



JESSE HENSON, DIVISION PRESIDENT

NEMA Motors Division



MAY 17, 2022

ABB Motion Capital Markets Day

Helsinki, Finland

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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.

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- 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
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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 “Quarterly results and annual reports” on our website at 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

The global market leader

Our market

 ~\$2.7 bn¹

 **1 globally**

Our business

 **\$750 - 1,250 mn**
2021 revenues

 **3.5k**
Employees globally

 **7**
Manufacturing locations

**Our strategic mandate:
profitable growth**



1. Source: Omdia LV Motors report,
NEMA Global Markets, 2020

The broadest offering of motors for industrial applications



Over **1 mn configurations** available to our **customers**

01. General Purpose

Super-E® (1 PH)



Super-E® (3 PH) (Rolled Steel)



Super-E® (3 PH) (Cast Iron)



02. Severe Duty

Severe Duty



Explosion Proof



Crushed Duty



03. Definite Purpose

Food & Washdown



Air Handling



Material Handling



04. Specialty

EC-Titanium™



RPMAC



Cooling Tower Direct-Drive



Driving growth

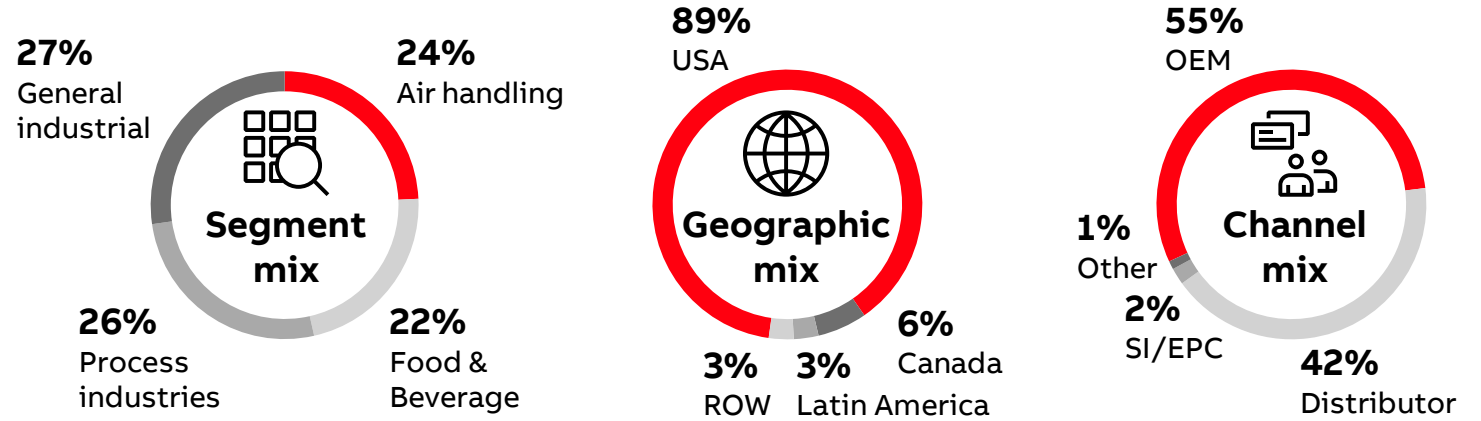
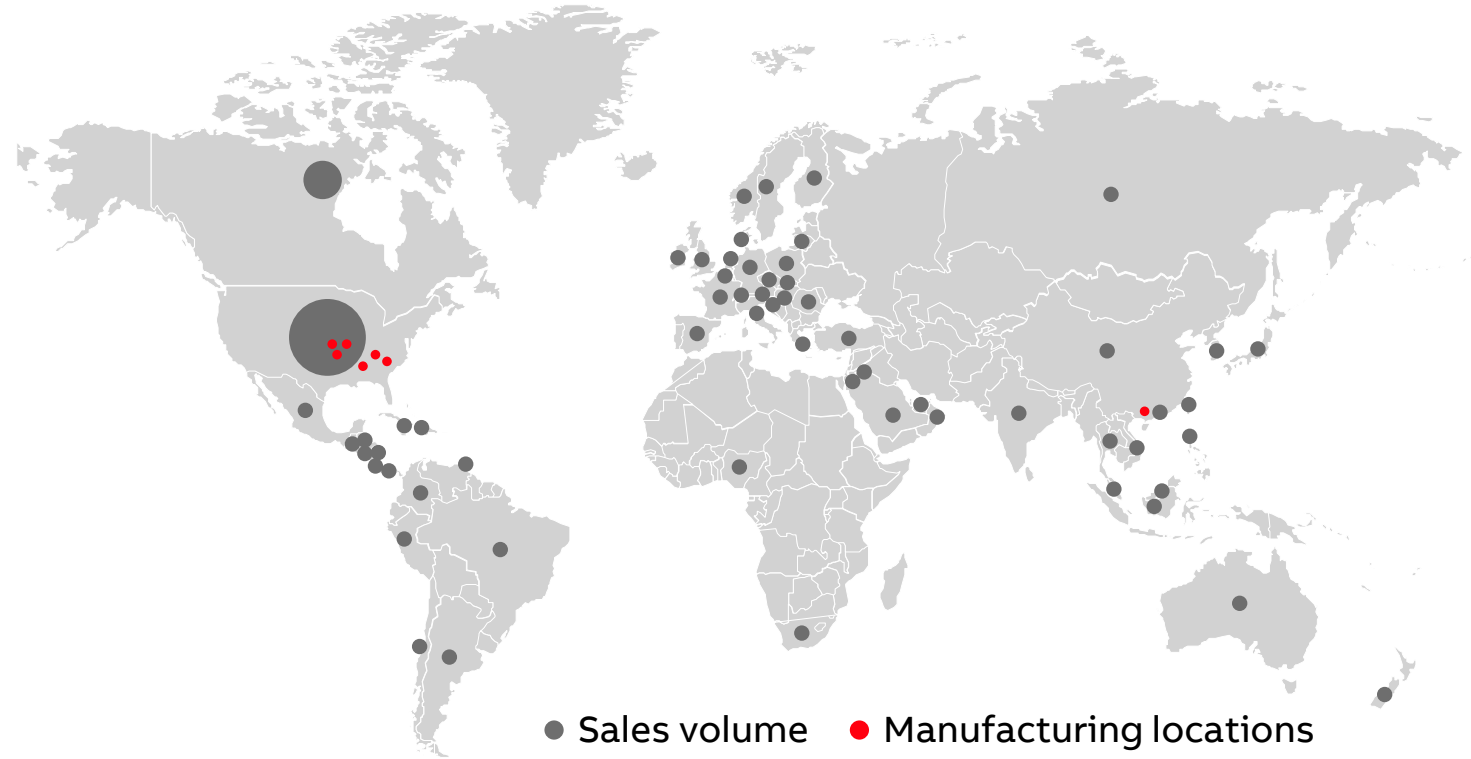
by being local in other NEMA geographies



Being **close to our customers** offers a **competitive advantage** and **increases opportunities**

In order to grow in non-US NEMA markets, we need to evaluate the best way to serve those markets:

1. Build our own or inorganically
2. Provide local management or import leadership
3. Provide the right product portfolio for each specific market



Strengthening our market-leading position

While expanding into new markets

Where we are positioned today

 HVAC / Buildings **#1**

 Process Industries **#1**

 Food & Beverage **#1**

 Material Handling **#1**

 Water & Wastewater **#2**

Where we will be growing tomorrow

Continuing our legacy of energy efficiency



Capitalizing on buying trends from in-person to online



Embedding sustainability in all that we do



Driving growth

by continuing our legacy of energy efficiency

Our history of innovation



A better motor was one that used less electricity

Baldor was founded in **1920** to make a better motor



Baldor was federally recognized for progress in efficiency

In **1976** the company earned the FEA's Merit Award for leading the way in improving motor efficiencies



The Super-E® motor was 25 years ahead of the minimum standards

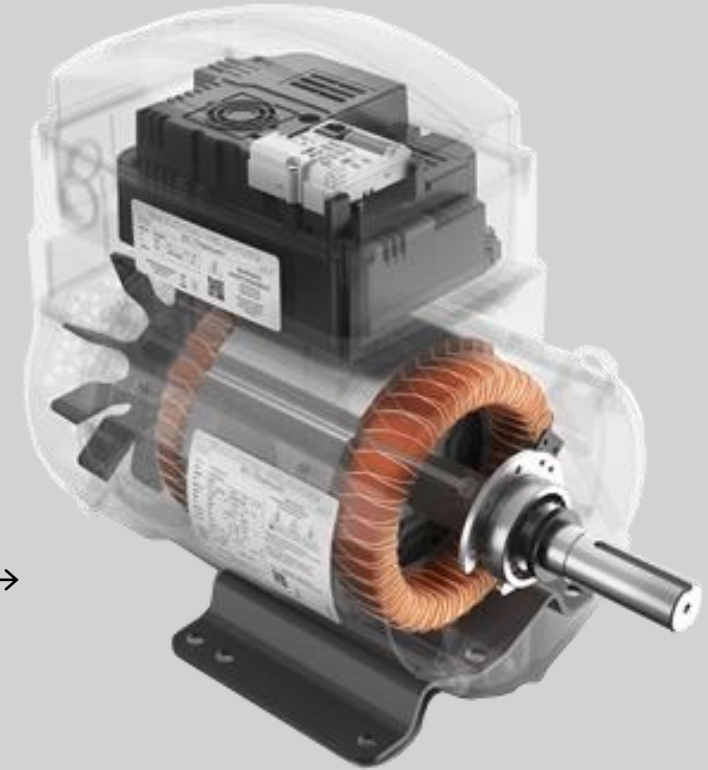
In **1983** the Super-E® line of motors debuted, the most efficient product line in the market



EnergyGuide label

In **2001** the Energy Guide label was introduced to the industrial motor market

Revolutionizing the motor industry. **Again.**



A scenic view of a mountain range. In the foreground, there is a small wooden cabin with a dark roof, situated on a grassy slope. To the left, there are some colorful flags and a small structure. In the background, there are large, rugged mountains with a massive glacier or snowfield. The sky is blue with some clouds.

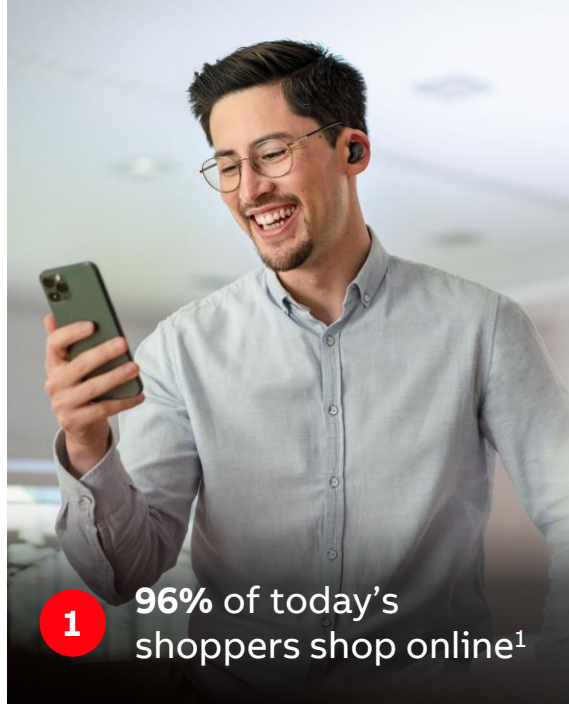
**The most sustainable solution is
the one that doesn't use any
energy at all**

**We can make
a difference.**

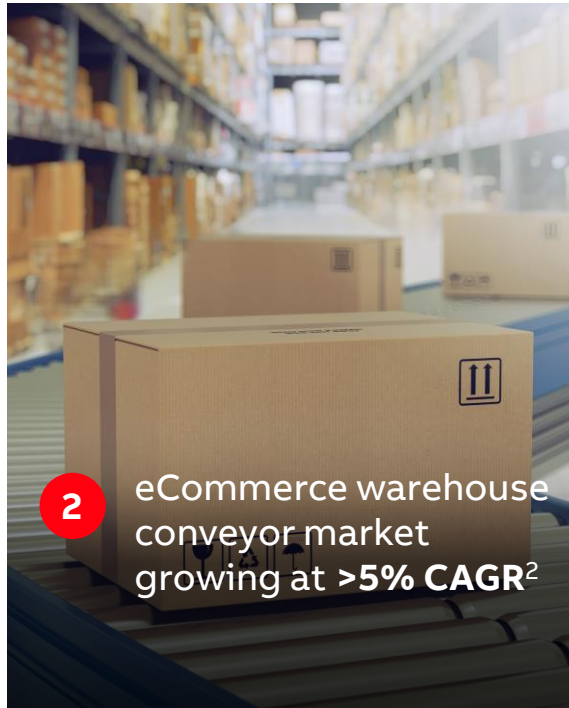
Driving growth

across trends in retail
and social commerce

1 Retail shoppers are moving away from brick-and-mortar stores and making considerably more purchases online



2 This requires global investments in distribution and logistics centers



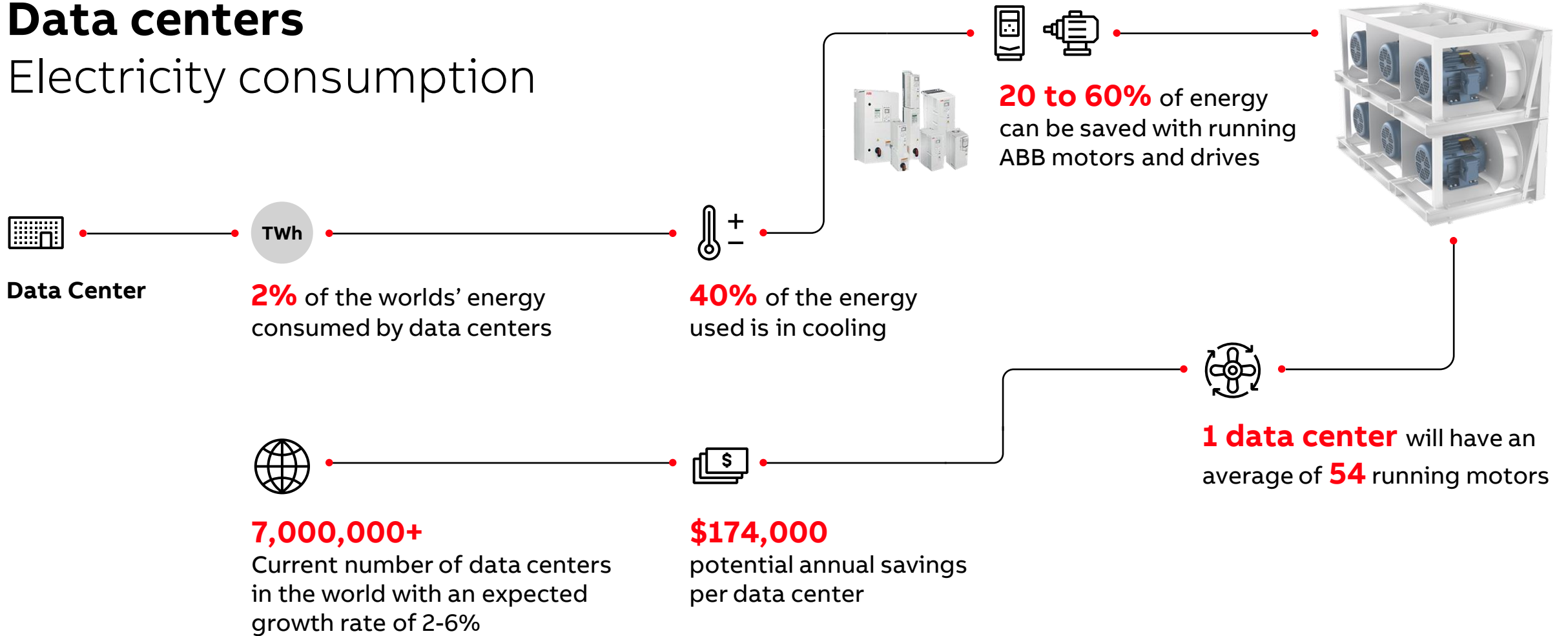
3 As well as data centers to support cloud-based commerce



1. Source: E-commerce Vs. Brick & Mortar – State of Retail, 2021
2. Source: TechTarget – Data center energy consumption, 2022
3. Source: DW Business – Big data centers, 2022

Data centers

Electricity consumption



Potential **savings** of **\$1.2 tn** in **data centers** alone

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Our strategy is clear



45%

Global **electricity** used today to power **electric motors** in **buildings** and industrial applications

2040

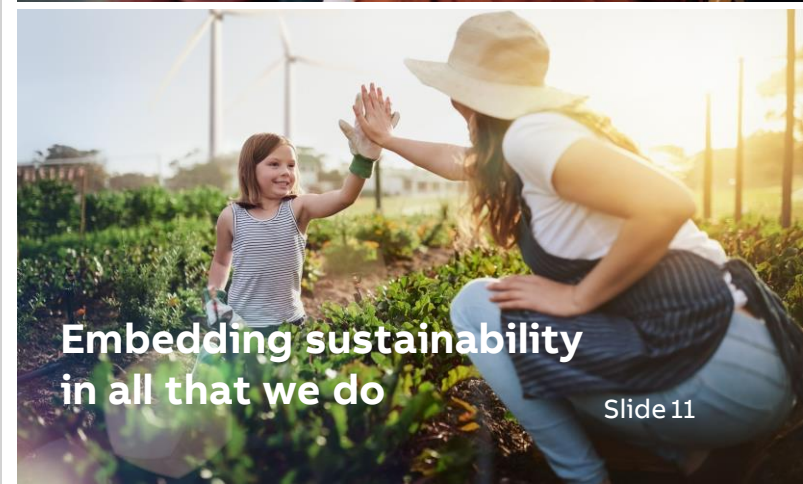
The year by which **electric motors** are expected to double globally



Continuing our legacy of energy efficiency



Capitalizing on buying trends from in-person to online



Embedding sustainability in all that we do



TUOMO HÖYSNIEMI, DIVISION PRESIDENT

Drive Products



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Our business at a glance

The global market leader


Our market

 ~\$10 bn¹

 **#1 globally**
(15% share¹)

1. Source: ARC market report (published 2021);
market share under 200 kW

Our business

 **\$1,250 mn – 1,750 mn**
annual revenues

 **2.8 k**
employees across
major markets

**Our strategic mandate:
profitable growth**



ABB Drives enable a sustainable future

What does an AC drive do?

AC drive regulates power of electric motor to match its speed and torque to all process needs

Why do our customers buy AC drives?

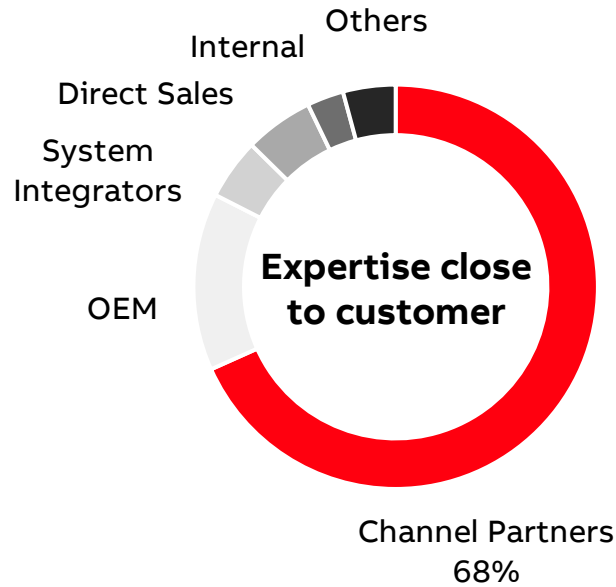
- Saving energy
- Improving process accuracy
- Increase productivity
- Saving resources and costs



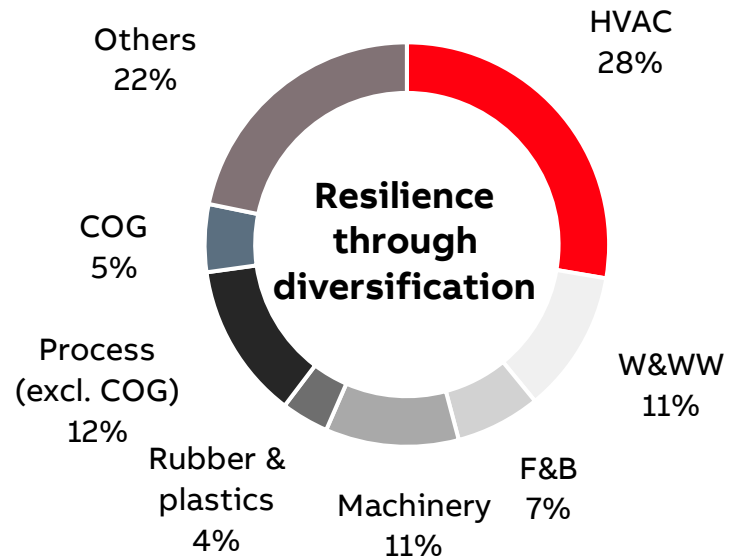
45% of the world's electricity is used to power electric motors in building and industrial applications

An AC drive typically cuts an electric motor's energy consumption by 25%

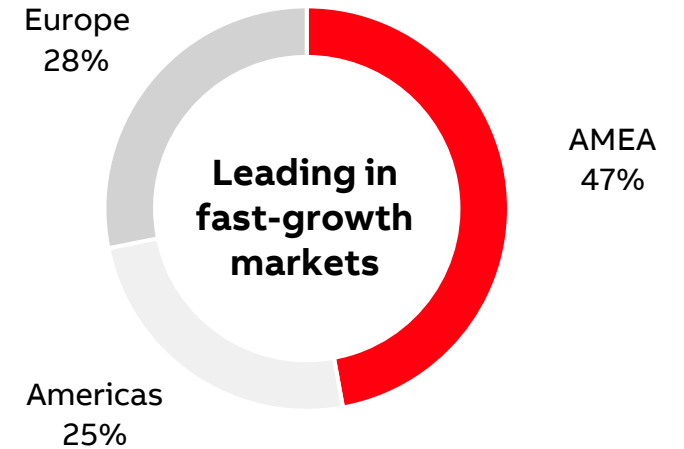
Value-adding channel partner network is our key competitive advantage



1,500+ Channel partners globally



Segment-focused strategy



#1 in China and increasing market share¹

Process (excl COG): Metals, Mining and Minerals, Pulp and Paper, Cement & Mining; COG: Chemicals, Oil, and Gas
 Others: markets with <4% share of revenue mix (e.g. Pharma, Rail, EV Charging, Wind, Solar, Hydro, Conventional power generation)
 All data is presented based on management estimates for last 4 quarters
 1. Source: GongKong report

The most modern platform and advanced offering in the market

Leverage benefits of scale to meet all customer needs



Industrial



General Purpose



Segment-specific
(HVAC, Water)



Machinery & Micro

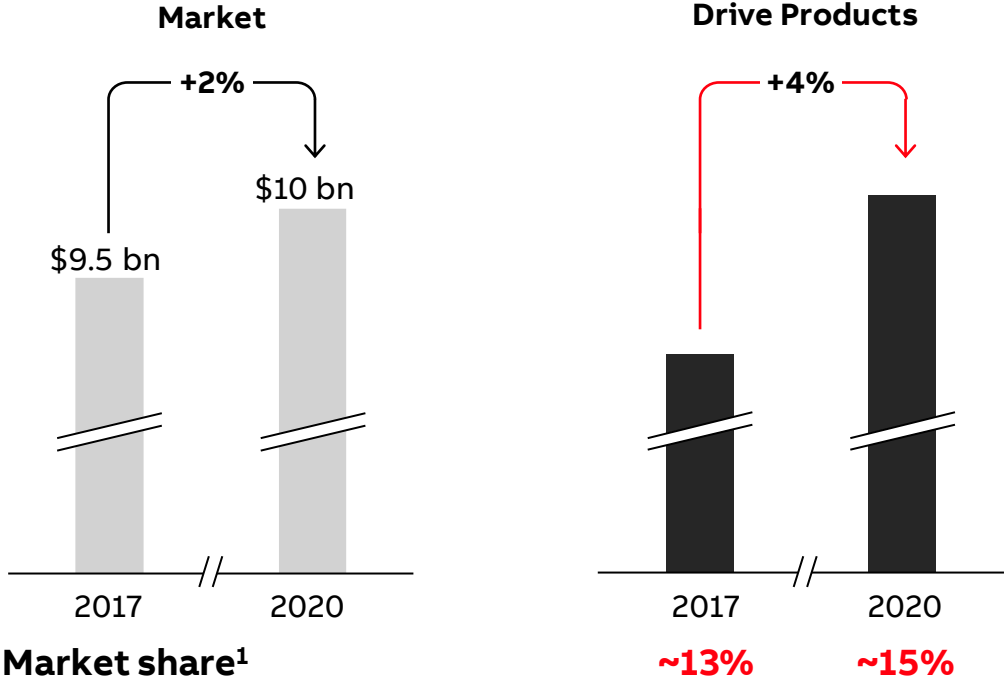


Enabled by digital offering together with Motion Services:
customer value beyond products

All-compatible
Global platforms

Our ambition is to increase share to 16%+ through segment focus

Historical performance vs. market



Market share¹

1. Under 200 kW; source: ARC 2021
 2. Includes HVAC and elevator drives

Key growth opportunities

Selected segments and current position



R&D is the key enabler to continued market leadership

- 30 years as innovation leader in drives
- Industry-leading reliability and quality
- Highly optimized product cost
- Market leader in R&D resources across 6 countries
- Focus future innovation in digital and sustainability
- 60% of R&D resources in software development

 **Global platforms with differentiated hardware and firmware by region and segment**

1. Harmonics are a form of electrical pollution which causes reliability and inefficiency problems for customers

How others solve the problem of harmonics¹



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Global platforms with differentiated hardware and firmware by region and segment

1. Harmonics are a form of electrical pollution which causes reliability and inefficiency problems for customers | 2. Pioneering ultra-low harmonic drive is an advanced technology in 4th generation of development | 3. Based on a 75kW drive comparison

How ABB solves the problem of harmonics¹

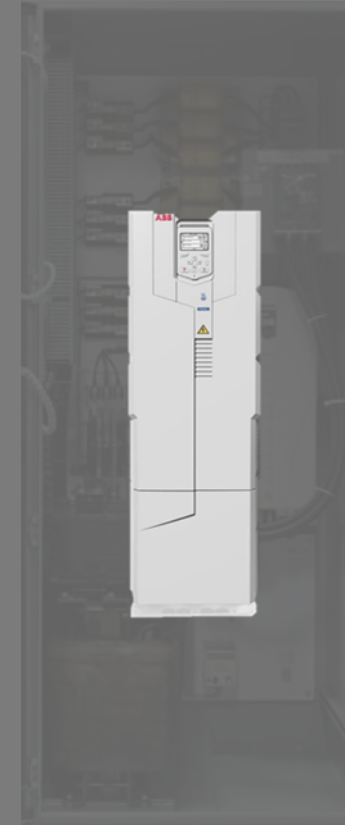


ABB ultra-low harmonic drive²

- 90% less volume & 80% less weight³
- 75% reduction in wiring
- One single compact unit

Note: drawn to scale

Slide 19

Providing peace of mind and supporting sustainability through advanced technology

Lower Burdekin Water, Australia

- 13 irrigation pumps, >1,000 megaliters/day
- Improved efficiency by ~20%, and complied with regulatory requirement on electric harmonics¹...
- ... using ABB's leading technology: ACS880 ultra-low harmonic¹ drives

¹ Harmonics are a form of electrical pollution which causes reliability and inefficiency problems for customers. Pioneering ultra-low harmonic drive is an advanced technology in 4th generation of development



Customer value beyond products

Built-in connectivity with fully digitalized user experience

ABB Access

- Simplified manual at the user's fingertips in seconds
- Same user experience across ABB Motion products

Drivetune app with Mobile Connect

- App connects via Bluetooth panel on drive via mobile phone
- Reduced downtime by immediate online access to remote support

Connected drive with panel

- 1st in market with built-in cellular cloud connection¹
- Enables recurring revenue streams together with Motion Services

1. NB IoT (Narrowband Internet of Things) cellular connection





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**Growth in machinery
segment example:**

Building dedicated OEM
hubs globally to provide
high-value application
expertise close to the
customers

OEM hubs in major markets
providing regional sales support

- Accelerate ABB sales to serial OEMs
- Offer agile and flexible value-adding customization
- Strengthen application support capability

**First three hubs already launched
in 2021 despite COVID-19**

Worldwide coverage by 2023

Delivering profitable growth and increasing market share to 16%+

**A global technology leader
close to customers**

**Driving growth focused on
segments and digitalization**

**Together with partners,
OEMs, and customers**

The future of electric motion is now. Together with ABB motors and drives, we make a difference.



ABB