NEW BERLIN (WI), UNITED STATES, NOVEMBER 18, 2025

# ABB Capital Markets Day 2025

- New structure's clear focus on electrification and automation reflected with three business areas building on shared sales and technology opportunities
- Upgraded Operational EBITA margin target to 18-22 percent with newly introduced targets per business area; ROCE target raised to >20 percent
- Organic and acquired revenue growth targets confirmed; continued focus on bolt-on deals can be complemented by larger transactions; free cash flow conversion to net income target updated to >95 percent to reflect expected strong growth
- Future progress fueled by positioning at the heart of key megatrends and ongoing focus on productivity and efficiency, driven by ABB Way further deployed in the organization

ABB is hosting its Capital Markets Day today at its state-of-the art Motion campus in New Berlin (WI), United States. At the event, CEO Morten Wierod, CFO Timo Ihamuotila, as well as the Presidents of ABB's three business areas will give an update on achievements so far and on the forward journey, including how ABB helps customers benefit from the increasing role of electricity, energy efficiency and security, decarbonization of industry and advance automation for smarter, more efficient operations.

Morten Wierod said: "ABB is well positioned at the center of robust markets helping our customers optimize, electrify and decarbonize across the power, industry, transport and building segments. These structurally growing end markets with long term secular drivers are underpinning our organic growth ambition.

"We have delivered on our promises and turned ABB into a high performing company. We have achieved this through a sharp focus on our ABB Way decentralized operating model, active portfolio management and strong market exposure. That said, I am very confident we can do even better as we build on the ABB Way and our leadership positions in electrification and automation: The best is yet to come for ABB."

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**Updated financial targets: Higher margin and ROCE ambitions**

ABB has reached new all-time highs for operational performance (based on Q3 2025 LTM*). Against this backdrop, the company is updating its financial targets based on its new structure with three business areas and excluding its to be divested Robotics division.

The company's comparable revenue growth target of 5-7 percent and the ambition to add 1-2 percent of revenues in acquired growth are confirmed, both as the average through the economic cycle. Bolt-on acquisitions will be further embedded as part of the ABB Way performance culture with a focus on small to mid-size deals on a continuous basis while larger deals would come on top of the normal deal flow. Strategic fit and value creation remain at the core of inorganic growth ambitions as all transactions need to be in line with the company's purpose and its operating model, support its growth and profitability ambitions, while allowing ABB to maintain a strong investment grade rating.

At the same time, ABB is increasing the target range for its annual Operational EBITA margin to 18-22 percent (from 16-19 percent) since all business areas are now operating on sustainably higher levels of profitability than in the past. ABB is also introducing specific Operational EBITA margin target ranges for its business areas of Electrification (22-26 percent), Motion (18-22 percent) and Automation (14-18 percent, previously Process Automation business area). The company's objective for basic EPS growth through the economic cycle of at least high single-digit remains unchanged.

In addition, ABB's annual ROCE target is being upgraded to >20 percent (>18 percent previously) and ABB is now aiming for >95 percent free cash flow conversion to net income (~100 percent previously) to reflect the expected strong growth.

Sustainability will continue to be at the heart of ABB and its technologies to support the decarbonization of industries, with the company making good progress towards its targets. ABB's sustainability agenda and the targets remain unchanged and are fully embedded at division level. Together with financial targets they are integrated into the long-term planning and commitment process.

**Committed to a strong investment grade rating**

Timo Ihamuotila said: "Our upgraded financial targets are driven bottom-up with commitment from our business leaders to drive growth and continuous improvements based on our strategic mandates of stability, profitability and growth that we have now embedded even further into our organization. To me, the strong gross margin improvement over the last years is a testament to the high-quality company ABB is today. But we will not stop here: we will remain laser-focused on investing where it matters and on gross profit productivity."

ABB reiterates its capital allocation principles: The company will continue to prioritize organic investments. This includes investments in R&D aiming towards 4.5 to 5.0 percent of revenues, including pursuing its embedded software strategy by combining hardware with software to add value for customers; as well as maintaining a high Capex spend to remain a market leader based on its established local-for-local strategy. Additionally, ABB aims at paying a rising sustainable dividend per share over time; executing value-creating acquisitions; and when applicable returning additional cash to shareholders through share buybacks.

**Well positioned at the heart of key mega trends**

With its reshaped portfolio following the announced divestment of its Robotics division, ABB will offer a stand-out value proposition of its combined electrification and automation portfolio based on three business areas that build on shared sales and technology opportunities. The company has a diverse footprint with all sectors in which it operates expected to require electrification and automation technologies.

The world requires electricity expansion, efficiency, and transition to meet rising power demand and support a sustainable future. The expansion of electricity and grid upgrades are key to energy resilience and ensure that the world has enough power available for growing populations and industries. Energy efficiency helps optimize the use of electricity already accessible as well as reducing waste and costs.

The energy transition enables energy systems to shift towards cleaner, renewable sources to address climate change.  Increased automation of industries, transport and infrastructure will allow ABB to build on its leadership positions delivering end-to-end integration across key segments to enable more productive, efficient and sustainable operations.

**Note to editors:** The Capital Markets Day can be followed live on the ABB Investor Relations website from 9am CST / 4pm CET today via the following link: https://capitalmarketsday.abb.com/

*LTM: Last twelve months

**ABB** is a global technology leader in electrification and automation, enabling a more sustainable and resource-efficient future. By connecting its engineering and digitalization expertise, ABB helps industries run at high performance, while becoming more efficient, productive and sustainable so they outperform. At ABB, we call this 'Engineered to Outrun'. The company has over 140 years of history and around 110,000 employees worldwide. ABB's shares are listed on the SIX Swiss Exchange (ABBN) and Nasdaq Stockholm (ABB). www.abb.com

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