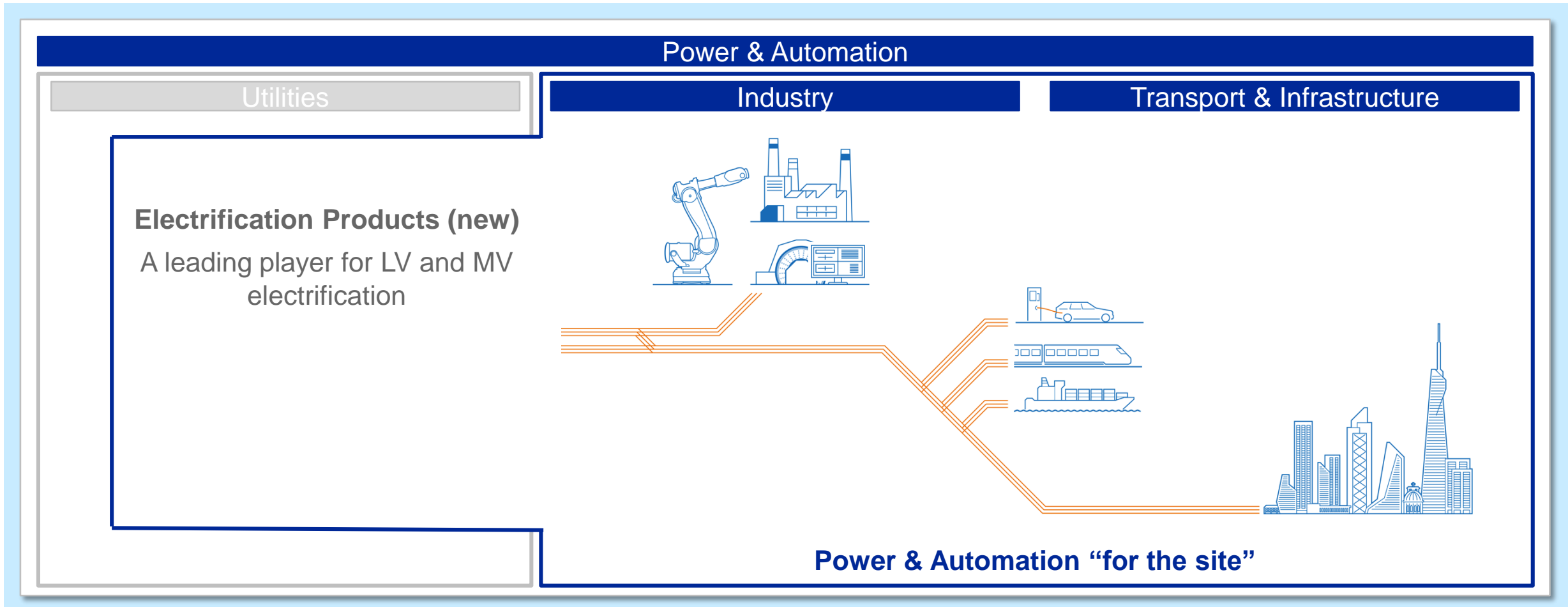
- business risks associated with the with the volatile global economic environment and political conditions
- costs associated with compliance activities
- raw materials availability and prices
- market acceptance of new products and services
- changes in governmental regulations and currency exchange 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.

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.

The presentations also contain non-GAAP measures of performance. Definitions of these measures and reconciliations between these measures and their US GAAP counterparts can be found in “Supplemental financial information” under “Capital Markets Day 2015” on our website at <http://new.abb.com/investorrelations/>

# Shifting the Center of Gravity – divisional realignment

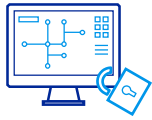
## New Electrification Products division



# BU Medium Voltage Products

## Offering management for profitable growth

### Product Offering Strategy



#### Smart technologies

Grid upgrade: focus on feeder automation, remote monitoring and control



#### Eco-efficiency

Innovative, new technologies mitigate the impact on the environment



#### Mid-segment

Full range: cost-efficient product offering to meet different regional requirements



#### Competitiveness

Focus on SCM and product development to retain profitability and competitiveness

**Enabling high-end competitiveness and penetration in a challenging market**

# Electrification Products division

## Market offering overview

Examples



Flexible conduit



Light switch ranges



Door entry systems



Blind control



Miniature Circuit Breakers (MCBs)



Enclosures



MV UniGear Digital



Air circuit breakers



Apparatus



Distribution automation



Fittings & groundings



Contactors and overload relays



Softstarters



Safety sensors, switches



LV & MV switchgear



ANSI switchgear



MV motor control centers



Modular systems



Service

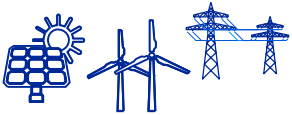
Complete electrification offering “for the site”

# Electrification Products division

## Well positioned in attractive markets

### Attractive markets

#### Utilities



Renewable  
electrification

Smart  
distribution

#### Industry

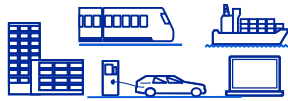


Electrical  
distribution

Power quality  
& reliability

Safety & protection

#### Transport & Infrastructure



Building  
electrification &  
automation

Transport  
electrification

Data centers

### Well positioned

# 1 in Medium Voltage products – pure player

# 2 in breakers (Low Voltage & Medium Voltage)

Global top 3 in electrical distribution channels<sup>1</sup>

### Competition

**CHINT**

**EATON**  
Powering Business Worldwide

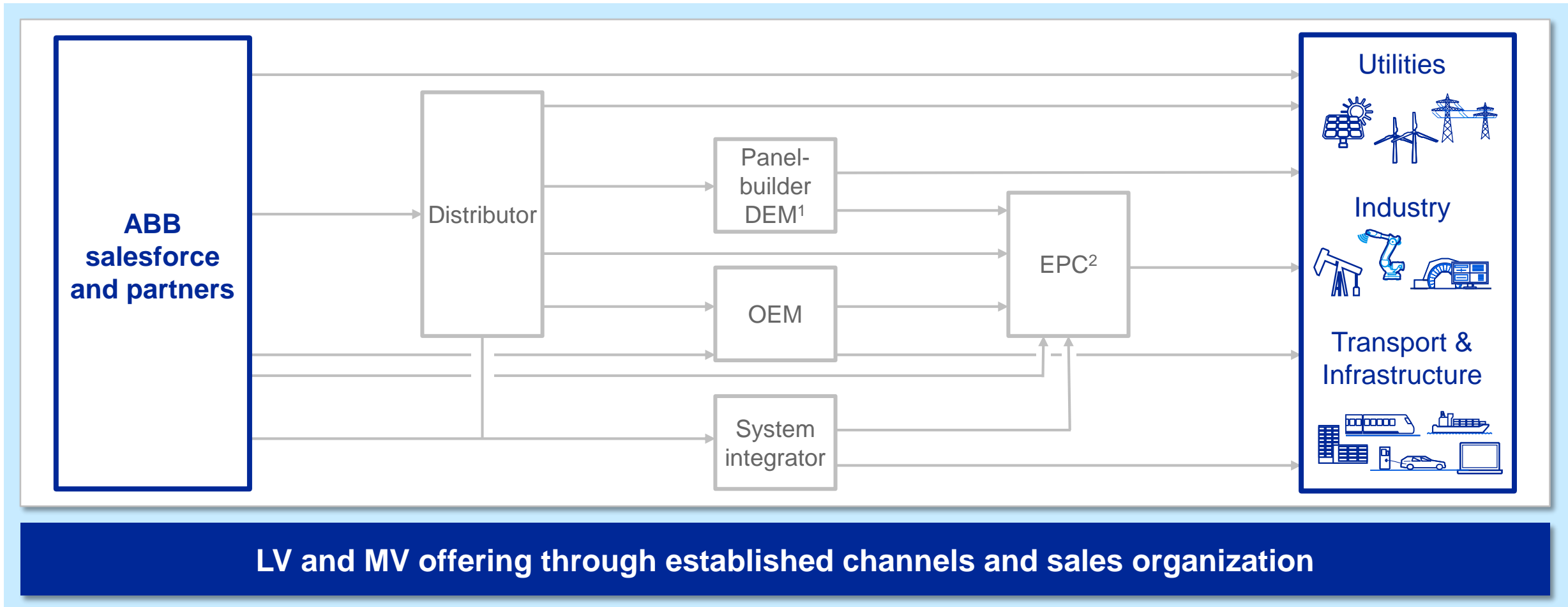
**legrand**

**Schneider**  
Electric

**Market leading offering in high-growth markets**

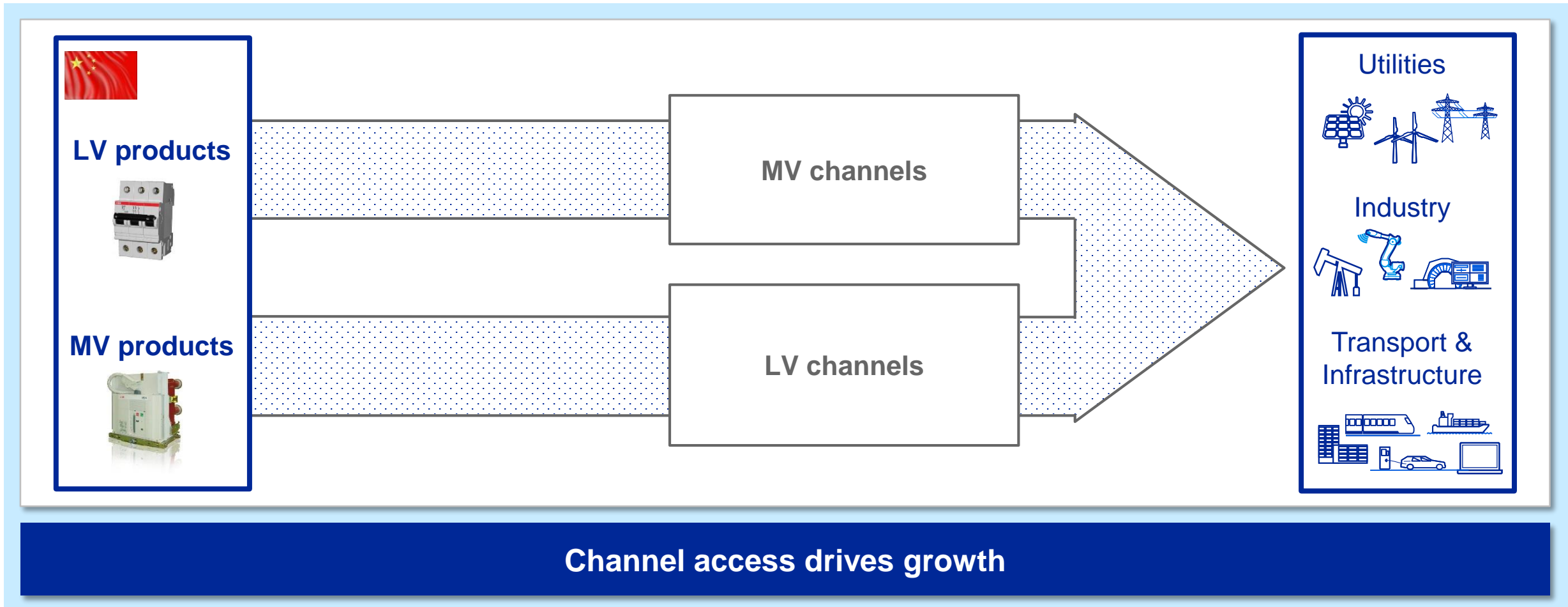
# Electrification Products division

## Driving multi-channel approach to market



# Shifting the Center of Gravity – driving organic growth

## Penetration: cross-selling





# Shifting the Center of Gravity – driving organic growth

## Penetration: Thomas & Betts

### Unlocking the potential

Build on existing channels outside of North America

Collaborating across ABB on project business

~2,000 new SKUs<sup>1</sup>

Results H1 2015: Double-digit<sup>2</sup> outside North America

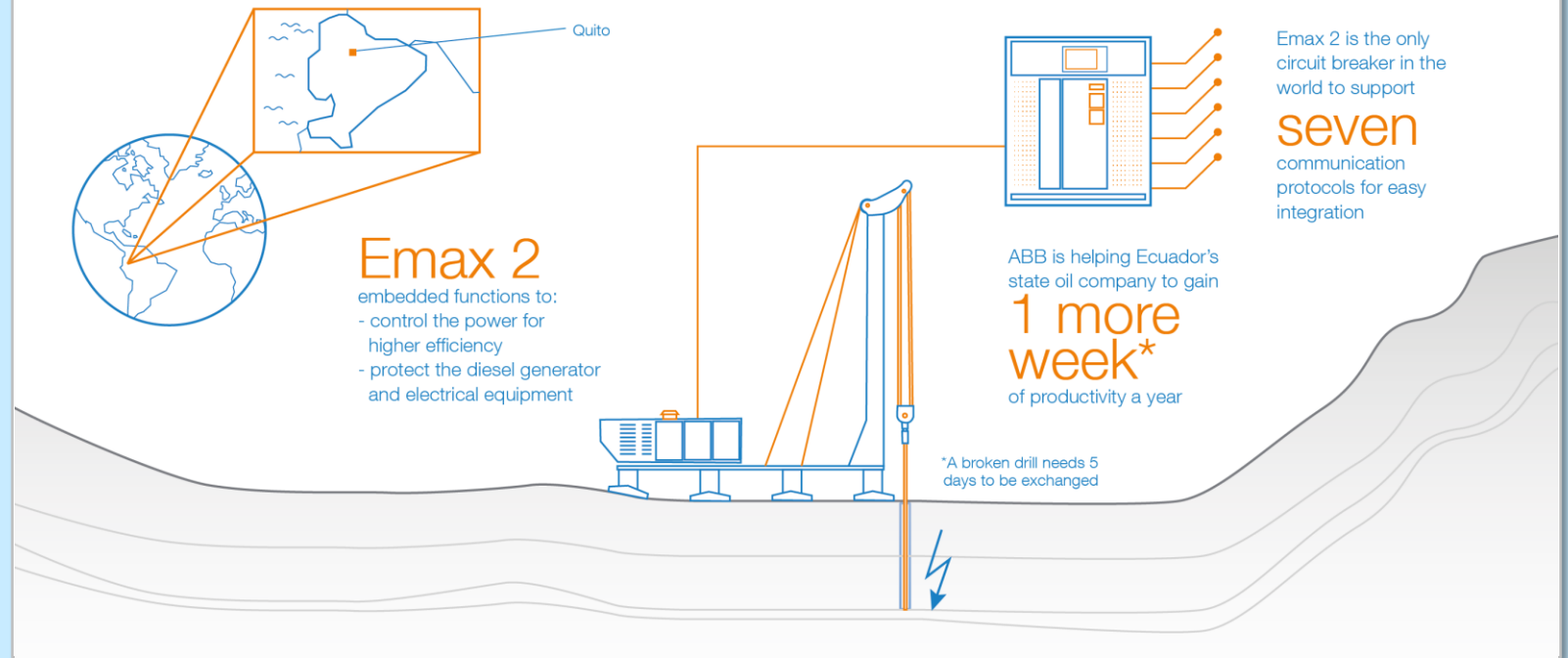
Target 2020: 2x



**Broadest offering in the industry provides good growth opportunities**

# Shifting the Center of Gravity – driving organic growth

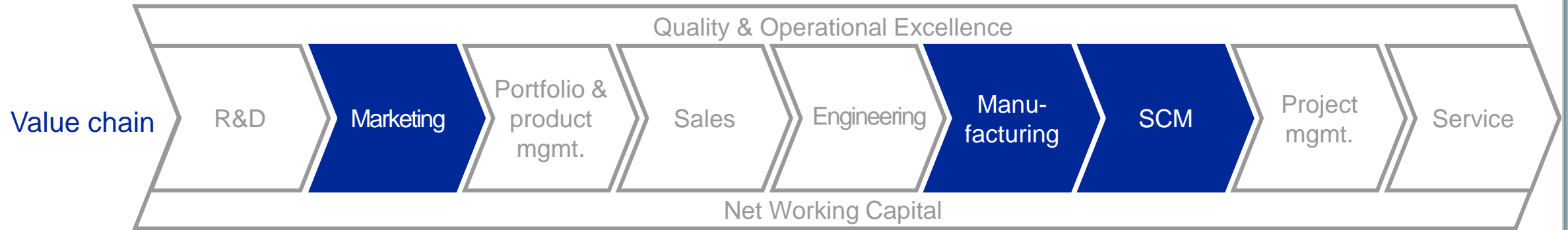
## Innovation for Ecuador's state oil company



Significant customer impact with Power & Automation combination

# Relentless Execution

## Value chain



### Stage 1

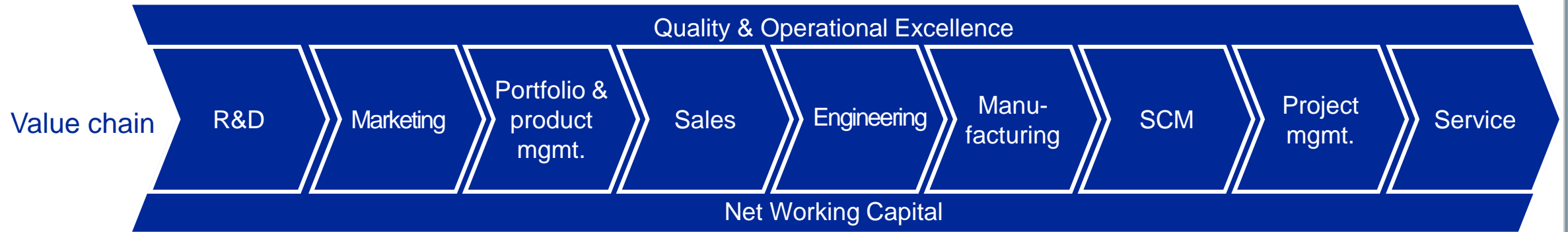
Savings program focused on Marketing, Manufacturing and Supply Chain Management

2015 impact: ~\$30 mn

**Process focus delivers savings**

# Relentless Execution

## Integrated value chain



### Stage 2

Comprehensive program focused on the entire value chain

Continue focus on Working Capital

**Building on a strong track record of cost and cash management**

# Relentless Execution

## Example: value chain optimization logistics

### Regional Distribution Center

12 months in operation



### Results

From 5,000 to 20,000 SKUs

Lead time: ↓80%

ROTD<sup>1</sup>: ↑80%

	2010	2014
NPS <sup>2</sup> :	30	60

### Wider roll-out

Implement best practice

Middle East RDC in progress

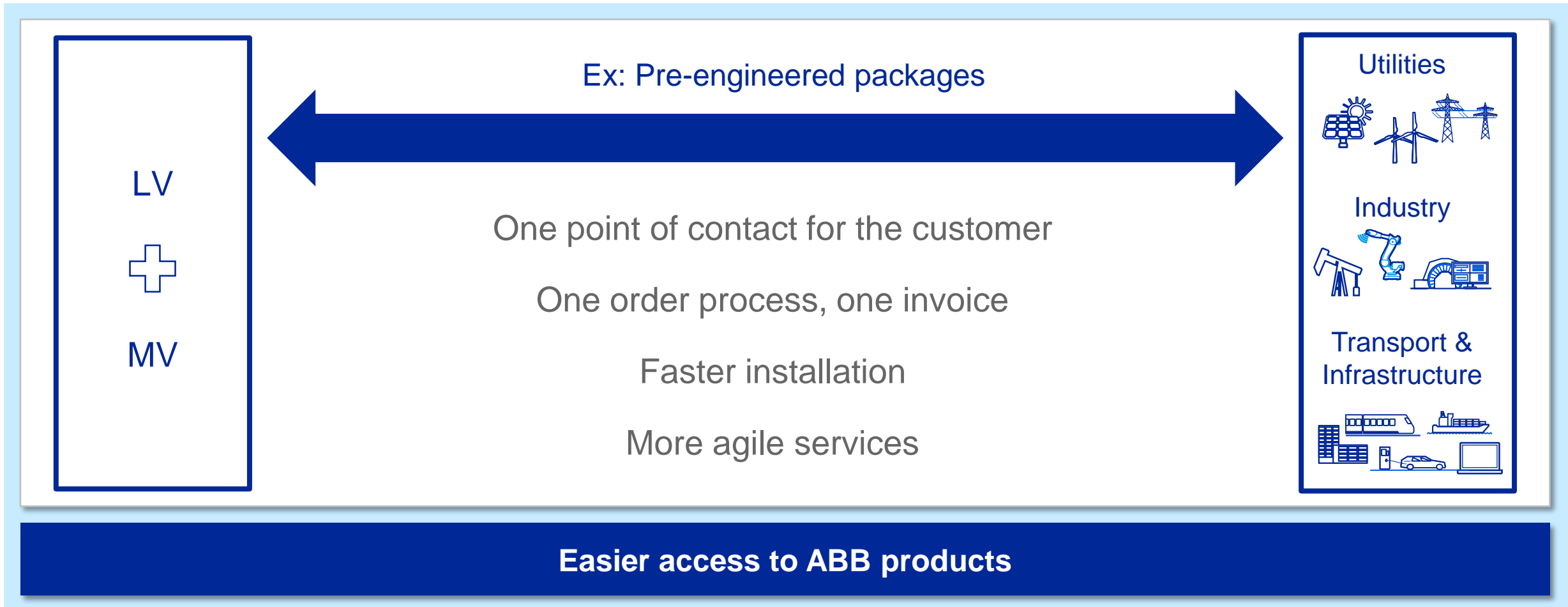
Analysis complete for EU and South America

Continued focus on logistics and inventory management

Logistics delivers superior customer experience and lower Working Capital

# Business-led Collaboration

## Single face to the customer



# Electrification Products division

## Accelerating transformation – summary



Power and productivity  
for a better world™

