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ZURICH, SWITZERLAND, JULY 16, 2026

ABB expands automation offering with acquisition of Rotork

- Recommended all-cash offer at 503 pence per Rotork share; strategic transaction aligned with ABB's purpose centred around electrification and automation
- Highly attractive business with a leading product portfolio and excellent customer track record, delivering attractive growth and margins
- Rotork's mission-critical flow control and instrumentation solutions highly complementary to ABB's existing automation portfolio
- Rotork expected to add 3% to ABB's revenues with immediate accretion to Operational EBITA margin
- Redeployment of net cash proceeds from Robotics divestment with further headroom for M&A and continuation of share buybacks

Ad hoc Announcement pursuant to Art. 53 Listing Rules of SIX Swiss Exchange

ABB Ltd ("ABB") announces that it has agreed with Rotork plc ("Rotork"), a well-established global provider of mission-critical intelligent flow control solutions and a leading independent manufacturer of electric actuators, the terms of a recommended cash offer for the entire issued and to be issued share capital of Rotork. The transaction is expected to further strengthen ABB's focus on electrification and automation and expand its Automation business area's offering for large and complex infrastructure and industries.

Under the terms of the offer, each Rotork shareholder would be entitled to receive 503 pence in cash per Rotork share, representing a premium of around 60% to Rotork's latest 3-month average share price. The transaction implies an enterprise value of around \$5.5 billion, reflecting an EV/Sales (2025 actual) multiple of around 5.3 as well as an EV/EBITDA (2025 actual) multiple of around 19.5x with the latter reducing towards the 'mid teens' level when accounting for anticipated synergies.

Rotork shareholders will also be entitled to receive an interim dividend for the period to June 30, 2026 of up to 3 pence per Rotork share (the "Permitted Dividend") without any reduction to the offer value.

Compelling strategic fit

Rotork's business with well-established positions in mission-critical flow control and instrumentation is highly complementary to ABB's existing automation portfolio and will

strengthen ABB's position at the field-device layer. ABB would benefit from an expanded automation offering, enhancing the "sense-control-act" automation loop with intelligent field devices and software that continuously monitors and manages industrial processes for safer, more productive, and sustainable operations. The mix of ABB's Automation business would be improved through increased exposure to higher-margin products, services, and lifecycle revenues.

Through this proposed combination, Rotork would be able to benefit from ABB's global scale, market reach, service presence, and digital and technology capabilities. This will facilitate accelerated growth in core and target segments with a further opportunity to expand the installed-base service model bringing additional lifecycle opportunities. The combination will allow Rotork to accelerate the development of intelligent device diagnostics and asset management solutions with ABB's digital platforms. Additionally, Rotork would be able to leverage ABB's trusted customer relationships and earlier project engagement to support participation in larger and more strategic projects, thereby accelerating penetration of new customers, applications, and geographies.

Upon closing Rotork is expected to operate as a separate division under a strategic growth mandate within ABB's Automation business area. This approach is in line with the ABB Way decentralized operating model that emphasizes accountability, transparency, and speed in decision-making and execution, built on the principle that operating decisions are best made within the divisions and close to customers.

Rotork recorded 8% average annual organic revenue growth in 2022 to 2025 serving segments including oil & gas, chemical, process and industrial, including data centers, as well as water and power. With 2025 revenues of around \$1 billion and 2025 adjusted operating profit margin of 24.6%, Rotork is expected to add around 3% in revenues to ABB and be immediately accretive to ABB's Operational EBITA margin. As part of ABB's Automation business area, Rotork is also expected to add around 12% to the business area's revenues, supporting its growth ambitions, and be immediately accretive to the business area's Operational EBITA margin.

Morten Wierod, CEO of ABB said: "ABB has followed Rotork over many years, and we admire the execution excellence, engineering quality, and customer trust that Rotork's teams deliver each day. We are convinced of the compelling strategic fit of the transaction that will expand our automation offering at the field device layer generating significant value for customers, employees, and shareholders of both companies. As part of ABB, Rotork is expected to accelerate its growth and value creation while preserving its entrepreneurial spirit and customer proximity that makes this business so successful. With our strong balance sheet ABB has room for additional M&A and execution of its announced share buyback program."

Dorothy Thompson, Chair of Rotork added: "The Board believes that the offer from ABB reflects the high quality of Rotork and recognises the significant progress delivered through the successful implementation of our Growth+ strategy, whilst providing an attractive opportunity for Rotork shareholders to accelerate the value creation of the Company's strong future prospects, in cash at closing. The combination brings together two companies whose purposes are closely aligned, with a shared focus on automation and electrification to enable more sustainable and efficient operations. The Board also believes that ABB's decentralised operating model and commitment to run Rotork as a separate division will benefit the Group's business, employees and wider stakeholders. As a result, the Board has unanimously agreed to recommend the offer to Rotork shareholders."

Commitment to Rotork's UK footprint

The UK is an important market for ABB, with over 1,700 employees. ABB recognizes Rotork's role as a UK engineering employer and contributor to the UK's industrial base. Its intention is to support continuity of leadership and to work closely with Rotork's management team following completion,

enabling a seamless integration. ABB has no current plans to significantly change Rotork's presence in the UK which is expected to remain an important manufacturing and technology base for Rotork.

Financing of the offer

ABB's capital allocation framework includes pursuing value-accretive acquisitions, and the company will finance the transaction through existing cash resources (approximately \$5.8 billion cash and marketable securities as of June 30, 2026) as well as committed bank facilities. In addition, the signed divestment of ABB's Robotics business to SoftBank is expected to deliver approximately \$4.8 billion of net cash proceeds at closing targeted for the second half of 2026, further strengthening ABB's liquidity.

Timing and approvals

The transaction will be implemented by way of a court-sanctioned scheme of arrangement under the U.K. Companies Act 2006. Rotork's board of directors has unanimously approved the transaction and intends to recommend to its shareholders to vote in favor of the transaction at its upcoming shareholders meeting.

The transaction is expected to close in the first half of 2027 and is subject to Rotork's shareholder vote and customary regulatory approvals.

Barclays acted as sole financial advisor and Freshfields as legal advisor to ABB.

The full terms and conditions of the acquisition are set out in ABB's announcement of a firm intention to make an offer for Rotork in accordance with Rule 2.7 of the Takeover Code (the "Rule 2.7 Announcement"), available at <https://new.abb.com/rotorkoffer>

This information is information that ABB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 06.40am CET on July 16, 2026.

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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