Q1 2021 results
Strong start to the year
Important notices

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” or similar expressions.

There are numerous risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this presentation and which could affect our ability to achieve any or all of our stated targets. The important factors that could cause such differences include, among others:

- 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, and
- such other factors as may be discussed from time to time in ABB Ltd’s filings with the US Securities and Exchange Commission, including its Annual Reports on Form 20-F.

Although ABB Ltd believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

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.
Q1 2021 highlights

01. **Strong growth** in revenues with three BAs noting increases\(^1\)

High first quarter Op. EBITA margin with all BA margins increasing >100 bps

Strong profit growth translating into **stellar Q1 cash performance**

02. **New E-mobility division** created in Electrification

**Energy Efficiency Movement** campaign commenced in Motion

**Management change** at the head of Measurement & Analytics division

Commercial launch of GoFa™ and SWIFTI™ cobot families by Robotics division

03. **Dividend** of CHF 0.80 per share approved by shareholders at 2021 AGM

Initial **share buyback program** for $3.5 bn completed, new share buyback program for up to $4.3 bn launched

**#1 Swiss patents** with the European Patent Office in 2020

Part of Clarivate Top 100 Global Innovator as well as Corporate Knights Global 100 lists

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1. YoY comparable. BA = Business Area.
Demand driven by strong short-cycle business

Notable orders developments
(comparable % YoY, unless otherwise indicated)

- **Short-cycle**
  Up double-digit with positive development in most customer segments

- **Services**
  Down mid-single digit with services down in all BAs except RA

- **Discrete**
  Broad-based steep order growth outside of auto OEM

- **Process**
  Strong customer activity in chemicals and water & wastewater; decline in oil & gas

- **Transport & infrastructure**
  Strong in buildings, renewables, data centers and e-mobility; decline in marine segment, but improvement in ports

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1. YoY comparable.

Note: $ millions reported orders and revenues are impacted by foreign exchange and changes in the business portfolio. RA = Robotics & Discrete Automation.
China is the main growth engine in Q1
Q1 2021 regional, country orders

**China**: +24%
- EL growth steep, MO and RA very strong; PA stable when excluding large orders

**India**: +2%

**Australia**: +1%

**Canada**: +2%

**Mexico**: +45%

**Europe**: +3%
- Germany: +3%
  - EL, MO and PA very strong; RA lower due to tough large order comp
- Italy: +9%
- Switzerland: +114%

**Americas**: 0%
- USA: -2%
  - EL and MO solid; PA and RA strong decline
- Canada: +2%
- Mexico: +45%

**AMEA**: +2%
- China: +24%
  - EL growth steep, MO and RA very strong; PA stable when excluding large orders
- India: +2%
- Australia: +1%
Volumes and productivity gains support margins

Profitability drivers (comparable % YoY, unless otherwise indicated)

Gross margins
+220 bps, three out of four BAs noted positive development

SG&A expenses
-4%¹, declining from 20.1% to 18.3% in % of revenues

R&D expenses
+6%¹, increasing in all BAs

Corporate and Other Operational EBITA
-$101 mn, +$14 mn YoY

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1. Constant currency. 2. EPS growth rates are computed using unrounded amounts.
Strong operating leverage
Q1 2021 Electrification

Orders $3,531 mn
Improved demand in buildings segment, residential outpacing non-residential
Data centers, food & beverage, rail and e-mobility strong
Oil & gas muted but signs of service business pick-up
Backlog $4.7 bn (prior Q-end $4.4 bn)

Revenues $3,140 mn
Strong book-and-bill business
Customer stock-building likely due to supply chain concerns and announced price increases
Book-to-bill 1.12x

Operational EBITA $511 mn, +61% YoY
Margin +480 bps YoY
Strong volume at high contribution margin
Stringent cost control, continued support from low discretionary spend
Benefitting from recent pricing actions, as commodity headwinds are not yet materializing
**Continued strong performance**

**Q1 2021 Motion**

**Orders $1,917 mn**
- Tough large orders comparison in rail and water
- Stellar short-cycle products business
- Strong customer activity in all segments outside of oil & gas
- Backlog $3.4 bn (prior Q-end $3.3 bn)

**Revenues $1,667 mn**
- Strong book-and-bill business
- Limited stock-building likely due to indicated price increases
- Book-to-bill 1.15x

**Operational EBITA $289 mn, +26% YoY**
- Margin +180 bps YoY
- Additional volume at high contribution margin
- Divisional mix supportive
- Good cost mitigation, continued benefit from low discretionary spend, commodity headwinds not yet materializing
Stabilizing markets and impact from cost initiatives
Q1 2021 Process Automation

**Orders $1,656 mn**
Select improvement in ports, pulp & paper, chemicals, water and wastewater
Marine with steep decline, particularly cruise
Service orders decline mid-single digit
Backlog $5.9 bn (prior Q-end $5.8 bn)

**Revenues $1,407 mn**
Driven by backlog execution, book-and-bill sluggish
Service revenues decline double digit
Book-to-bill 1.18x

**Operational EBITA $155 mn, +8% YoY**
Margin +130 bps YoY
Improving operational execution and impact from cost initiatives coming through
Management change in Measurement & Analytics
Orders $841 mn
Strong demand from machine builders, partially supported by inventory build-up
Double digit growth in most Robotics segments, offset by orders selectivity impact and soft auto market
Backlog $1.4 bn (prior Q-end $1.4 bn)

Revenues $853 mn
Strong backlog execution – reduced backlog in low margin turnkey auto system business
Some customer stock-building in Machine Automation division
Book-to-bill 0.99x

Operational EBITA $105 mn, +78% YoY
Margin +360 bps YoY
Positive mix within service business outweighs low margin backlog revenues from Robotics’ automotive segment
Strong margin improvement in both divisions
## Revenues and Operational EBITA bridge

<table>
<thead>
<tr>
<th></th>
<th>Q1 2020</th>
<th>Δ Comparable (core)</th>
<th>Δ Non-core business</th>
<th>Δ Acquisitions/divestments</th>
<th>Δ FX</th>
<th>Q1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>6,216</td>
<td>470</td>
<td>-14</td>
<td>-74</td>
<td>304</td>
<td>6,901</td>
</tr>
<tr>
<td>Operational EBITA</td>
<td>636</td>
<td>264</td>
<td>-10</td>
<td>18</td>
<td>51</td>
<td>959</td>
</tr>
<tr>
<td>Op. EBITA margin (%)</td>
<td>10.2</td>
<td>+3.2</td>
<td>-0.1</td>
<td>+0.4</td>
<td>+0.1</td>
<td>13.8</td>
</tr>
</tbody>
</table>

($ million, unless otherwise indicated)
Cash generation analysis
Q1 2021 cash flow drivers

Cash flow from operating activities\(^1\)
$523 mn, +$919 mn YoY

- Stronger operational performance from all business areas
- Stronger working capital management, especially inventory and trade payables
- More favorable timing of tax payments

Solid cash delivery expected for the year

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1. Continuing operations only.
Outlook

Revenues
comparable growth of approximately 5% or higher, process industry related business expected to recover more significantly during H2

Operational EBITA %
steady pace of improvement from 2020 towards 2023 margin target of upper half of 13% - 16% range

Basic EPS
strong accretion YoY¹

Cash flows
solid delivery for the year

Orders and revenues
comparable growth >10%, with orders growing more than revenues

Operational EBITA %
approximately 14%

<table>
<thead>
<tr>
<th>UNDERLYING MARKET</th>
<th>% of 2020 revenues²</th>
<th>Outlook Q2, YoY</th>
<th>% of 2020 revenues²</th>
<th>Outlook Q2, YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil &amp; gas, chemicals</td>
<td>~12%</td>
<td>●</td>
<td>Food &amp; beverage</td>
<td>~6%</td>
</tr>
<tr>
<td>Non-resi buildings</td>
<td>~11%</td>
<td>● ● ●</td>
<td>Power distribution utilities</td>
<td>~6%</td>
</tr>
<tr>
<td>Mining &amp; metals</td>
<td>~8%</td>
<td>● ●</td>
<td>Conv. power generation</td>
<td>~6%</td>
</tr>
<tr>
<td>Residential buildings</td>
<td>~7%</td>
<td>● ● ●</td>
<td>Automotive</td>
<td>~5%</td>
</tr>
<tr>
<td>Marine &amp; ports</td>
<td>~6%</td>
<td>● ● ●</td>
<td>Renewables</td>
<td>~3%</td>
</tr>
</tbody>
</table>

E-mobility

The right platform to lead the next super cycle of EV-charging infrastructure build up. ABB E-mobility is a world leader in EV charging technology with a strong R&D pipeline and an unparalleled global reach. Increasing investment in R&D and capex to further develop a world class platform, build out its software suite and close portfolio white-spots.

Cementing global Nr. 1 position by extending the technology leadership in charging hardware and expanding its software and digital offering across the charging value chain.

Broad product range AC to DC...

...and digital services

Leading digital platform for EV charging operators: registration, scheduling, billing, analytics, remote monitoring & control

Largest installed base of connected chargers >20,000

>15% of revenues spent on R&D

Initiated carve out preparing for possible public listing to create platform for accelerated growth and value creation

Revenues ~$220 mn¹

~50% CAGR since 2016²

Global #1³

EV charging

~400,000

Chargers sold worldwide

Including ~20K DC fast chargers

~850 FTEs

presence in >85 countries

Acquired majority stake in Chargedot, a leading Chinese e-mobility solution provider

Partnership with Amazon Web Services for real time fleet management

% of 2020 orders

1. FY 2020.
2. 2016 to 2020 revenue CAGR.
3. By revenues.
## 2021 framework

<table>
<thead>
<tr>
<th>$ mn unless otherwise stated</th>
<th>Q1 21</th>
<th>Q2 21 framework</th>
<th>2021 framework</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate and Other Operational EBITA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(101)</td>
<td>~(110)</td>
<td>~(425)(^1)</td>
<td></td>
</tr>
<tr>
<td><strong>Non-operating items</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring and restructuring-related</td>
<td>(35)</td>
<td>~(40)</td>
<td>~(200)</td>
</tr>
<tr>
<td>GEIS integration costs</td>
<td>(5)</td>
<td>~(10)</td>
<td>↓ ~(20) from ~(30)</td>
</tr>
<tr>
<td>PPA-related amortization</td>
<td>(65)</td>
<td>~(65)</td>
<td>~(255)</td>
</tr>
<tr>
<td>Certain other income and expenses related to PG divestment(^2)</td>
<td>(4)</td>
<td>~(15)</td>
<td>~(40)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q1 21</th>
<th>Q2 21 framework</th>
<th>2021 framework</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net finance expenses</strong></td>
<td>(44)</td>
<td>~(30)</td>
<td>~(130)</td>
</tr>
<tr>
<td><strong>Non-operational pension (cost) / credit</strong></td>
<td>50</td>
<td>~45</td>
<td>~180</td>
</tr>
<tr>
<td><strong>Effective tax rate</strong></td>
<td>31.4%</td>
<td>~26%</td>
<td>~26%</td>
</tr>
<tr>
<td><strong>Capital expenditure</strong></td>
<td>(142)</td>
<td>~(185)</td>
<td>~(750)</td>
</tr>
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\(^1\) Excluding 2 main operational exposures that are ongoing in the non-core business and for which exit timing is dependent on circumstances beyond ABB’s control such as legal proceedings

\(^2\) Excluding share of net income from JV

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**Revised guidance**
Operational EBITA bridge

REVENUE growth, comparable 7%

Operational performance $222 million

Volume/price Operations

Items impacting comparability FX Portfolio changes

Q1 2020 Q1 2021

$ mn

10.2% margin 13.8% margin

636 959

154 68

68 32 51 18