



Ulrich Spiesshofer, Head of Discrete Automation and Motion, Annual Results, Zurich, Feb 14, 2013

# Discrete Automation and Motion

## Profitable growth in challenging times

# Discrete Automation and Motion

## 3 years on the road – great journey – good momentum

Top line growth	<ul style="list-style-type: none"> <li>Doubled order intake</li> <li>Balanced mix of organic/inorganic growth</li> </ul>
Enhanced profitability	<ul style="list-style-type: none"> <li>Cost out</li> <li>Turnaround robotics</li> <li>Design to cost</li> </ul>
Responsible investments	<ul style="list-style-type: none"> <li>Doubled R&amp;D spend</li> <li>7 M&amp;A deals – solid integration</li> </ul>
Improved productivity	<ul style="list-style-type: none"> <li>SG&amp;A % down despite front-end investments</li> <li>Creating &gt; 4'000 new jobs</li> </ul>
Great team spirit	<ul style="list-style-type: none"> <li>Global and diverse team</li> <li>Internal promotions combined with targeted hires</li> </ul>

	2009	2012	$\Delta$ since 2009
BUSD nominal			
Orders	4.7	9.6	+ 105 %
Revenues	5.4	9.4	+ 74 %
Operational EBITDA	0.8	1.7	+ 124 %
Operational EBITDA %	14.4%	18.4%	+ 4.0 %
Cash flow from operating activities	0.7	1.3	+ 73 %
Employees	17'735	29'290	+ 65 %

# “Together we drive our customers’ productivity and energy efficiency”

Activity highlights		
Discrete automation Build sizeable hub		<ul style="list-style-type: none"><li>▪ Building application-specific offering across portfolio</li><li>▪ Ramp up of combined motion control + PLC business</li></ul>
Industrial motion Sustain and expand leadership		<ul style="list-style-type: none"><li>▪ Integration of Baldor on track – white spot in North America closed</li><li>▪ New IE4 super premium efficiency package</li><li>▪ Growth of mechanical power transmission business</li></ul>
Renewables Top-tier component, package supplier		<ul style="list-style-type: none"><li>▪ Successful expansion of solar inverter business</li><li>▪ Strong focus on wind packages</li></ul>
Power control and quality Expand on strong base		<ul style="list-style-type: none"><li>▪ Combination of existing power quality offering with Newave UPS</li><li>▪ Portfolio expansion, e.g., energy storage</li></ul>
Transport Lead development and penetration		<ul style="list-style-type: none"><li>▪ Solid growth in rail segment</li><li>▪ Leadership in fast EV charging – expansion of offering</li></ul>

# “Together we drive our customers’ productivity and energy efficiency”

## Responsible M&A in line with division strategy

### Discrete automation

Build sizeable hub



### Industrial motion

Sustain and expand leadership



### Renewables

Top-tier component, package supplier



### Power control and quality

Expand on strong base



### Transport

Lead development and penetration



## Acquisitions

- Complete robotics solution offering for press automation



- Strengthen global leadership position in motors
- Increase service presence in Australia



- Entry into the mainstream UPS market



- Gain access to the rail market in North America
- Expanding the rolling stock offering
- Expansion in EV charging infrastructure



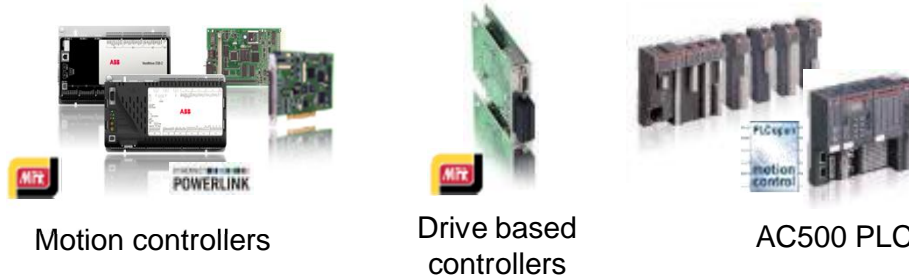


# Discrete automation

## Packaging products for complete solutions in attractive segments



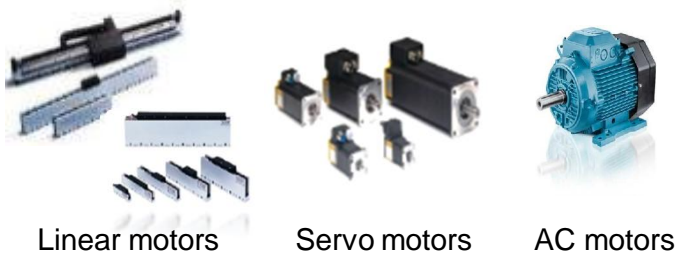
### Controllers



### Drives



### Motors



### Accessories



Food  
and  
Beverage



Automotive



Computing,  
Communication  
and Consumer  
Electronics (3C)

# Industrial motion

## Sustain and expand leadership

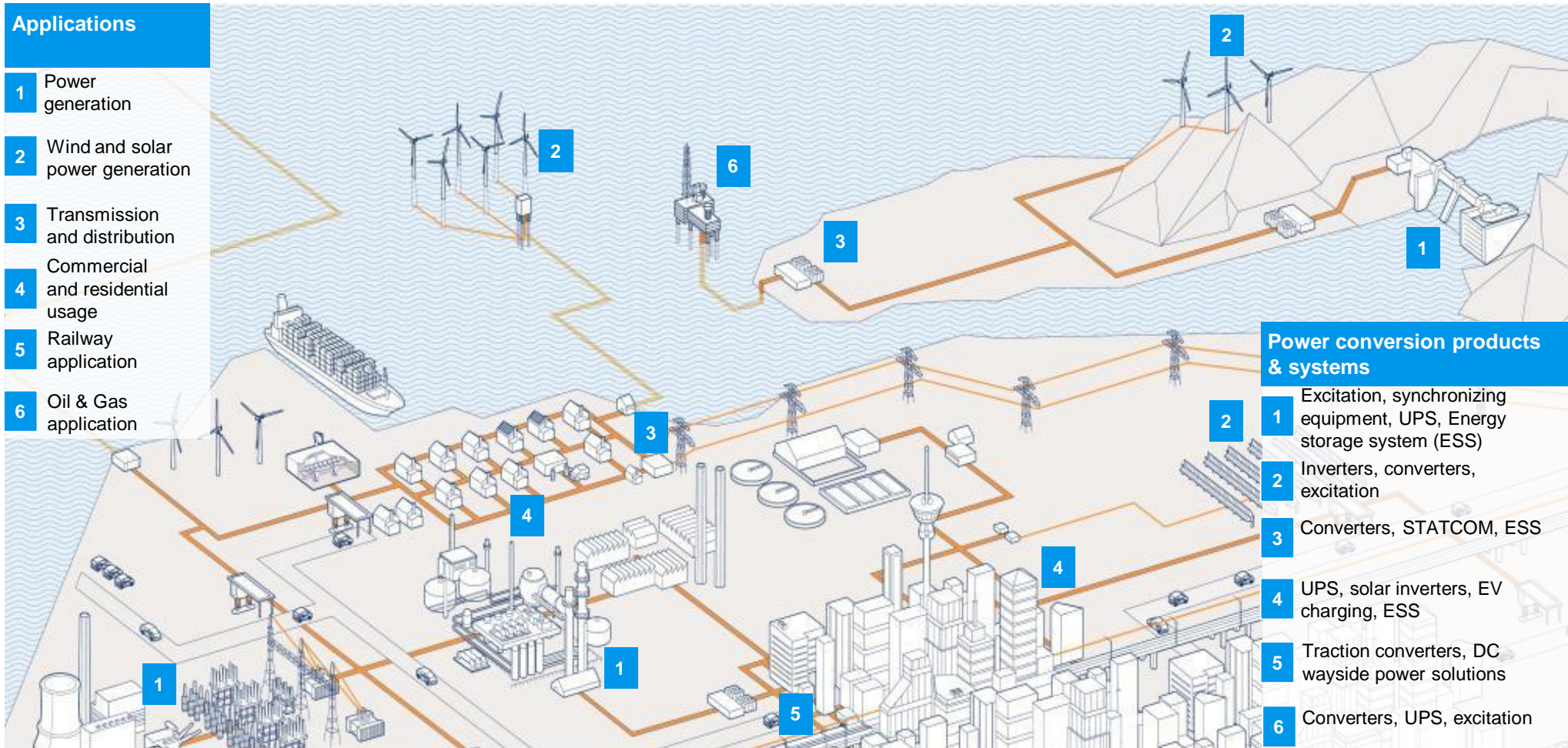
- Unmatched portfolio
- Strong partner for global players
- Leader in energy efficiency
- Innovation and expansion





# New business unit: Power Conversion

## Strong base for expansion power quality, control, renewables and transportation



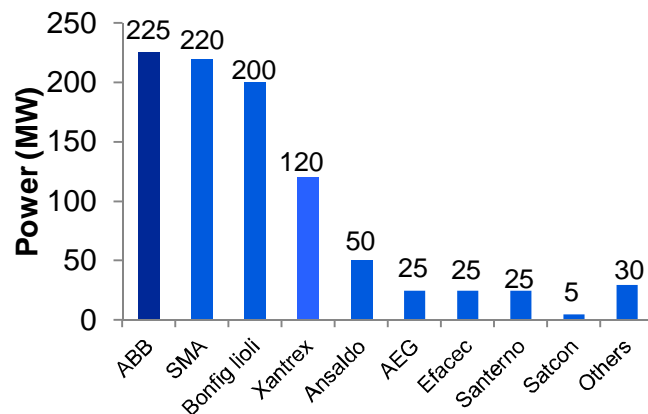
# Renewables

## Start-up solar inverter business with good position in selected markets

- Product development started in 2008, market entry in 2010
- Focus on high power segment leveraging ABB's strengths
- Products delivered to 34 countries
- Industry and utility know-how
- Global reach
- Added service value
- \$100 million run rate



### Competitive landscape India 2012





# Transport

## Lead development and penetration

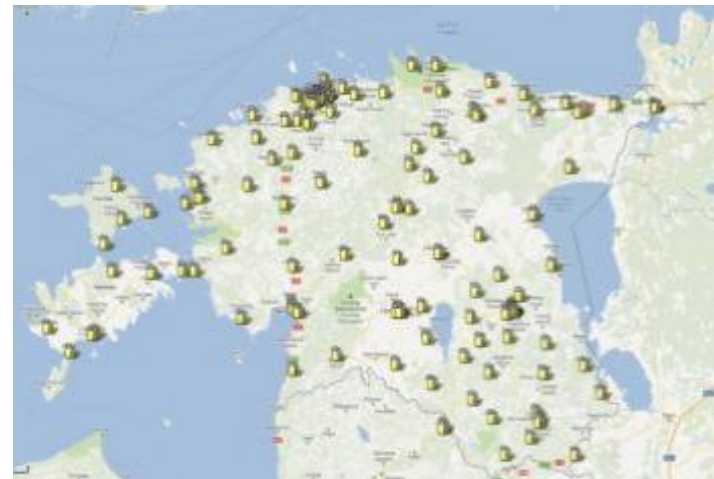
### Rail

- Rolling stock: Growing relationship with key OEM's, e.g. Stadler
- \$39 million order for rectifiers to power the expansion of the Polish railways
- Regenerative energy storage system for Southeastern Pennsylvania Transit Authority



### EV charging

- Successful delivery and roll out of Estonia network
- Successful delivery and roll out of Denmark network
- Expansion of portfolio to support Combined Charging System (CCS)
- ABB's Network Operations Center fully operational



# Service growth

## Helping chocolate maker Lindt & Sprüngli reducing downtimes



*“Lindt’s chocolate making process is a critical business. Any downtime will badly affect production. The ultimate objective of Lindt’s maintenance team is to reduce the risk of unexpected failures and production shutdowns. We wanted the security provided by the best drive support in the market.”*

Andrea Boggio  
Plant Maintenance and Repair Manager

### **Application – Conching / Mixing**

Refining and mixing of chocolate

### **Customer need**

Uninterrupted production

### **ABB’s solution - Focus on asset performance**

- Preventive maintenance
- Drive repair
- Access to field service specialist within 48 hours

# Packages and solutions for customer needs

## Fast growing business opportunities and key differentiators for ABB

### Furniture industry, e.g. Swedwood IKEA



Motors



PLC

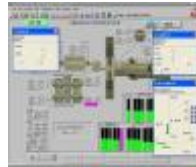


ABB HMI



Robots



Drives

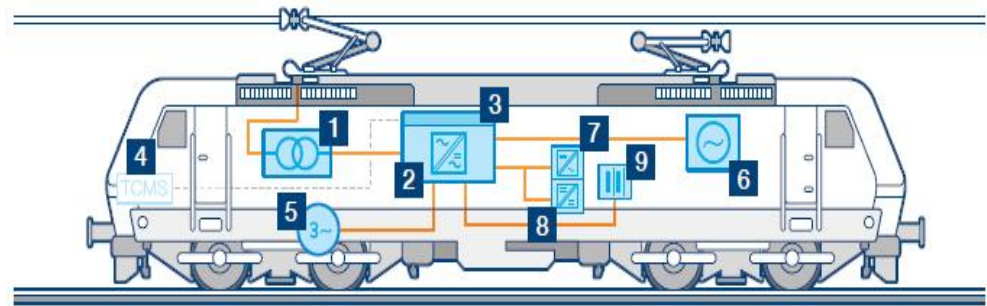


Low voltage products



JOKAB safety

### Rail industry



- 1 Traction transformer
- 2 Traction converter
- 3 Traction control
- 4 Train control and monitoring system
- 5 Traction motor
- 6 Diesel engine generator
- 7 Auxiliary converter
- 8 Battery charger
- 9 Energy storage

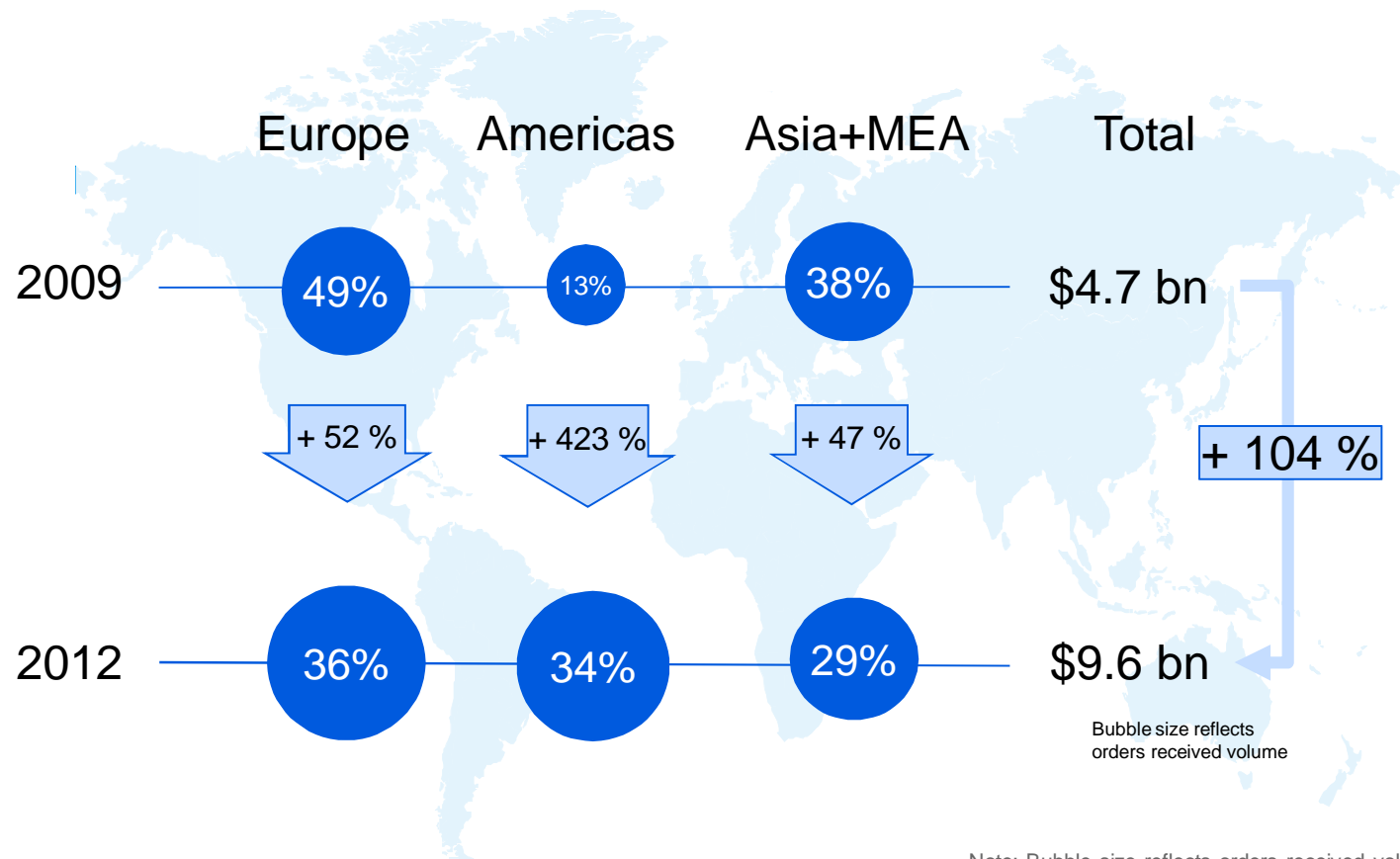


# Globally balanced business

## Ready to continue profitable growth

### Discrete Automation and Motion orders received by region

Growth rates in local currencies US\$ billion



Note: Bubble size reflects orders received volume

# Outlook – what you can expect from us

## Delivering on 2015 strategic targets

### Growth

#### Growth

- Organic
  - Implement our growth strategies
- From new
  - Solar, food & beverage, packaging, etc.
- Through mergers and acquisitions
  - Continued responsible investments in white spots, technologies, capabilities

#### Profitability

- Continued cost take-out
- Design to cost
- Improved productivity across the value chain
- Collaboration
  - Enhanced leverage of common platforms, processes, people

### Cost

Power and productivity  
for a better world™

