Q1 2022 results
Solid performance in an uncertain environment
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 the “Financial Information” booklet found under “Q1 2022” on our website at global.abb/group/en/investors/results-and-reports/2022.
01. Promising start to the year
Strong customer activity in the quarter; orders +28%, revenues +7%
Operational EBITA margin 14.3%, +50 bps YoY despite inflation, including lower-than-expected Corporate costs

02. Forming of a Service division in EL
Leverage significant installed base and strengthen the EL service offering
2021 revenues: $750 – 1,250 mn; increase focus on both growth and profitability

03. Business area leadership change
Tarak Mehta, new MO President, and Morten Wierod, new EL President
Right time to take on new roles and further improve performance of the BAs

04. Acquisition of InCharge Energy
EV charging infrastructure, service and software solutions
To benefit from significant investments in U.S. EV market

05. New buyback program launched of up to $3 bn
Repurchased shares for ~$6.6 bn under our PG capital return program
New program in excess of remaining ~$1.2 bn of PG cash proceeds

1. YoY comparable
Very strong business momentum
Q1 2022 results

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

**SHORT-CYCLE**
Steep growth across most businesses

**SERVICES**
Orders +15%\(^1\) and revenues +6%\(^1\)

**DISCRETE**
Strong in machine building, F&B and general industries overall; automotive increased due to accelerating EV investments

**PROCESS**
Improvement across most of the customer segments

**TRANSPORT & INFRASTRUCTURE**
Very strong in renewables and e-mobility; improvement in buildings; positive development in marine and ports including cruise

Very high order backlog of $18.9 bn, +32%\(^1\)

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1. YoY comparable. Note: $ millions reported orders and revenues are impacted by foreign exchange and changes in the business portfolio
## Strong demand across all regions

### Q1 2022 regional, country orders

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Americas</strong></td>
<td>+40%</td>
</tr>
<tr>
<td>USA</td>
<td>+46%</td>
</tr>
<tr>
<td>Canada</td>
<td>+25%</td>
</tr>
<tr>
<td>Mexico</td>
<td>+32%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Europe</strong></td>
<td>+24%</td>
</tr>
<tr>
<td>Germany</td>
<td>+4%</td>
</tr>
<tr>
<td>Italy</td>
<td>+65%</td>
</tr>
<tr>
<td>France</td>
<td>+66%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AMEA</strong></td>
<td>+24%</td>
</tr>
<tr>
<td>China</td>
<td>+26%</td>
</tr>
<tr>
<td>India</td>
<td>+27%</td>
</tr>
<tr>
<td>South Korea</td>
<td>+70%</td>
</tr>
</tbody>
</table>

All data presented on a YoY comparable basis; all growth comments refer to comparable growth trends. Performance highlighted for largest 3 countries in $ mn terms in each region. EL = Electrification, MO = Motion, PA = Process Automation, RA = Robotics & Discrete Automation. LO = Large orders.
Q1 profitability positively impacted by volumes and pricing

**Profitability drivers** (comparable % YoY, unless otherwise indicated)

**GROSS PROFIT**
+5%\(^1\), decline in RA offset by improvement in EL and PA as well as, fewer one-time items
Gross profit in % of revenues declining from 32.9% to 32.7%, mainly due to the divestment of Dodge

**SG&A EXPENSES**
+2%\(^1\), driven by higher sales expenses
SG&A expense in % of revenues declining from 18.3% to 17.8%

**CORPORATE AND OTHER OPERATIONAL EBITA**
-$32 mn, $69 mn lower YoY, including a project provision reversal in non-core and a real estate gain
Ongoing corporate costs run-rate largely at $300 mn

**Basic EPS**
$0.31
+$0.06

**Cash Flow**
- from operating activities in continuing operations
-$564 mn
-$1,087 mn

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1. Constant currency
Orders $4,397 mn
Very strong demand across all customer segments
Steep growth in Americas and Europe; growth in AMEA supported by 9% increase in China
Backlog $6.5 bn (prior Q-end $5.5 bn)

Revenues $3,327 mn
Revenue growth driven by strong pricing execution
Volumes continue to be impacted by supply chain disruptions, particularly in the Distribution Solutions division; challenges expected to slightly ease in coming quarter
Book-to-bill 1.32x

Operational EBITA $510 mn, 0% YoY
Margin -80 bps YoY
Margin was positively impacted by volume and strong price execution, which was, however, more than offset by higher input costs
New Service division created to increase transparency and accountability
Orders $2,202 mn

Very high absolute order level, despite relatively low large orders and divested Dodge business

High customer activity in all segments and across all regions

Backlog $4.3 bn (prior Q-end $3.7 bn)

Revenues $1,572 mn

Revenue growth driven by strong pricing execution

Supply chain constraints slightly eased on a sequential basis, partly due to implemented redesigns and validating alternative suppliers

Book-to-bill 1.40x

Operational EBITA $274 mn, -5% YoY

Margin +30 bps YoY; incl. approximately -90 bps impact from Dodge divestment

Volume, efficiency measures and strong price execution outweighing negative impact from higher input costs

Potential negative impact from alternative sourcing of e-steel in the near-term
Strong profitability improvement
Q1 2022 Process Automation

Orders $1,692 mn
Strong demand across most of the customer segments resulting in double-digit growth in base orders
Steep order growth in AMEA and Americas, while Europe impacted by isolated large order de-booking of approximately $190 mn
Backlog $6.2 bn (prior Q-end $6.1 bn)

Revenues $1,506 mn
Stronger-than-expected revenue generation towards the end of the quarter
Still only limited impact of component shortages; impact expected to increase as the year progresses
Book-to-bill 1.12x

Operational EBITA $196 mn, +26% YoY
Margin +200 bps YoY
All divisions with double-digit margins
Profitability improvement driven by volume and continued benefit from initiated cost measures, slightly offset by divisional mix and higher input costs mainly in freight
Strong orders, but component shortages delaying deliveries
Q1 2022 Robotics & Discrete Automation

Orders $1,308 mn
Broad-based strength with contribution from a strong underlying demand as well as large orders in Robotics
All customer segments increased at a double-digit rate, with particularly strong momentum in automotive – driven by EV investments in China, general industry and machine builders
Backlog $2.5 bn (prior Q-end $1.9 bn)

Revenues $730 mn
Component shortages materially hampered customer deliveries in both divisions
Supply constraints primarily related to semi-conductors, deteriorating somewhat sequentially; Q1 expected to have marked the low point
Book-to-bill 1.79x

Operational EBITA $49 mn, -53% YoY
Margin -570 bps YoY
Decline in volumes triggered under-absorption of fixed costs
Cost inflation related to freight and input costs more than offset the contribution from cost measures and positive price execution
Revenues and Operational EBITA bridge

<table>
<thead>
<tr>
<th>($ million, unless otherwise indicated)</th>
<th>Q1 2021</th>
<th>Δ Comparable (core)</th>
<th>Δ Non-core business</th>
<th>Δ Acquisitions/divestments</th>
<th>Δ FX</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>6,901</td>
<td>434</td>
<td>-5</td>
<td>-141</td>
<td>-224</td>
<td>6,965</td>
</tr>
<tr>
<td>Operational EBITA</td>
<td>959</td>
<td>86</td>
<td>24</td>
<td>-44</td>
<td>-28</td>
<td>997</td>
</tr>
<tr>
<td>Op. EBITA margin (%)</td>
<td>13.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14.3</td>
</tr>
<tr>
<td>Margin accretion/dilution (%)</td>
<td></td>
<td>+0.5</td>
<td>+0.3</td>
<td>-0.3</td>
<td>+0.0</td>
<td></td>
</tr>
</tbody>
</table>
Cash generation analysis
Q1 2022 cash flow drivers

Cash flow from operating activities\(^1\) (-$564 mn, -$1,087 mn YoY)

- Similar operational performance
- Higher build-up of trade working capital, mainly related to inventories to support future deliveries on the high order intake as well as receivables
- Higher payout of employee incentives due to the strong financial performance in 2021
- Cash flow reflected ~$170 mn of cash paid for income taxes relating to the E-mobility and Turbocharging separations

Solid cash flow expected for this year

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1. Continuing operations only
Update on active portfolio management
E-mobility and Turbocharging

Planned listing of E-mobility

- Continuing with the preparation work and have created a separate legal entity – ABB E-mobility Holding AG – with good governance and a strong Board of Directors
- Aim to complete a listing on the SIX Swiss Exchange during Q2 2022, assuming constructive market conditions; intend to list a minority part of this business
- Michael Halbherr appointed Chairman of ABB E-mobility
- Global #1 in EV charging solutions

Planned exit of Accelleron, former ABB Turbocharging

- Turbocharging business has been given the new name of Accelleron
- Will not rush to make the final decision between sale or spin-off; aim to do so before the end of Q2; prefer to spin off Accelleron on the SIX Swiss Exchange
- Daniel Bischofberger new CEO of Accelleron since March 1, 2022; in the event of a spin-off, Oliver Riemenschneider expected to take over as the Chairman
- Global #1 across its segments

$584 mn
2021 orders

$325 mn
2021 revenues

>650 k
AC chargers sold

>180 k
Turbochargers installed

~$750 mn
2021 revenues

>2,300
Employees

$375 mn
Order backlog end December 2021

61%
2017 – 2021 revenue CAGR

>30 k
DC chargers sold
## 2030 sustainability strategy: From ambition to action

### Selected highlights

<table>
<thead>
<tr>
<th>Enabling a low-carbon society</th>
<th>Preserving resources</th>
<th>Promoting social progress</th>
<th>Integrity &amp; transparency</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESTIMATED REDUCTION OF CUSTOMER EMISSIONS IN 2022</td>
<td>ZERO WASTE TO LANDFILL</td>
<td>WOMEN IN SENIOR MANAGEMENT POSITIONS</td>
<td>ESG IN 2022 EC COMPENSATION</td>
</tr>
<tr>
<td><strong>11.5</strong> MEGATONS OF CO₂e</td>
<td><strong>40%</strong> OF OUR SITES SEND ZERO WASTE TO LANDFILL</td>
<td><strong>16.3%</strong> IN 2021</td>
<td><strong>2+</strong> ESG KPIs IN THE PERSONAL COMPONENT</td>
</tr>
<tr>
<td><strong>2030 target</strong> &gt;100 MEGATONS OF CO₂e/YEAR¹</td>
<td><strong>2030 target</strong> 100% WHERE COMPATIBLE WITH LOCAL CONDITIONS</td>
<td><strong>2030 target</strong> 25%</td>
<td><strong>Long-Term Incentive Plan</strong> 20% WEIGHT FOR SCOPE 1&amp;2 CO₂e REDUCTION</td>
</tr>
</tbody>
</table>

1. Savings in the year 2030 from solutions provided to customers 2021-30
Outlook

Q2 2022

Orders and revenues
Underlying market activity to remain overall stable compared with Q1; revenues in Q2 tend to be seasonally stronger in absolute terms

Operational EBITA %
Slight sequential margin increase, assuming no escalation of lock-downs in China

FY 2022

Orders and revenues
We expect support from an anticipated positive market momentum and our strong order backlog

Operational EBITA %
Steady margin improvement towards the 2023 target of at least 15%
Appendix
### 2022 framework

<table>
<thead>
<tr>
<th>$ mn unless otherwise stated</th>
<th>Q1 22</th>
<th>Q2 22 framework</th>
<th>2022 framework$↑↓</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate and Other Operational EBITA</strong></td>
<td>(32)</td>
<td>~(90)</td>
<td>↓~(300) from ~(330)</td>
</tr>
<tr>
<td><strong>Non-operating items:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition-related amortization</td>
<td>(60)</td>
<td>~(60)</td>
<td>~(230)</td>
</tr>
<tr>
<td>Restructuring and restructuring-related</td>
<td>(16)</td>
<td>~$(40)$</td>
<td>↓~$(130)$ from ~(150)</td>
</tr>
<tr>
<td>Separation costs$^3$</td>
<td>(49)</td>
<td>~(70)</td>
<td>~(180)</td>
</tr>
<tr>
<td>ABB Way transformation</td>
<td>(25)</td>
<td>~(40)</td>
<td>~(150)</td>
</tr>
<tr>
<td>Certain other income and expenses related to PG divestment$^4$</td>
<td>(20)</td>
<td>~(5)</td>
<td>↑~(25) from ~(20)</td>
</tr>
<tr>
<td><strong>Net finance expenses</strong></td>
<td>(9)</td>
<td>~(30)</td>
<td>~(100)</td>
</tr>
<tr>
<td><strong>Non-operational pension (cost) / credit</strong></td>
<td>36</td>
<td>~35</td>
<td>~140</td>
</tr>
<tr>
<td><strong>Effective tax rate</strong></td>
<td>27.3%</td>
<td>~27%$^5$</td>
<td>~25%$^5$</td>
</tr>
<tr>
<td><strong>Capital expenditure</strong></td>
<td>(187)</td>
<td>~(200)</td>
<td>~(750)</td>
</tr>
</tbody>
</table>

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. Excludes restructuring-related expenses of ~$200 million from the full exit of a product group within our non-core businesses expected in Q2 2022.
3. Costs relating to the announced exits and the potential E-mobility listing
4. Excluding share of net income from JV
5. Excluding impact of acquisitions or divestments or any significant non-operational items

↑↓ Revised guidance
Operational EBITA bridge

13.8% margin -> 14.3% margin

Q1 2021
- Volume/price: 387
- Operations: 301

Operational performance: $86 million

Revenue growth, comparable 7%

Q1 2022
- Items impacting comparability: 24
- FX: 28
- Portfolio changes: 44
- Total: 997

Operational performance $86 million