



Q2 2024

First six months Press Release

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

ZURICH, SWITZERLAND, JULY 18, 2024

Q2 2024 results

Solid demand; record-high Operational EBITA margin

- Orders \$8,435 million, -3%; comparable¹ 0%
- Revenues \$8,239 million, +1%; comparable¹ +4%
- Income from operations \$1,376 million; margin 16.7%
- Operational EBITA¹ \$1,564 million; margin¹ 19.0%
- Basic EPS \$0.59; +22%²
- Cash flow from operating activities \$1,067 million; +40%

KEY FIGURES

(\$ millions, unless otherwise indicated)	CHANGE				CHANGE			
	Q2 2024	Q2 2023	US\$	Comparable ¹	H1 2024	H1 2023	US\$	Comparable ¹
Orders	8,435	8,667	-3%	0%	17,409	18,117	-4%	-2%
Revenues	8,239	8,163	1%	4%	16,109	16,022	1%	3%
Gross Profit	3,174	2,888	10%		6,109	5,604	9%	
as % of revenues	38.5%	35.4%	+3.1 pts		37.9%	35.0%	+2.9 pts	
Income from operations	1,376	1,298	6%		2,593	2,496	4%	
Operational EBITA ¹	1,564	1,425	10%	12% ³	2,981	2,702	10%	11% ³
as % of operational revenues ¹	19.0%	17.5%	+1.5 pts		18.4%	16.9%	+1.5 pts	
Income from continuing operations, net of tax	1,104	932	18%		2,018	1,997	1%	
Net income attributable to ABB	1,096	906	21%		2,001	1,942	3%	
Basic earnings per share (\$)	0.59	0.49	22% ²		1.09	1.04	4% ²	
Cash flow from operating activities	1,067	760	40%		1,793	1,042	72%	
Free cash flow	918	606	51%		1,469	768	91%	

¹ For a reconciliation of alternative performance measures, see "supplemental reconciliations and definitions" in the attached Q2 2024 Financial Information.

² EPS growth rates are computed using unrounded amounts.

³ Constant currency (not adjusted for portfolio changes).

"In the second quarter, demand was solid and the Operational EBITA margin reached the all-time-high level of 19%. I am confident that ABB will continue to deliver long-term shareholder value in line with its targets as Morten Wierod takes over as CEO next month."

Björn Rosengren, CEO



CEO summary

The second quarter was, in my view, another proof point that the operational changes from the introduction of the ABB Way in 2020 are making ABB a sustainably well-running company. We reached a new record-high Operational EBITA margin, good cash flow and we announced a somewhat more sizeable acquisition. Overall, I am pleased with the outcome.

Comparable orders remained on par with last year's high level, supported by strong improvements in both the Electrification and Process Automation business areas. This was however offset by weakness primarily in the Machine Automation and E-mobility businesses, as well as by a softening from a fairly challenging comparable in the Motion business area. We saw short-cycle orders improve, hence turning a corner after several quarters of decline. In the project- and systems-related businesses we see a continued solid underlying customer activity with an intact robust project pipeline.

Revenues amounted to the high level of \$8.2 billion, yet we still managed to deliver a positive book-to-bill of 1.02. With the first half of this year at 1.08 and the currently expected overall solid market environment, we feel confident in reaching a positive book-to-bill for 2024. Operational EBITA margin was 19.0%, supported by both higher volumes and positive price impacts, with the Corporate line items also contributing positively on aggregate.

Free cash flow of \$918 million improved from last year and the run-rate of \$1.5 billion in the first half of the year leaves us in a good position to deliver on our annual ambition to be at least at a similar level as last year.

Enabling a low-carbon society is at the core of ABB's business, and we are pleased that our scope 1, 2 and 3 targets for 2030 and 2050 were approved by the Science Based Target initiative (SBTi), in accordance with the Paris Agreement. We are committed to reduce our scope 1 and 2 emissions by 80 percent by 2030 and 100 percent by 2050. With our new scope 3 target of reducing absolute emissions by 25% from a 2022 baseline, we will increase our engagement with our value chain partners on decarbonization whilst providing products and solutions to our customers to enable them to scale-up renewables, increase energy efficiency, electrify processes and reduce emissions.

One example of how we drive R&D towards energy efficient solutions, is the newly launched OmniCore control platform which enables robots to operate up to 25% faster and consume up to 20% less energy compared with the previous version. OmniCore enables management of motion, sensors and application equipment in a unique, single control architecture – one platform, and one language that integrates our complete range of leading hardware and software.

Outlook

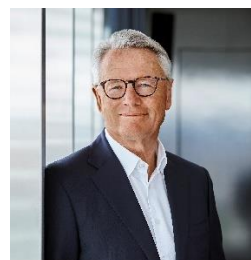
In the **third quarter of 2024**, we anticipate a sequentially higher growth rate in comparable revenues and the Operational EBITA margin be around 18.5%, or slightly below.

As an extension of our R&D activities we invest in minority stakes in technology start-ups, which later may be fully integrated into the ABB family. For example, during the quarter we invested in two clean technology start-ups – Industrial and GridBeyond – offering AI powered solutions for real time optimized energy consumption for accelerated decarbonization as well as optimized distributed energy resources and industrial loads.

It was very good to see the Electrification business area announcing a somewhat more sizeable acquisition. When the deal closes, the Smart Buildings division will expand its portfolio with the acquisition of Siemens' Wiring Accessories business in China, which generated more than \$150 million in revenues in 2023. The acquisition will broaden our market reach and complement the regional customer offering to a full range of safe and reliable smart buildings technology.

Both myself and Morten – who soon assumes the role of ABB CEO – are thrilled about the internal appointments of Giampiero Frisio as the new President of the Electrification Business Area and Brandon Spencer as the new President of the Motion Business Area. Both are proven leaders with strong ABB Way leadership track records, driving profitable growth in two of our largest Divisions.

I am very proud of having been a part of ABB. Above all I feel privileged to have gotten to know the people – a very capable and committed team with a passion for business. Leveraging the ABB Way operating model has contributed to bringing our financial performance towards a best-in-class level, and fully integrating ABB sustainability as part of our core customer proposition as well as driving our own operations to being part of a low carbon industrial solution. When Morten takes over as CEO from next month, he will bring his vast experience of our leading technology and his customer understanding from his 25+ years in the ABB commercial front lines. I am confident that he will challenge the team to further refine the ABB Way for profitable and sustainable growth. As I retire from ABB, I wish all future success for the team.



Björn Rosengren
CEO

In **full-year 2024**, we expect a positive book-to-bill, comparable revenue growth to be about 5% and the Operational EBITA margin to be about 18%.

Orders and revenues

Order intake amounted to \$8,435 million, representing a year-on-year decline of 3% (0% comparable). Strong order growth was recorded for both the Electrification and Process Automation business areas. This was however offset by weakness primarily in the discrete automation-related Machine Automation division and in the E-mobility business. Order intake in the Motion business area also declined from a fairly challenging comparable. Overall, there was a positive development in the short-cycle orders. The underlying business environment in the projects and systems businesses remained robust, although large order bookings declined from last year's high level.

The market environment in the Americas was strong, however order intake dropped by 6% (4% comparable) due to the impact of timing of large orders booked last year, mainly linked to the United States. Europe declined by 5% (4% comparable) mainly related to the weak demand in the machine builder segment in Robotics and Discrete Automation. Asia, Middle East and Africa improved year-on-year by 4% (9% comparable) on strong comparable development in countries like Australia and parts of the Middle East, offsetting the decline in China. The market environment in China is stabilizing, with both the Electrification and Motion business areas recording only low single-digit declines year-on-year. Sequentially, group orders remained stable in China.

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	0%	4%
FX	-2%	-2%
Portfolio changes	-1%	-1%
Total	-3%	1%

Orders by region

(\$ in millions, unless otherwise indicated)	Q2 2024	Q2 2023	CHANGE	
			US\$	Comparable
Europe	2,786	2,931	-5%	-4%
The Americas	3,031	3,209	-6%	-4%
Asia, Middle East and Africa	2,618	2,527	4%	9%
ABB Group	8,435	8,667	-3%	0%

Revenues by region

(\$ in millions, unless otherwise indicated)	Q2 2024	Q2 2023	CHANGE	
			US\$	Comparable
Europe	2,831	2,935	-4%	-2%
The Americas	2,960	2,815	5%	8%
Asia, Middle East and Africa	2,448	2,413	1%	5%
ABB Group	8,239	8,163	1%	4%

In transport & infrastructure, there were positive developments in marine, ports and rail.

In the Industrial areas a particularly strong development was seen in data centers.

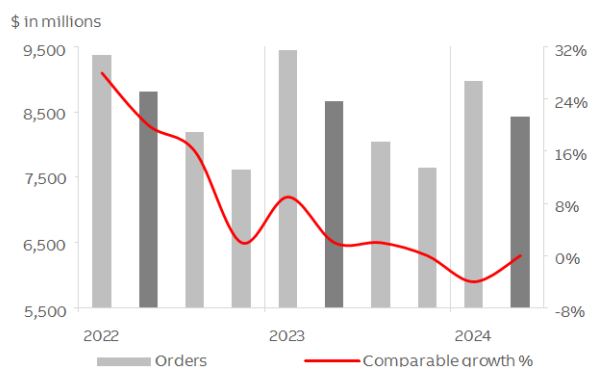
Orders in the buildings segment improved overall, due to the combined impact from a positive development in the commercial area, most pronounced in the United States, while the residential segment was weak in all regions.

In the robotics-related segments, orders declined in automotive but improved in general industry and consumer-related segments. The machine builder segment declined as customers normalized order patterns after earlier pre-buys and a softer underlying market.

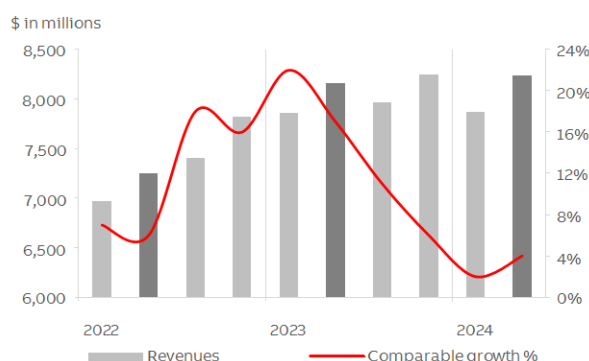
In the process-related areas, orders improved in power generation, chemicals, while customer activity remained broadly stable in oil & gas, with a negative order development in pulp & paper, metals and mining.

Revenues of \$8,239 million improved by 1% (4% comparable) mainly driven by volumes, but also by positive price developments. Execution of the strong order backlog, added to the broadly stable development in the short-cycle businesses.

Orders



Revenues



Earnings

Gross profit

Gross profit increased by 10% (12% constant currency) year-on-year to \$3,174 million, reflecting a gross margin improvement of 310 basis points to 38.5%. Gross margin improved in three out of four business areas.

Income from operations

Income from operations amounted to \$1,376 million and improved by 6% year-on-year. This was driven primarily by a stronger operational performance with some additional support from currency hedges year-on-year, which more than offset the impacts from higher restructuring expenses as well as gains and losses from sale of businesses. Margin on Income from operations was 16.7%, up by 80 basis points.

Operational EBITA

Operational EBITA improved by 10% year-on-year to \$1,564 million and the margin increased by 150 basis points to a new all-time-high of 19.0%. Contribution from operational leverage on higher volumes and a positive price impact more than offset the slightly higher expenses related to Research & development (R&D) and Selling general and administrative (SG&A) expenses. Operational EBITA in Corporate and Other amounted to -\$67 million. The Corporate-related items netted out to a contribution of \$20 million. This is the total of underlying Corporate operational expenses of approximately

\$55 million and positive impacts of about \$75 million related to a reduction of a self-insurance provision and a provision reversal linked to the non-core business. The remaining -\$87 million relate to the E-mobility business, which recorded \$48 million of impairments primarily linked to inventories. The operational performance was hampered by the ongoing reorganization to ensure a more focused portfolio.

Finance net

Net finance income contributed to results with a positive \$33 million, an improvement from last year's expense of \$25 million. The year-on-year improvement is due to a combination of a lower net debt position and favorable mix of interest rates between borrowings and cash deposits.

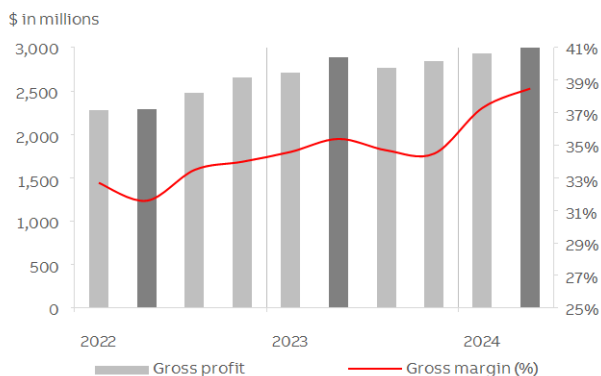
Income tax

Income tax expense was \$315 million with an effective tax rate of 22.2%, lowered by about 500 basis points due to a reassessment of certain tax risks.

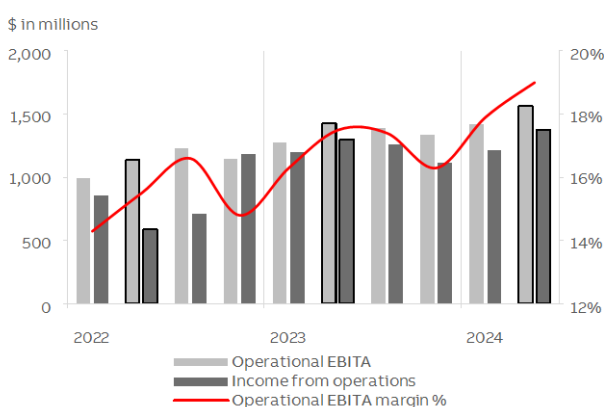
Net income and earnings per share

Net income attributable to ABB was \$1,096 million, representing an increase of 21% from last year, driven by improved operational performance, the contribution from net financial income and the lower tax rate. This resulted in basic earnings per share of \$0.59, up from \$0.49 in the last year period.

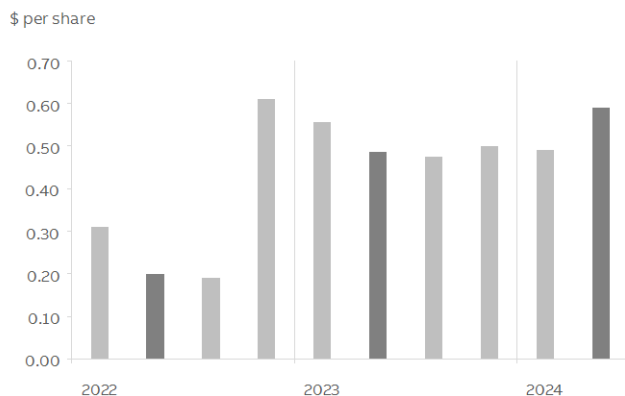
Gross profit & Gross margin



Income from operations & Operational EBITA



Basic EPS



Corporate and Other Operational EBITA

(\$ in millions)	Q2 2024	Q2 2023
Corporate and Other		
E-mobility	(87)	(67)
Corporate costs, intersegment eliminations and other ¹	20	(76)
Total	(67)	(143)

¹ Majority of which relates to underlying corporate

Balance sheet & Cash flow

Net working capital

Net working capital amounted to \$3,607 million, decreasing year-on-year from \$4,585 million as lower inventories, higher customer advances and higher accounts payable more than offset an increase in contract assets. Net working capital as a percentage of revenues¹ was 11.2%, a decline from 14.7% one year ago, improving in virtually all key components of net working capital.

Capital expenditures

Purchases of property, plant and equipment and intangible assets amounted to \$185 million.

Net debt

Net debt¹ amounted to \$2,480 million at the end of the quarter and decreased from \$4,165 million year-on-year. The decrease was mainly driven by strong free cash flow. The sequential increase from \$2,086 million was due mainly to the second portion of the dividend payment and the purchase of treasury stock, partially offset by strong operating cash flows.

Cash flows

Cash flow from operating activities was \$1,067 million and increased year-on-year from \$760 million. All business areas increased cash flow from operating activities, driven primarily by a lower build-up of net working capital year-on-year, mainly related to inventories and trade receivables as well as to a sequential increase in accounts payables. Additional support stemmed from a slight increase in operational performance.

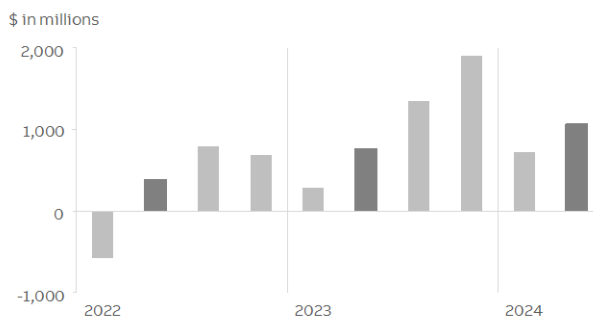
Share buyback program

A new share buyback program of up to \$1 billion was launched on April 1, 2024, and will run to January 31, 2025. During the second quarter, ABB repurchased a total of 3,754,257 shares for a total amount of approximately \$190 million. ABB's total number of issued shares, including shares held in treasury, amounts to 1,860,614,888.

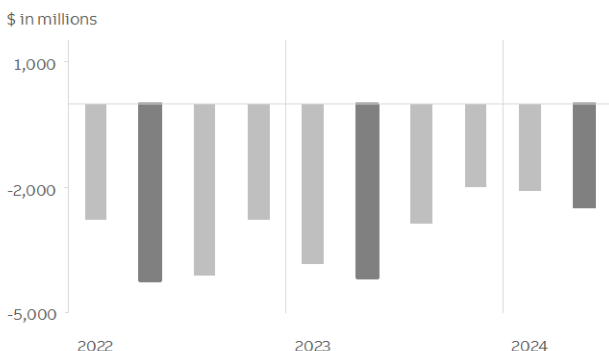
(\$ in millions, unless otherwise indicated)	Jun. 30 2024	Jun. 30 2023	Dec. 31 2023
Short term debt and current maturities of long-term debt	410	3,849	2,607
Long-term debt	6,338	4,451	5,221
Total debt	6,748	8,300	7,828
Cash & equivalents	2,961	2,923	3,891
Restricted cash - current	18	19	18
Marketable securities and short-term investments	1,289	1,193	1,928
Cash and marketable securities	4,268	4,135	5,837
Net debt (cash)*	2,480	4,165	1,991
Net debt (cash)* to EBITDA ratio	0.4	0.8	0.4
Net debt (cash)* to Equity ratio	0.18	0.31	0.14

* At June 30, 2024, June, 30, 2023 and Dec. 31, 2023, net debt(cash) excludes net pension (assets)/liabilities of \$(241) million, \$(328) million and \$(191) million, respectively.

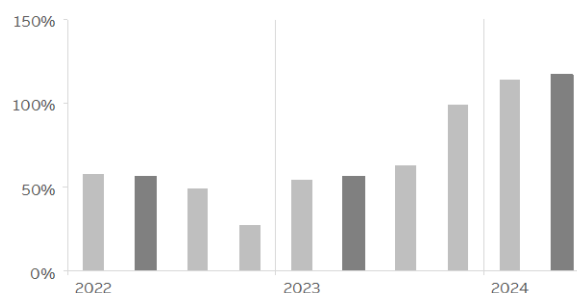
Cash flow from operating activities



Net Cash (Net Debt) position



Free cash flow conversion to net income¹, R12M



Electrification



Orders and revenues

In a buoyant market environment, Electrification orders benefited from strong growth in the short-cycle businesses and solid underlying project- and systems-related customer activity, although large order bookings softened somewhat from last year's record-high level. Total order intake amounted to \$4,073 million, up 3% (7% comparable) year-on-year.

- Orders remained stable or increased in most customer segments with particular strength in data centers and infrastructure. The buildings segment also improved supported by a positive development in the commercial area driven by the United States, which more than offset weakness in the residential area.
- From a geographical perspective comparable order intake improved in all three regions. Europe was up by 5% (7% comparable) with growth in all the larger markets. Growth in the Americas was hampered by the timing of project orders booked in last year's period and remained overall stable, (up 4% comparable) supported by the United States at 4% (8% comparable). In Asia, Middle East and Africa orders improved by 5% (12% comparable) with strong growth in countries like India. This offset a slight drop

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	7%	7%
FX	-2%	-2%
Portfolio changes	-2%	-3%
Total	3%	2%

in China of 7% (3% comparable) year-on-year, with steady sequential market development.

- Revenues increased by 2% (7% comparable) to an all-time-high level of \$3,809 million with stable to positive developments in all divisions. Growth was primarily due to higher volumes, with additional support from positive price impacts.

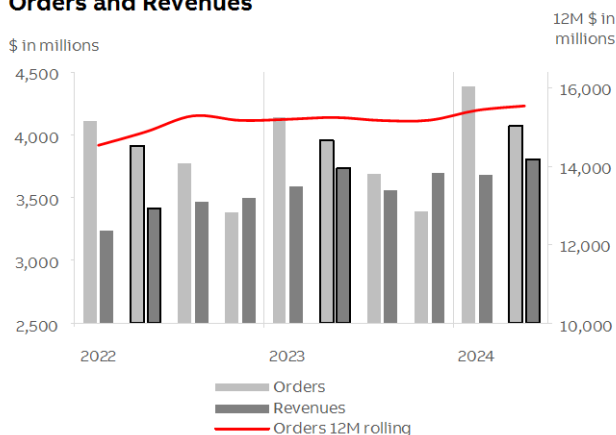
Profit

Record-high Operational EBITA of \$887 million and an all-time-high Operational EBITA margin of 23.2%, up by 210 basis points year-on-year.

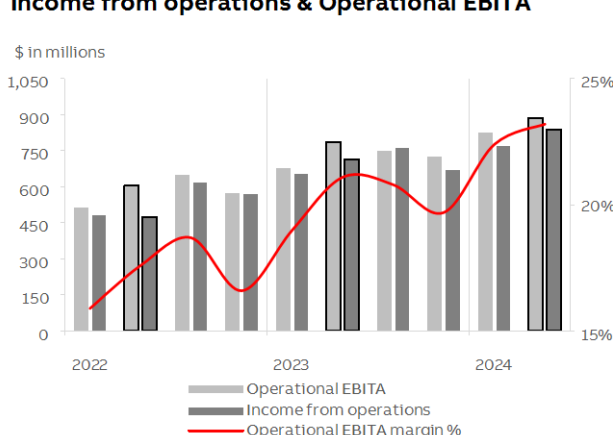
- Operational leverage on higher volumes and impact from continuous improvement measures were the key drivers to the higher margin, year-on-year. Additional support was derived from a positive price impact.
- Margins improved in virtually all divisions.

(\$ millions, unless otherwise indicated)	CHANGE				CHANGE			
	Q2 2024	Q2 2023	US\$	Comparable	H1 2024	H1 2023	US\$	Comparable
Orders	4,073	3,960	3%	7%	8,465	8,101	4%	7%
Order backlog	7,548	7,298	3%	11%	7,548	7,298	3%	11%
Revenues	3,809	3,735	2%	7%	7,489	7,325	2%	7%
Operational EBITA	887	787	13%		1,713	1,464	17%	
as % of operational revenues	23.2%	21.1%	+2.1 pts		22.8%	20.0%	+2.8 pts	
Cash flow from operating activities	850	697	22%		1,397	1,092	28%	
No. of employees (FTE equiv.)	51,100	51,800	-1%					

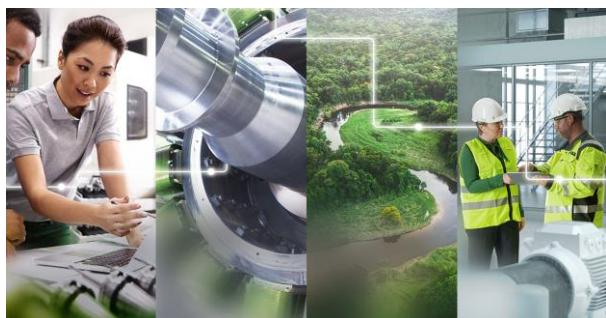
Orders and Revenues



Income from operations & Operational EBITA



Motion



Orders and revenues

Motion recorded yet another quarter with order intake at the \$2 billion level, with book-to-bill at 1.03. A positive development in the short-cycle orders was noted, while orders in the divisions more linked to project- and systems-related demand declined from last year's record-high levels, although showing a stable trend compared with recent quarters. In total, order intake declined by 6% (4% comparable).

- Order momentum was the strongest in the rail and power generation segments, with a positive development also in HVAC driven by commercial buildings. Oil & gas declined from last year's high level and some slowness was noted in metals and chemicals.
- Orders in Asia, Middle East and Africa improved by 1% (5% comparable) supported by a strong development in for example India, while China softened slightly by 4% (1% comparable). Europe declined by 5% (4% comparable) and the Americas dropped by 13% (14%

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	-4%	-1%
FX	-2%	-2%
Portfolio changes	0%	1%
Total	-6%	-2%

comparable) primarily due to the lower large order bookings, compared with last year.

- Revenues amounted to \$1,951 million and declined by 2% (1% comparable) as support from execution of the order backlog and a positive price impact was more than offset by lower volumes in the short-cycle areas as the order improvement did not yet convert to revenues.

Profit

Operational EBITA of \$388 million declined by 3% and the Operational EBITA margin softened by 50 basis points to 19.9%, year-on-year.

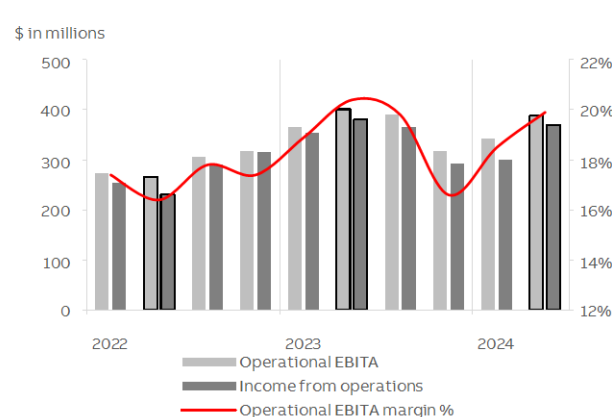
- Operational leverage on the lower production volumes in the short-cycle businesses more than offset improved profitability in divisions linked to the project- and systems offering.
- Positive pricing impacts were more than offset by the adverse mix effects triggered by a lower share of revenues stemming from the short-cycle businesses, and higher expenses related to R&D and SG&A, year-on-year.

(\$ millions, unless otherwise indicated)	CHANGE				CHANGE			
	Q2 2024	Q2 2023	US\$	Comparable	H1 2024	H1 2023	US\$	Comparable
Orders	2,014	2,137	-6%	-4%	4,317	4,399	-2%	-1%
Order backlog	5,669	5,322	7%	8%	5,669	5,322	7%	8%
Revenues	1,951	1,981	-2%	-1%	3,780	3,921	-4%	-3%
Operational EBITA	388	401	-3%		731	767	-5%	
as % of operational revenues	19.9%	20.4%	-0.5 pts		19.2%	19.6%	-0.4 pts	
Cash flow from operating activities	509	320	59%		861	469	84%	
No. of employees (FTE equiv.)	22,700	22,200	2%					

Orders and Revenues



Income from operations & Operational EBITA



Process Automation



Orders and revenues

Order intake of \$1,802 million increased by 8% (10% comparable) from last year's low comparable and remained on par with recent quarters. Market activity remained buoyant with a robust and intact project pipeline. Book-to-bill was positive at 1.05.

- Quarterly order intake can be volatile in Process Automation, and in the second quarter orders were particularly strong in the segments of marine, ports, and chemicals, while customer activity was broadly stable in oil & gas, with a negative order development in the areas of pulp & paper, metals and mining.
- Revenues improved by 11% (12% comparable) to \$1,717 million, supported by a stable to positive development in most divisions as the order backlog was executed, including a slight positive price impact. Strong growth in the service business also supported growth in the quarter.

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	10%	12%
FX	-2%	-1%
Portfolio changes	0%	0%
Total	8%	11%

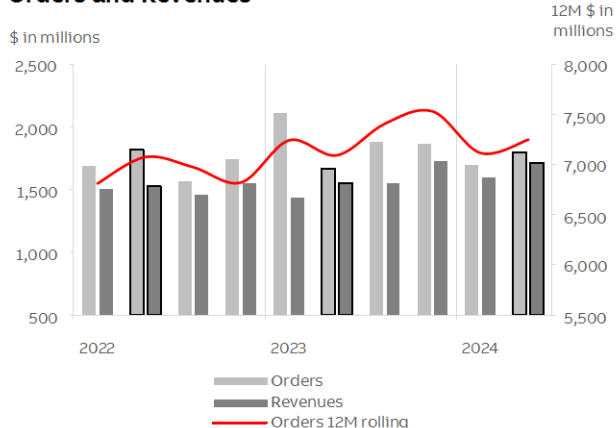
Profit

This was another +15% margin quarter with Process Automation at 15.5%, up 10 basis points year-on-year. Operational EBITA improved by 10% and reached the record-level of \$263 million.

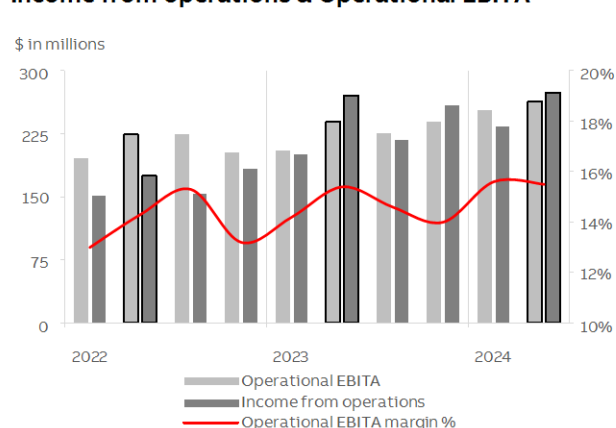
- Earnings were supported by the higher revenues on execution of the order backlog with a higher gross margin. These benefits were partially offset by a slight increase in SG&A expenses, which however declined slightly as percentage of revenues and a somewhat negative mix.

(\$ millions, unless otherwise indicated)	CHANGE				CHANGE			
	Q2 2024	Q2 2023	US\$	Comparable	H1 2024	H1 2023	US\$	Comparable
Orders	1,802	1,669	8%	10%	3,499	3,782	-7%	-6%
Order backlog	7,409	6,821	9%	10%	7,409	6,821	9%	10%
Revenues	1,717	1,553	11%	12%	3,318	2,989	11%	12%
Operational EBITA	263	239	10%		516	444	16%	
as % of operational revenues	15.5%	15.4%	+0.1 pts		15.5%	14.8%	+0.7 pts	
Cash flow from operating activities	257	188	37%		486	300	62%	
No. of employees (FTE equiv.)	21,700	20,600	5%					

Orders and Revenues



Income from operations & Operational EBITA



Robotics & Discrete Automation



Orders and revenues

Order intake decreased by 19% (17% comparable) to \$688 million on strongly diverging market environments between the two divisions.

- The **Robotics** division recorded a slight positive order growth, supported by a positive development in the segments of general industry and warehouse logistics linked to consumer industries. This was however partially offset by the negative development in automotive and electronics. Orders increased strongly in the Americas and declined at a single-digit rate in Asia, Middle East and Africa and Europe. Inventory levels in the channels are seemingly aligned with the current market situation.
- **Machine Automation** orders declined sharply due to order normalization after earlier pre-buys, but also due to a softer underlying market. The division, which comprises approximately 1/3 of the business area revenues, is primarily exposed to the European market where the machine builder segment is expected to remain under pressure for the remainder of this year.

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	-17%	-8%
FX	-2%	-2%
Portfolio changes	0%	0%
Total	-19%	-10%

- Revenues of \$833 million represented a decline of 10% (8% comparable) from last year, driven by lower volumes. Revenues declined in both divisions as the positive order development in Robotics did not yet convert to revenues, and due to the market slowdown in Machine Automation.

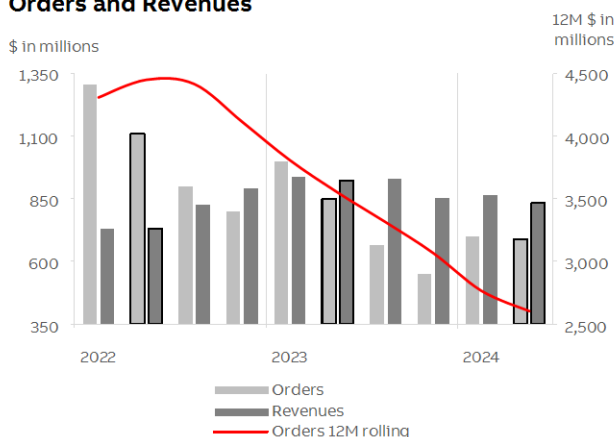
Profit

Operational leverage on lower volumes put pressure on the Operational EBITA which declined by 34% to \$93 million and the Operational EBITA margin which dropped by 420 basis points year-on-year to 11.1%.

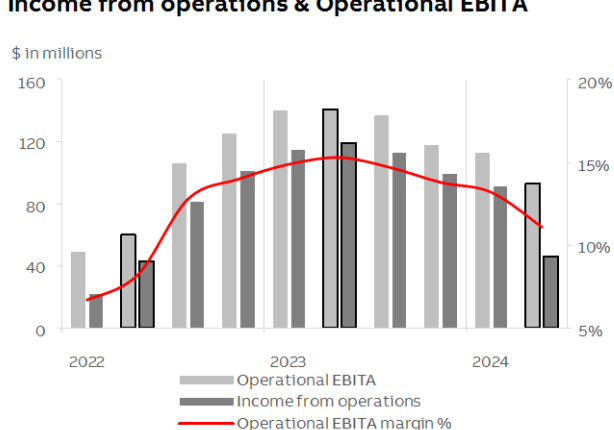
- Lower production volumes triggered underabsorption of fixed costs in both divisions, and the largest margin decline was recorded in Machine Automation.
- Divisional mix had a negative impact on profitability as Machine Automation represented a lower share of revenues, compared with last year.
- In expectations of a challenging near-term market, Machine Automation has initiated cost actions to defend future profitability. Benefits from these measures are expected to start coming through towards the end of this year.

(\$ millions, unless otherwise indicated)	CHANGE				CHANGE			
	Q2 2024	Q2 2023	US\$	Comparable	H1 2024	H1 2023	US\$	Comparable
Orders	688	850	-19%	-17%	1,389	1,851	-25%	-24%
Order backlog	1,758	2,657	-34%	-33%	1,758	2,657	-34%	-33%
Revenues	833	922	-10%	-8%	1,697	1,859	-9%	-7%
Operational EBITA	93	141	-34%		206	281	-27%	
as % of operational revenues	11.1%	15.3%	-4.2 pts		12.2%	15.1%	-2.9 pts	
Cash flow from operating activities	98	44	123%		193	174	11%	
No. of employees (FTE equiv.)	11,300	10,900	4%					

Orders and Revenues



Income from operations & Operational EBITA



Sustainability



Events from the Quarter

- ABB’s science-based targets have received approval from the Science Based Targets initiative (SBTi), demonstrating that the company’s ambitions and methodology align with the latest climate science and the Paris Agreement. By 2030, ABB aims to reduce absolute scope 1 & 2 CO₂e emissions by 80% compared to 2019 and reduce absolute scope 3 emissions by 25% from a 2022 baseline. Looking ahead to 2050, ABB strives for a 100% reduction in scope 1 & 2 CO₂e emissions compared to 2019 and a 90% reduction in absolute Scope 3 emissions from the 2022 baseline.
- Red Eléctrica, the company responsible for Spain’s electricity system, has awarded ABB four contracts for synchronous condensers. ABB’s technology will help strengthen the electricity grid, improve supply quality, and support the energy transition in the Canary and Balearic Islands allowing further progress in the integration of renewable energies. The project aligns with Spain’s 2021–2030 Integrated National Energy and Climate Plan, aiming for reduced greenhouse gas emissions and increased renewable energy penetration.
- ABB has introduced a groundbreaking feature to its Routing Services portfolio. The new solution optimizes both the vessel’s route and speed simultaneously, factoring in anticipated weather conditions. By using real-time data such as

Q2 outcome

- 17% reduction year-on-year of CO₂e emissions due to a shift to green electricity and a lower use of fossil fuels in our operations.
- 17% increase year-on-year in LTIFR due to a higher number of incidents reported during the quarter. We continue to identify the root cause and remediate.
- 1.4%-points increase year-on-year in the proportion of women in senior management roles, demonstrating strong progress towards our target.

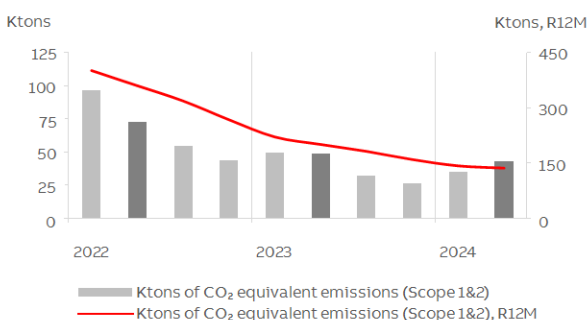
meteorological information, daily hire costs, fuel costs, and user-defined performance models, it recommends adjustments like slowing down to avoid rough weather or speeding up to stay ahead. This innovative approach minimizes fuel consumption, reduces emissions, and enhances overall efficiency during voyages.

- During the quarter, ABB’s Installation Products division launched an innovative cable protection system, the PMA® EcoGuard™ PA6, crafted from discarded ocean fishing nets highlighting its focus on further improving the circularity of its products. By using 50% recycled polyamide primarily sourced from recovered fishing nets, ABB addresses marine pollution while reducing energy and water consumption during production. The EcoGuard PA6 allows for a 30% reduction of upstream Scope 3 greenhouse gas emissions and 50% of net freshwater use compared to conventional products.
- ABB celebrated Pride Month in June. The month featured discussions on diverse topics such as coming out stories, supporting transitioning employees, ensuring safe travel, moving from bystander to upstander, enhancing recruitment inclusivity, and building psychological safety in leadership roles. These initiatives underscore ABB’s dedication to creating a workplace where every voice is heard and valued.

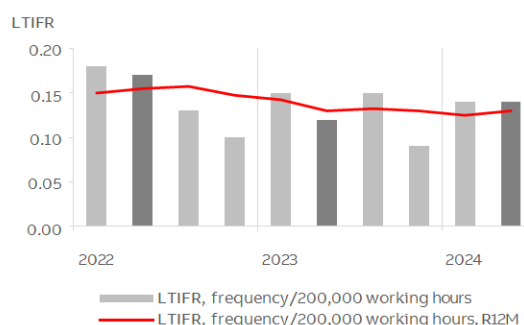
	Q2 2024	Q2 2023	CHANGE	12M ROLLING
CO ₂ e own operations emissions, Ktons scope 1 and 2 ¹	43	52	-17%	141
Lost Time Injury Frequency Rate (LTIFR), frequency / 200,000 working hours ²	0.14	0.12	17%	0.13
Proportion of women in senior management roles in %	21.6	20.2	+1.4 pts	21.1

¹ CO₂ equivalent emissions from site, energy use, SF₆ and fleet, previous quarter
² Current quarter Includes all incidents reported until July 5, 2024

CO₂e Scope 1&2



Lost Time Injury Frequency Rate



Significant events

During Q2 2024

- On June 28, ABB announced it had cancelled 21,387,687 shares of ABB Ltd, repurchased under ABB's share buyback program. The total number of ABB Ltd's issued shares and votes is 1,860,614,888, compared with 1,882,002,575 before the cancellation.
- On June 27, ABB announced the approval of its emissions reduction targets by the Science Based Targets initiative (SBTi). As part of the company's efforts to enable a low-carbon society ABB submitted updated scope 1, 2 and 3 targets for 2030 and 2050 to the SBTi. The approval of ABB's science-based targets by the SBTi confirms ABB's approach as science-based in accordance with the Paris Agreement.
- On June 10, ABB announced it had filed to voluntarily deregister and suspend SEC reporting obligations. The deregistration and termination of its reporting obligations is expected to become effective 90 days after the filing, unless withdrawn by the Company or objected to by the SEC. The Company will continue to comply with its financial reporting and other obligations pursuant to applicable stock exchange listing rules – in particular the Listing Rules of SIX Swiss Exchange and the Nasdaq Stockholm Rulebook.
- On May 23, ABB announced the appointment of Giampiero Frisio as the new President of its Electrification Business Area and Brandon Spencer as the new President of its Motion Business Area. Both will take over their new roles and join ABB's Executive Committee on August 1, 2024.
- On April 1, ABB launched its previously announced new share buyback program of up to \$1 billion. Based on the current ABB share price this represents a maximum of approximately 21.3 million shares. The maximum number of shares that may be repurchased under this new program on any given trading day is 692,486.

First six months of 2024

In the first six months of 2024, the overall order intake declined slightly on a high comparable. Weakness was noted in the short-cycle businesses and primarily linked to the buildings segment and discrete automation. Market environment remained buoyant in the project- and systems-related businesses. Orders increased in the Electrification business area, with declines most pronounced in Robotics and Discrete Automation. Orders amounted to \$17,409 million and were down 4% versus the prior year (2% comparable), with growth adversely impacted by the timing of large orders booked which benefited the year-earlier period.

Revenues were supported by execution of the large order backlog and amounted to \$16,109 million, up by 1% (3% comparable), overall implying a book-to-bill of 1.08.

Income from operations amounted to \$2,593 million, up 4% year-on-year. This increase can be attributed to an improved operational performance which more than offset the adverse impacts from higher expenses related to restructurings, gains and losses from sale of businesses and ABB Way transformation activities.

Operational EBITA increased by 10% year-on-year to \$2,981 million, and the Operational EBITA margin improved by 150 basis points to 18.4%. The increase was driven by improvements in the Electrification and Process Automation business areas, which more than offset declines elsewhere. The main drivers of the margin expansion were operating leverage on higher

volumes as well as the impacts from implemented price increases while expenses related to SG&A remained broadly stable. Corporate and Other Operational EBITA amounted to -\$185 million. This includes a loss of \$141 million that can be attributed to the E-mobility business, which was negatively affected by the ongoing reorganization to ensure a more focused portfolio, and impairments mainly linked to inventories.

Net finance contributed to results with \$53 million, an improvement from last year's expense of \$46 million. The year-on-year improvement is due to a combination of a lower net debt position and favorable mix of interest rates between borrowings and cash deposits. Income tax expense was \$654 million reflecting a tax rate of 24.5%, positively impacted by 270 basis points due to a reduction in certain tax risks.

Net income attributable to ABB was \$2,001 million, up from \$1,942 million year-on-year. Basic earnings per share was \$1.09, representing an increase of 4% compared with the prior year.

Acquisitions and divestments, last twelve months

Acquisitions	Company/unit	Closing date	Revenues, \$ in millions ¹	No. of employees
2024				
Process Automation	DTN Europe	3-Jun	14	84
Process Automation	Real Tech Water	1-Feb	6	38
Robotics & Discrete Automation	Meshmind	1-Feb	<5	50
2023				
Robotics & Discrete Automation	Sevensense	21-Dec	<5	35
E-mobility	Imagen Energy Inc	13-Nov	<5	4
Motion	Spring Point Solutions Llc	1-Nov	<5	13
E-mobility	Vourity AB	25-Oct	<5	9
Divestments				
Divestments	Company/unit	Closing date	Revenues, \$ in millions ¹	No. of employees
2024				
E-mobility	Numocity	30-Jun	<5	56
2023				
Electrification	Power Conversion division	3-Jul	~440	1,500
Electrification	Industrial Plugs & Sockets business	3-Jul	~12	2

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.

Additional figures

ABB Group	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024
EBITDA, \$ in million	1,389	1,494	1,453	1,315	5,651	1,418	1,578
Return on Capital Employed, %	n.a.	n.a.	n.a.	n.a.	21.10	n.a.	n.a.
Net debt/Equity	0.30	0.31	0.21	0.14	0.14	0.16	0.18
Net debt/ EBITDA 12M rolling	0.9	0.8	0.5	0.4	0.4	0.4	0.4
Net working capital, % of 12M rolling revenues	13.9%	14.7%	12.8%	10.2%	10.2%	11.2%	11.2%
Earnings per share, basic, \$	0.56	0.49	0.48	0.50	2.02	0.49	0.59
Earnings per share, diluted, \$	0.55	0.48	0.47	0.50	2.01	0.49	0.59
Dividend per share, CHF	n.a.	n.a.	n.a.	n.a.	0.87	n.a.	n.a.
Share price at the end of period, CHF	31.37	35.18	32.80	37.30	37.30	41.89	49.92
Number of employees (FTE equivalents)	106,170	108,320	107,430	107,870	107,870	108,700	109,390
No. of shares outstanding at end of period (in millions)	1,862	1,860	1,849	1,842	1,842	1,851	1,849

Additional 2024 guidance

(\$ in millions, unless otherwise stated)	FY 2024 ¹	Q3 2024
Corporate and Other Operational EBITA ²	~(200) from ~(300)	~(75)
Non-operating items		
Acquisition-related amortization	~(210)	~(45)
Restructuring and related ³	~(250) from ~(200)	~(70)
ABB Way transformation	~(200)	~(60)

(\$ in millions, unless otherwise stated)	FY 2024
Net finance expenses	~75 from ~(50)
Effective tax rate	~24% ⁴ from ~25%
Capital Expenditures	~(900)

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 Excludes the 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,” and “Sustainability”. 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,” “guidance,” “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. These 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. 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.

Q2 results presentation on July 18, 2024

The Q2 2024 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 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

2024

October 17

Q3 2024 results

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ABB is a technology leader in electrification and automation, enabling a more sustainable and resource-efficient future. The company’s solutions connect engineering know-how and software to optimize how things are manufactured, moved, powered and operated. Building on over 140 years of excellence, ABB’s more than 105,000 employees are committed to driving innovations that accelerate industrial transformation.