ZURICH, SWITZERLAND | JULY 22, 2021 | BJÖRN ROSENGREN, CEO; TIMO IHAMUOTILA, CFO

Q2 2021 results

Strong performance in a recovery quarter

Important notices

This presentation includes forward-looking information and statements including statements concerning the outlook for our businesses.

These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, and the economic conditions of the regions and industries that are major markets for ABB Ltd.

These expectations, estimates and projections are generally identifiable by statements containing words such as “expects,” “believes,” “estimates,” “targets,” “plans,” “outlook,” “on track,” “framework” or similar expressions.

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

- business risks associated with the volatile global economic environment and political conditions
- costs associated with compliance activities
- market acceptance of new products and services
- changes in governmental regulations and currency exchange rates, and
- such other factors as may be discussed from time to time in ABB Ltd’s filings with the US Securities and Exchange Commission, including its Annual Reports on Form 20-F.

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

This presentation contains non-GAAP measures of performance. Definitions of these measures and reconciliations between these measures and their US GAAP counterparts can be found in the “Supplemental Reconciliations and Definitions” section of the “Financial Information” booklet found under “Q2 2021” on our website at global.abb/group/en/investors/results-and-reports/2021.

Q2 2021 highlights

Significant increase in orders and revenues compared with last year's low levels with double-digit order growth rates in all BAs

High Operational EBITA margin supported by increased gross margin and stringent SG&A cost control

Slight increase in Q2 cash[1] performance resulting in **strong H1 cash generation**

ABB to launch next generation of AMRs[2] with **ASTI Mobile Robotics Group acquisition**

ABB **PixelPaint** wins prestigious **IERA Award** for Innovation and Entrepreneurship

Carbon reduction targets in line with the 1.5°C scenario and **approved by SBTi**[3]

1. Cash flow from operating activities in continuing operations. 2. Autonomous Mobile Robots.
3. Science Based Targets initiative. BA = Business Area

Demand driven by strong short-cycle

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

Short-cycle
Steep growth driven across most businesses

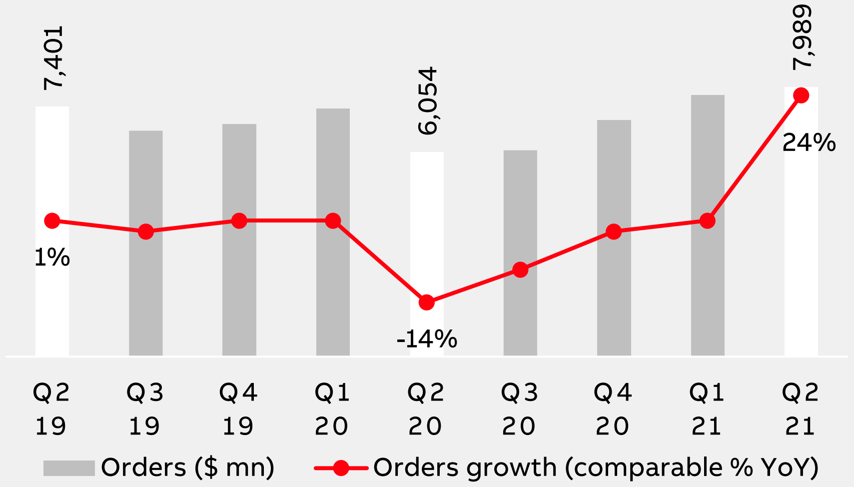
Services
Orders +20%[1] and revenues +7%[1], both up in all BAs

Discrete
Broad-based steep order growth outside of automotive

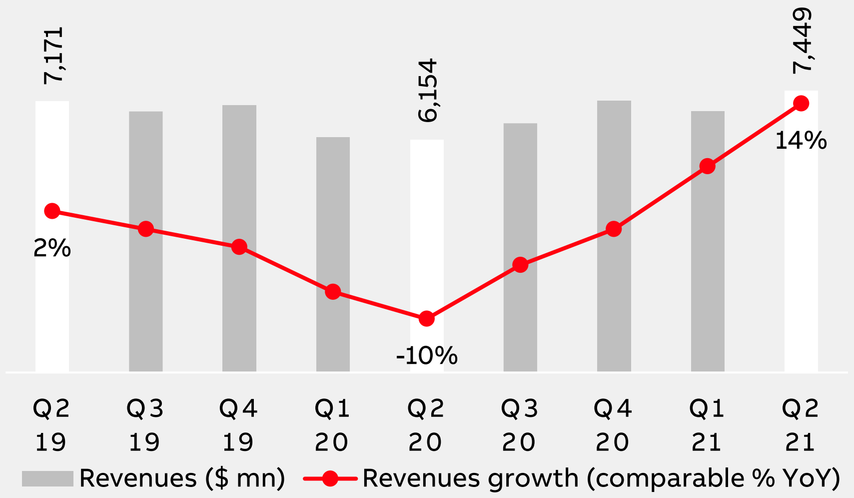
Process
Slight overall improvement with positive development in several industries, incl. oil & gas coming from the Americas region

Transport & infrastructure
Broad-based steep order growth; recovery in marine including slight positive development in cruise

Orders +24%[1]



Revenues +14%[1]

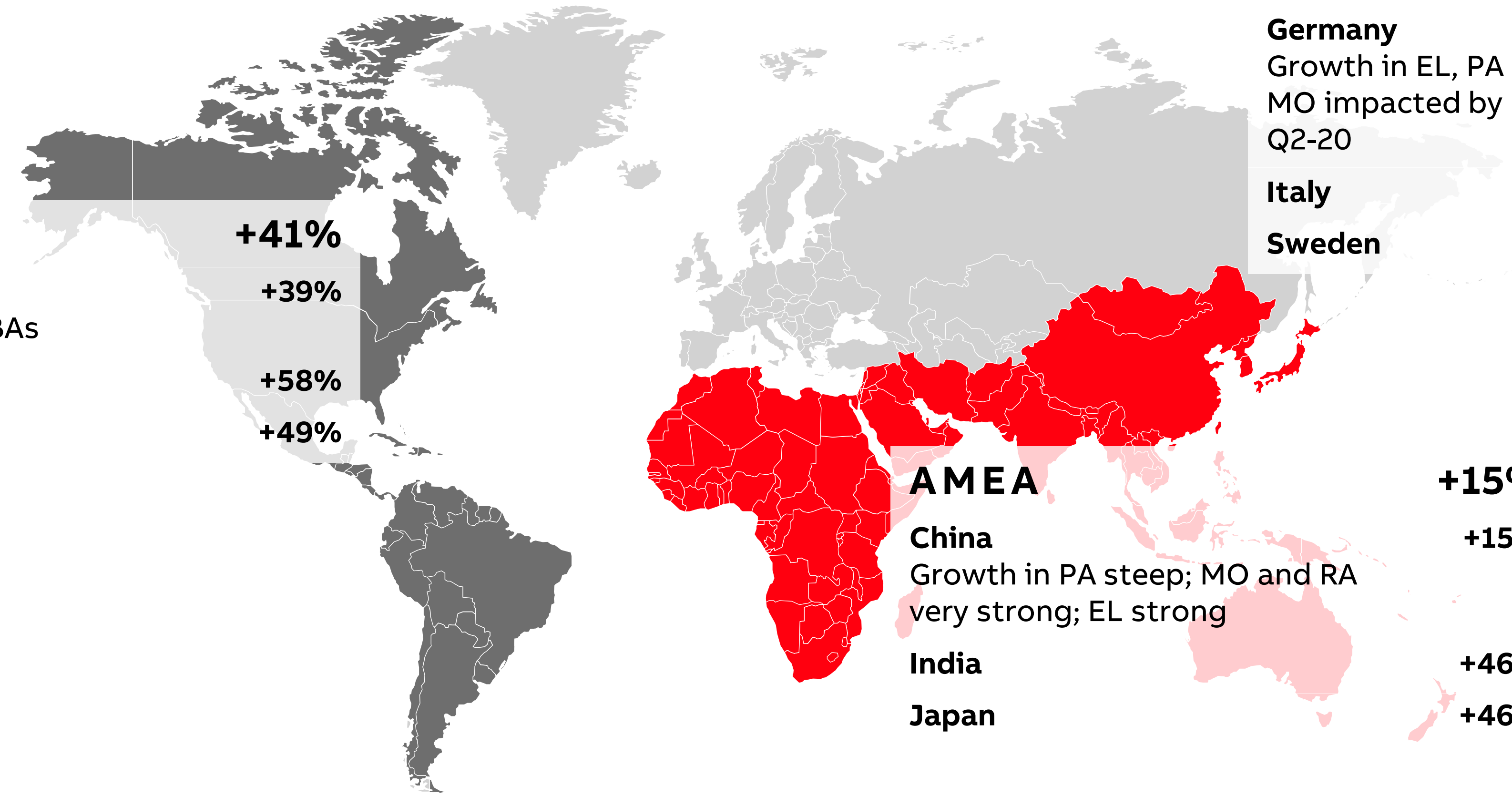


Book-to-bill 1.07

1. YoY comparable.
Note: $ millions reported orders and revenues are impacted by foreign exchange and changes in the business portfolio.

Strong growth in all regions

Q2 2021 regional, country orders



AMERICAS +41%

USA +39%
Steep growth in all BAs

Canada +58%

Mexico +49%

EUROPE +23%

Germany +14%
Growth in EL, PA and RA steep; MO impacted by large orders in Q2-20

Italy +24%

Sweden +4%

AMEA +15%

China +15%
Growth in PA steep; MO and RA very strong; EL strong

India +46%

Japan +46%

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

Margins supported by demand and implemented cost measures

Profitability drivers
(comparable % YoY, unless otherwise indicated)

Gross margins
+140 bps, three out of four BAs noted positive development; supported by pro-active price measures

SG&A expenses
+4%[1], driven by higher sales expenses
SG&A expense in % of revenues declining from 19.2% to 17.6%

R&D expenses
+9%[1] , increasing in three out of four BAs

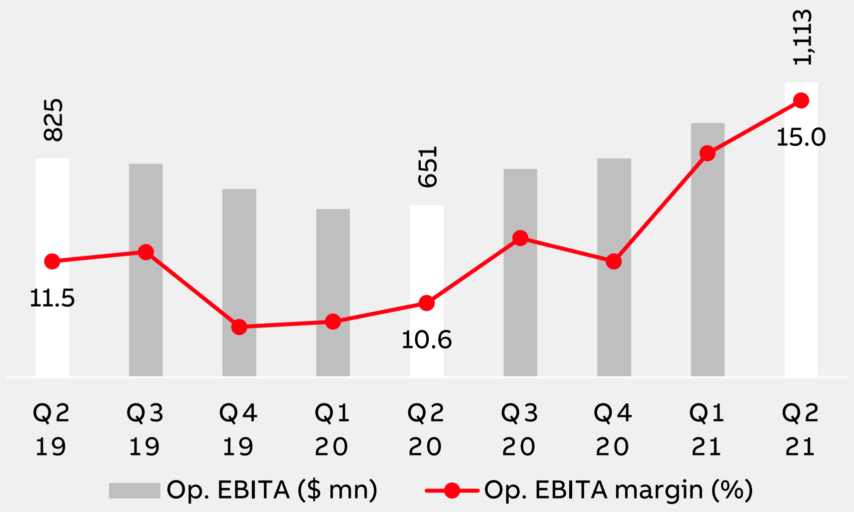
Corporate and Other Operational EBITA
-$92 mn, $42 mn lower YoY driven by lower underlying corporate and absence of stranded costs

1. Constant currency. 2. EPS growth rates are computed using unrounded amounts.

Basic EPS
$0.37
150%[2]

Cash flow
from operating activities in continuing operations
$663 mn
+15 mn

Operational EBITA +71%

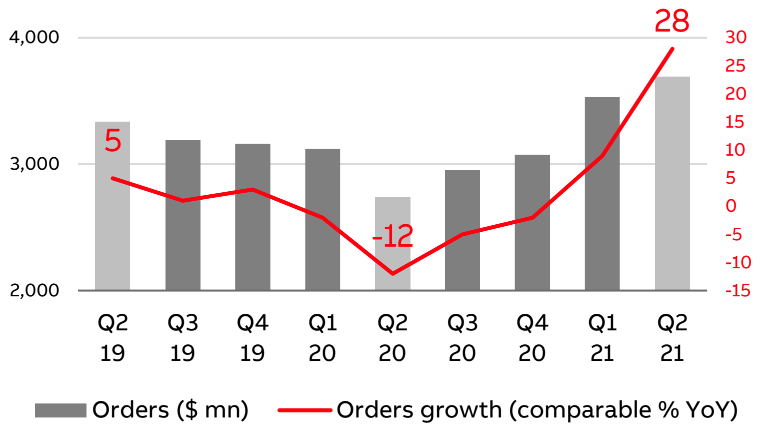


Operational EBITA margin +440 bps

	Q2 20	Q2 21
Op. EBITA margin	**10.6%**	**15.0%**
Incl. negative basis points impact within period:		
Stranded costs	-30 bps	n.a.
Non-core	-20 bps	-10 bps
	-50 bps	**-10 bps**

Volume and pricing support margin

Q2 2021 Electrification

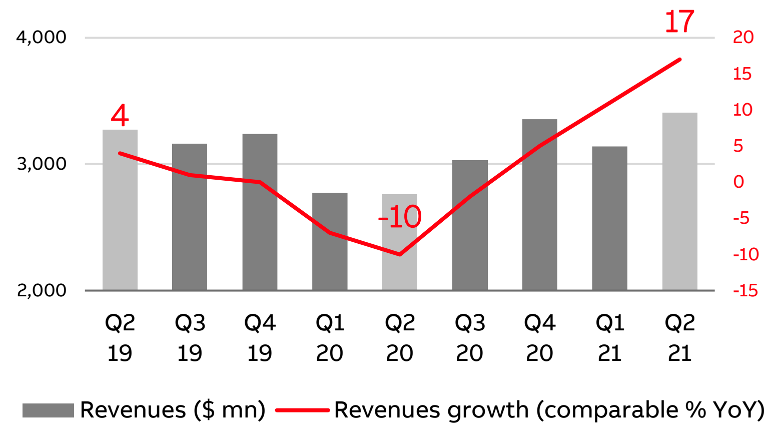


Orders $3,693 mn

Growth driven by strong recovery in Europe and the Americas; supportive pricing

Demand improved in buildings (residential and non-residential); activity high for data centers, food & beverage, rail and e-mobility; moderate in oil & gas

Backlog $5.0 bn (prior Q-end $4.7 bn)



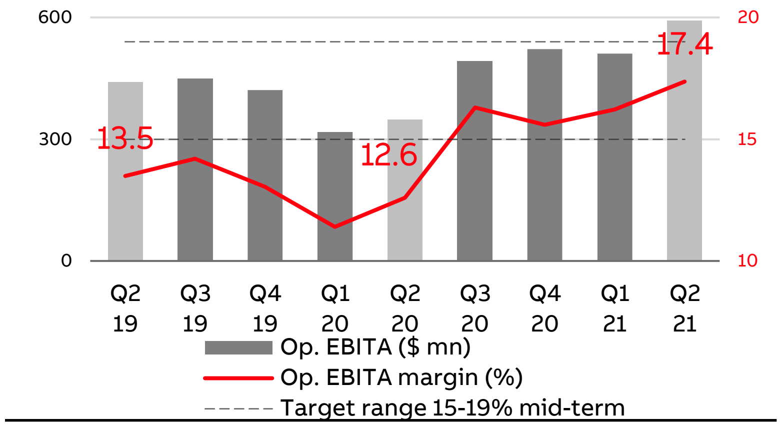
Revenues $3,406 mn

Strong book-and-bill business

No material impact from component shortages on customer deliveries; delays are expected in the coming quarter

Some tailwind from customer stock-building

Book-to-bill 1.08x



Operational EBITA $592 mn, +70% YoY

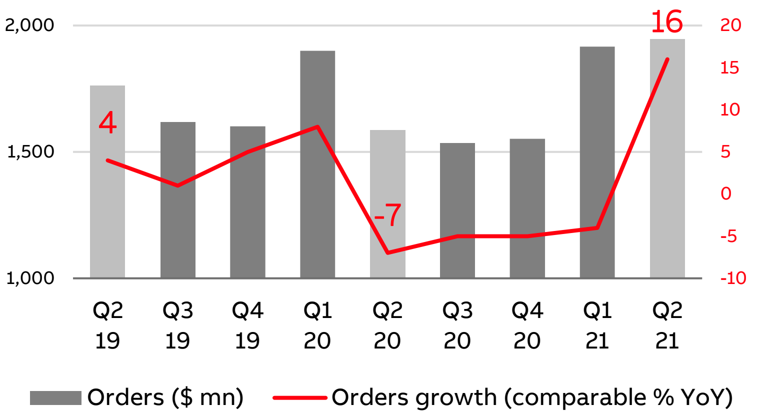
Margin +480 bps YoY

Gross profit benefits from higher volume; good cost containment including discretionary spend

Swift product pricing actions in response to increased commodity prices and inflation; commodity headwinds in H2 increasing

Strong demand driving top-line

Q2 2021 Motion



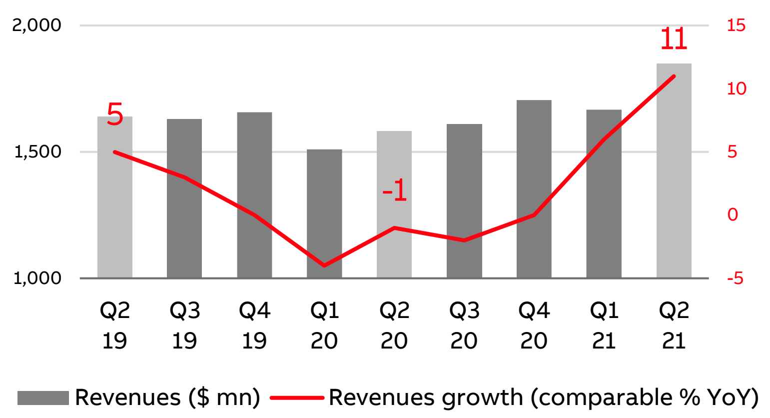
Orders $1,947 mn

High absolute order level

Strong short-cycle business across all segments

Tough large orders comparison in rail in Europe; steep base orders growth in all regions

Backlog $3.6 bn (prior Q-end $3.4 bn)



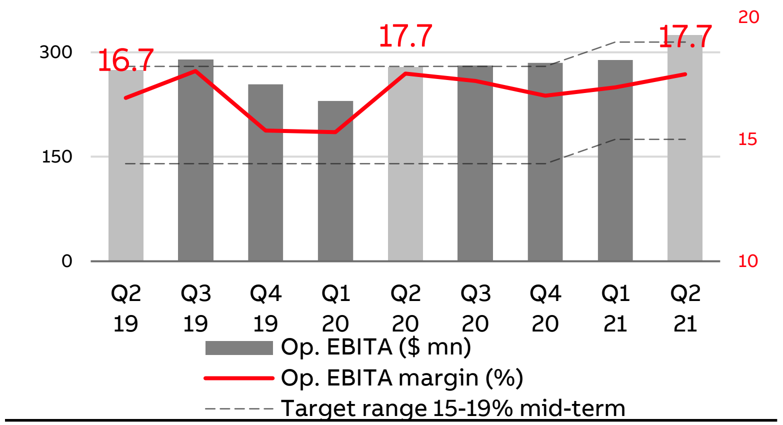
Revenues $1,850 mn

High absolute revenue level

Strong book-and-bill business

Some stock-building seen; MO working closely with channel partners to allocate demand

Book-to-bill 1.05x



Operational EBITA $325 mn, +16% YoY

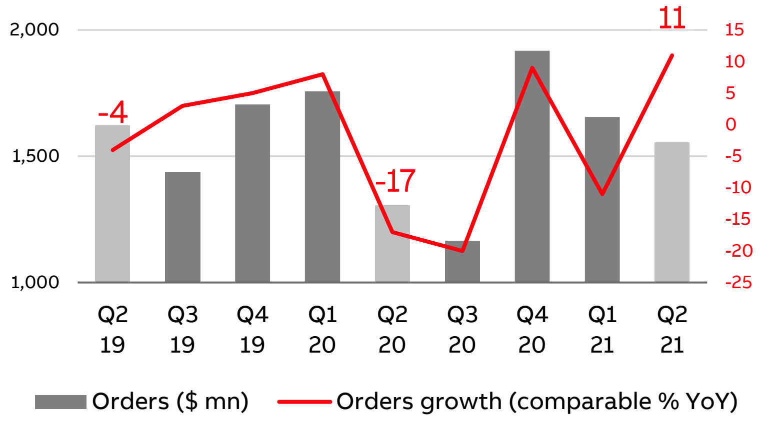
Margin stable YoY

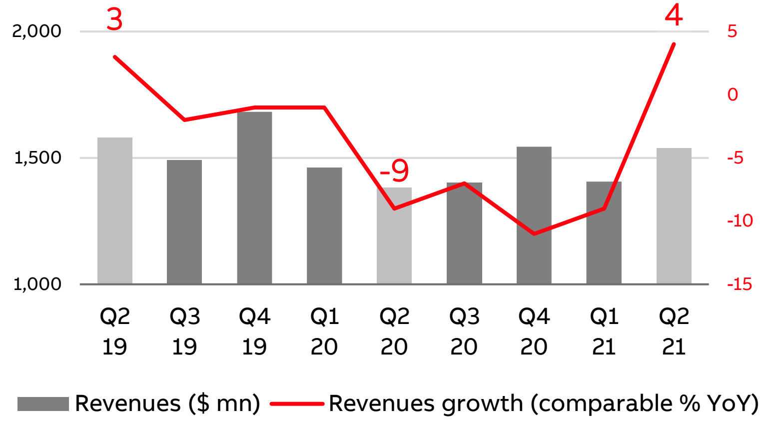
Volume supportive partly offset by geographic mix

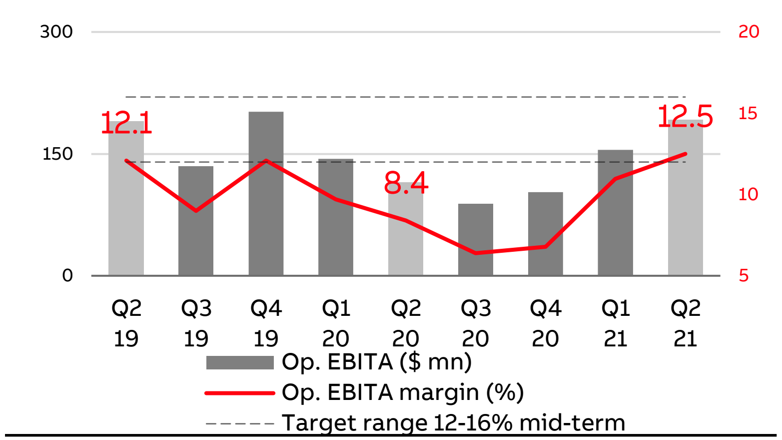
Availability of certain components could potentially weigh on volumes going forward

Operational EBITA margin in target range

Q2 2021 Process Automation







Orders $1,555 mn

Year-on-year improvement in both product and service business; sustained recovery expected in H2

Positive development in pulp & paper, mining, water & wastewater and chemicals; demand in oil & gas and cruise recovering

Backlog $6.0 bn (prior Q-end $5.9 bn)

Revenues $1,540 mn

Driven by backlog execution, book-and-bill improving

Positive comparable growth for service

Book-to-bill 1.01x

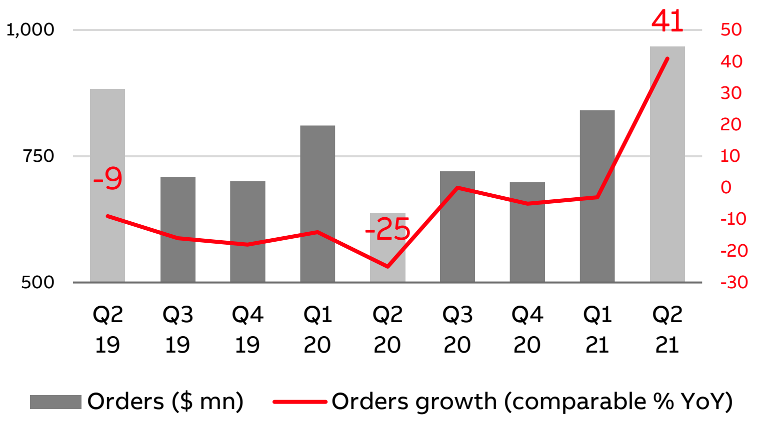
Operational EBITA $192 mn, +67% YoY

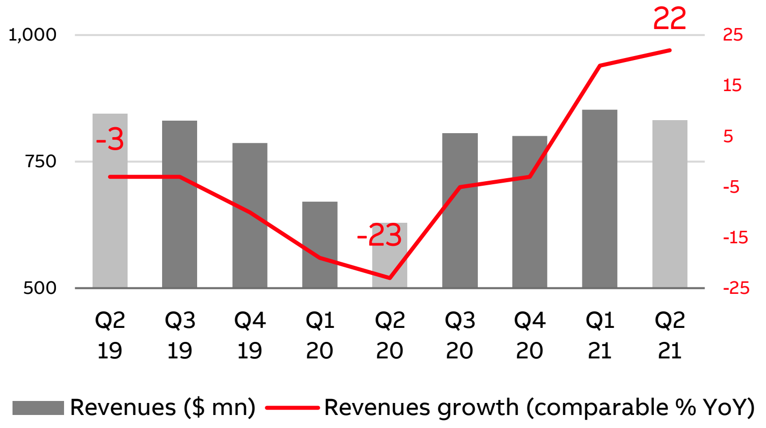
Margin +410 bps YoY

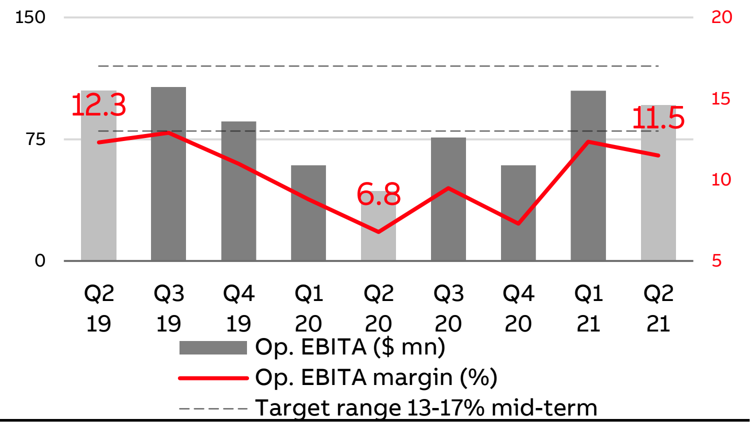
Support from positive volumes and improving business mix due to higher share of service business

Continued benefit from initiated cost measures

Strong order recovery in both divisions
Q2 2021 Robotics & Discrete Automation







Orders $968 mn

Steep orders growth in all segments except automotive, which continued to be partially impacted by the strategic selective order approach

Orders sequentially up in all regions

Backlog $1.5 bn (prior Q-end $1.4 bn)

Revenues $832 mn

Strong development in both divisions, stellar growth in Machine Automation including benefit from stock-building

Customer delivery to some extent impacted by component shortages

Book-to-bill 1.16x

Operational EBITA $96 mn, +123% YoY

Margin +470 bps YoY

Volume and positive mix from a higher share of short-cycle and service business supportive year-on-year

Sequential volume impact from supply chain shortages expected to continue

Revenues and Operational EBITA bridge

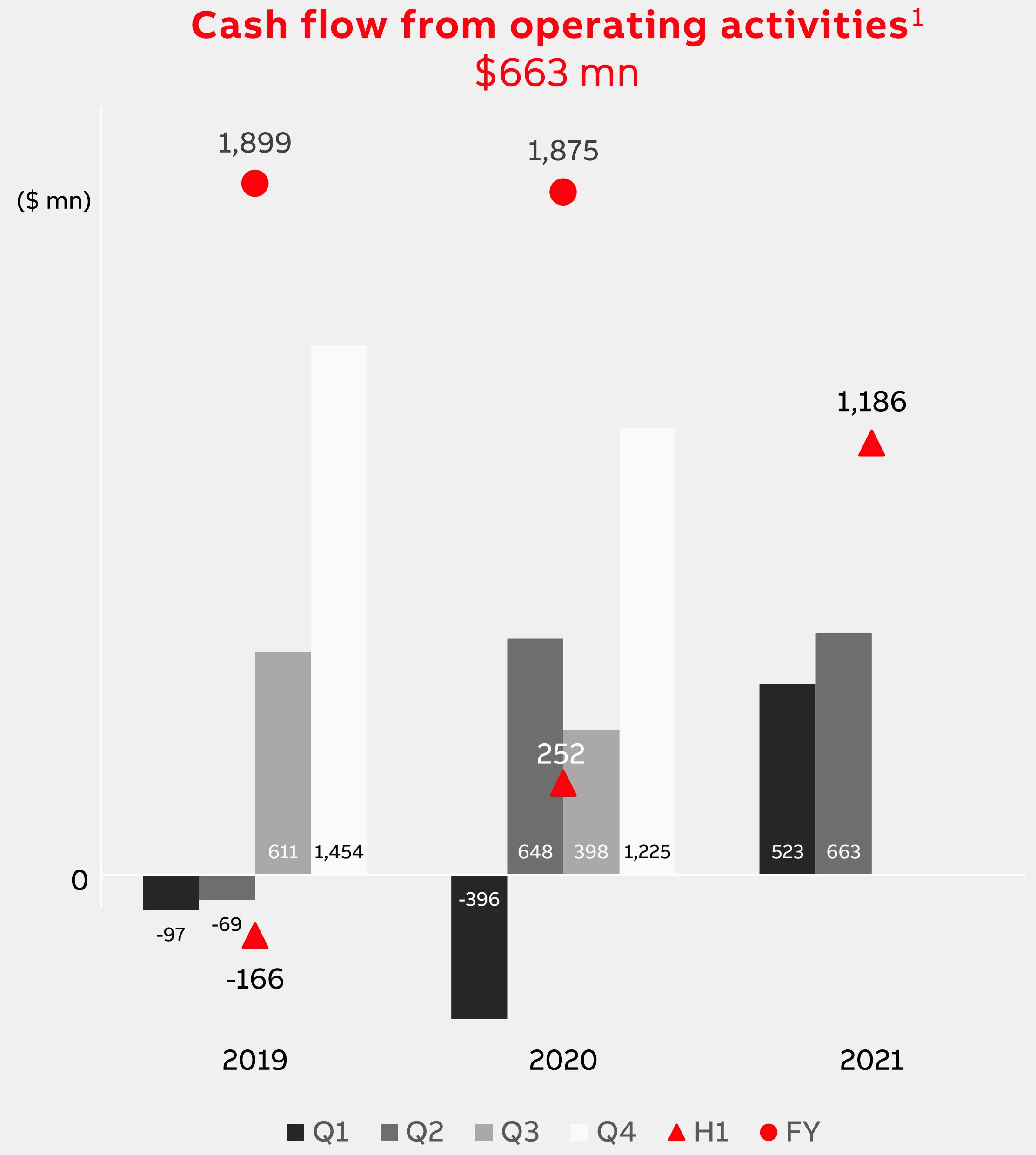
($ million, unless otherwise indicated)	Q2 2020	Δ Comparable (core)	Δ Non-core business	Δ Acquisitions /divestments	Δ FX	Q2 2021
Revenues	**6,154**	906	0	-6	395	**7,449**
Operational EBITA	**651**	405	1	0	56	**1,113**
Op. EBITA margin (%)	**10.6**					**15.0**
Margin accretion/ dilution (%)		+4.2	0.0	0.0	+0.2	

Cash generation analysis
Q2 2021 cash flow drivers

Cash flow from operating activities[1]
$663 mn, +$15 mn YoY

- Stronger operational performance from all business areas
- Partly offset by trade working capital increase, coming from trade receivables; net working capital in % of revenues increased from 10.8% in Q1-21 to 11.6% in Q2-21

Strong cash generation in H1 2021 provides good base for solid cash delivery for the year



1. Continuing operations only.

Outlook

FY21

Revenues
comparable growth of just below 10%, process industry related business expected to recover more significantly during H2

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

Basic EPS
strong accretion YoY[1]

Cash flows
solid delivery for the year

>+5% ●●●
+2% to +5% ●●
-2% to +2% ●
-5% to -2% ●●
<-5% ●●●

Q3

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

Operational EBITA %
demand and service revenues supportive; some sequential adverse impact from raw materials, component shortages and travel spend

UNDERLYING MARKET

	% of 2020 revenues[2]	Previous outlook Q2, YoY	Outlook Q3, YoY
Oil & gas, chemicals	~12%	●	●●
Non-resi buildings	~11%	●●●	●●●
Mining & metals	~8%	●●	●●
Residential buildings	~7%	●●●	●●●
Marine & ports	~6%	●●●	●●●

	% of 2020 revenues[2]	Previous outlook Q2, YoY	Outlook Q3, YoY
Food & beverage	~6%	●●●	●●●
Power distribution utilities	~6%	●●●	●●
Conv. power generation	~6%	●	●●
Automotive	~5%	●●●	●●●
Renewables	~3%	●●●	●●●

1. Excluding book gain from the sale of Power Grids. 2. Management estimates.

ABB expanding in Autonomous Mobile Robots (AMRs)

Product portfolio


Unit Carrier


Goods to Person


Tractor


Forklift


Box Mover


Towing vehicles

Software

Fleet management system

Vehicle control

SLAM navigation

Cloud based software

Application layer

Targeting ~$50 mn[2] revenues

close to 30% annual growth since 2015

~20% expected market CAGR 19-25[3]

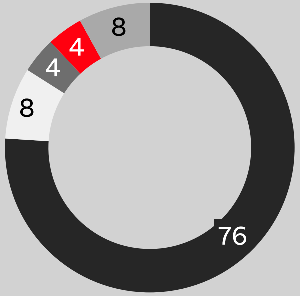
~5,000 AMRs

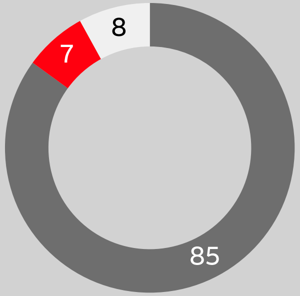
one of Europe's largest installed fleets

~300 FTEs

Headquarters and manufacturing in Spain, presence in France, Germany and USA

% of 2020 revenues





Acquisition of ASTI Mobile Robotics Group announced[1]

ASTI is a global leader in the high growth AMR market with a broad portfolio of vehicles and software. Acquisition adds to ABB's Robotics and Machine Automation solutions to deliver a complete portfolio for the new generation of flexible automation

Expected synergies from leveraging ABB's global sales force and additional robotics pull-through as part of the AMR offering

ASTI's HQ in Spain to become ABB's AMR headquarters. An additional hub will be established at the new Shanghai factory from 2022. Both sites will offer the full value chain and manufacturing

1. Acquisition expected to close in Q3-21
2. FY 2021E
3. Management estimate

ABB strengthens commitment to reduce carbon emissions

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

ABB's own **reduction targets** have received approval by the Science Based Targets initiative (SBTi) confirming that they are **in line with the 1.5°C scenario of the Paris Agreement**

BUSINESS AMBITION FOR 1.5°C

ABB has joined the **Business Ambition for 1.5°C Campaign**, a global coalition of UN agencies, business and industry leaders, led by the UNGC

CLIMATE GROUP EV100

ABB commits to **electrifying its fleet** of more than 10,000 vehicles by 2030

RE100 CLIMATE GROUP | CDP

ABB commits to sourcing **100 percent renewable electricity** by 2030

CLIMATE GROUP EP100

ABB commits to establishing **energy efficiency targets** and continue deploying **energy management systems** at the company's sites

Capital Markets Days
Motion

Helsinki, Finland on September 28 – 29, 2021

- In-depth insight into Motion’s customer offering, strategy and operations
- Focus on how offering helps customers optimize energy efficiency, improve safety and reliability and achieve precise control

ABB Group

Zurich, Switzerland on December 7, 2021

- Update on the strategic and financial development
- Focus on all business areas’ customer offering and position in the sector of sustainable transport, including both electrical and hydrogen transport solutions for various customer segments

Q&A

Appendix

2021 framework

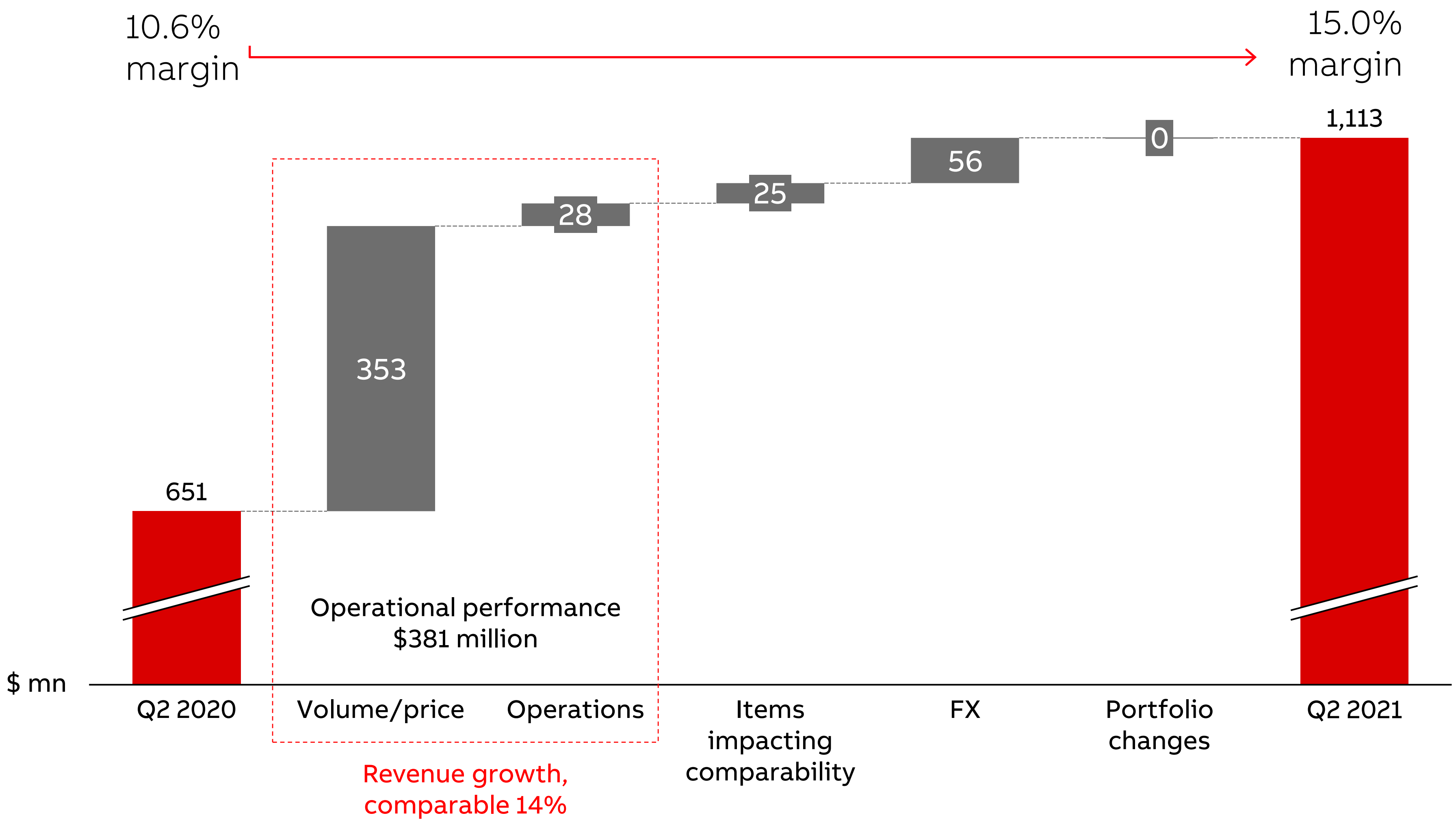
$ mn unless otherwise stated	Q2 21	Q3 21 framework	2021 framework
Corporate and Other Operational EBITA	(92)	~(100)	↓~(400)[1] from ~(425)
Non-operating items			
Restructuring and restructuring-related	(18)	~(40)	↓~(150) from ~(200)
GEIS integration costs	(6)	~(5)	~(20)
Separation costs[2]	(14)	~(50)	~(130)
PPA-related amortization	(64)	~(65)	~(255)
Certain other income and expenses related to PG divestment[3]	(10)	~(15)	~(40)

	Q2 21	Q3 21 framework	2021 framework
Net finance expenses	(21)	~(30)	~(130)
Non-operational pension (cost) / credit	38	~40	~180
Effective tax rate[4]	29.0%	<26%	~26%
Capital expenditure	(151)	~(200)	~(750)

↑↓ New or revised guidance

1. Excluding 2 main operational exposures that are ongoing in the non-core business and for which exit timing is dependent on circumstances beyond ABB's control such as legal proceedings
2. Costs relating to the announced exits and the potential E-mobility listing
3. Excluding share of net income from JV
4. Excluding impact of acquisitions or divestments or any significant non-operational items

Operational EBITA bridge



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