

ADRIAN GUGGISBERG, DIVISION PRESIDENT

# Motion Services



MAY 17, 2022

**ABB Motion Capital Markets Day**

Helsinki, Finland

# 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”, “ambition” 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 or anticipated transactions.

## **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
- General market conditions, and
- Such other factors as may be discussed from time to time in ABB Ltd’s filings with the US 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.** We caution that the foregoing list of factors is not exclusive, and you should not place undue reliance upon any forward-looking statements, including projections, which speak only as of the date made. We do not undertake or accept any obligation to release publicly any updates or revisions to any forward-looking statements to reflect any change in our expectations or any change in events, conditions or circumstances on which any such statement is based.

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](http://www.abb.com/investorrelations). Reconciliations can be found on our website under “Motion Capital Markets Day 2022”.

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# Our business at a glance

## Our market



**~\$5 bn**

Installed base service  
market potential



### **Installed base**

>45 mn ABB motors & drives  
Selective 3rd party



**Digital asset performance  
management services**

## Our business



**\$750 – 1,250 mn**  
2021 revenues



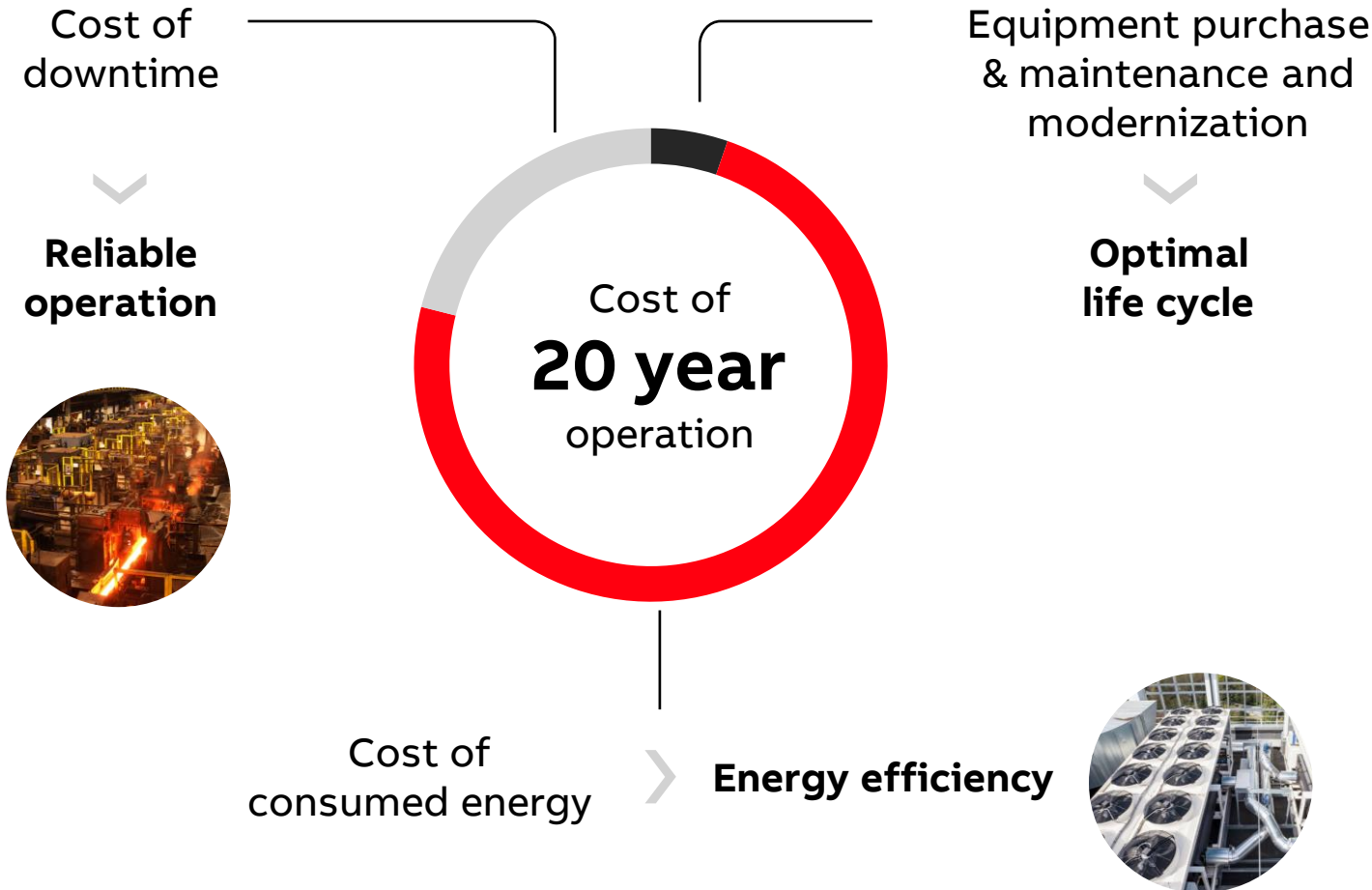
**~3 k**  
employees globally

**Our strategic mandate:  
profitable growth**



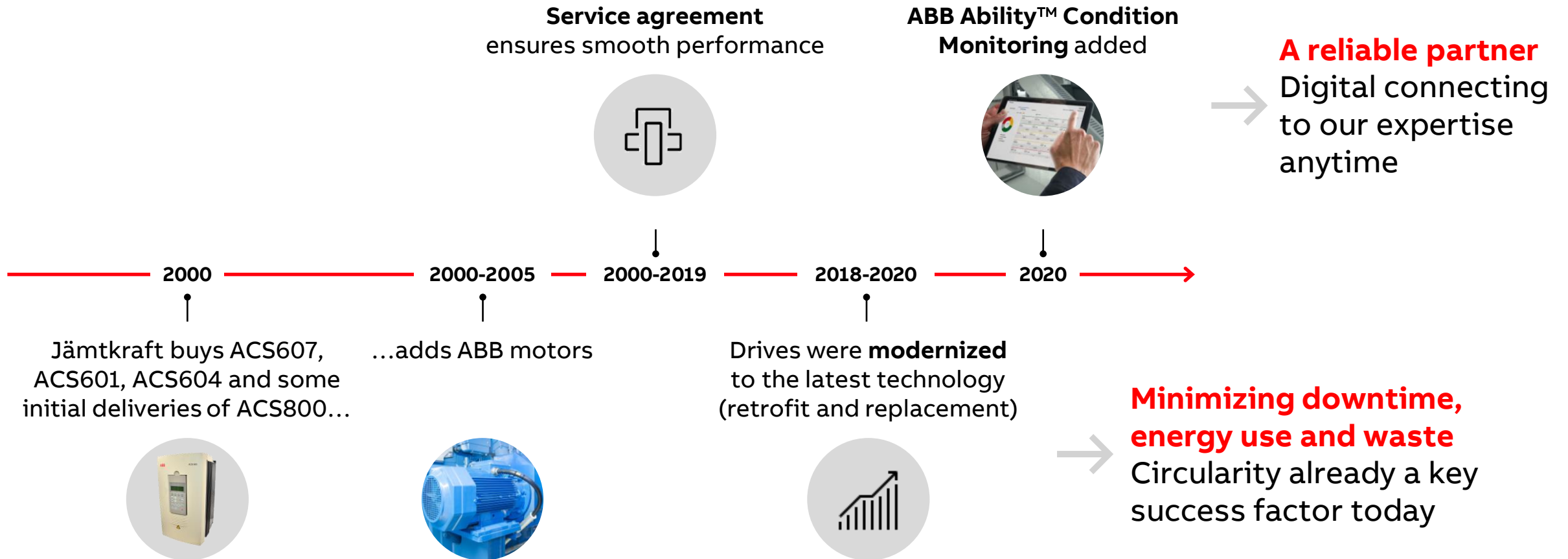
# We keep the world turning, while saving energy every day

What we do and how we do it



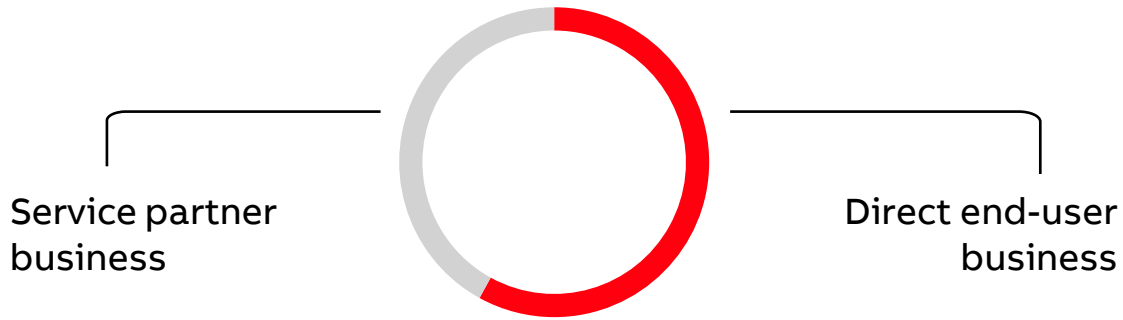
-  Recovery services
-  Planned services
-  Data and Advisory services
-  Modernization and Performance improvement services
-  Partnered solutions
-  Agreements

# Partnering up to extend lifetime of customers' assets & reduce waste | Jämtkraft, a Swedish-based utility company



# We maximize value for our customers and ABB

## End-user relation



End-user intimacy and access



**Trusted relationship**

## Operating model



Operating close to end-users



**Reliable service provider**

# We maximize value for our customers and ABB



**Reliability focus**



**Energy efficiency focus**

Motors & drives  
installed and in  
operation



**~3 mn units**



**>40 mn units**

Total service  
market potential



**~\$2 bn**

Industry leading  
penetration rate



**~\$3 bn**

Today mainly  
replacement business



**Grow with predictive  
services**



**Grow with energy efficiency  
and circularity services**

# Why we are successful...

Intellectual property

Know-how

Customer access

## Means for Service today...



**130** years design, manufacturing and servicing motion equipment



Over **1,200** field service engineers



Services in more than **70** countries, including over **600** service partners



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# The world is changing...

## Key market shifts and trends



### **Way of working**

Availability of digital technologies and growing acceptance of data sharing

Aging workforce and changing workspace (expertise & behavior)



### **Sustainability becomes relevant**

Decarbonization

Circularity



# Why we are successful...

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Know-how

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## Means for Service today...



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Over 1,200 field service engineers



Services in more than 70 countries, including over 600 service partners

## ...and tomorrow



Outcome-based business models



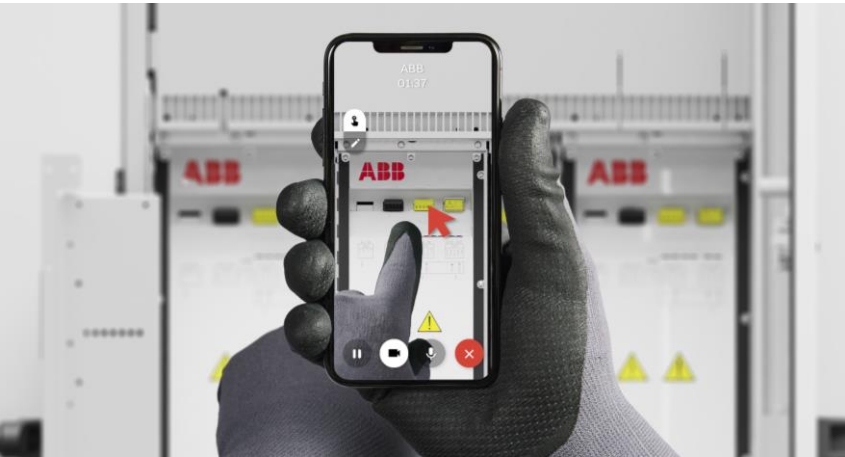
Digital platforms



Network of service partners

**Digital is key for our future success**

# Digitalization: getting relevant and investing in our future



## What means relevant

Connecting 3.5 mn devices  
by 2025



## How to get relevant

**1 mn** connections from  
ABB and third-party installed base  
**2.5 mn** connections from  
ABB new drives and motors delivered



## How do we differentiate

Connectivity as a standard  
Plug & play solutions

# Value creation from digital with increasing ARR<sup>1</sup>

From 4% to 15% by 2025

## Three areas of value creation from digital solutions

1

### Data as a service

Subscription models for data, integrated into customer solutions

2

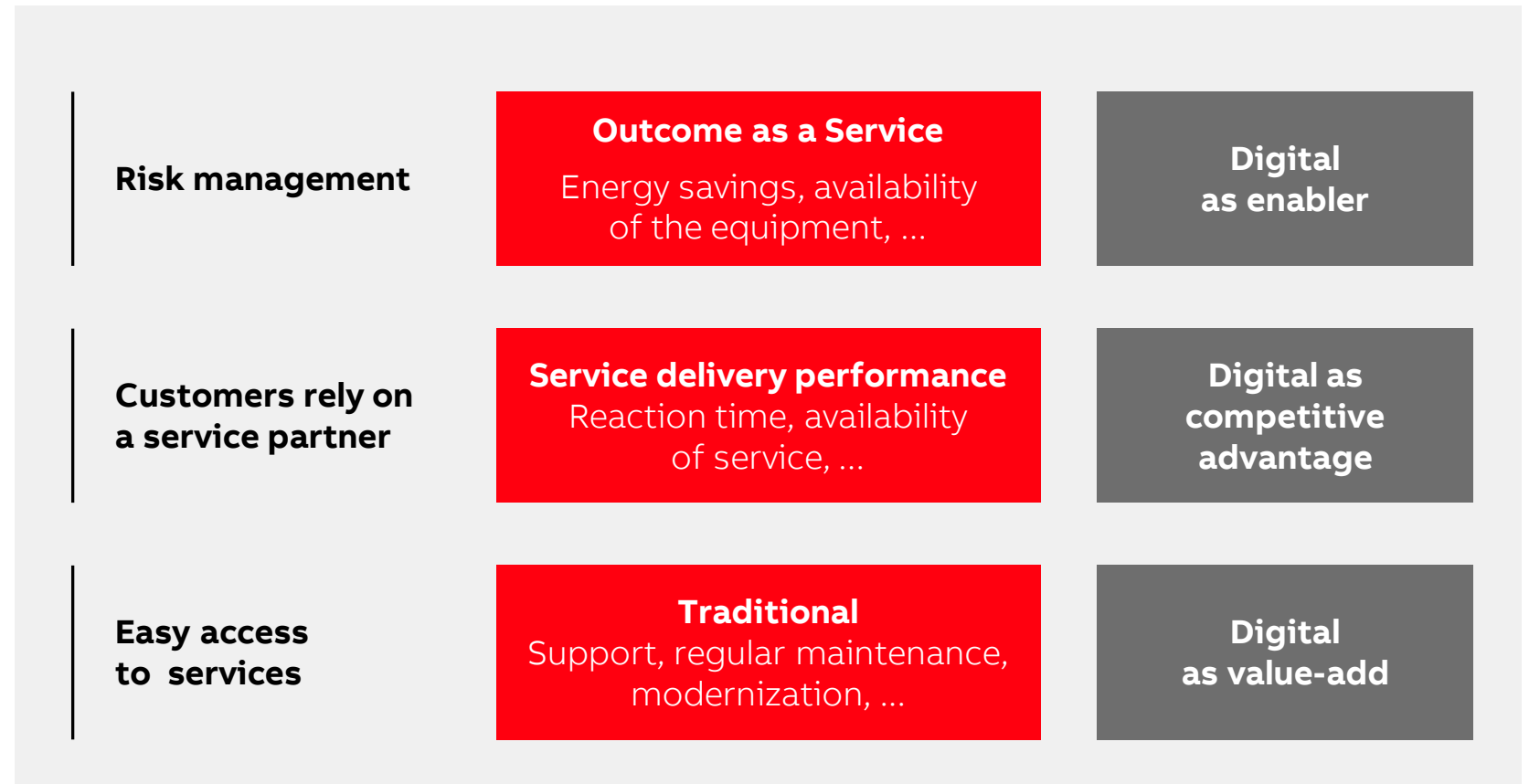
### Platform business

Enable partners and customers

3

### Service agreements

Customer intimacy and transformation of our business models



# Value creation from digital with increasing ARR<sup>1</sup>

From 4% to 15% by 2025

1

Data as a service



**ERGO**  
HESTIA®

1 Annual Recurring Revenues

2

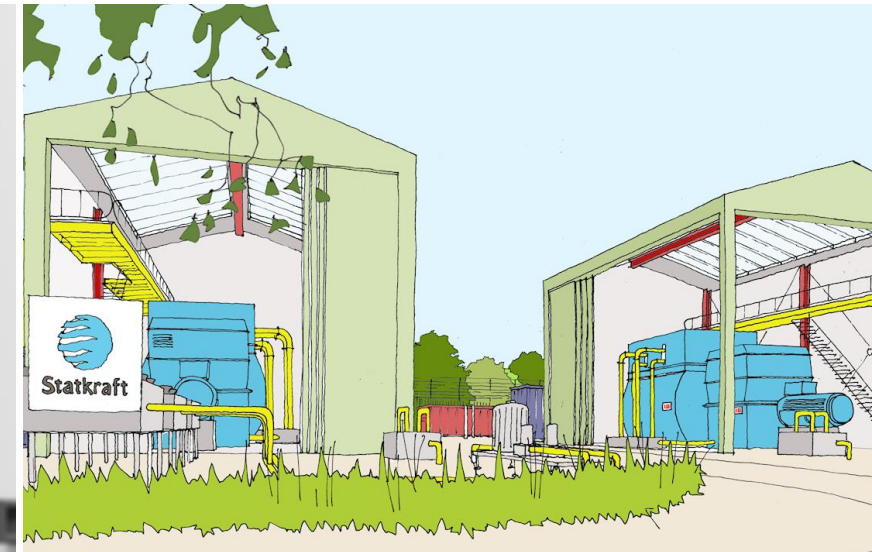
Platform business



**Mobile connect**

3

Service agreements



 **Statkraft**

Slide 13

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# Motion Services

We keep the world turning, while saving energy every day

We are successful **today...**

...changes are happening & accelerated by: **new ways** of working and focus on **decarbonization** and **circularity**

We capture the opportunity, increasing **ARR from 4% to 15%**



**ABB**