



APRIL 2017

Leadership in industrial automation

ABB to acquire B&R (Bernecker + Rainer Industrie-Elektronik Gesellschaft m.b.H.)



Important notices

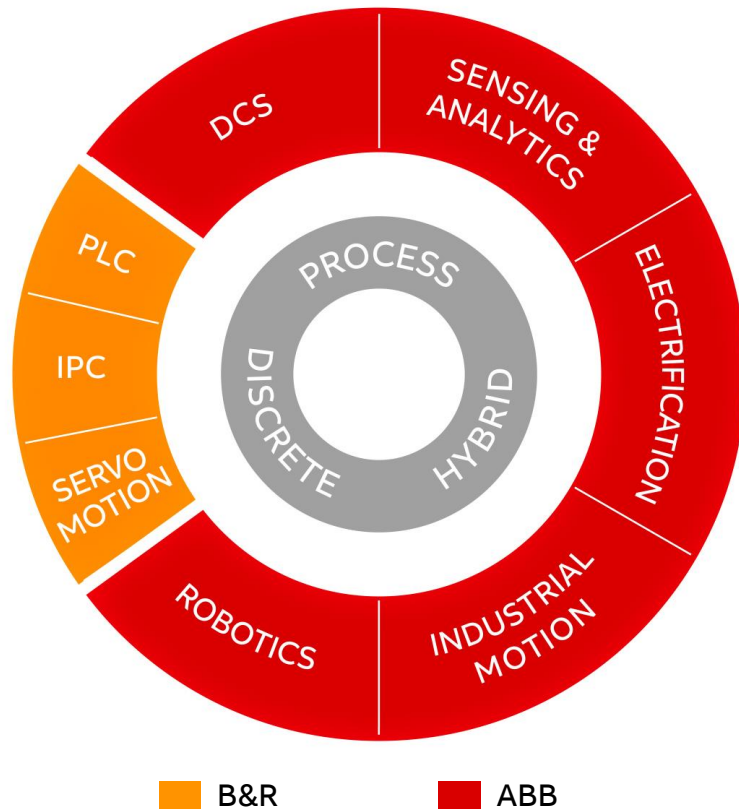
This presentation contains "forward-looking statements" relating to the acquisition of B&R by ABB. Such forward-looking statements are based on current expectations and involve inherent risks and uncertainties, including factors that could delay, divert or change any of them, and could cause actual outcomes and results to differ materially from current expectations. No forward-looking statement can be guaranteed. Among other risks, there can be no guarantee that the acquisition will be completed, or if it is completed, that it will close within the anticipated time period or that the expected benefits of the acquisition will be realized.

Forward-looking statements in the presentation should be evaluated together with the many uncertainties that affect ABB's business, particularly those identified in the cautionary factors discussion in ABB's Annual Report on Form 20-F for the year ended December 31, 2016. ABB undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise.



Leadership in industrial automation

B&R – 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)



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B&R – fast growing innovation leader

“Perfection in Automation” – since 1979

Key facts and figures

Solutions for machine and factory automation

Top 5 in PLC¹ / IPC² / servo motion

~4,000 machine builder / OEM customers

>3 mn automated machines, ~27,000 plant installations

>\$600 mn revenue FY 2015/16

CAGR ~11% since 1995

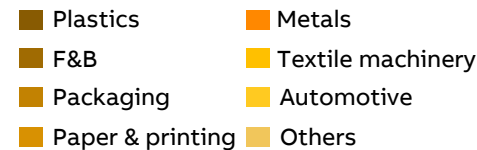
\$75 mn, 12% EBIT FY 2015/16

>3,000 employees³, >500 application engineers

Active in 70 countries

Headquarters: Eggelsberg, Austria

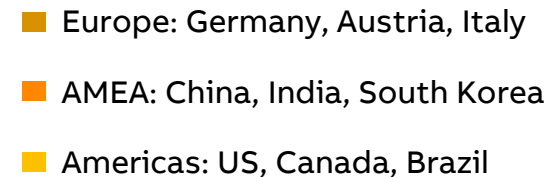
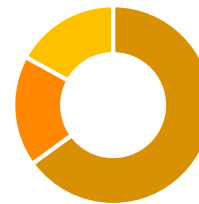
Markets



Products



Geography (top 3 countries per region)



B&R – a leader in machine and factory automation

Integrated product, software and solutions portfolio

SOLUTIONS

SOFTWARE



Application store



Automation Studio



Visualization software

IPC / HMI



IPC (Industrial PC)

PLC



PLC (Programmable Logic Controller)

FIELD DEVICES



I/O modules

SERVO MOTION



Servo drives



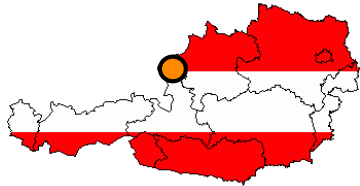
Servo motors



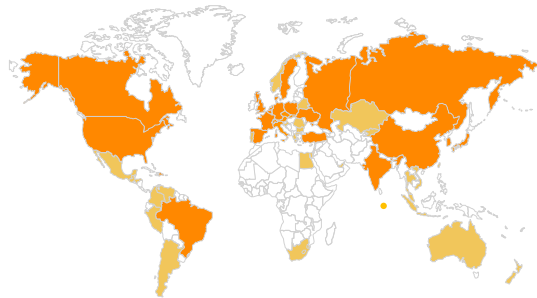
B&Rs history – continuous expansion and innovation

Geographic expansion

Founded in 1979



Today



● Sales offices ● Distributors / partners

Technology highlights

- 1983** Multicontrol PLC
- 1989** Component Industrial PC
- 1992** System 2000 PLC with multitasking
- 1997** Automation Studio software
- 1999** ACOPOS drives & servo motors
- 2002** POWERLINK Open Ethernet protocol
- 2005** X20 PLC & I/O systems
- 2007** OpenSAFETY Fieldbus safety protocol
- 2011** APROL process and factory automation software
- 2014** mapp¹; I/O-Link Industry 4.0 digital OPC modules
- 2016** mappView software



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¹Modular Application Platform

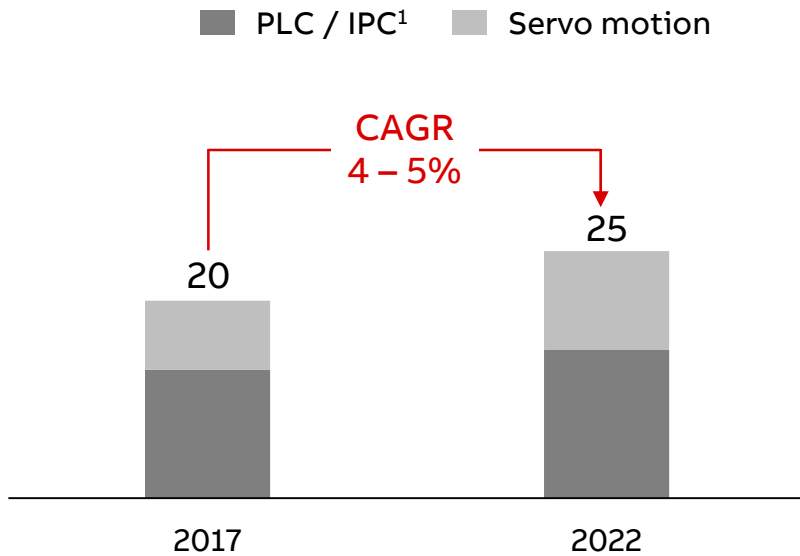


B&R – growth champion in a growing market

Organic CAGR of ~11% since 1995

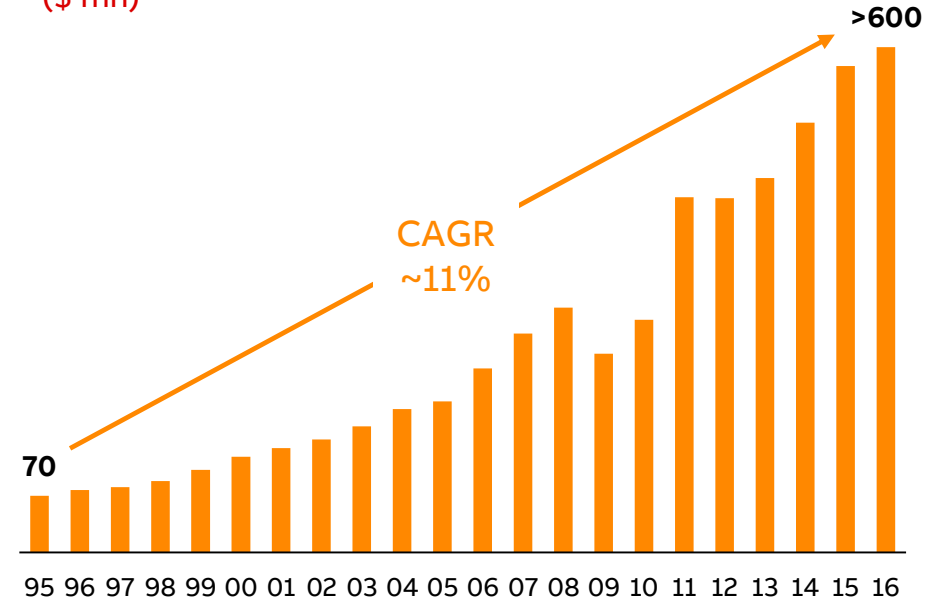
Attractive market segment

(\$ bn)



Attractive top-line growth of B&R

(\$ mn)



Ambition to exceed \$ 1bn mid-term



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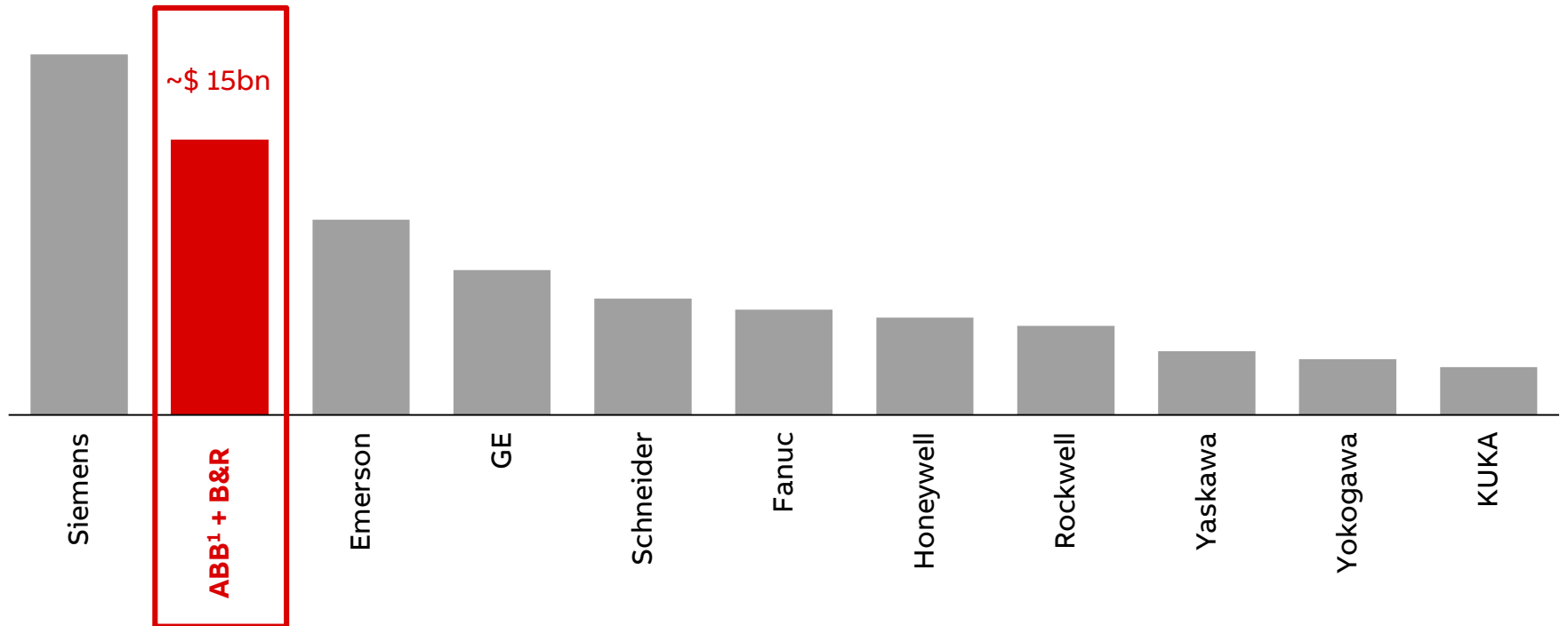
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Source: B&R; Note: B&Rs FY ends June 30; Foreign exchange rate as of March 31, 2017; ¹Incl. I/Os



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

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



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Source: Management estimate, based on revenues, ¹Excl. electrification



B&R and ABB – leadership in industrial automation

Closing the historic gap in machine and factory automation

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



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Note: indicates competitive offering

¹Motors, drives; ²LV, MV and power quality



B&R and ABB – jointly driving a quantum leap in digital

Customer value through sector expertise and end-to-end digital solutions

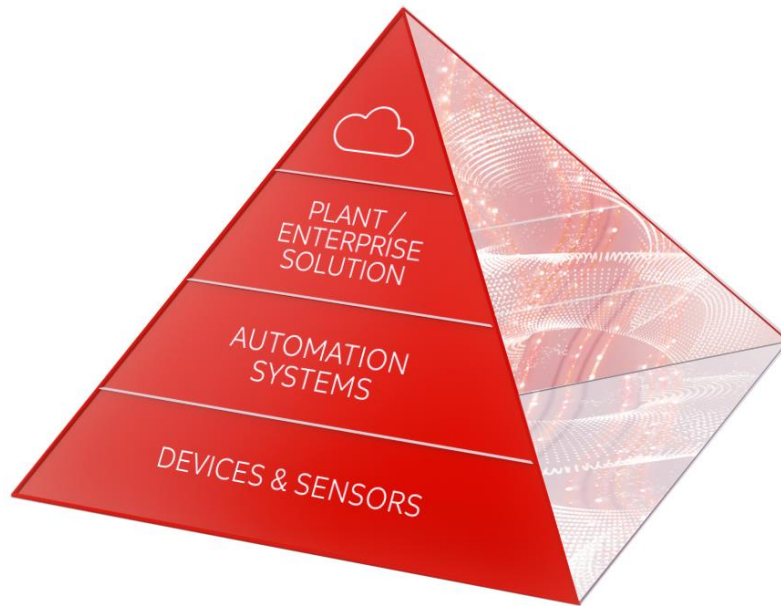
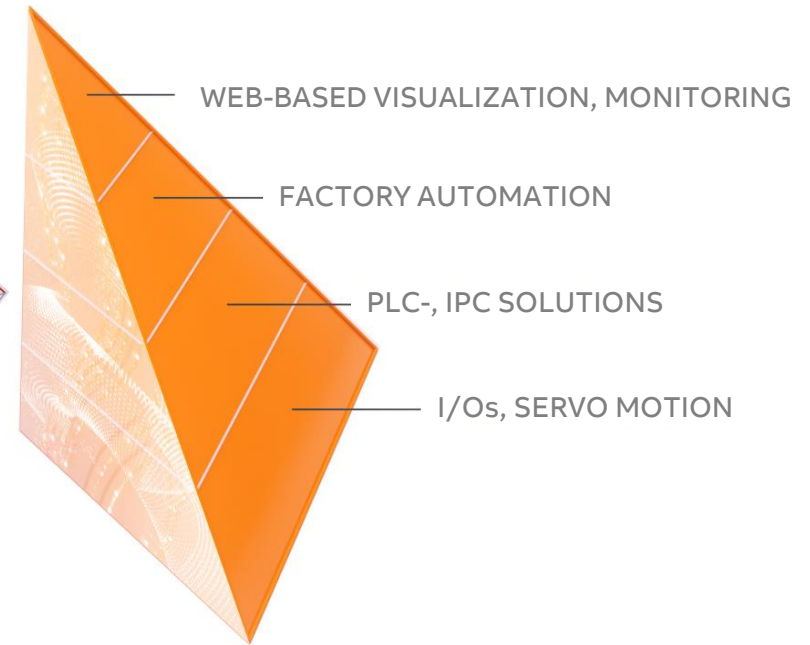


ABB Ability™

Digital end-to-end solutions



B&R

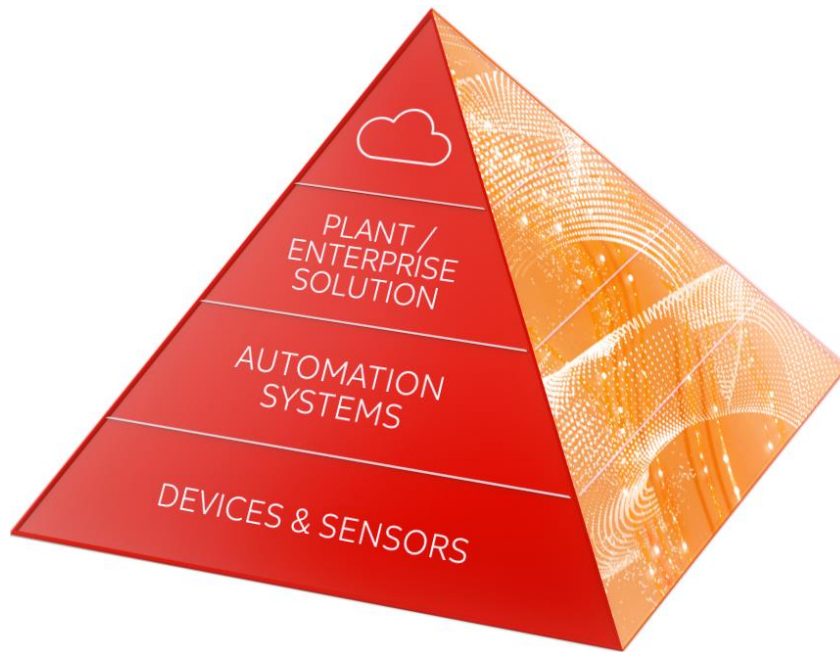
IoT solutions for
machine and factory automation



B&R and ABB – jointly driving a quantum leap in digital

Open architecture and large installed base

ABB Ability™



>6,000 solutions installed

>70,000 systems installed

70,000,000 digitally enabled devices connected

~4,000 machine builder / OEM customers

>3 mn automated machines

~27,000 plant installations

Strong expertise in machine and factory automation



B&R and ABB – integrating for growth

A new business unit within Industrial Automation division

- ▶ Creating global business unit “Machine & Factory Automation”
- ▶ Global responsibility for PLC / IPC / servo motion-based solutions
- ▶ ABB’s PLC and servo drives activities to be merged into new business unit
- ▶ Continuity of B&R’ management assured
- ▶ Owners support company during integration as advisors



B&R and ABB – leadership in industrial automation

10 core principles of the combination

Character of the acquisition

- 1 A friendly combination
- 2 Combining two trusting partners with complementary strengths

Joint objectives

- 3 Shaping a global leader in industrial automation
- 4 Accelerating the growth momentum
- 5 Fostering innovation leadership as common value

Integration cornerstones

- 6 Building on B&R's successful brand, business model & expertise
- 7 Retaining B&R's management and employees, founders act as advisors
- 8 B&R as ABB's global center for machine and factory automation¹
- 9 "Best-of-both-worlds" integration
- 10 Proven integration process

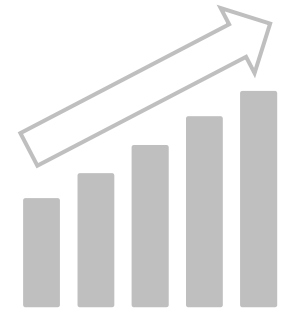


B&R and ABB – significant synergy potential

Synergy impact: >8% of stand-alone revenue in year 4¹

Growth

- Enhanced market coverage
- Broader solution scope for customers
- End-to-end digital offering
- Combined innovation power



Costs

- Scale in supply chain management
- Global G&A platform
- Reverse integration of ABB's PLC and servo drive activities



B&R and ABB – financial insights

Compelling financial structure of the deal

>\$600 mn sales¹
~11% CAGR²
\$75 mn EBIT (12%¹)

IRR above target rate

Operational EPS
accretive in year 1

Deal multiple in line
with peer valuations

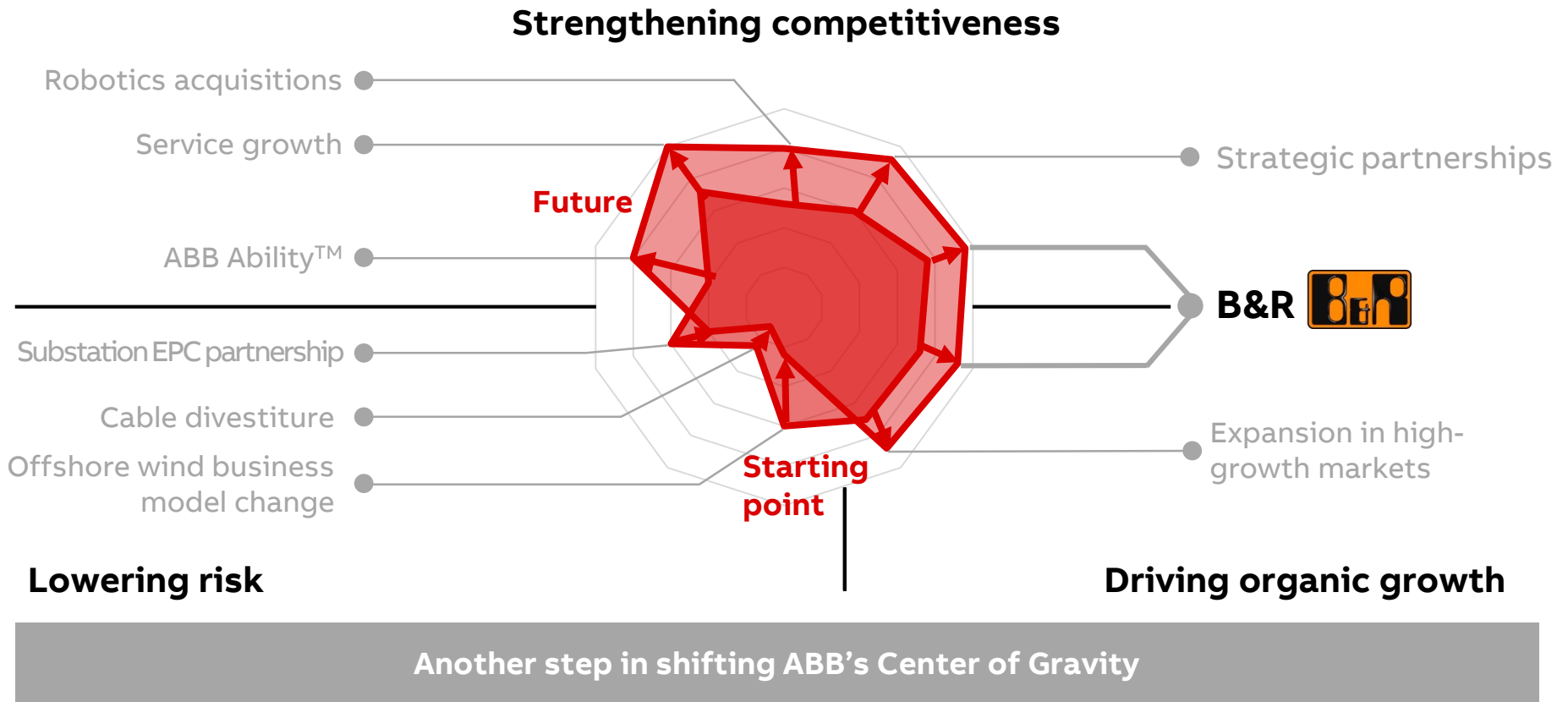
Funded with cash
Retain “A” credit rating

Expected closing
summer 2017

Following seller’s request, purchase price will not be disclosed



B&R and ABB – milestone of Next Level Strategy

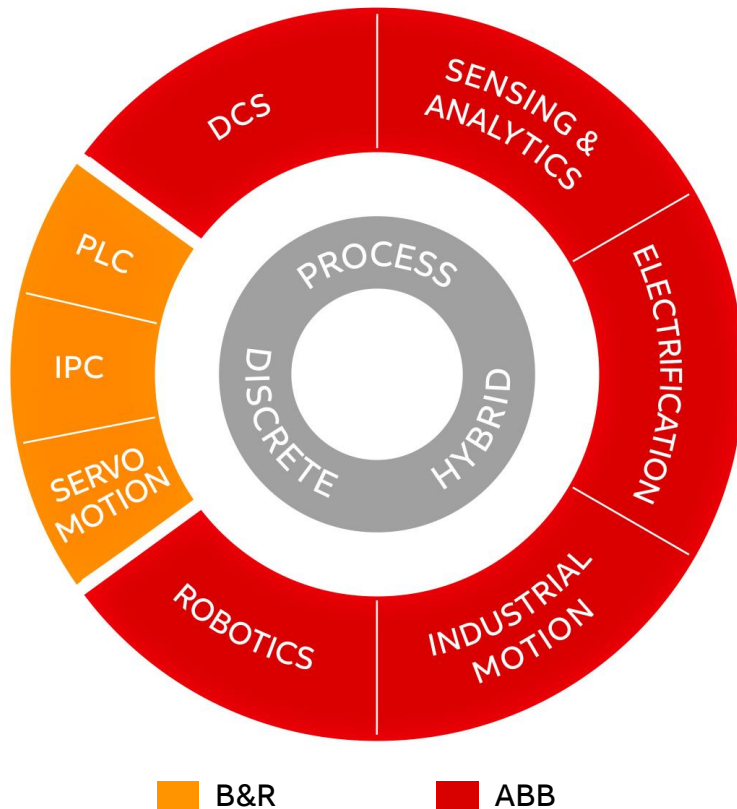


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