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

ZURICH, SWITZERLAND, OCTOBER 20, 2022

Q3 2022 results

Strong order growth, high revenues and historically high Operational EBITA margin

- Orders $8.2 billion, +4%; comparable[1] +16%
- Revenues $7.4 billion, +5%; comparable +18%
- Income from operations $708 million; margin 9.6%
- Operational EBITA[1] $1,231 million; margin[1] 16.6%
- Basic EPS $0.19; -41%[2]
- Cash flow from operating activities $791 million

KEY FIGURES

($ millions, unless otherwise indicated)	Q3 2022	Q3 2021	CHANGE US$	CHANGE Comparable[1]	9M 2022	9M 2021	CHANGE US$	CHANGE Comparable[1]
Orders	8,188	7,866	4%	16%	26,368	23,611	12%	22%
Revenues	7,406	7,028	5%	18%	21,622	21,378	1%	10%
Gross Profit	2,481	2,294	8%		7,052	7,070	0%	
as % of revenues	33.5%	32.6%	+0.9 pts		32.6%	33.1%	-0.5 pts	
Income from operations	708	852	-17%		2,152	2,743	-22%	
Operational EBITA[1]	1,231	1,062	16%	27%[3]	3,364	3,134	7%	15%[3]
as % of operational revenues[1]	16.6%	15.1%	+1.5 pts		15.5%	14.6%	+0.9 pts	
Income from continuing operations, net of tax	420	687	-39%		1,469	2,027	-28%	
Net income attributable to ABB	360	652	-45%		1,343	1,906	-30%	
Basic earnings per share ($)	0.19	0.33	-41%[2]		0.70	0.95	-26%[2]	
Cash flow from operating activities[4]	791	1,104	-28%		600	2,310	-74%	
Cash flow from operating activities in continuing operations	793	1,119	-29%		614	2,305	-73%	

1 For a reconciliation of non-GAAP measures, see "supplemental reconciliations and definitions" in the attached Q3 2022 Financial Information.
2 EPS growth rates are computed using unrounded amounts.
3 Constant currency (not adjusted for portfolio changes).
4 Amount represents total for both continuing and discontinued operations.

"In the third quarter, we delivered high order growth, a strong top-line development and a historically high margin. We have not seen any material changes in the underlying customer activity. It looks like we are likely to achieve our 2023 margin target one year early. We are now starting to see the real benefits of the ABB Way operating model."

Björn Rosengren, CEO

CEO summary

There were several positive takeaways from the third quarter 2022. Strong order growth of 4% (16% comparable), resulted in a book-to-bill ratio of above one for the seventh consecutive quarter. Revenues were supported by the sequential easing of component supply constraints facilitating customer deliveries but also by a significantly lower level of interruptions from Covid-related lockdowns in China.

I was pleased to see the Operational EBITA increase by 16% year-on-year and the high Operational EBITA margin of 16.6%, with improvements noted in all business areas. An excellent achievement, driven by higher volumes and operational improvements including good pricing execution which offset cost inflation related to raw materials, freight and labor. Importantly, this signals that our new way of working, with higher accountability, transparency and speed, is really starting to take hold. I am proud that we are likely to achieve our target of Operational EBITA margin of at least 15% already in 2022, one year ahead of plan.

It was good to see cash flow from operating activities of $791 million, a higher level than in the previous quarter, and I anticipate an additional step up in the fourth quarter.

Orders increased in all regions, led by a very strong development in the Americas. In total, Europe improved strongly although some normalization of inventory levels was noted in Germany for parts of our customer base. Asia, Middle East and Africa improved despite softness noted in China.

Customer activity was at a high level in the quarter with overall stable to positive development in most segments outside of discrete industries. In the latter we noted some customers normalizing order patterns in anticipation of shorter delivery lead-times as supply constraints ease. Overall, demand increased for both the short-cycle flow business and the systems-driven offerings. Changes in exchange rates weighed on total orders in all business areas, however the underlying customer activity improved. In total, our order backlog remained at a high level of $19.4 billion.

Income from operations amounted to $708 million and declined by 17% (7% constant currency) year-on-year. This includes the non-operational provision of approximately $325 million related to the remaining matters for the legacy Kusile project, with a similar cash flow impact expected in subsequent quarters. We are now resolving this matter, related to a project awarded in 2015. The new ABB Way operating model is guided by our code of conduct and is part of our regular and transparent business reviews.

I am pleased about the multiple portfolio management activities in the quarter. Importantly, Motion signed two acquisitions – in the NEMA motors and Traction divisions – which will further cement their leading market positions. I also want to highlight our investment into an accelerated strategic collaboration between Process Automation and Canada's Hydrogen Optimized launched in 2020. Together we are advancing the deployment of economic large-scale green hydrogen production systems to decarbonize hard-to-abate industries.

We also announced the early divestment of the remaining 19.9% of the Hitachi Energy joint venture to Hitachi as they exercised the call option that was agreed in 2018. We do not foresee any significant gain or loss as a result of the sale and anticipate net positive cash inflows of approximately $1.4 billion upon closing, expected in the fourth quarter 2022. This will further strengthen our balance sheet and give us additional flexibility in our capital allocation decisions. With regards to E-mobility, we remain committed to our plans to list the division, although we no longer expect it to happen this year due to the current volatility in capital markets. Finally, just after the close of the third quarter we distributed Accelleron to shareholders as a dividend in kind. I was delighted to mark the first day of trading of Accelleron by joining the management team in ringing the bell on the Swiss stock exchange. I wish the team great success as a separately listed company.

Björn Rosengren
CEO

Outlook

In the **fourth quarter of 2022**, we anticipate a low double-digit comparable revenue growth, impacted by the high level of revenues recorded last year. We expect the typical pattern of a sequentially lower Operational EBITA margin.

In full-year 2022, we are likely to achieve early the 2023 target of an Operational EBITA margin of at least 15%, supported by increased efficiency as we fully incorporate the decentralized operating model and performance culture in all our divisions and strong top-line execution.

Orders and revenues

The impact from changes in exchange rates weighed on total order growth. However, the underlying customer demand was strong, resulting in order growth of 4% (16% comparable), year-on-year. Customer activity was robust for both the short-cycle flow business and the systems business. The strongest contribution to order growth was seen in Electrification and Motion. Process Automation was hampered by a high comparable and timing of order placements. Robotics & Discrete Automation saw protracted lead times in customers' decision making and normalizing order patterns in anticipation of shorter delivery lead-times due to easing of component constraints. Total order intake for ABB amounted to $8,188 million, with improvement in most divisions.

The positive development was strong in the segment of food & beverage while normalizing order patterns slowed robotics demand in general industries and automotive.

In transport and infrastructure, the order development was strong in renewables. The buildings segment was positively impacted by both the non-residential and residential areas, although some softness in residential building in China was noted. The timing of customers placing orders impacted growth in the marine segment, although the pipeline remains strong.

In the process-related business, gas-related demand improved. Power generation and pulp & paper were broadly stable. Early signs of headwind were noted in metals.

Customer activity was strong across regions. Order intake in the Americas increased by 16% (25% comparable) driven by the US. Orders in Europe increased by 1% (20% comparable), supported by all the largest markets in the region. Asia, Middle East and Africa reported a decline of 4% (up 4% comparable), including a decline of 8% (2% comparable) in China. However, worth noting is that excluding the impact from large orders received last year the region increased at a double-digit pace, on a comparable basis.

Revenues improved by 5% (18% comparable) with improvements in virtually all divisions. Price execution was robust. In addition to a generally high flow business demand, volumes were supported by the sequential easing of supply chain constraints facilitating deliveries from the order backlog, not least due to better access to semi-conductors. Additional support was derived from lower business disruptions from Covid-related lockdowns in China compared with the previous quarter.

Growth

Change year-on-year	Q3 Orders	Q3 Revenues
Comparable	16%	18%
FX	-9%	-10%
Portfolio changes	-3%	-3%
Total	**4%**	**5%**

Orders by region

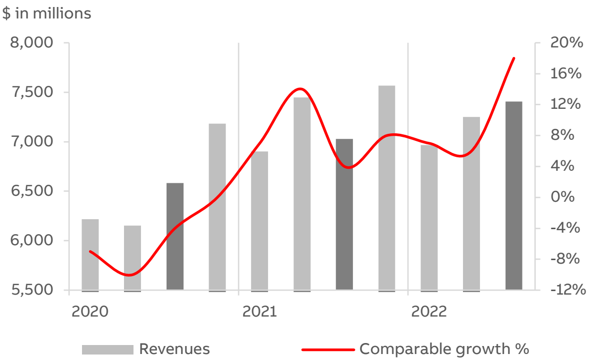
($ in millions, unless otherwise indicated)	Q3 2022	Q3 2021	CHANGE US$	CHANGE Comparable
Europe	2,682	2,663	1%	20%
The Americas	2,980	2,580	16%	25%
Asia, Middle East and Africa	2,526	2,623	-4%	4%
ABB Group	**8,188**	**7,866**	**4%**	**16%**

Revenues by region

($ in millions, unless otherwise indicated)	Q3 2022	Q3 2021	CHANGE US$	CHANGE Comparable
Europe	2,494	2,525	-1%	18%
The Americas	2,452	2,161	13%	23%
Asia, Middle East and Africa	2,460	2,342	5%	13%
ABB Group	**7,406**	**7,028**	**5%**	**18%**

Orders

Revenues



Earnings

Gross profit
Gross profit increased by 8% (19% constant currency) to $2,481 million, supported by a gross margin improvement of 90 basis points to 33.5%. Increases were noted in all business areas except for a slight decline in Robotics & Discrete Automation.

Income from operations
Income from operations amounted to $708 million, declining by 17% (7% constant currency). The main trigger was a non-operational provision of approximately $325 million in connection with the remaining matters related to the legacy Kusile project, with a similar cash flow impact expected in subsequent quarters. Additional pressures stemmed from adverse changes in exchange rates and slightly higher acquisition- and divestment-related expenses.

Operational EBITA
Operational EBITA of $1,231 million was 16% higher (27% constant currency) year-on-year, as contribution from operational performance more than offset the adverse impact from mainly changes in exchange rates and portfolio changes.

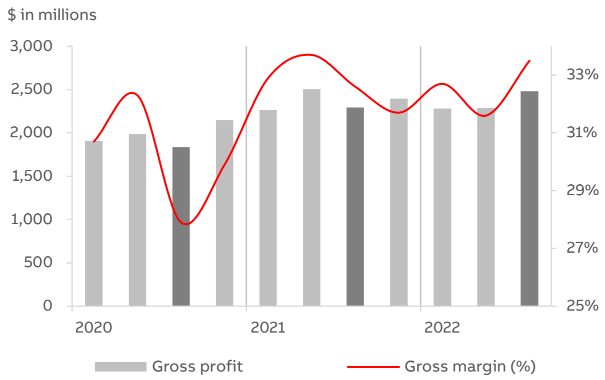
The Operational EBITA margin increased by 150 basis points to 16.6%. Results were supported by the positive impacts from operational leverage on significantly higher volumes, strong pricing execution as well as selling, general & administrative expenses (SG&A) being reduced in relation to revenues. This more than offset the adverse impact from cost inflation on materials, freight and labor. Operational EBITA in Corporate and Other declined by $15 million to -$52 million.

Net finance expenses
Net finance expenses was $28 million compared with the low level of $6 million a year ago.

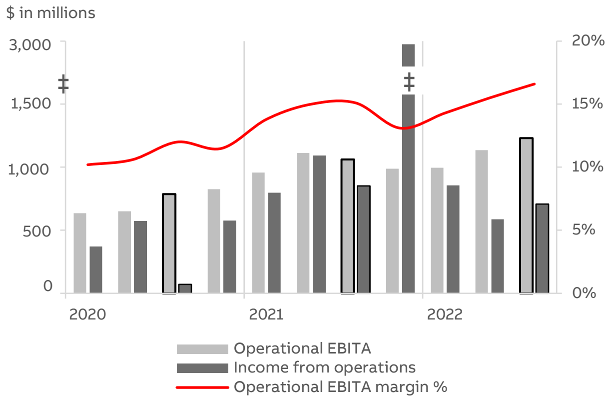
Income tax
Income tax expense was $294 million with an effective tax rate of 41.2%, including approximately 15% adverse impact due mainly to the non-deductibility of the charges related to the Kusile legacy project as well as taxes in connection with portfolio management activities.

Net income and earnings per share
Net income attributable to ABB was $360 million and decreased by 45% from last year, with the decline primarily related to the booked non-operational provision which weighed on Income from operations. This resulted in a basic earnings per share of $0.19, a decline from $0.33 last year.

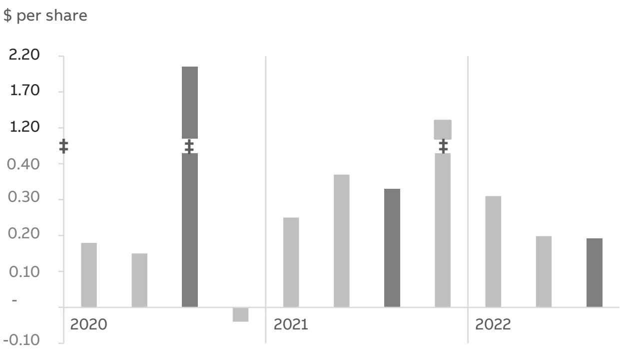
Gross profit & Gross margin



Income from operations & Operational EBITA



Basic EPS



Balance sheet & Cash flow

Net working capital
Net working capital amounted to $3,407 million, increasing year-on-year from $2,920 million but declining sequentially from $3,663 million. The sequential decrease was mainly driven by changes in exchange rates. Net working capital as a percentage of revenues[1] was 11.7%.

Capital expenditures
Purchases of property, plant and equipment and intangible assets amounted to $165 million.

Net debt
Net debt[1] amounted to $4,117 million at the end of the quarter, and increased from $1,898 million, year-on-year. Sequentially, it declined slightly from $4,235 million, mainly due to lower carrying debt values as a result of changes in exchange rates.

Cash flows
Cash flow from operating activities in continuing operations was $793 million and declined year-on-year from $1,119 million. The year-on-year change was the results of improved operational performance which however was more than offset by higher build-up of net working capital mainly related to a higher build-up of inventories and lower collections of receivables. In addition, the current quarter was adversely impacted by the cash outflow from the earlier announced exit of a non-core business. ABB expects the fourth quarter to be the strongest cash flow period in 2022.

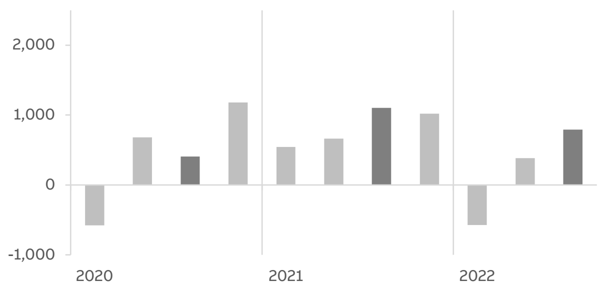
Share buyback program
ABB launched a new share buyback program of up to $3 billion on April 1. As part of this program, ABB completed in the third quarter, the return to its shareholders of the remaining $1.2 billion out of the $7.8 billion of cash proceeds from the Power Grids divestment. During the third quarter, 15,784,000 shares were repurchased on the second trading line for approximately $436 million. The total number of ABB Ltd's issued shares is 1,964,745,075, after the cancellation of 88,403,189 shares in June, as approved at ABB's 2022 AGM.

($ millions, unless otherwise indicated)	Sep. 30 2022	Sep. 30 2021	Dec. 31 2021
Short term debt and current maturities of long-term debt	3,068	2,414	1,384
Long-term debt	4,530	4,270	4,177
Total debt	**7,598**	**6,684**	**5,561**
Cash & equivalents	2,365	3,709	4,159
Restricted cash - current	323	31	30
Marketable securities and short-term investments	793	746	1,170
Restricted cash - non-current	–	300	300
Cash and marketable securities	**3,481**	**4,786**	**5,659**
Net debt (cash)*	**4,117**	**1,898**	**(98)**
Net debt (cash)* to EBITDA ratio	**0.7**	**0.5**	**(0.01)**
Net debt (cash)* to Equity ratio	**0.34**	**0.13**	**(0.01)**

* At Sep. 30, 2022, Sep. 30, 2021 and Dec. 31, 2021, net debt(cash) excludes net pension (assets)/liabilities of $(114) million, $530 million and $45 million, respectively.

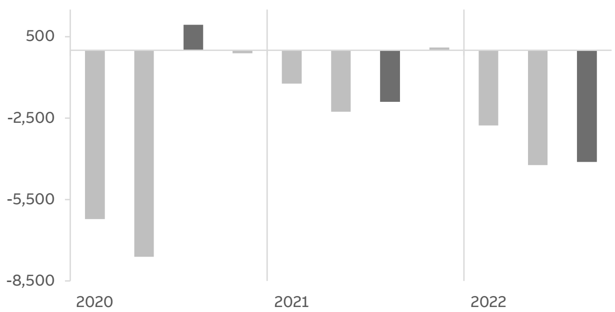
Cash flow from operating activities

$ in millions

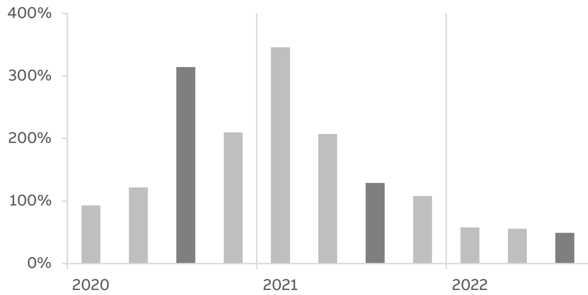


Net Cash (Net Debt) position

$ in millions



Free cash flow conversion to net income[1], R12M



Electrification

Growth

Change year-on-year	Q3 Orders	Q3 Revenues
Comparable	20%	22%
FX	-9%	-10%
Portfolio changes	0%	0%
Total	**11%**	**12%**

Orders and revenues

Although changes in exchange rates had an adverse effect on the total, the absolute order intake reached one of the highest levels in recent history, amounting to $3,902 million. This corresponds to a year-on-year increase of 11% (20% comparable), supported by both the flow- and systems-driven business. The strong demand and a sequential easing of supply chain constraints supported revenues, yet order backlog reached another all-time-high level of $6.8 billion.

- Customer activity was strong in most segments in the Americas and Europe, while softness was noted in China.
- Orders in Asia, Middle East and Africa were up by 5% (13% comparable) hampered by China which dropped by 9% (4% comparable). Changes in exchange rates weighed on total orders in Europe which declined by 8% (up 10% comparable). This reflects high activity across major countries except for a decline in Germany where a normalization of distributors' inventory levels was noted and seemingly completed by quarter end. The Americas improved sharply by 33% (34% comparable), reflecting a steep order increase of 38% in the US (39% comparable).
- Despite the adverse impact from changes in exchange rates, revenue growth reached 12% (22% comparable). This was driven by a good contribution from increased volumes on a generally strong market and execution of the order backlog, but also by another quarter of very strong price execution. The sequential improvement in access to semi-conductors supported customer deliveries in Distribution Solutions and now all divisions contributed to growth. Revenues amounted to $3,584 million, representing the highest quarterly level in recent years.

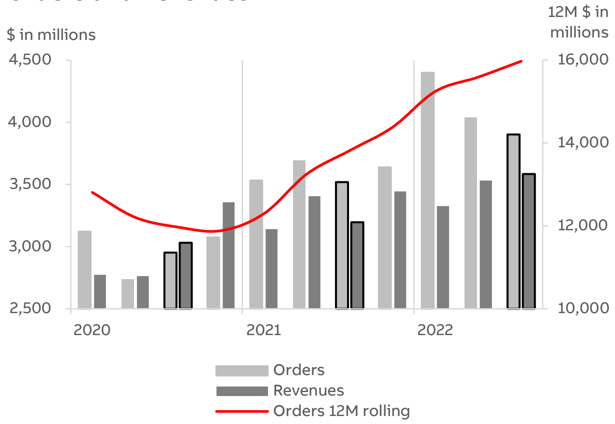
Profit

Record high quarterly Operational EBITA of $647 million was up 27% year-on-year and Operational EBITA margin reached the high level of 18.0%. All of the large divisions improved both earnings and margin year-on-year.

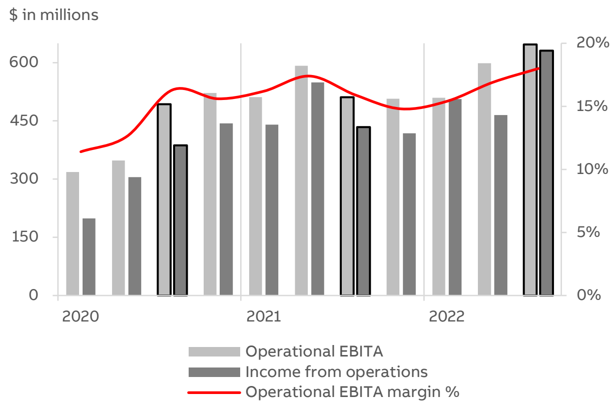
- A very robust price management was the main driver to the earnings improvement and more than offset the adverse impact from cost inflation in raw materials, freight and labor.
- Impact from higher volumes in customer deliveries contributed significantly to increased earnings.
- Settlement of an insurance claim supported the margin by 50 basis points in the quarter.

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	**Q3 2022**	**Q3 2021**	**US$**	**Comparable**	**9M 2022**	**9M 2021**	**US$**	**Comparable**
Orders	3,902	3,519	11%	20%	12,336	10,743	15%	22%
Order backlog	6,805	5,246	30%	41%	6,805	5,246	30%	41%
Revenues	3,584	3,196	12%	22%	10,442	9,742	7%	14%
Operational EBITA	647	511	27%		1,756	1,614	9%	
as % of operational revenues	18.0%	15.9%	+2.1 pts		16.8%	16.5%	+0.3 pts	
Cash flow from operating activities	651	636	2%		1,083	1,466	-26%	
No. of employees (FTE equiv.)	52,100	51,100	2%					

Orders and Revenues



Income from operations & Operational EBITA



Motion

Growth

Change year-on-year	Q3 Orders	Q3 Revenues
Comparable	24%	23%
FX	-9%	-9%
Portfolio changes	-12%	-12%
Total	**3%**	**2%**

Orders and revenues

Orders increased by 3% (24% comparable) and this was yet another strong period with orders at the $2 billion level. The high market activity offset headwinds from changes in exchange rates and the lack of contribution from the divested Mechanical Power Transmission (Dodge) division. Furthermore, support was gained from a higher level of large orders, driven by approximately $170 million related to sustainable transport by enhancing Europe's railway network.

- Strong double-digit order growth was reported in virtually all divisions with a steady profile to the underlying business activity throughout the quarter.
- Demand increased in all regions, with the strongest development in Europe which improved by 23% (46% comparable), supported by the large rail order received. As a headline number, the Americas declined by 11% (up 17% comparable), with the drop related to portfolio changes. In Asia, Middle East and Africa the overall growth declined by 1% (up 8% comparable) as changes in exchange rates offset the positive impact from a robust market activity level. China specifically increased by 4% (11% comparable).
- Revenues increased by 2% (23% comparable) to $1,702 million with support from strong demand, solid price management and the sequential improvement in customer deliveries in China due to less Covid-related business disruptions.

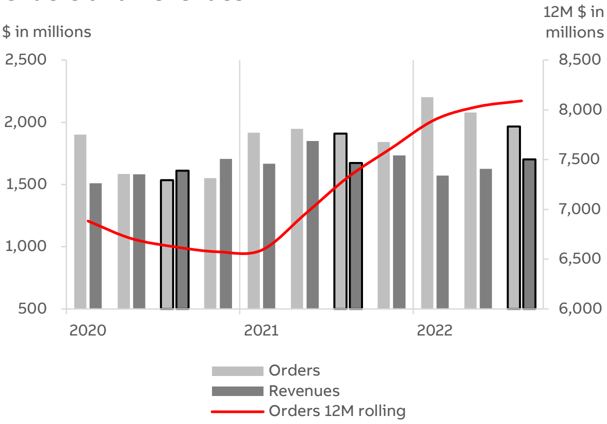
Profit

Both earnings and profitability improved year-on-year with Operational EBITA amounting to $305 million and Operational EBITA margin at 17.8%.

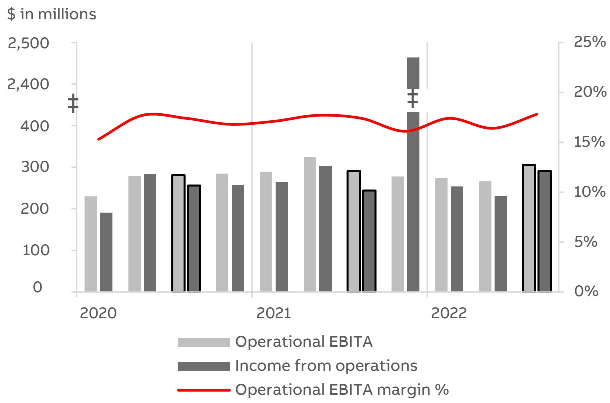
- Higher volumes improved operational performance and offset negative mix stemming from robust deliveries of electrical motors.
- Strong pricing execution offset the increased costs related to commodities, freight and labor.
- The reported margin improved by 40 basis points as improved operational performance more than compensated for the adverse impact of 60 basis points due to the divestment of Dodge, year-on-year.

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	**Q3 2022**	**Q3 2021**	**US$**	**Comparable**	**9M 2022**	**9M 2021**	**US$**	**Comparable**
Orders	1,966	1,909	3%	24%	6,247	5,773	8%	27%
Order backlog	4,613	3,717	24%	42%	4,613	3,717	24%	42%
Revenues	1,702	1,673	2%	23%	4,900	5,190	-6%	11%
Operational EBITA	305	291	5%		845	905	-7%	
as % of operational revenues	17.8%	17.4%	+0.4 pts		17.2%	17.4%	-0.2 pts	
Cash flow from operating activities	268	399	-33%		507	946	-46%	
No. of employees (FTE equiv.)	20,700	21,300	-3%					

Orders and Revenues



Income from operations & Operational EBITA



Process Automation

Growth

Change year-on-year	Q3 Orders	Q3 Revenues
Comparable	3%	6%
FX	-9%	-9%
Portfolio changes	0%	0%
Total	**-6%**	**-3%**

Orders and revenues

Total order intake amounted to $1,568 million and declined by 6% (up 3% comparable) year-on-year, as adverse changes in exchange rates more than offset a positive underlying trend in customer activity in most divisions. A book-to-bill ratio of 108% was achieved.

- The timing of customers placing orders somewhat hampered order intake, particularly noticeable in Energy Industries and Marine & Ports. The general order pipeline remains strong.
- Demand was particularly strong in the segments of mining and refining, with positive developments also noted in areas of marine and gas. In the power generation, pulp & paper and ports segments, the customer activity remained stable, while some initial signs of headwinds were noted in metals due to the high energy prices. Service orders increased by 1% (12% comparable).
- Orders in the Americas increased by 6% (9% comparable). Changes in exchange rates weighed on Europe which declined by 8% (up 8% comparable) and Asia, Middle East and Africa which reported a sharp drop of 12% (4% comparable), with the latter also challenged by a high comparable from last year's order level in China.
- Revenues declined by 3% (up 6% comparable) and amounted to $1,458 million with a positive development in customer deliveries in all divisions. While the supply constraints on semi-conductors eased somewhat sequentially, some hampering effect is still expected in the fourth quarter.

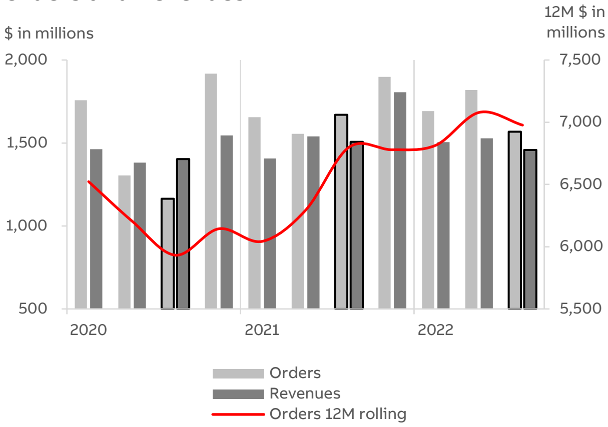
Profit

Operational EBITA amounted to $225 million and Operational EBITA margin improved by 160 basis points year-on-year to 15.3% with contribution from all divisions.

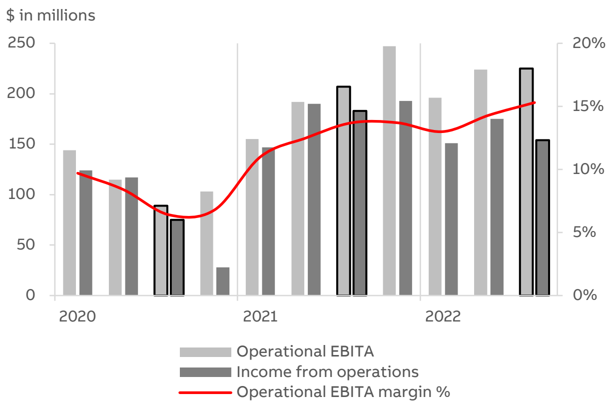
- The impact from increased volumes with improved gross margin in the order backlog was the main driver for margin improvement.
- This marks the last quarter when reporting includes the Turbocharging division (Accelleron), which was separately listed on the Swiss stock exchange in early October.

($ millions, unless otherwise indicated)	Q3 2022	Q3 2021	CHANGE US$	CHANGE Comparable	9M 2022	9M 2021	CHANGE US$	CHANGE Comparable
Orders	1,568	1,670	-6%	3%	5,079	4,881	4%	11%
Order backlog	6,006	6,021	0%	11%	6,006	6,021	0%	11%
Revenues	1,458	1,507	-3%	6%	4,493	4,454	1%	8%
Operational EBITA	225	207	9%		645	554	16%	
as % of operational revenues	15.3%	13.7%	+1.6 pts		14.2%	12.4%	+1.8 pts	
Cash flow from operating activities	217	231	-6%		470	692	-32%	
No. of employees (FTE equiv.)	22,400	22,000	2%					

Orders and Revenues



Income from operations & Operational EBITA



Robotics & Discrete Automation

Growth

Change year-on-year	Q3 Orders	Q3 Revenues
Comparable	7%	13%
FX	-12%	-11%
Portfolio changes	1%	0%
Total	**-4%**	**2%**

Orders and revenues

While market demand was at a high level in the quarter, we saw customers normalizing order patterns on the back of anticipated shorter delivery lead-times as supply chain constraints ease. There were some signs of protracted lead times in customers' order decisions, although the opportunity pipeline remains robust. Total orders decreased by 4% (up 7% comparable) and amounted to $901 million, hampered by changes in exchange rates. On a book-to-bill ratio of 109% the order backlog remained sequentially stable at $2.7 billion.

- Order momentum was particularly strong in the machine builder segment on an easy comparable from last year, but electronics also improved. This more than offset declines in automotive and general industry, where customers normalized order patterns after a very strong first half of the year.
- In total, orders increased in the Americas by 11% (11% comparable), while changes in exchange rates weighed on the total in Europe to a decline of 1% (up 17% comparable). Asia, Middle East and Africa dropped by 13% (7% comparable) with China declining by 9% (4% comparable).
- Changes in exchange rates weighed on reported revenues, however, access to semi-conductors improved compared with recent quarters supporting customer deliveries in both divisions. Additional support from positive price execution contributed to quarterly revenue growth of 2% (13% comparable) resulting in revenues of $828 million.
- The new Robotics manufacturing site in Shanghai was fully operational with local production volumes transferred in the quarter.

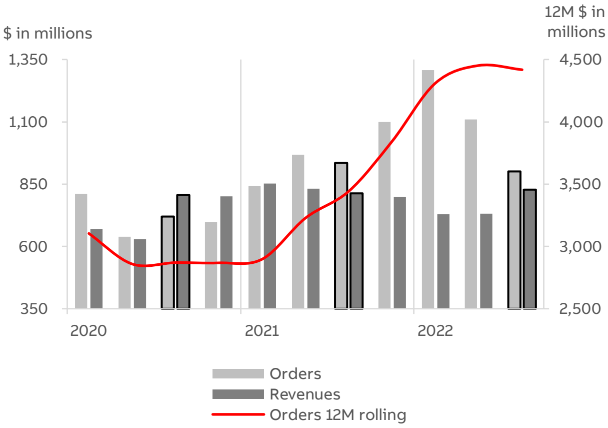
Profit

Despite the headwind from changes in exchange rates, Operational EBITA increased by 18%. The Operational EBITA margin returned to a double-digit level after three single-digit quarters, reaching 12.8%, with support from both divisions.

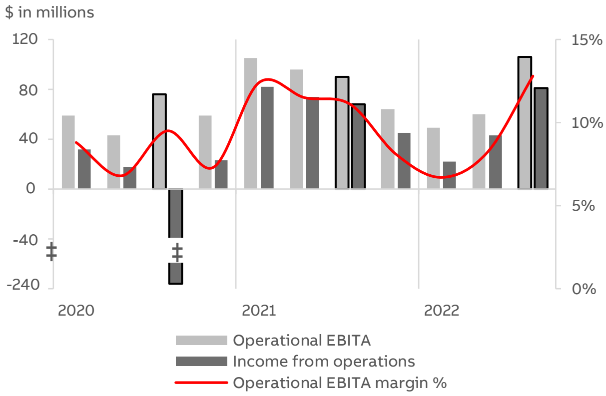
- Impact from a positive volume growth improved cost absorption in production, year-on-year.
- Solid price execution more than offset adverse impacts from inflation in freight, input and labor costs.

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	**Q3 2022**	**Q3 2021**	**US$**	**Comparable**	**9M 2022**	**9M 2021**	**US$**	**Comparable**
Orders	901	935	-4%	7%	3,318	2,744	21%	29%
Order backlog	2,659	1,619	64%	87%	2,659	1,619	64%	87%
Revenues	828	813	2%	13%	2,290	2,498	-8%	-2%
Operational EBITA	106	90	18%		215	291	-26%	
as % of operational revenues	12.8%	11.1%	+1.7 pts		9.4%	11.7%	-2.3 pts	
Cash flow from operating activities	82	56	46%		109	245	-56%	
No. of employees (FTE equiv.)	10,700	10,700	1%					

Orders and Revenues



Income from operations & Operational EBITA



Sustainability

Q3 outcome

- 43% reduction of CO_2 emissions in own operations year-on-year due to increased use of renewable energy and energy efficient projects on sites.
- 5% year-on-year decrease in LTIFR.
- 2.4%-points increase in number of women in senior management versus the prior year showing steady progress towards our target.

Quarterly highlights

- ABB E-mobility announced the continued expansion of its global and US manufacturing footprint with new manufacturing operations in Columbia, South Carolina. The multi-million-dollar investment is planned to increase production of electric vehicle chargers, including Buy America Act compliant ones, and create over 100 jobs. The new facility will be capable of producing up to 10,000 chargers per year, ranging from 20kW to 180kW in power, which are ideally suited for public charging, school buses, and fleets.
- The European Union's 2022 F-gas proposal outlines important new regulations designed to phase out the use of Sulfur Hexafluoride (SF6) – an established but environmentally harmful insulating gas which is 25,200 times more potent than CO_2. This has been made possible with the development of SF6 alternatives paving the way for this level of regulation, including pioneering products within ABB's ecoGIS™ range. Following the EU's latest F-gas proposal, ABB created a free-of-charge, downloadable whitepaper – 'Migrate to a more certain future' – to support engineers in making this key transition.
- ABB and Canada's Hydrogen Optimized Inc. (HOI) signed an agreement to expand the companies' existing strategic relationship. This includes an investment by ABB into Key DH Technologies Inc. (KEY), the parent company of HOI, as they seek to accelerate the fast-emerging green hydrogen production segment with unique large-scale architecture.
- ABB has achieved carbon neutral operations at its factory in Porvoo, Finland, reducing CO_2 emissions by 636 tons in its first year under the mission to Zero program. This saving is equivalent to driving 112 times the length of the equator or warming an electric sauna every day for 373 years. By combining digital solutions, electrification, and renewable technologies the Porvoo factory has taken an important step towards a more sustainable value chain.
- General Counsel and Company Secretary, Andrea Antonelli, has been appointed as the Executive Committee sponsor for Abilities. At ABB, the Abilities dimension encompasses differences that include long-term physical, mental, intellectual, or sensory impairments which in interaction with various barriers may hinder the individuals' full and effective participation in society on an equal basis with others.

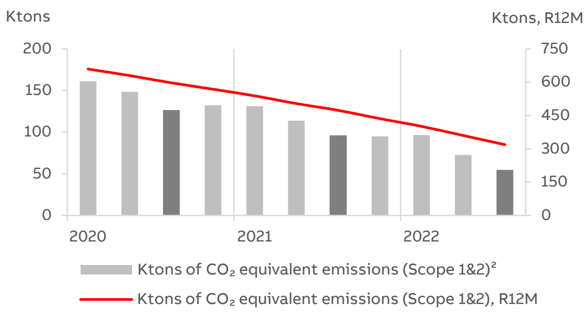
Story of the quarter

ABB announced a new emissions target for its supply chain. The company aims to work with its main tier-one suppliers to achieve a 50 percent reduction in their CO_2 emissions by 2030. The target is aimed at suppliers covering 70 percent of ABB's annual procurement expenditure. The new target is expected to make an important contribution to ABB's goal of enabling a low-carbon society because, in many cases, its suppliers have a bigger footprint than the company.

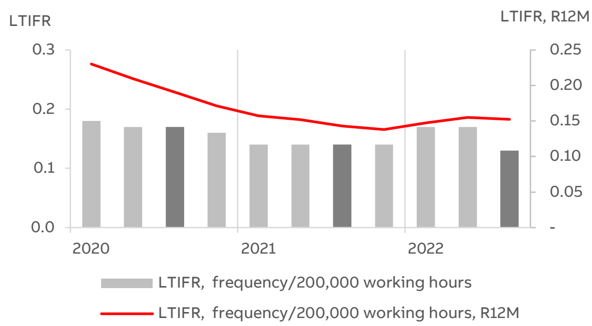
	Q3 2022	Q3 2021	CHANGE	12M ROLLING
CO_2e own operations emissions, kt scope 1 and 2[1]	55	96	-43%	319
Lost Time Injury Frequency Rate (LTIFR), frequency / 200,000 working hours	0.13	0.14	-5%	0.15
Share of females in senior management positions, %	17.4	15.0	+2.4 pts	16.9

1 CO_2 equivalent emissions from site, energy use, SF6 and fleet, previous quarter

CO_2 Scope 1&2



Lost Time Injury Frequency Rate



2 Q2 2022 emission data was restated from 88.8 to 72.6 Ktons of CO2e to reflect the application of green energy certificates retrospectively.

Significant events

During Q3 2022

- On July 20, ABB announced that it would spin off Accelleron and list the company on SIX Swiss Exchange.
- On July 21, ABB announced that it had decided to exit the Russian market.
- On August 11, ABB announced that it had signed an agreement to purchase Siemens' low voltage NEMA motor business. The business employs around 600 people and generated revenues of approximately $63 million in 2021. The transaction is expected to close in the second quarter 2023.
- On September 7, ABB announced that shareholders approved the proposed spin-off of its Accelleron turbocharging division at the Extraordinary General Shareholders Meeting.
- On September 19, ABB announced that it will acquire the PowerTech Converter (PTC) business, a leading supplier of auxiliary power converter solutions for light rail vehicles and metros. With around 280 employees, the business generated revenues of approximately €60 million in 2021. The deal is expected to close in the fourth quarter 2022.
- On September 30, ABB announced that it has reached an agreement to divest to Hitachi, Ltd. (Hitachi) its remaining 19.9% equity stake in the Hitachi Energy joint venture. Hitachi has exercised its call option. ABB expects net positive cash inflows of approximately $1.4 billion upon closing of the sale. The transaction is subject to regulatory approvals and closing is expected to happen in the fourth quarter 2022.
- On September 30, ABB announced that it is progressing discussions with relevant authorities regarding the remaining matters related to the legacy Kusile project in South Africa awarded in 2015. Consequently, ABB made a non-operational provision of approximately $325 million in Income from operations in the third quarter 2022 results, with a similar cash flow impact expected in subsequent quarters.

After the third quarter

- On October 3, ABB announced that Accelleron Industries AG (formerly ABB Turbocharging), has been admitted to trading on SIX Swiss Exchange in Zurich under the ticker symbol "ACLN", marking the completion of Accelleron's spin-off from ABB.

First nine months 2022

In the first nine months of 2022, demand for ABB's offering increased strongly year-on-year, supported by most customer segments and across all regions. Orders amounted to $26,368 million and improved by 12% (22% comparable).

Revenues amounted to $21,622 million up by 1% (10% comparable), year-on-year. Customer deliveries were impacted by component constraints, but shortages progressively eased throughout the year. As a result, the book-to-bill ratio amounted to 1.22 in the first nine months of 2022.

Income from operations amounted to $2,152 million down from $2,743 million in the year-earlier period. Results included a business charge amounting to $195 million triggered by the exit of the legacy full-train retrofit business in non-core operations as well as a provision of approximately $325 million provision related to the legacy Kusile project in South Africa awarded in 2015.

Operational EBITA improved by 7% year-on-year to $3,364 million and the Operational EBITA margin increased by 90 basis points to 15.5%. Performance was driven by the positive impacts from strong pricing execution and higher volumes, which more than offset cost inflation in raw materials, freight and labor. Additionally, Corporate and Other Operational EBITA improved by $133 million to -$97 million, partly due to higher real estate gains and a better non-core result.

The net finance expenses amounted to $57 million, down from $71 million in the same period last year, while non-operational pension credits were down $28 million year-over-year to $102 million.

Income tax expense was $728 million with a tax rate of 33.1%, including approximately 9% adverse impact primarily related to adverse impact from non-deductible non-operational charges.

Net income attributable to ABB was $1,343 million and decreased by -30%. Basic earnings per share was $0.70 and decreased by -26%. Both measures were adversely impacted by the charges triggered by the exit of the legacy full-train retrofit business in non-core operations as well as the provision related to the legacy Kusile project.

Acquisitions and divestments, last twelve months

Acquisitions	Company/unit	Closing date	Revenues, $ million[1]	No. of employees
2022				
Electrification	Numocity (majority stake)	22-Jul	<1	20
Electrification	InCharge Energy, Inc (majority stake)	26-Jan	16	40

Divestments	Company/unit	Closing date	Revenues, $ million[1]	No. of employees
2021				
Motion	Mechanical Power Transmission	1-Nov	645[2]	1,500

Note: comparable growth calculation includes acquisitions and divestments with revenues of greater than $50 million.

1 Represents the estimated revenues for the last fiscal year prior to the announcement of the respective acquisition/divestment unless otherwise stated.

2 Last twelve months ending October 31, 2021.

Additional figures

ABB Group	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022
EBITDA, $ in million	1,024	1,324	1,072	3,191	6,611	1,067	794	906
Return on Capital Employed, %	n.a.	n.a.	n.a.	n.a.	14.90	n.a.	n.a.	n.a.
Net debt/Equity	0.09	0.16	0.13	(0.01)	(0.01)	0.20	0.34	0.34
Net debt/ EBITDA 12M rolling	0.4	0.7	0.5	(0.01)	(0.01)	0.4	0.7	0.7
Net working capital, % of 12M rolling revenues	10.8%	11.6%	10.2%	8.1%	8.1%	12.1%	12.8%	11.7%
Earnings per share, basic, $	0.25	0.37	0.33	1.34	2.27	0.31	0.20	0.19
Earnings per share, diluted, $	0.25	0.37	0.32	1.33	2.25	0.31	0.20	0.19
Dividend per share, CHF	n.a.	n.a.	n.a.	n.a.	0.82	n.a.	n.a.	n.a.
Share price at the end of period, CHF[1]	27.56	30.30	30.30	33.68	33.68	29.12	24.57	24.90
Share price at the end of period, $[1]	28.99	32.33	31.73	36.31	36.31	30.76	25.43	24.41
Number of employees (FTE equivalents)	105,330	106,370	106,080	104,420	104,420	104,720	106,380	106,830
No. of shares outstanding at end of period (in millions)	2,024	2,006	1,993	1,958	1,958	1,929	1,892	1,875

1 Data prior to October 3, 2022, has been adjusted for the Accelleron spin-off (Source: FactSet).

Additional 2022 guidance

($ in millions, unless otherwise stated)	FY 2022[1]	Q4 2022
Corporate and Other Operational costs	~(170) from ~(200)	~(75)
Non-operating items		
Acquisition-related amortization	~(230) unchanged	~(55)
Restructuring and restructuring related	~(100)+(252)[2] unchanged	~(50)
Separation costs[3]	~(180) unchanged	~(30)
ABB Way transformation	~(150) unchanged	~(50)

($ in millions, unless otherwise stated)	FY 2022	Q4 2022
Net finance expenses	~(100) unchanged	~(40)
Non-operational pension (cost) / credit	~90 from ~120	~(10)
Effective tax rate	~25% [4] unchanged	~25% [4]
Capital Expenditures	~(700) from ~(750)	~(200)

1 Excludes one project estimated to a total of ~$100 million, that is ongoing in the non-core business. Exact exit timing is difficult to assess due to legal proceedings etc.

2 Includes restructuring-related expenses of $195 million from the exit of the full train retrofit business as well as $57 million respectively from the exit of the Russian market in Q2 2022.

3 Costs relating to the announced exits and the potential E-mobility listing.

4 Excluding impact of acquisitions or divestments or any significant non-operational items.

Important notice about forward-looking information

This press release includes forward-looking information and statements as well as other statements concerning the outlook for our business, including those in the sections of this release titled “CEO summary,” “Outlook,” “Earnings,” “Balance sheet & cash flow,” “Robotics and Discrete Automation” and “Significant events”. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, the economic conditions of the regions and industries that are major markets for ABB. These expectations, estimates and projections are generally identifiable by statements containing words such as “anticipates,” “expects,” “estimates,” “plans,” “targets,” “likely” or similar expressions. However, there are many 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 press release and which could affect our ability to achieve any or all of our stated targets. Some 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 U.S. 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.

Q3 results presentation on October 20, 2022

The Q3 2022 results press release and presentation slides are available on the ABB News Center at www.abb.com/news and on the Investor Relations homepage at www.abb.com/investorrelations.

A conference call and webcast for analysts and investors is scheduled to begin today at 10:00 a.m. CET.

To pre-register for the conference call or to join the webcast, please refer to the ABB website: www.abb.com/investorrelations.

The recorded session will be available after the event on ABB’s website.

Financial calendar

2023

February 2	Q4 2022 results
March 23	Annual General Meeting
April 25	Q1 2023 results
July 20	Q2 2023 results
October 18	Q3 2023 results

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ABB (ABBN: SIX Swiss Ex) is a leading global technology company that energizes the transformation of society and industry to achieve a more productive, sustainable future. By connecting software to its electrification, robotics, automation and motion portfolio, ABB pushes the boundaries of technology to drive performance to new levels. With a history of excellence stretching back more than 130 years, ABB’s success is driven by about 105,000 talented employees in over 100 countries.