ZURICH, SWITZERLAND | OCTOBER 18, 2023 | BJÖRN ROSENGREN, CEO; TIMO IHAMUOTILA, CFO

Q3 2023 results

Positive book-to-bill, high margin and strong cash flow delivery

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,” “guidance”, “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 “Q3 2023” on our website at global.abb/group/en/investors/quarterly-results.

Q3 2023 highlights

- **Positive Book-to-bill**, high margin and **strong cash** delivery
- Orders **+2%**[1] supporting book-to-bill of 1.01
- Revenues **+11%**[1] **up** in all Business Areas
- High Operational EBITA margin **17.4%**, **+80 bps** YoY
- Cash flow from operating activities **+$1,351 mn**, **+$560 mn** YoY

- **Rated AAA** by MSCI ESG Rating, ranking **ABB in the top 10%** of industry peers
- Expands **partnership with Northvolt** to **electrify** the world's largest battery recycling facility
- **Investing $280 million** in European Robotics hub in Sweden
- **Completed sale of the Power Conversion division** which marked the completion of our planned divisional exits

1. YoY comparable.

Comparable orders +2% YoY driven by strong demand for project and system offering

Q3 2023 results

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

Short-cycle
Decline in the short-cycle business from last year's high level

Services
Orders +36%[1] and revenues +18%[1]

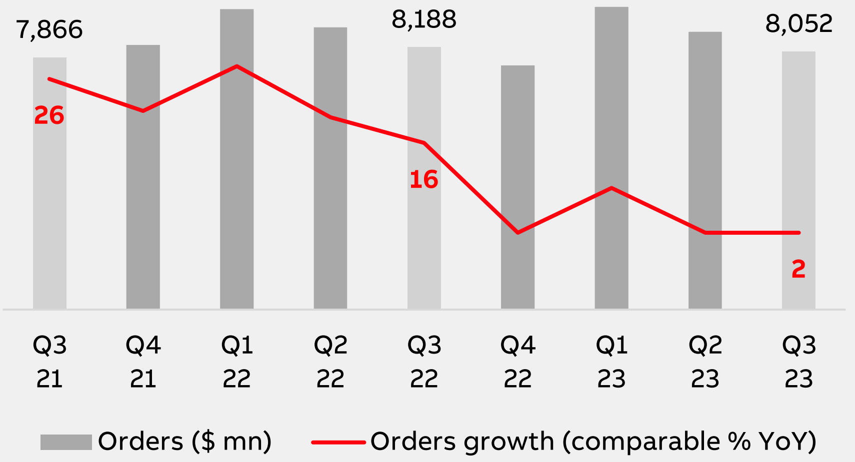
Discrete
Automotive positive while the general industry and consumer-related robotics segments declined; machine builders impacted by normalizing order patterns

Process
Strong across the board; strength in oil & gas; refining, petrochemicals and the low carbon segments held up well

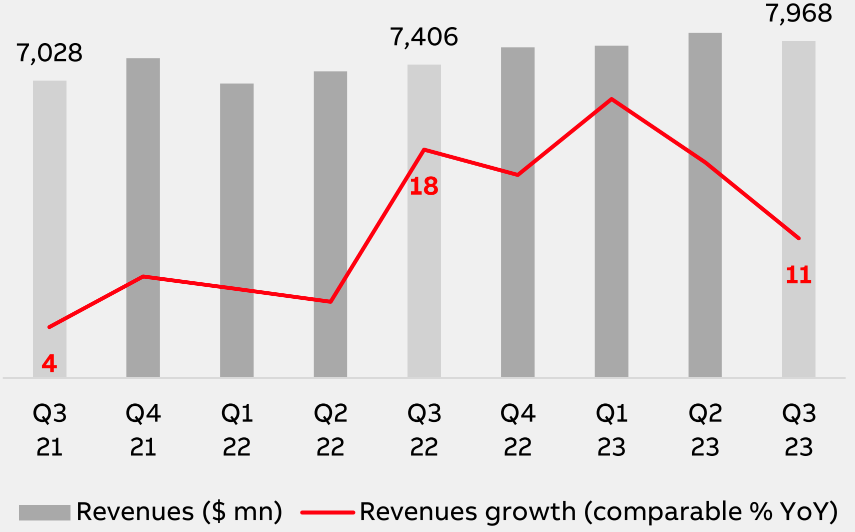
Transport & infrastructure
Positive in marine & ports and renewables; residential buildings weak; commercial construction had solid momentum in the US, Europe flat, China declining

Order backlog grew +11%[1] to $21.4 bn

Orders +2%[1]



Revenues +11%[1]



Book-to-bill 1.01

1. YoY comparable.

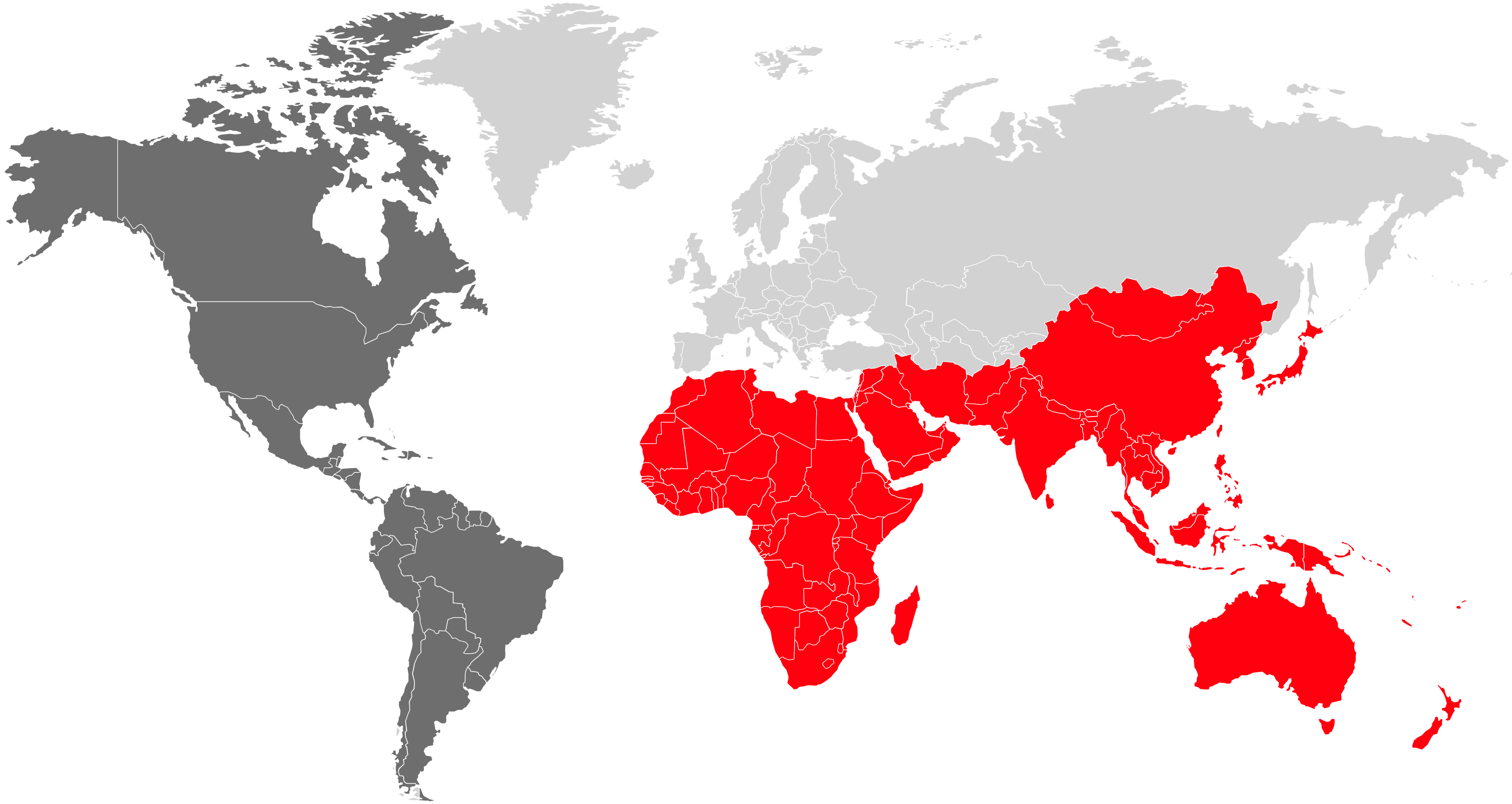
Growth in the Americas and AMEA; Europe demand muted

Q3 2023 regional, country orders

The Americas	**+13%**
USA Steep growth in PA due to multi-year contract; Strong growth in EL; Strong decline in MO and RA	**+13%**
Canada	**+41%**
Mexico	**-4%**

Europe	**-13%**
Germany Strong growth in PA; decline in EL; steep decline MO due to large rail order in prior year and RA	**-33%**
Italy	**-5%**
Netherlands	**+86%**

AMEA	**+4%**
China Strong growth in MO; PA and EL stable; steep decline RA	**-3%**
India	**+10%**
UAE	**+13%**



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.

Q3 profitability driven by price and volume

Profitability drivers

Gross Profit

+9%[1]

Gross profit as a % of revenues increased from 33.5% to 34.7%; expansion in 3 out of 4 business areas driven by strong pricing and higher volumes improving cost absorption

SG&A expenses

+3%[1]

SG&A expense as a % of revenues declined from 17.2% to 16.7%; driven primarily by lower G&A costs in Process Automation

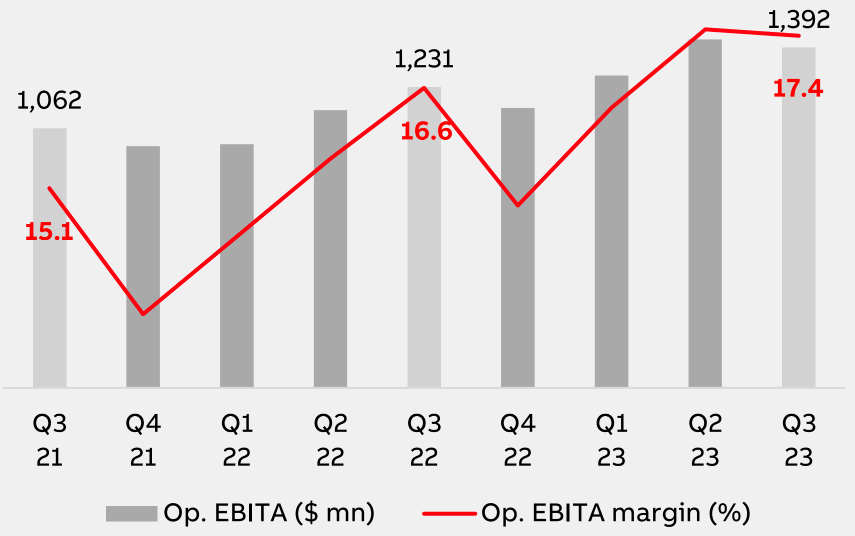
Corporate and Other Operational EBITA

-$109 mn, -$53 mn YoY

of which Corporate costs and Other -$70 mn and E-mobility -$39 mn

Basic EPS	$0.48 **+$0.29 YoY**	**Cash flow** from operating activities	**+$1,351 mn** **+$560 mn YoY**

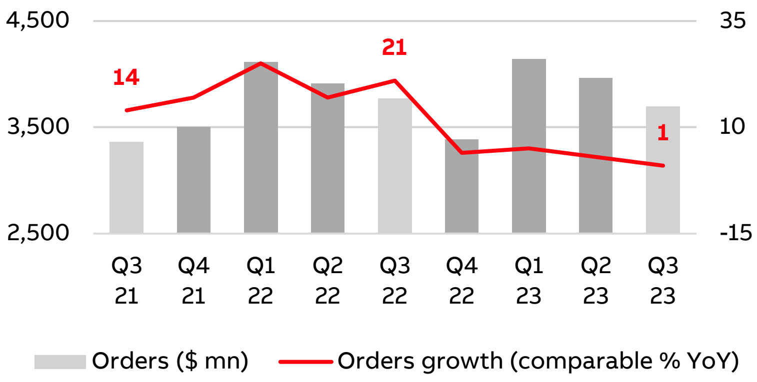
Operational EBITA +13%



Operational EBITA margin +80 bps

1. Constant currency.

Structural drivers support growth and margin remains at a high level
Q3 2023 Electrification

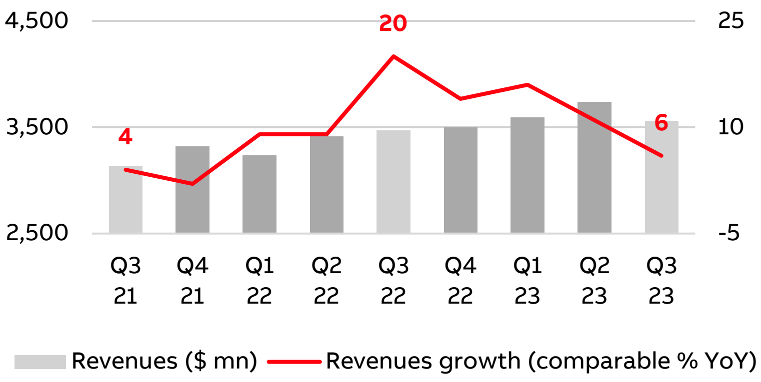


Orders $3,693 mn

Strength in datacenters, and chemicals, oil & gas; Solid developments in rail and solar

Weakness in residential construction in all regions; while commercial construction in the US saw good momentum

Backlog $7.0 bn (prior Q-end $7.3 bn)

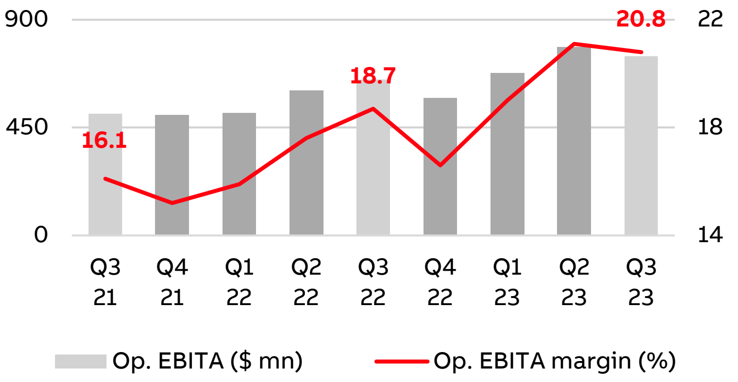


Revenues $3,561 mn

Growth in all divisions except those with large exposure to the buildings segment; growth driven primarily by price

Growth in the Americas and Europe, while AMEA remained stable, hampered by lower revenues in China primarily linked to the weaker buildings segment

Book-to-bill 1.04x QTD/ 1.08x YTD



Operational EBITA $748 mn, +15% YoY

Margin +210 bps YoY

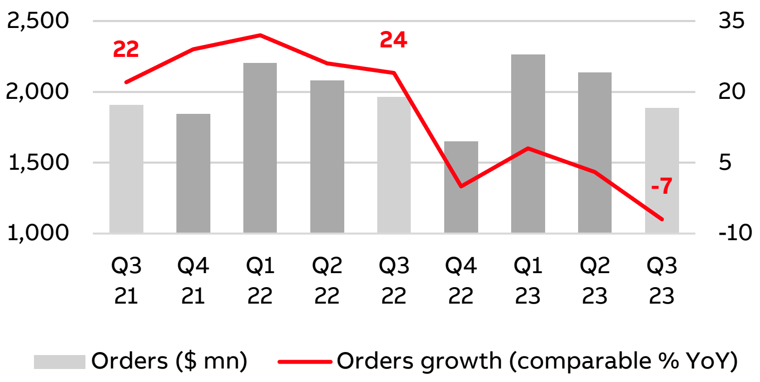
Margin improvement driven primarily by strong pricing activities

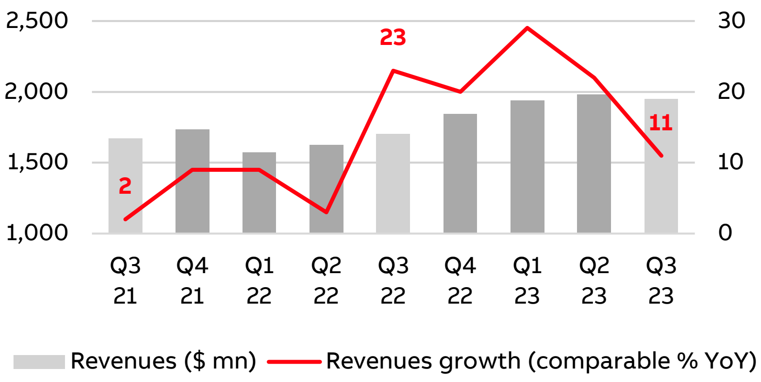
Operational leverage on higher volumes improved cost absorption

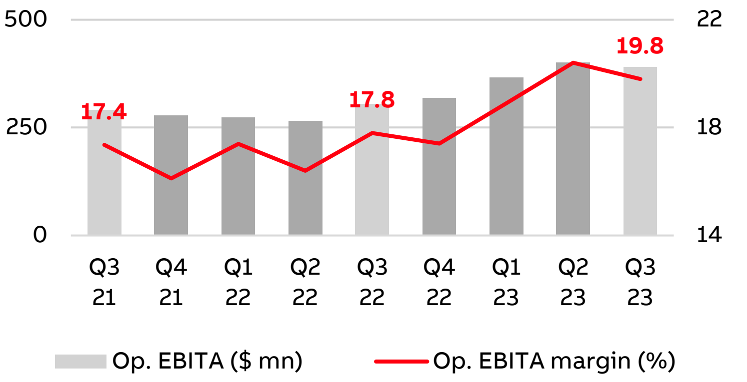
Support from lower raw material costs virtually offset by labor inflation

Strong momentum in long-cycle divisions and solid execution

Q3 2023 Motion







Orders $1,886 mn

Orders broadly stable excluding the impact from large traction order booked in the prior year

Strong momentum in long-cycle, offset by some softness in short-cycle; Strength in process-related segments; weakness in HVAC, food & beverage and electronics

Backlog $5.1 bn (prior Q-end $5.3 bn)

Revenues $1,947 mn

Revenue growth in virtually all divisions

Higher volumes and pricing support growth

Strong growth in all three regions

Book-to-bill 0.97x QTD/ 1.07x YTD

Operational EBITA $390 mn, +28% YoY

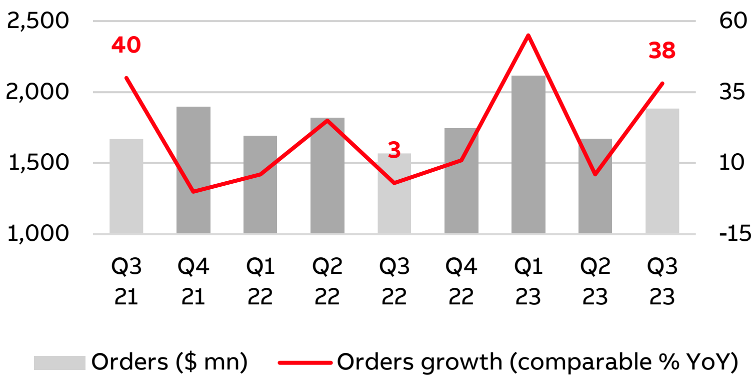
Margin +200 bps YoY

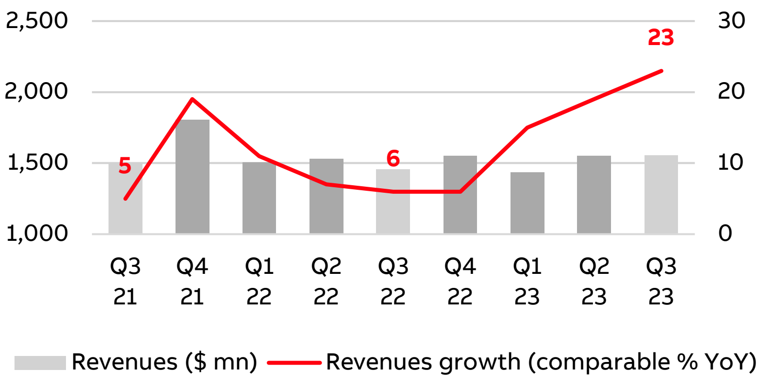
Margin increase primarily driven by prior period price increases which more than offset inflation

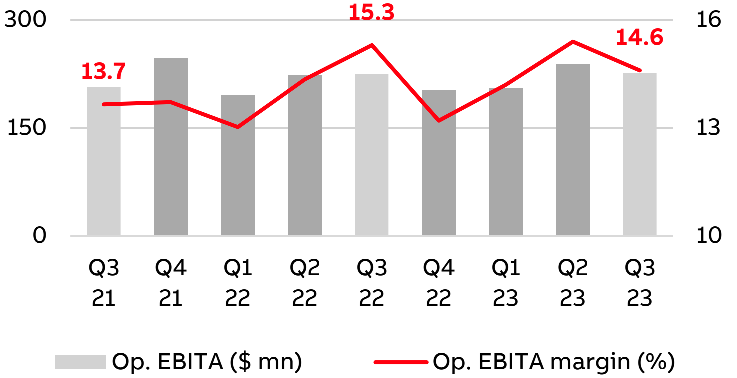
Higher volumes supported higher fixed cost absorption in production

Motor divisions significantly increased profitability led by the Large Motors & Generators division

Robust demand and strong execution resulting in a stellar quarter
Q3 2023 Process Automation







Orders $1,883 mn

Robust underlying customer activity across most customer segments

Orders additionally supported by a large multi-year order of ~$285 mn booked late in the quarter

Backlog $7.1 bn (prior Q-end $6.8 bn)

Revenues $1,554 mn

Strong growth driven by order backlog execution

All divisions contributing with double-digit revenue growth

Absolute numbers impacted by Accelleron spin-off

Book-to-bill 1.21x QTD/ 1.25x YTD

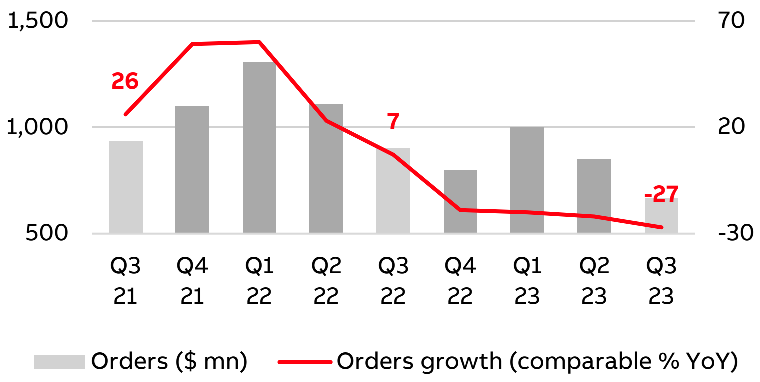
Operational EBITA $226 mn, flat YoY

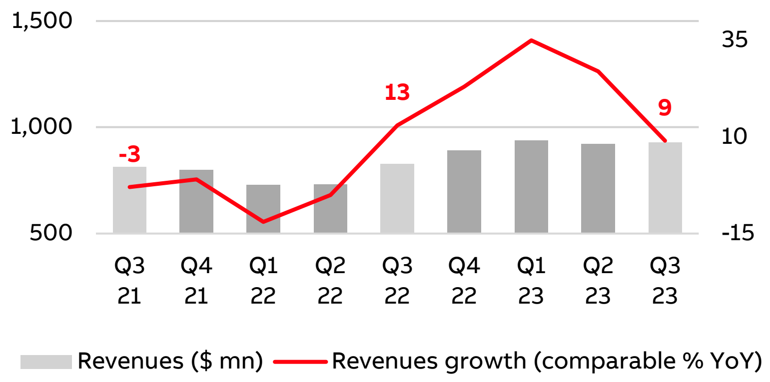
Margin -70 bps YoY; incl. approximately -190 bps impact from Accelleron spin-off

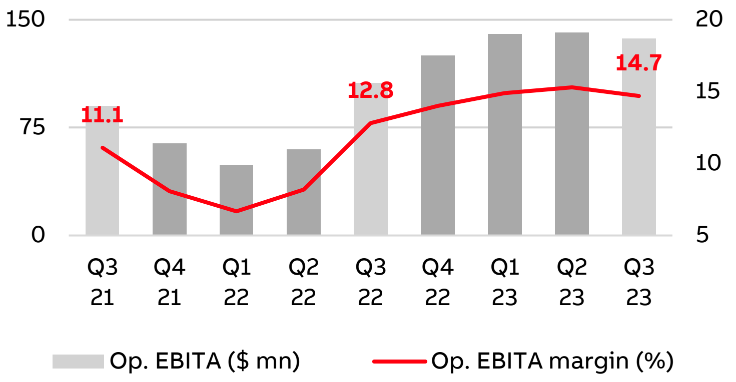
Underlying profitability improvement driven by volume and better project execution; continued gross profit improvement

Margin stable or increased in all divisions except Marine & Ports due to adverse mix from the missing arctic marine propulsion business

Orders under pressure; strong operational execution
Q3 2023 Robotics & Discrete Automation







Orders $665 mn

Robotics demand softer in China with additional pressure from destocking outside automotive; Outside China more resilient

Machine builders react to shorter lead times normalizing order patterns

Destocking and order normalization to continue into next couple of quarters

Backlog $2.4 bn (prior Q-end $2.7 bn)

Revenues $929 mn

Execution of the high order backlog triggered strong growth in Europe and the Americas; China hampered by inventory adjustments in the market

Earlier implemented price increases supporting growth in both divisions

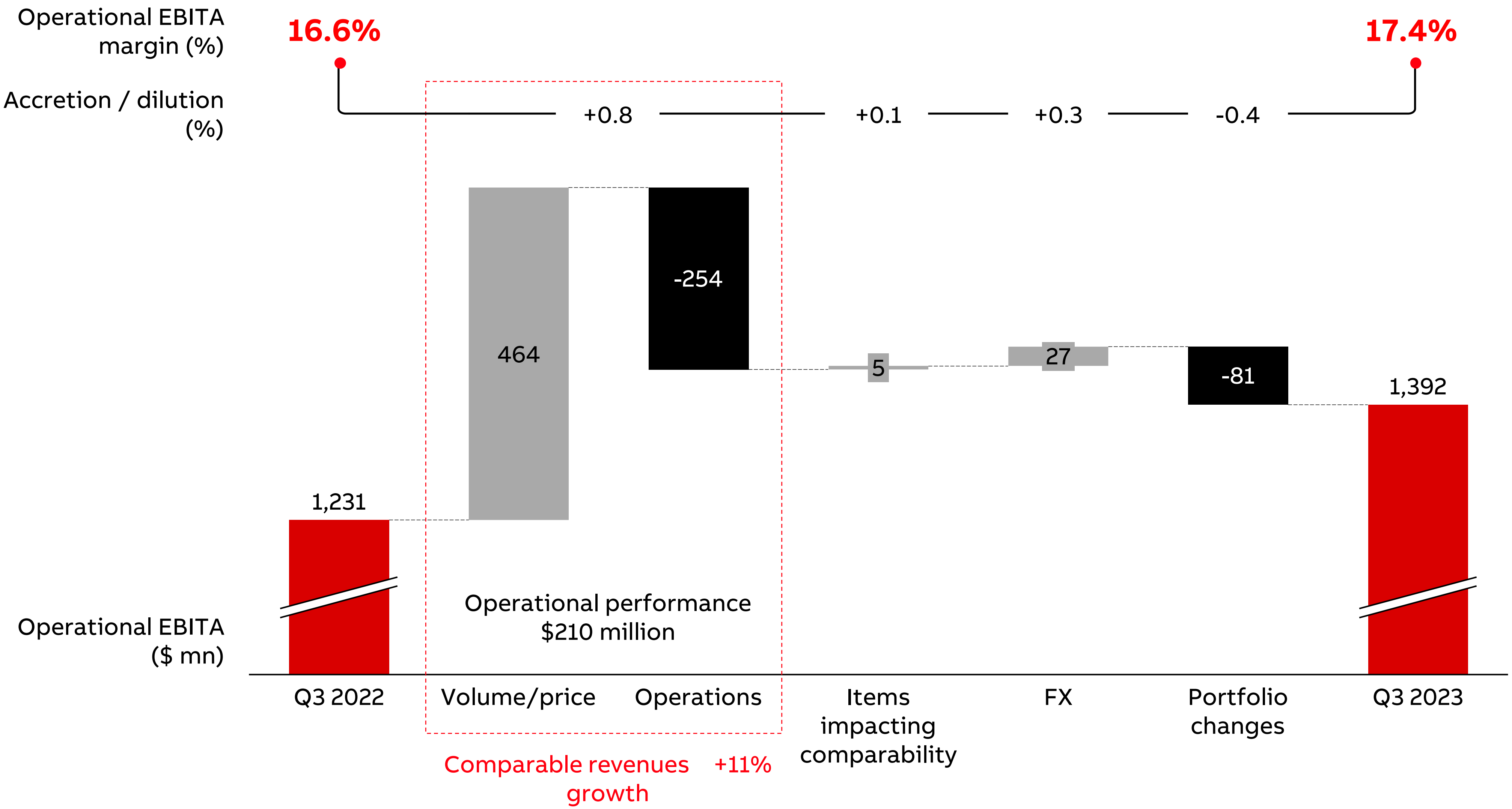
Book-to-bill 0.72x QTD/ 0.90x YTD

Operational EBITA $137 mn, +29% YoY

Margin +190 bps YoY

Strong contribution from earlier implemented price actions and improved operational performance more than offsetting labor inflation and continued investments in R&D

Operational EBITA bridge



Items impacting comparability: Non-core business. Portfolio changes: Acquisition of Powertech Converter and Siemens NEMA motor, Divestment of Turbocharging and Power Conversion businesses

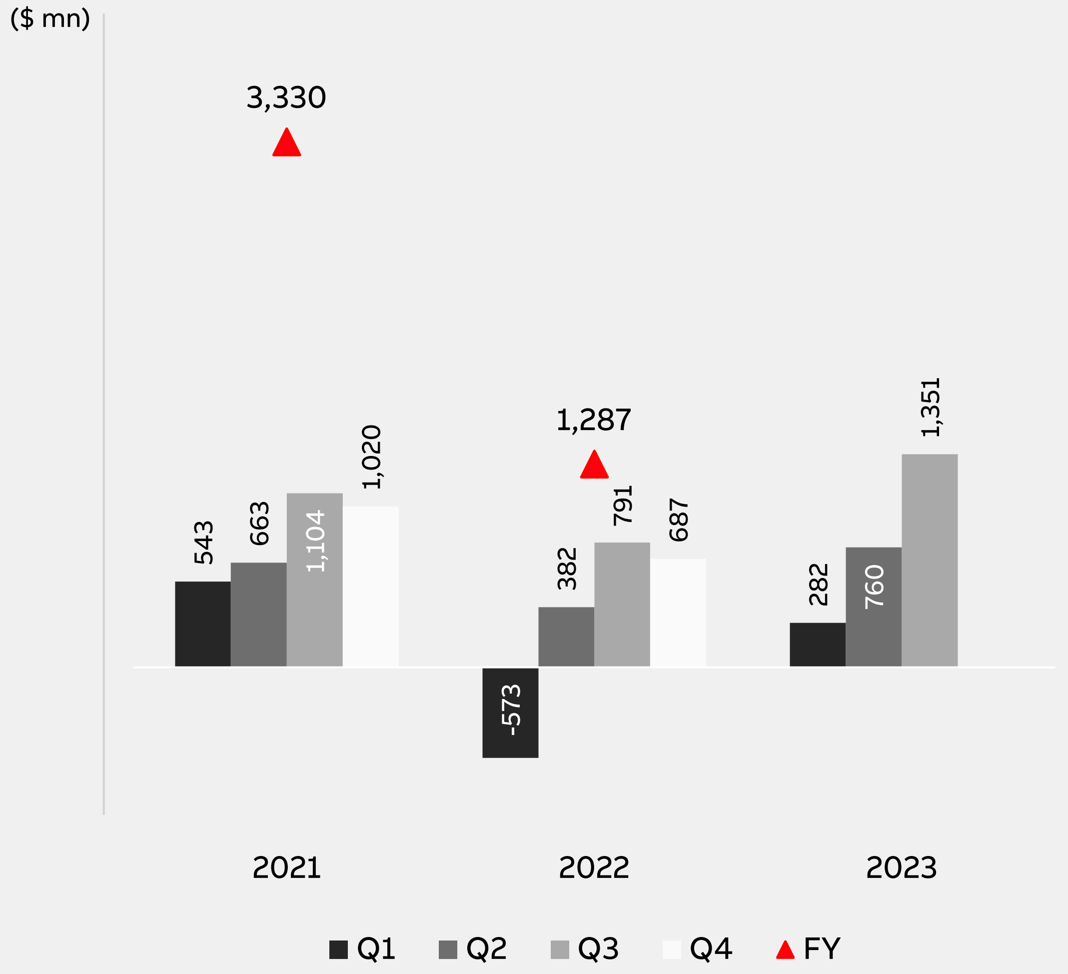
Cash generation analysis
Q3 2023 cash flow drivers

Cash flow from operating activities
(+$1,351 mn, +$560 mn YoY)

- Positive cash flow in all business areas
- Better operational performance
- Release of net working capital this quarter versus a build-up in the prior year

On track to deliver Free cash flow of ~ $3 bn

Cash flow from operating activities
+$560 mn



Outlook

Q4 2023

Revenues

Low to mid single-digit comparable revenue growth

Operational EBITA %

Operational EBITA margin around 16%

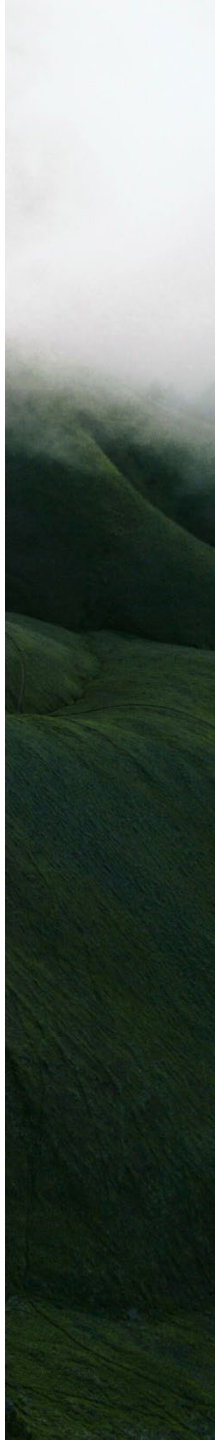
FY 2023

Revenues

Comparable revenue growth in the low teens

Operational EBITA %

Operational EBITA margin in the range of 16.5% to 17.0%



Q&A

Appendix

2023 framework

$ mn unless otherwise stated	Q3 23	Q4 23 framework	2023[1] framework
Corporate and Other Operational EBITA[2]	(70)	~(75)	~(300)
Non-operating items:			
PPA-related amortization	(55)	~(55)	~(220)
Restructuring and related[3]	(58)	~(40)	↑~(180) from ~(150)
ABB Way transformation	(51)	~(55)	~(180)

	9M 2023	2023 framework
Net finance expenses	(82)	↓~(100) from ~(130)
Effective tax rate	21.5%	~21%[4]
Capital expenditure	(507)	~(800)

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 Operational EBITA from E-mobility business.
3. Includes restructuring and restructuring-related as well as separation and integration costs.
4. Includes net positive tax impact of $206 million linked to a favorable resolution of certain prior year tax matters in Q1 2023 but excludes the impact of acquisitions or divestments or any significant non-operational items.

↑↓ Revised guidance

ABB