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Q3 2026

Financial Information

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FINANCIAL INFORMATION

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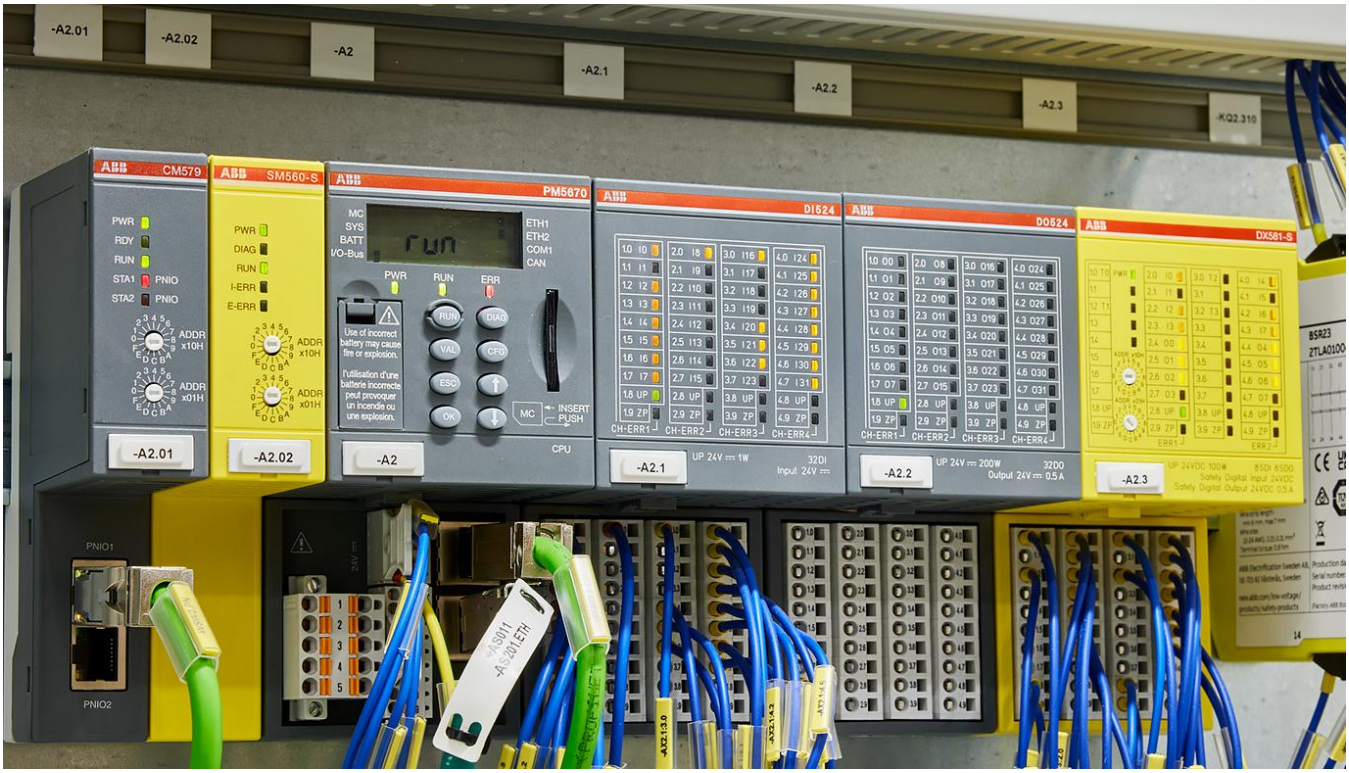

Key Figures

			CHANGE	
($ in millions, unless otherwise indicated)	**Q3 2026**	**Q3 2025**	US$	Comparable[1]
Orders	12,055	8,606	40%	40%
Order backlog (end September)	32,256	23,809	35%	37%
Revenues	9,701	8,491	14%	14%
Gross Profit	3,939	3,498	13%	
as % of revenues	40.6%	41.2%	-0.6 pts	
Income from operations	1,846	1,602	15%	
Operational EBITA[1]	2,026	1,633	24%	24%[2]
as % of operational revenues[1]	20.8%	19.2%	+1.6 pts	
Income from continuing operations, net of tax	1,258	1,207	4%	
Net income attributable to ABB	1,181	1,208	-2%	
Basic earnings per share ($)	0.65	0.66	-2%[3]	
Cash flow from operating activities	1,862	1,777	5%	
Free cash flow[1]	1,576	1,552	2%	

			CHANGE	
($ in millions, unless otherwise indicated)	**9M 2026**	**9M 2025**	US$	Comparable[1]
Orders	35,395	26,449	34%	31%
Revenues	27,910	24,168	15%	12%
Gross Profit	11,172	9,982	12%	
as % of revenues	40.0%	41.3%	-1.3 pts	
Income from operations	5,211	4,542	15%	
Operational EBITA[1]	6,000	4,726	27%	23%[2]
as % of operational revenues[1]	21.4%	19.6%	+1.8 pts	
Income from continuing operations, net of tax	3,827	3,375	13%	
Net income attributable to ABB	3,736	3,461	8%	
Basic earnings per share ($)	2.06	1.89	9%[3]	
Cash flow from operating activities	4,041	3,520	15%	
Free cash flow[1]	3,707	3,049	22%	

(1) For a reconciliation of alternative performance measures see “Supplemental Reconciliations and Definitions” on page 33.
(2) Constant currency (not adjusted for portfolio changes).
(3) EPS growth rates are computed using unrounded amounts.

($ in millions, unless otherwise indicated)		Q3 2026	Q3 2025	CHANGE US$	CHANGE Local	CHANGE Comparable
Orders	**ABB Group**	**12,055**	**8,606**	**40%**	**40%**	**40%**
	Electrification	7,671	4,522	70%	70%	70%
	Motion	2,455	2,162	14%	13%	12%
	Automation	2,114	2,100	1%	0%	0%
	Corporate and Other	61	82			
	Intersegment eliminations	(246)	(260)			
Order backlog (end September)	**ABB Group**	**32,256**	**23,809**	**35%**	**37%**	**37%**
	Electrification	16,007	8,750	83%	84%	85%
	Motion	7,065	6,176	14%	17%	14%
	Automation	10,567	9,524	11%	12%	12%
	Corporate and Other (incl. intersegment eliminations)	(1,383)	(641)			
Revenues	**ABB Group**	**9,701**	**8,491**	**14%**	**14%**	**14%**
	Electrification	5,424	4,499	21%	20%	21%
	Motion	2,320	2,082	11%	11%	9%
	Automation	2,126	2,013	6%	5%	5%
	Corporate and Other	94	124			
	Intersegment eliminations	(263)	(227)			
Income from operations	**ABB Group**	**1,846**	**1,602**			
	Electrification	1,356	1,079			
	Motion	394	402			
	Automation	261	298			
	Corporate and Other (incl. intersegment eliminations)	(165)	(177)			
Income from operations %	**ABB Group**	**19.0%**	**18.9%**			
	Electrification	25.0%	24.0%			
	Motion	17.0%	19.3%			
	Automation	12.3%	14.8%			
Operational EBITA	**ABB Group**	**2,026**	**1,633**	**24%**	**24%**	
	Electrification	1,394	1,100	27%	26%	
	Motion	449	421	7%	6%	
	Automation	315	278	13%	13%	
	Corporate and Other[(1)] (incl. intersegment eliminations)	(132)	(166)			
Operational EBITA %	**ABB Group**	**20.8%**	**19.2%**			
	Electrification	25.6%	24.5%			
	Motion	19.1%	20.1%			
	Automation	14.8%	13.9%			
Cash flow from operating activities	**ABB Group**	**1,862**	**1,777**			
	Electrification	1,608	1,340			
	Motion	516	464			
	Automation	373	483			
	Corporate and Other (incl. intersegment eliminations)	(609)	(604)			
	Discontinued operations	(26)	94			

(1) Corporate and Other at Q3 2026 and Q3 2025 includes Stranded corporate costs of $25 million and $31 million, respectively.

($ in millions, unless otherwise indicated)		9M 2026	9M 2025	CHANGE US$	CHANGE Local	CHANGE Comparable
Orders	**ABB Group**	**35,395**	**26,449**	**34%**	**31%**	**31%**
	Electrification	21,549	13,434	60%	57%	58%
	Motion	7,595	6,430	18%	15%	13%
	Automation	7,032	7,111	-1%	-4%	-4%
	Corporate and Other	212	320			
	Intersegment eliminations	(993)	(846)			
Order backlog (end September)	**ABB Group**	**32,256**	**23,809**	**35%**	**37%**	**37%**
	Electrification	16,007	8,750	83%	84%	85%
	Motion	7,065	6,176	14%	17%	14%
	Automation	10,567	9,524	11%	12%	12%
	Corporate and Other (incl. intersegment eliminations)	(1,383)	(641)			
Revenues	**ABB Group**	**27,910**	**24,168**	**15%**	**13%**	**12%**
	Electrification	15,237	12,655	20%	18%	18%
	Motion	6,679	5,987	12%	9%	7%
	Automation	6,466	5,841	11%	7%	7%
	Corporate and Other	299	327			
	Intersegment eliminations	(771)	(642)			
Income from operations	**ABB Group**	**5,211**	**4,542**			
	Electrification	3,497	2,991			
	Motion	1,081	1,156			
	Automation	875	819			
	Corporate and Other (incl. intersegment eliminations)	(242)	(424)			
Income from operations %	**ABB Group**	**18.7%**	**18.8%**			
	Electrification	23.0%	23.6%			
	Motion	16.2%	19.3%			
	Automation	13.5%	14.0%			
Operational EBITA	**ABB Group**	**6,000**	**4,726**	**27%**	**23%**	
	Electrification	3,800	3,019	26%	22%	
	Motion	1,260	1,188	6%	3%	
	Automation	964	821	17%	13%	
	Corporate and Other[1] *(incl. intersegment eliminations)*	(24)	(302)			
Operational EBITA %	**ABB Group**	**21.4%**	**19.6%**			
	Electrification	24.9%	23.9%			
	Motion	18.7%	19.8%			
	Automation	14.9%	14.1%			
Cash flow from operating activities	**ABB Group**	**4,041**	**3,520**			
	Electrification	3,872	2,817			
	Motion	1,192	1,128			
	Automation	1,022	1,040			
	Corporate and Other (incl. intersegment eliminations)	(1,883)	(1,723)			
	Discontinued operations	(162)	258			

(1) Corporate and Other at 9M 2026 and 9M 2025 includes Stranded corporate costs of $76 million and $93 million, respectively.

Operational EBITA

($ in millions, unless otherwise indicated)	ABB		Electrification		Motion		Automation	
	Q3 26	Q3 25	Q3 26	Q3 25	Q3 26	Q3 25	Q3 26	Q3 25
Revenues	**9,701**	**8,491**	**5,424**	**4,499**	**2,320**	**2,082**	**2,126**	**2,013**
Foreign exchange/commodity timing differences in total revenues	47	(7)	15	(3)	29	9	6	(12)
Operational revenues	**9,748**	**8,484**	**5,439**	**4,496**	**2,349**	**2,091**	**2,132**	**2,001**
Income from operations	**1,846**	**1,602**	**1,356**	**1,079**	**394**	**402**	**261**	**298**
Acquisition-related amortization	51	48	28	27	13	8	8	11
Restructuring, related and implementation costs[(1)]	17	19	13	6	3	10	4	(1)
Gains and losses from sale of businesses	(2)	12	(1)	8	–	–	(2)	–
Acquisition- and divestment-related expenses and integration costs	40	10	10	5	5	1	25	2
Certain other non-operational items	50	–	8	1	3	3	6	(20)
Foreign exchange/commodity timing differences in income from operations	24	(58)	(20)	(26)	31	(3)	13	(12)
Operational EBITA	**2,026**	**1,633**	**1,394**	**1,100**	**449**	**421**	**315**	**278**
Operational EBITA margin (%)	**20.8%**	**19.2%**	**25.6%**	**24.5%**	**19.1%**	**20.1%**	**14.8%**	**13.9%**

($ in millions, unless otherwise indicated)	ABB		Electrification		Motion		Automation	
	9M 26	9M 25	9M 26	9M 25	9M 26	9M 25	9M 26	9M 25
Revenues	**27,910**	**24,168**	**15,237**	**12,655**	**6,679**	**5,987**	**6,466**	**5,841**
Foreign exchange/commodity timing differences in total revenues	71	(31)	38	(16)	51	(2)	(11)	(11)
Operational revenues	**27,981**	**24,137**	**15,275**	**12,639**	**6,730**	**5,985**	**6,455**	**5,830**
Income from operations	**5,211**	**4,542**	**3,497**	**2,991**	**1,081**	**1,156**	**875**	**819**
Acquisition-related amortization	149	139	82	82	39	26	26	28
Restructuring, related and implementation costs[(1)]	81	39	43	16	13	17	23	4
Changes in obligations related to divested businesses	(5)	(3)	–	–	–	–	–	–
Gains and losses from sale of businesses	(9)	–	(3)	(5)	–	–	(11)	–
Acquisition- and divestment-related expenses and integration costs	75	37	34	24	9	3	30	7
Certain other non-operational items	302	58	21	(28)	52	13	13	(22)
Foreign exchange/commodity timing differences in income from operations	196	(86)	126	(61)	66	(27)	8	(15)
Operational EBITA	**6,000**	**4,726**	**3,800**	**3,019**	**1,260**	**1,188**	**964**	**821**
Operational EBITA margin (%)	**21.4%**	**19.6%**	**24.9%**	**23.9%**	**18.7%**	**19.8%**	**14.9%**	**14.1%**

(1) Includes impairment of certain assets.

Depreciation and Amortization

	ABB		Electrification		Motion		Automation	
($ in millions)	**Q3 26**	**Q3 25**	**Q3 26**	**Q3 25**	**Q3 26**	**Q3 25**	**Q3 26**	**Q3 25**
Depreciation	164	145	90	81	33	33	19	19
Amortization	65	59	35	33	17	12	12	11
including total acquisition-related amortization of:	51	48	28	27	13	8	8	11

	ABB		Electrification		Motion		Automation	
($ in millions)	**9M 26**	**9M 25**	**9M 26**	**9M 25**	**9M 26**	**9M 25**	**9M 26**	**9M 25**
Depreciation	469	417	264	228	99	96	58	55
Amortization	190	175	103	101	49	34	34	31
including total acquisition-related amortization of:	149	139	82	82	39	26	26	28

Orders received and Revenues by region

	Orders received		CHANGE			Revenues		CHANGE		
($ in millions, unless otherwise indicated)	**Q3 26**	**Q3 25**	US$	Local	Com-parable	**Q3 26**	**Q3 25**	US$	Local	Com-parable
Europe	3,020	2,759	9%	10%	10%	2,982	2,891	3%	4%	3%
The Americas	5,980	3,499	71%	71%	70%	3,931	3,221	22%	22%	21%
of which United States	5,150	2,831	82%	82%	82%	3,231	2,508	29%	29%	28%
Asia, Middle East and Africa	3,055	2,348	30%	30%	29%	2,788	2,379	17%	16%	16%
of which China	1,150	873	32%	25%	25%	1,173	949	24%	17%	18%
ABB Group	**12,055**	**8,606**	**40%**	**40%**	**40%**	**9,701**	**8,491**	**14%**	**14%**	**14%**

	Orders received		CHANGE			Revenues		CHANGE		
($ in millions, unless otherwise indicated)	**9M 26**	**9M 25**	US$	Local	Com-parable	**9M 26**	**9M 25**	US$	Local	Com-parable
Europe	10,135	8,639	17%	12%	12%	8,968	8,232	9%	4%	3%
The Americas	16,292	10,256	59%	58%	57%	11,110	9,177	21%	20%	20%
of which United States	13,920	8,124	71%	71%	70%	8,974	7,149	26%	25%	25%
Asia, Middle East and Africa	8,968	7,554	19%	17%	17%	7,832	6,759	16%	14%	14%
of which China	3,435	2,902	18%	12%	12%	3,203	2,695	19%	13%	13%
ABB Group	**35,395**	**26,449**	**34%**	**31%**	**31%**	**27,910**	**24,168**	**15%**	**13%**	**12%**

Consolidated Financial Information

ABB Ltd Consolidated Income Statements (unaudited)

	Nine months ended		Three months ended	
($ in millions, except per share data in $)	Sep. 30, 2026	Sep. 30, 2025	Sep. 30, 2026	Sep. 30, 2025
Sales of products	23,606	20,185	8,283	7,120
Sales of services and other	4,304	3,983	1,418	1,371
Total revenues	**27,910**	**24,168**	**9,701**	**8,491**
Cost of sales of products	(14,433)	(12,057)	(5,008)	(4,284)
Cost of services and other	(2,305)	(2,129)	(754)	(709)
Total cost of sales	**(16,738)**	**(14,186)**	**(5,762)**	**(4,993)**
Gross profit	**11,172**	**9,982**	**3,939**	**3,498**
Selling, general and administrative expenses	(5,130)	(4,824)	(1,730)	(1,619)
Non-order related research and development expenses	(1,057)	(949)	(353)	(326)
Other income (expense), net	226	333	(10)	49
Income from operations	**5,211**	**4,542**	**1,846**	**1,602**
Interest and dividend income	131	142	41	47
Interest and other finance expense	(206)	(73)	(168)	(24)
Non-operational pension (cost) credit	–	42	(35)	12
Income from continuing operations before taxes	**5,136**	**4,653**	**1,684**	**1,637**
Income tax expense	(1,309)	(1,278)	(426)	(430)
Income from continuing operations, net of tax	**3,827**	**3,375**	**1,258**	**1,207**
Income (loss) from discontinued operations, net of tax	(23)	168	(43)	37
Net income	**3,804**	**3,543**	**1,215**	**1,244**
Net income attributable to noncontrolling interests	(68)	(82)	(34)	(36)
Net income attributable to ABB	**3,736**	**3,461**	**1,181**	**1,208**
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	3,754	3,294	1,225	1,172
Income (loss) from discontinued operations, net of tax	(18)	167	(44)	36
Net income	3,736	3,461	1,181	1,208
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	2.07	1.80	0.68	0.64
Income (loss) from discontinued operations, net of tax	(0.01)	0.09	(0.02)	0.02
Net income	2.06	1.89	0.65	0.66
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	2.06	1.80	0.68	0.64
Income (loss) from discontinued operations, net of tax	(0.01)	0.09	(0.02)	0.02
Net income	2.06	1.89	0.65	0.66
Weighted-average number of shares outstanding (in millions) used to compute:				
Basic earnings per share attributable to ABB shareholders	1,815	1,830	1,812	1,823
Diluted earnings per share attributable to ABB shareholders	1,818	1,833	1,814	1,827

Due to rounding, numbers presented may not add to the totals provided.

See Notes to the Consolidated Financial Information

ABB Ltd Condensed Consolidated Statements of Comprehensive Income (unaudited)

	Nine months ended		Three months ended	
($ in millions)	Sep. 30, 2026	Sep. 30, 2025	Sep. 30, 2026	Sep. 30, 2025
Total comprehensive income, net of tax	**3,790**	**3,566**	**1,350**	**1,233**
Total comprehensive income attributable to noncontrolling interests, net of tax	(56)	(94)	(30)	(29)
Total comprehensive income attributable to ABB shareholders, net of tax	**3,734**	**3,472**	**1,320**	**1,204**

Due to rounding, numbers presented may not add to the totals provided.

See Notes to the Consolidated Financial Information

ABB Ltd Consolidated Balance Sheets (unaudited)

($ in millions)	Sep. 30, 2026	Dec. 31, 2025
Cash and equivalents	3,810	4,640
Marketable securities and short-term investments	2,478	1,981
Receivables, net	8,169	7,535
Contract assets	1,259	1,090
Inventories, net	7,024	5,862
Prepaid expenses	342	281
Other current assets	570	627
Current assets held for sale and in discontinued operations	4,034	3,562
Total current assets	**27,686**	**25,578**
Property, plant and equipment, net	4,749	4,692
Operating lease right-of-use assets	826	765
Investments in equity-accounted companies	340	349
Prepaid pension and other employee benefits	1,010	937
Intangible assets, net	1,104	1,119
Goodwill	9,758	9,637
Deferred taxes	1,453	1,248
Other non-current assets	479	560
Non-current assets held for sale and in discontinued operations	35	–
Total assets	**47,440**	**44,885**
Accounts payable, trade	6,294	5,210
Contract liabilities	3,712	3,221
Short-term debt and current maturities of long-term debt	1,157	475
Current operating leases	258	253
Provisions	1,491	1,477
Other current liabilities	5,261	4,677
Current liabilities held for sale and in discontinued operations	1,226	1,108
Total current liabilities	**19,399**	**16,421**
Long-term debt	6,463	7,829
Non-current operating leases	592	533
Pension and other employee benefits	602	550
Deferred taxes	835	792
Other non-current liabilities	2,396	2,101
Non-current liabilities held for sale and in discontinued operations	82	13
Total liabilities	**30,369**	**28,239**
Commitments and contingencies		
Stockholders' equity:		
Common stock, CHF 0.12 par value		
(1,823 million and 1,844 million shares issued at September 30, 2026, and December 31, 2025, respectively)	158	160
Additional paid-in capital	47	64
Retained earnings	22,810	22,606
Accumulated other comprehensive loss	(5,255)	(5,253)
Treasury stock, at cost		
(15 million and 26 million shares at September 30, 2026, and December 31, 2025, respectively)	(1,172)	(1,490)
Total ABB stockholders' equity	**16,588**	**16,087**
Noncontrolling interests	483	559
Total stockholders' equity	**17,071**	**16,646**
Total liabilities and stockholders' equity	**47,440**	**44,885**

Due to rounding, numbers presented may not add to the totals provided.

See Notes to the Consolidated Financial Information

ABB Ltd Consolidated Statements of Cash Flows (unaudited)

	Nine months ended		Three months ended	
($ in millions)	Sep. 30, 2026	Sep. 30, 2025	Sep. 30, 2026	Sep. 30, 2025
Operating activities:				
Net income	3,804	3,543	1,215	1,244
Loss (income) from discontinued operations, net of tax	23	(168)	43	(37)
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	659	592	229	204
Changes in fair values of investments	72	(80)	8	(40)
Pension and other employee benefits	74	(56)	86	(16)
Deferred taxes	(192)	128	(139)	26
Net loss (gain) from derivatives and foreign exchange	228	(166)	111	(80)
Net gain from sale of property, plant and equipment	(414)	(187)	(5)	(3)
Net loss (gain) from sale of businesses	(9)	–	(2)	12
Other	99	32	37	17
Changes in operating assets and liabilities:				
Trade receivables, net	(590)	(237)	(52)	13
Contract assets and liabilities	353	193	103	119
Inventories, net	(1,318)	(118)	(593)	(66)
Accounts payable, trade	1,115	(51)	406	37
Accrued liabilities	35	(73)	364	273
Provisions, net	179	(23)	5	29
Income taxes payable and receivable	254	72	92	(111)
Other assets and liabilities, net	(169)	(139)	(20)	62
Net cash provided by operating activities – continuing operations	4,203	3,262	1,888	1,683
Net cash provided by (used in) operating activities – discontinued operations	(162)	258	(26)	94
Net cash provided by operating activities	**4,041**	**3,520**	**1,862**	**1,777**
Investing activities:				
Purchases of investments	(1,484)	(1,047)	(641)	(51)
Purchases of property, plant and equipment and intangible assets	(668)	(592)	(251)	(207)
Acquisition of businesses (net of cash acquired) and increases in cost- and equity-accounted companies	(360)	(577)	(211)	(7)
Proceeds from sales of investments	976	517	150	–
Proceeds from sales of property, plant and equipment	467	176	5	3
Proceeds from sales of businesses (net of transaction costs and cash disposed) and cost- and equity-accounted companies	34	74	6	1
Net cash from settlement of foreign currency derivatives	195	(115)	126	(112)
Other investing activities	10	(5)	–	(6)
Net cash used in investing activities – continuing operations	(830)	(1,569)	(816)	(379)
Net cash used in investing activities – discontinued operations	(137)	(69)	(42)	(27)
Net cash used in investing activities	**(967)**	**(1,638)**	**(858)**	**(406)**
Financing activities:				
Net changes in debt with original maturities of 90 days or less	1	(66)	6	(205)
Increase in debt	19	1,086	(17)	(4)
Repayment of debt	(466)	(219)	(417)	(88)
Delivery of shares	–	33	–	14
Purchase of treasury stock	(1,046)	(1,149)	(573)	(366)
Dividends paid	(2,161)	(1,907)	–	–
Dividends paid to noncontrolling shareholders	(172)	(114)	(49)	(9)
Other financing activities	(7)	(8)	13	(16)
Net cash used in financing activities – continuing operations	(3,832)	(2,344)	(1,037)	(674)
Net cash used in financing activities – discontinued operations	(2)	(1)	–	(1)
Net cash used in financing activities	**(3,834)**	**(2,345)**	**(1,037)**	**(675)**
Effects of exchange rate changes on cash and equivalents	(70)	95	(24)	(4)
Adjustment for the net change in cash and equivalents in assets held for sale	–	(21)	–	(21)
Net change in cash and equivalents	**(830)**	**(389)**	**(57)**	**671**
Cash and equivalents, beginning of period	4,640	4,326	3,867	3,266
Cash and equivalents, end of period	**3,810**	**3,937**	**3,810**	**3,937**
Supplementary disclosure of cash flow information:				
Interest paid	202	228	35	44
Income taxes paid	1,424	1,164	526	527

Due to rounding, numbers presented may not add to the totals provided.

See Notes to the Consolidated Financial Information

ABB Ltd Consolidated Statements of Changes in Stockholders' Equity (unaudited)

($ in millions)	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	**Total ABB stockholders' equity**	Non-controlling interests	**Total stockholders' equity**
Balance at January 1, 2025	**162**	**50**	**20,648**	**(5,350)**	**(1,091)**	**14,419**	**572**	**14,991**
Net income			3,461			**3,461**	82	**3,543**
Foreign currency translation adjustments, net of tax of $(3)				69		**69**	12	**81**
Effect of change in fair value of available-for-sale securities, net of tax of $0				3		**3**		**3**
Unrecognized income (expense) related to pensions and other postretirement plans, net of tax of $(24)				(64)		**(64)**		**(64)**
Change in derivative instruments and hedges, net of tax of $1				3		**3**		**3**
Changes in noncontrolling interests						**–**	(9)	**(9)**
Dividends to noncontrolling shareholders						**–**	(111)	**(111)**
Dividends to shareholders			(1,867)			**(1,867)**		**(1,867)**
Cancellation of treasury shares	(2)	(61)	(831)		894	**–**		**–**
Share-based payment arrangements		63				**63**	3	**66**
Purchase of treasury stock					(1,146)	**(1,146)**		**(1,146)**
Delivery of shares		(25)	(77)		135	**33**		**33**
Balance at September 30, 2025	**160**	**28**	**21,333**	**(5,339)**	**(1,208)**	**14,974**	**548**	**15,522**

Balance at January 1, 2026	**160**	**64**	**22,606**	**(5,253)**	**(1,490)**	**16,087**	**559**	**16,646**
Net income			3,736			**3,736**	68	**3,804**
Foreign currency translation adjustments, net of tax of $(9)				(109)		**(109)**	(12)	**(121)**
Effect of change in fair value of available-for-sale securities, net of tax of $0				–		**–**		**–**
Unrecognized income (expense) related to pensions and other postretirement plans, net of tax of $38				105		**105**		**105**
Change in derivative instruments and hedges, net of tax of $0				2		**2**		**2**
Changes in noncontrolling interests		(40)				**(40)**	41	**1**
Dividends to noncontrolling shareholders						**–**	(175)	**(175)**
Dividends to shareholders			(2,146)			**(2,146)**		**(2,146)**
Cancellation of treasury shares	(2)	(41)	(1,283)		1,326	**–**		**–**
Share-based payment arrangements		73				**73**	2	**75**
Purchase of treasury stock					(1,118)	**(1,118)**		**(1,118)**
Delivery of shares		(8)	(102)		110	**–**		**–**
Balance at September 30, 2026	**158**	**47**	**22,810**	**(5,255)**	**(1,172)**	**16,588**	**483**	**17,071**

Due to rounding, numbers presented may not add to the totals provided.

See Notes to the Consolidated Financial Information

Note 1
The Company and basis of presentation

ABB Ltd and its subsidiaries (collectively, the Company) together form a global technology leader in electrification and automation, enabling a more sustainable and resource-efficient future. By connecting its engineering and digitalization expertise, ABB helps industries run at high performance, while becoming more efficient, productive and sustainable so they outperform.

The Company's Consolidated Financial Information is prepared in accordance with United States of America generally accepted accounting principles (U.S. GAAP) for interim financial reporting. As such, the Consolidated Financial Information does not include all the information and notes required under U.S. GAAP for annual consolidated financial statements. Therefore, such financial information should be read in conjunction with the audited consolidated financial statements in the Company's Financial Report for the year ended December 31, 2025.

The preparation of financial information in conformity with U.S. GAAP requires management to make assumptions and estimates that directly affect the amounts reported in the Consolidated Financial Information. These accounting assumptions and estimates include:

- estimates to determine valuation allowances for deferred tax assets and amounts recorded for unrecognized tax benefits,
- estimates of loss contingencies associated with litigation or threatened litigation and other claims and inquiries, environmental damages, product warranties, self-insurance reserves, regulatory and other proceedings,
- estimates related to credit losses expected to occur over the remaining life of financial assets such as trade and other receivables, loans and other instruments,
- assumptions and projections, principally related to future material, labor and project-related overhead costs, used in determining the percentage-of-completion on projects where revenue is recognized over time, as well as the amount of variable consideration the Company expects to be entitled to,
- assumptions used in the calculation of pension and postretirement benefits and the fair value of pension plan assets,
- estimates used to record expected costs for employee severance in connection with restructuring programs,
- assumptions used in determining inventory obsolescence and net realizable value,
- growth rates, discount rates and other assumptions used to determine impairment of long-lived assets and in testing goodwill for impairment, and
- estimates and assumptions used in determining the fair values of assets and liabilities assumed in business combinations.

The actual results and outcomes may differ from the Company's estimates and assumptions.

For classification of certain current assets and liabilities, the Company has elected to use the duration of individual contracts as its operating cycle. Accordingly, there are contract assets and liabilities, accounts receivable, inventories and provisions related to these contracts which will not be realized within one year that have been classified as current. Long-term system integration activities comprise the majority of the Company's activities which have an operating cycle in excess of one year that have been classified as current.

Basis of presentation

In the opinion of management, the unaudited Consolidated Financial Information contains all necessary adjustments to present fairly the financial position, results of operations and cash flows for the reported periods. Management considers all such adjustments to be of a normal recurring nature. The Consolidated Financial Information is presented in United States dollars ($) unless otherwise stated. Due to rounding, numbers presented in the Consolidated Financial Information may not add to the totals provided.

Certain amounts reported in the Consolidated Financial Information for prior periods have been reclassified to conform to the current year's presentation.

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Note 2
Recent accounting pronouncements

Applicable for future periods

Disaggregation of Income Statement expenses

In November 2024, an accounting standard update was issued which requires the Company to disclose additional information for certain types of expenses, including purchases of inventory, employee compensation, depreciation, and amortization, presented in each relevant income statement expense caption (such as cost of sales, selling, general and administrative expenses). This update is effective for the Company prospectively, with retrospective adoption permitted, for annual periods beginning January 1, 2027, and interim periods beginning January 1, 2028. The Company is currently evaluating the impact of adopting this update on its consolidated financial statements.

Targeted Improvements to the Accounting for Internal-Use Software

In September 2025, an accounting standard update was issued related to accounting for internal-use software costs. This update modernizes the guidance for accounting for software costs, aligning the accounting model with how software is developed today, by removing all references to project stages and clarifying the threshold entities apply to begin capitalizing costs. This update is effective for the Company for annual and interim periods beginning January 1, 2028, and may be applied (i) prospectively, (ii) retrospectively, or (iii) utilizing a modified transition approach. Early adoption is permitted as of the beginning of an annual reporting period. The Company is currently evaluating the impact of adopting this update on its consolidated financial statements.

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Note 3
Discontinued operations

In October 2025, the Company entered into an agreement to divest its Robotics division to SoftBank Group Corp., valuing the business at approximately $5.4 billion. The business also includes certain investments and real estate properties which were previously reported within Corporate and Other. The divestment is expected to be completed in the fourth quarter of 2026, subject to regulatory approvals and customary closing conditions.

As this planned divestment represents a strategic shift that will have a major effect on the Company's operations and financial results, the results of operations for this business have been presented as discontinued operations and the assets and liabilities, along with the related investments and real estate assets previously included in Corporate and Other, are reflected as held-for-sale for all periods presented.

In addition, amounts relating to stranded corporate costs have been separately disclosed as a component of Corporate and Other (see Note 16). Stranded costs represent allocated overhead and other management costs which were previously included in the measure of segment profit (Operational EBITA) for the Robotics division within the former Robotics & Discrete Automation operating segment but are not directly attributable to the discontinued operation and thus do not qualify to be recorded as part of income from discontinued operations.

Operating results of the discontinued operations are summarized as follows:

	Nine months ended		Three months ended	
($ in millions)	Sep. 30, 2026	Sep. 30, 2025	Sep. 30, 2026	Sep. 30, 2025
Total revenues	1,735	1,750	622	592
Total cost of sales	(1,143)	(1,158)	(416)	(393)
Gross profit	**592**	**592**	**206**	**199**
Expenses	(450)	(335)	(147)	(134)
Income from operations	**142**	**257**	**59**	**65**
Net interest and other finance expense	(17)	(23)	(7)	(9)
Non-operational pension credit	2	–	1	–
Income from discontinued operations before taxes	**127**	**234**	**53**	**56**
Income tax expense	(150)	(66)	(96)	(19)
Income (loss) from discontinued operations, net of tax	**(23)**	**168**	**(43)**	**37**

Of the total Income from discontinued operations before taxes in the table above, $126 million and $232 million in the nine months ended September 30, 2026 and 2025, respectively, and $53 million and $54 million in the three months ended September 30, 2026 and 2025, respectively, are attributable to the Company, while the remainder is attributable to noncontrolling interests.

Income from discontinued operations before taxes excludes stranded costs which were previously allocated to the Robotics division. As a result, for the nine months ended September 30, 2026 and 2025, $76 million and $93 million, respectively, and for the three months ended September 30, 2026 and 2025, $25 million and $31 million, respectively, of allocated overhead and other management costs which were previously included in the measure of segment profit for the Robotics division are now reported as part of Corporate and Other. In addition, as required by U.S. GAAP, the Company has not recorded depreciation or amortization on the property, plant and equipment and intangible assets reported as discontinued operations in the nine and three months ended September 30, 2026.

The Company also has retained obligations (primarily for environmental and taxes) related to other businesses disposed or otherwise exited that qualified as discontinued operations. Changes to these retained obligations are also included in Income from discontinued operations, net of tax.

The major components of assets and liabilities held for sale and in discontinued operations in the Company's Consolidated Balance Sheets are summarized as follows:

($ in millions)	Sep. 30, 2026[1]	Dec. 31, 2025[1]
Receivables, net	693	489
Contract assets	194	217
Inventories, net	387	372
Property, plant and equipment, net	397	290
Operating lease right-of-use assets	140	84
Goodwill	1,819	1,847
Deferred taxes	272	123
Other assets	132	140
Current assets held for sale and in discontinued operations	**4,034**	**3,562**
Other non-current assets	35	–
Non-current assets held for sale and in discontinued operations	**35**	**–**
Accounts payable, trade	395	317
Contract liabilities	199	250
Operating leases	123	87
Other liabilities	509	454
Current liabilities held for sale and in discontinued operations	**1,226**	**1,108**
Other non-current liabilities	82	13
Non-current liabilities held for sale and in discontinued operations	**82**	**13**

(1) At September 30, 2026, and December 31, 2025, the balances reported as held for sale and in discontinued operations also include amounts pertaining to previously divested businesses and other obligations which will remain with the Company until such time as the obligations are settled or the activities are fully wound down.

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Note 4
Acquisitions and divestments

Acquisition of controlling interests

Acquisitions of controlling interests were as follows:

	Nine months ended September 30,		Three months ended September 30,	
($ in millions, except number of acquired businesses)[1]	2026	2025	2026	2025
Purchase price for acquisitions (net of cash acquired)[2]	318	556	194	5
Aggregate excess of purchase price over fair value of net assets acquired[3]	197	453	133	17
Number of acquired businesses	7	4	2	-

(1) Amounts include adjustments arising during the measurement period of acquisitions.
(2) Excluding changes in cost- and equity-accounted companies and settlement of pre-existing relationships.
(3) Recorded as goodwill.

In the table above, the "Purchase price for acquisitions" and "Aggregate excess of purchase price over fair value of net assets acquired" in the nine months ended September 30, 2026, relate primarily to the acquisition of Specialtrasfo S.p.A., while in the nine months ended September 30, 2025, relate primarily to the acquisitions of Sensorfact BV and the Siemens wiring accessories business in China.

Acquisitions of controlling interests have been accounted for under the acquisition method and have been included in the Company's consolidated financial statements since the date of acquisition.

On July 1, 2026, the Company acquired the shares of Specialtrasfo S.p.A. Specialtrasfo is an Italian manufacturer of specialized medium voltage transformers, including converter and rectifier transformers, with a worldwide installed base. The cash outflows to complete the transaction amounted to $181 million (net of cash acquired). This acquisition strengthens the integrated powertrain portfolio and increases supply chain resilience within the Company's Motion segment.

On February 3, 2025, the Company acquired all of the shares of Sensorfact BV. Sensorfact BV, headquartered in Utrecht, Netherlands, offers a scalable software as a service (SaaS) solution that helps small and medium sized enterprises use AI in their operations and energy management to lower costs and increase efficiency. The cash outflows to complete the transaction amounted to $148 million (net of cash acquired). This acquisition expands the Company's portfolio of energy management solutions that use big data and AI within its Electrification segment.

On March 3, 2025, the Company acquired, through numerous share and asset purchases, all of the assets, liabilities and business activities of the Siemens wiring accessories business in China. The Siemens wiring accessories business offering, which distributes throughout China, includes wiring accessories, smart home systems, smart door locks and further peripheral home automation products. The cash outflows to complete the transaction amounted to $386 million (net of cash acquired). This acquisition broadens the market reach of the Company's Electrification segment and complements the segment's regional customer offering within smart buildings.

While the Company uses its best estimates and assumptions as part of the purchase price allocation process to value assets acquired and liabilities assumed at the acquisition date, the purchase price allocation for acquisitions is preliminary for up to 12 months after the acquisition date and is subject to refinement as more detailed analyses are completed and additional information about the fair values of the assets and liabilities becomes available.

Planned Acquisition of Rotork plc

On July 16, 2026, the Company announced that it had reached an agreement to acquire Rotork plc (Rotork) for 503 pence per share (approximately GBP 4.2 billion) which was ratified by Rotork's shareholders on September 3, 2026. Rotork, headquartered in the United Kingdom, is a provider of intelligent flow control solutions and a manufacturer of electric actuators. The acquisition is expected to expand the Company's offering for large and complex infrastructure and industries within its Automation segment. While the Company expects to finance the transaction through existing cash resources and committed bank facilities, concurrent with the agreement, the Company entered into a GBP 4.2 billion bridge facility commitment letter in order to provide a backstop for the financing of the planned acquisition and to satisfy the "certain funds" requirements under the United Kingdom City Code on Takeovers and Mergers. The Company expects to complete the acquisition in the first half of 2027 subject to customary closing conditions, including regulatory clearances.

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Note 5
Cash and equivalents, marketable securities and short-term investments

Cash and equivalents, marketable securities and short-term investments consisted of the following:

	September 30, 2026					
($ in millions)	Cost basis	Gross unrealized gains	Gross unrealized losses	Fair value	Cash and equivalents	Marketable securities and short-term investments
Changes in fair value recorded in net income						
Cash	1,500			**1,500**	1,500	
Time deposits	3,424			**3,424**	2,310	1,114
Equity securities	1,301	67	(4)	**1,364**		1,364
	6,225	**67**	**(4)**	**6,288**	**3,810**	**2,478**

	December 31, 2025					
($ in millions)	Cost basis	Gross unrealized gains	Gross unrealized losses	Fair value	Cash and equivalents	Marketable securities and short-term investments
Changes in fair value recorded in net income						
Cash	1,398			**1,398**	1,398	
Time deposits	3,804			**3,804**	3,242	562
Equity securities	1,348	57		**1,405**		1,405
	6,550	**57**	**–**	**6,607**	**4,640**	**1,967**
Changes in fair value recorded in other comprehensive income						
Debt securities available-for-sale:						
Other government obligations	14			**14**		14
	14	**–**	**–**	**14**	**–**	**14**
Total	**6,564**	**57**	**–**	**6,621**	**4,640**	**1,981**

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Note 6
Derivative financial instruments

The Company is exposed to certain currency, commodity and interest rate risks arising from its global operating, financing and investing activities. The Company uses derivative instruments to reduce and manage the economic impact of these exposures.

Currency risk

Due to the global nature of the Company's operations, many of its subsidiaries are exposed to currency risk in their operating activities from entering into transactions in currencies other than their functional currency. To manage such currency risks, the Company operates programs to hedge the foreign currency exposures from forecasted cash flows, committed orders and project-related exposures. Forward foreign exchange contracts are the main instrument used to protect the Company against the volatility of future cash flows (caused by changes in exchange rates) of contracted and forecasted sales and purchases denominated in foreign currencies. In addition, within its treasury operations, the Company primarily uses foreign exchange swaps and forward foreign exchange contracts to manage the currency and timing mismatches arising in its liquidity management activities.

In connection with the planned acquisition of Rotork, the Company entered into a deal-contingent foreign exchange contract (Deal-Contingent FX Contract) to manage the foreign currency exposure associated with the purchase price denominated in British pounds. The Deal-Contingent FX Contract has a notional amount of approximately GBP 4.2 billion and settlement is contingent upon the successful closing of the transaction. Although the Deal-Contingent FX Contract is an effective economic hedge, it does not qualify for hedge accounting. At September 30, 2026, the fair value of the Deal-Contingent FX Contract was $115 million, recorded in Other current liabilities in the Consolidated Balance Sheet, and an unrealized loss of $115 million was recognized in the nine and three months ended September 30, 2026, reported in Interest and other finance expense in the Consolidated Income Statement. The fair value was determined by comparing the contractual foreign exchange rates to market rates, probability weighted for the likelihood and timing of when the acquisition is anticipated to close, discounted to the valuation date. The Deal-Contingent FX Contract is classified as a Level 2 instrument within the fair value hierarchy (see Note 7).

The Company also has numerous investments in its foreign subsidiaries, the net assets of which are exposed to volatility in foreign currency exchange rates. Forward foreign exchange contracts are used to reduce the foreign currency exchange risk related to the Company's investment in certain foreign subsidiaries. These derivatives are designated as net investment hedges.

Commodity risk
Various commodity products are used in the Company's manufacturing activities. Consequently, it is exposed to volatility in future cash flows arising from changes in commodity prices. To manage the price risk of commodities, the Company operates programs to hedge the forecasted commodity exposure and project-related exposures. Swap contracts are primarily used to manage the associated price risks of commodities.

Interest rate risk
The Company has issued bonds at fixed rates. Interest rate swaps and cross-currency interest rate swaps are used to manage the interest rate and foreign currency risk associated with certain debt and generally such swaps are designated as fair value hedges. In addition, from time to time, the Company uses instruments such as interest rate swaps, interest rate futures, bond futures or forward rate agreements to manage interest rate risk arising from the Company's balance sheet structure but does not designate such instruments as hedges.

Volume of derivative activity
In general, while the Company's primary objective in its use of derivatives is to minimize exposures arising from its business, certain derivatives are designated and qualify for hedge accounting treatment while others either are not designated or do not qualify for hedge accounting.

Foreign exchange and interest rate derivatives
The gross notional amounts of outstanding foreign exchange and interest rate derivatives (whether designated as hedges or not) were as follows:

Type of derivative	Total notional amounts at		
($ in millions)	September 30, 2026	December 31, 2025	September 30, 2025
Foreign exchange contracts	24,715	14,743	13,779
Embedded foreign exchange derivatives	1,750	1,640	1,612
Cross-currency interest rate swaps	909	940	940
Interest rate contracts	567	1,644	1,457

Derivative commodity contracts
The Company uses derivatives to hedge its direct or indirect exposure to the movement in the prices of commodities which are primarily copper, silver, steel and aluminum. The following table shows the notional amounts of outstanding derivatives (whether designated as hedges or not), on a net basis, to reflect the Company's requirements for these commodities:

		Total notional amounts at		
Type of derivative	Unit	September 30, 2026	December 31, 2025	September 30, 2025
Copper swaps	metric tonnes	54,857	33,912	39,692
Silver swaps	ounces	5,199,059	2,059,055	1,965,274
Steel swaps	metric tonnes	16,647	14,198	16,602
Aluminum swaps	metric tonnes	5,525	3,850	4,450

Cash flow hedges
As noted above, the Company mainly uses forward foreign exchange contracts to manage the foreign exchange risk of its operations and commodity swaps to manage its commodity risks. The Company applies cash flow hedge accounting in only limited cases. In these cases, the effective portion of the changes in their fair value is recorded in Accumulated other comprehensive loss and subsequently reclassified into earnings in the same line item and in the same period as the underlying hedged transaction affects earnings. For the nine and three months ended September 30, 2026 and 2025, there were no significant amounts recorded for cash flow hedge accounting activities.

Net investment hedges
The Company designates forward foreign exchange contracts used to reduce the foreign currency exchange risk related to its net investment in certain foreign subsidiaries as net investment hedges. Accordingly, the gains and losses on the derivatives are recorded in Accumulated other comprehensive loss as part of Foreign currency translation adjustments. The accumulated gains and losses associated with these instruments will remain in Accumulated other comprehensive loss until the foreign subsidiaries are sold or substantially liquidated, at which point they will be reclassified into earnings. The cash flows associated with derivatives designated as net investment hedges are recorded within investing activities in the Consolidated Statements of Cash Flows.

For the nine and three months ended September 30, 2026, losses of $63 million and $55 million, respectively, were recognized in Other comprehensive loss related to net investment hedges, while for the nine and three months ended September 30, 2025, the amounts were not significant. For the nine and three months ended September 30, 2026 and 2025, there were no significant amounts reclassified out of Accumulated other comprehensive loss into earnings related to net investment hedges, nor was there any ineffectiveness recognized. At September 30, 2026, and December 31, 2025, Accumulated other comprehensive loss included net unrealized losses of $68 million and $5 million, respectively, related to net investment hedges.

Fair value hedges
To reduce its interest rate exposure arising primarily from its debt issuance activities, the Company uses interest rate swaps and cross-currency interest rate swaps. Where such instruments are designated as fair value hedges, the changes in the fair value of these instruments, as well as the changes in the fair value of the risk component of the underlying debt being hedged, are recorded as offsetting gains and losses in Interest and other finance expense.

The effect of derivative instruments, designated and qualifying as fair value hedges, on the Consolidated Income Statements was as follows:

		Nine months ended September 30,		Three months ended September 30,	
($ in millions)		2026	2025	2026	2025
Gains (losses) recognized in Interest and other finance expense:					
Interest rate contracts	Designated as fair value hedges	(21)	(5)	(19)	(4)
	Hedged item	22	5	20	4
Cross-currency interest rate swaps	Designated as fair value hedges	(6)	3	(15)	1
	Hedged item	7	(1)	16	(1)

Derivatives not designated in hedge relationships

Derivative instruments that are not designated as hedges or do not qualify as either cash flow or fair value hedges are economic hedges used for risk management purposes. Gains and losses from changes in the fair values of such derivatives are recognized in the same line in the income statement as the economically hedged transaction.

Furthermore, under certain circumstances, the Company is required to split and account separately for foreign currency derivatives that are embedded within certain binding sales or purchase contracts denominated in a currency other than the functional currency of the subsidiary and the counterparty.

The gains (losses) recognized in the Consolidated Income Statements on derivatives not designated in hedging relationships were as follows:

Type of derivative not designated as a hedge		**Gains (losses) recognized in income**			
		Nine months ended September 30,		**Three months ended September 30,**	
($ in millions)	**Location**	**2026**	**2025**	**2026**	**2025**
Foreign exchange contracts	Total revenues	(72)	139	(54)	(1)
	Total cost of sales	(16)	(25)	2	(3)
	SG&A expenses[(1)]	10	(41)	–	10
	Interest and other finance expense	141	(191)	56	47
Embedded foreign exchange contracts	Total revenues	(47)	6	(36)	14
	Total cost of sales	(5)	6	(2)	(3)
	SG&A expenses[(1)]	(2)	–	(1)	–
Commodity contracts	Total cost of sales	43	69	60	33
Other	Interest and other finance expense	3	1	1	2
Total		**55**	**(36)**	**26**	**99**

(1) SG&A expenses represent "Selling, general and administrative expenses".

The fair values of derivatives included in the Consolidated Balance Sheets were as follows:

	September 30, 2026			
	Derivative assets		**Derivative liabilities**	
($ in millions)	**Current in "Other current assets"**	**Non-current in "Other non-current assets"**	**Current in "Other current liabilities"**	**Non-current in "Other non-current liabilities"**
Derivatives designated as hedging instruments:				
Foreign exchange contracts	9	–	74	–
Interest rate contracts	–	–	–	24
Cross-currency interest rate swaps	–	–	–	178
Total	**9**	**–**	**74**	**202**
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	199	23	232	24
Commodity contracts	65	2	46	–
Embedded foreign exchange derivatives	9	2	43	12
Total	**273**	**27**	**321**	**36**
Total fair value	**282**	**27**	**395**	**238**

($ in millions)	December 31, 2025			
	Derivative assets		Derivative liabilities	
	Current in "Other current assets"	Non-current in "Other non-current assets"	Current in "Other current liabilities"	Non-current in "Other non-current liabilities"
Derivatives designated as hedging instruments:				
Foreign exchange contracts	–	–	6	–
Interest rate contracts	–	2	–	4
Cross-currency interest rate swaps	–	–	–	142
Total	**–**	**2**	**6**	**146**
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	101	23	50	5
Commodity contracts	129	–	5	–
Embedded foreign exchange derivatives	20	14	29	4
Total	**250**	**37**	**84**	**9**
Total fair value	**250**	**39**	**90**	**155**

Close-out netting agreements provide for the termination, valuation and net settlement of some or all outstanding transactions between two counterparties on the occurrence of one or more pre-defined trigger events.

Although the Company is party to close-out netting agreements with most derivative counterparties, the fair values in the tables above and in the Consolidated Balance Sheets at September 30, 2026, and December 31, 2025, have been presented on a gross basis.

The Company's netting agreements and other similar arrangements allow net settlements under certain conditions. At September 30, 2026, and December 31, 2025, information related to these offsetting arrangements was as follows:

($ in millions)	September 30, 2026				
Type of agreement or similar arrangement	Gross amount of recognized assets	Derivative liabilities eligible for set-off in case of default	Cash collateral received	Non-cash collateral received	Net asset exposure
Derivatives	298	(198)	–	–	**100**
Total	**298**	**(198)**	**–**	**–**	**100**

($ in millions)	September 30, 2026				
Type of agreement or similar arrangement	Gross amount of recognized liabilities	Derivative liabilities eligible for set-off in case of default	Cash collateral pledged	Non-cash collateral pledged	Net liability exposure
Derivatives	578	(198)	–	–	**380**
Total	**578**	**(198)**	**–**	**–**	**380**

($ in millions)	December 31, 2025				
Type of agreement or similar arrangement	Gross amount of recognized assets	Derivative liabilities eligible for set-off in case of default	Cash collateral received	Non-cash collateral received	Net asset exposure
Derivatives	255	(56)	–	–	**199**
Total	**255**	**(56)**	**–**	**–**	**199**

($ in millions)	December 31, 2025				
Type of agreement or similar arrangement	Gross amount of recognized liabilities	Derivative liabilities eligible for set-off in case of default	Cash collateral pledged	Non-cash collateral pledged	Net liability exposure
Derivatives	212	(56)	–	–	**156**
Total	**212**	**(56)**	**–**	**–**	**156**

Note 7
Fair values

The Company uses fair value measurement principles to record certain financial assets and liabilities on a recurring basis and, when necessary, to record certain non-financial assets at fair value on a non-recurring basis, as well as to determine fair value disclosures for certain financial instruments carried at amortized cost in the financial statements. Financial assets and liabilities recorded at fair value on a recurring basis include foreign currency, commodity and interest rate derivatives, as well as available-for-sale securities. Non-financial assets recorded at fair value on a non-recurring basis include long-lived assets that are reduced to their estimated fair value due to impairments.

Fair value is the price that would be received when selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various valuation techniques including the market approach (using observable market data for identical or similar assets and liabilities), the income approach (discounted cash flow models) and the cost approach (using costs a market participant would incur to develop a comparable asset). Inputs used to determine the fair value of assets and liabilities are defined by a three-level hierarchy, depending on the nature of those inputs. The Company has categorized its financial assets and liabilities and non-financial assets measured at fair value within this hierarchy based on whether the inputs to the valuation technique are observable or unobservable. An observable input is based on market data obtained from independent sources, while an unobservable input reflects the Company's assumptions about market data.

The levels of the fair value hierarchy are as follows:

Level 1: Valuation inputs consist of quoted prices in an active market for identical assets or liabilities (observable quoted prices). Assets and liabilities valued using Level 1 inputs include exchange-traded equity securities, listed derivatives which are actively traded such as commodity futures, interest rate futures and certain actively traded debt securities.

Level 2: Valuation inputs consist of observable inputs (other than Level 1 inputs) such as actively quoted prices for similar assets, quoted prices in inactive markets and inputs other than quoted prices such as interest rate yield curves, credit spreads, or inputs derived from other observable data by interpolation, correlation, regression or other means. The adjustments applied to quoted prices or the inputs used in valuation models may be both observable and unobservable. In these cases, the fair value measurement is classified as Level 2 unless the unobservable portion of the adjustment or the unobservable input to the valuation model is significant, in which case the fair value measurement would be classified as Level 3. Assets and liabilities valued or disclosed using Level 2 inputs generally include investments in certain funds, certain debt securities that are not actively traded, interest rate swaps, cross-currency interest rate swaps, commodity swaps, forward foreign exchange contracts, foreign exchange swaps and forward rate agreements, time deposits, as well as financing receivables and debt.

Level 3: Valuation inputs are based on the Company's assumptions which require significant judgement or estimation (unobservable input).

Whenever quoted prices involve bid-ask spreads, the Company ordinarily determines fair values based on mid-market quotes. When determining fair values based on quoted prices in an active market, the Company considers if the level of transaction activity for the financial instrument has significantly decreased or would not be considered orderly. In such cases, the resulting changes in valuation techniques would be disclosed. If the market is considered disorderly or if quoted prices are not available, the Company is required to use another valuation technique, such as an income approach.

Recurring fair value measures

The fair values of financial assets and liabilities measured at fair value on a recurring basis were as follows:

	September 30, 2026			
($ in millions)	**Level 1**	**Level 2**	**Level 3**	**Total fair value**
Assets				
Securities in "Marketable securities and short-term investments":				
Equity securities		1,364		**1,364**
Derivative assets—current in "Other current assets"		282		**282**
Derivative assets—non-current in "Other non-current assets"		27		**27**
Total	**–**	**1,673**	**–**	**1,673**
Liabilities				
Derivative liabilities—current in "Other current liabilities"		395		**395**
Derivative liabilities—non-current in "Other non-current liabilities"		238		**238**
Total	**–**	**633**	**–**	**633**

	December 31, 2025			
($ in millions)	**Level 1**	**Level 2**	**Level 3**	**Total fair value**
Assets				
Securities in "Marketable securities and short-term investments":				
Equity securities		1,405		**1,405**
Debt securities—Other government obligations	14			**14**
Derivative assets—current in "Other current assets"		250		**250**
Derivative assets—non-current in "Other non-current assets"		39		**39**
Total	**14**	**1,694**	**–**	**1,708**
Liabilities				
Derivative liabilities—current in "Other current liabilities"		90		**90**
Derivative liabilities—non-current in "Other non-current liabilities"		155		**155**
Total	**–**	**245**	**–**	**245**

The Company uses the following methods and assumptions in estimating fair values of financial assets and liabilities measured at fair value on a recurring basis:

- Securities in "Marketable securities and short-term investments": If quoted market prices in active markets for identical assets are available, these are considered Level 1 inputs; however, when markets are not active, these inputs are considered Level 2. If such quoted market prices are not available, fair value is determined using market prices for similar assets or present value techniques, applying an appropriate risk-free interest rate adjusted for non-performance risk. The inputs used in present value techniques are observable and fall into the Level 2 category.

- Derivatives: The fair values of derivative instruments are determined using quoted prices of identical instruments from an active market, if available (Level 1 inputs). If quoted prices are not available, price quotes for similar instruments, appropriately adjusted, or present value techniques, based on available market data, or option pricing models are used. The fair values obtained using price quotes for similar instruments or valuation techniques represent a Level 2 input unless significant unobservable inputs are used.

Non-recurring fair value measures
There were no significant non-recurring fair value measurements during the nine and three months ended September 30, 2026 and 2025.

Disclosure about financial instruments carried on a cost basis
The fair values of financial instruments carried on a cost basis were as follows:

	September 30, 2026				
($ in millions)	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total fair value**
Assets					
Cash and equivalents (excluding securities with original maturities up to 3 months):					
Cash	1,500	1,500			**1,500**
Time deposits	2,310		2,310		**2,310**
Marketable securities and short-term investments (excluding securities):					
Time deposits	1,114		1,114		**1,114**
Liabilities					
Short-term debt and current maturities of long-term debt (excluding finance lease obligations)	1,117	1,089	28		**1,117**
Long-term debt (excluding finance lease obligations)	6,330	5,505	719		**6,224**

	December 31, 2025				
($ in millions)	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total fair value**
Assets					
Cash and equivalents (excluding securities with original maturities up to 3 months):					
Cash	1,398	1,398			**1,398**
Time deposits	3,242		3,242		**3,242**
Marketable securities and short-term investments (excluding securities):					
Time deposits	562		562		**562**
Liabilities					
Short-term debt and current maturities of long-term debt (excluding finance lease obligations)	448	416	32		**448**
Long-term debt (excluding finance lease obligations)	7,681	7,013	733		**7,746**

The Company uses the following methods and assumptions in estimating fair values of financial instruments carried on a cost basis:

- Cash and equivalents (excluding securities with original maturities up to 3 months) and Marketable securities and short-term investments (excluding securities): The carrying amounts approximate the fair values as the items are short-term in nature or, for cash held in banks, are equal to the deposit amount.
- Short-term debt and current maturities of long-term debt (excluding finance lease obligations): Short-term debt includes commercial paper, bank borrowings and overdrafts. The carrying amounts of short-term debt and current maturities of long-term debt, excluding finance lease obligations, approximate their fair values.
- Long-term debt (excluding finance lease obligations): Fair values of bonds are determined using quoted market prices (Level 1 inputs), if available. For bonds without available quoted market prices and other long-term debt, the fair values are determined using a discounted cash flow methodology based upon borrowing rates of similar debt instruments and reflecting appropriate adjustments for non-performance risk (Level 2 inputs).

Note 8
Contract assets and liabilities

The following table provides information about Contract assets and Contract liabilities:

($ in millions)	September 30, 2026	December 31, 2025	September 30, 2025
Contract assets	1,259	1,090	1,062
Contract liabilities	3,712	3,221	3,204

Contract assets primarily relate to the Company's right to receive consideration for work completed but for which no invoice has been issued at the reporting date. Contract assets are transferred to receivables when rights to receive payment become unconditional. Management expects that the majority of the amounts will be collected within one year of the respective balance sheet date.

Contract liabilities primarily relate to up-front advances received on orders from customers as well as amounts invoiced to customers in excess of revenues recognized predominantly on long-term projects. Contract liabilities are reduced as work is performed and as revenues are recognized.

The significant changes in the Contract assets and Contract liabilities balances were as follows:

	Nine months ended September 30,			
	2026		2025	
($ in millions)	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Revenue recognized, which was included in the Contract liabilities balance at Jan 1, 2026/2025		(1,635)		(1,339)
Additions to Contract liabilities - excluding amounts recognized as revenue during the period		2,170		1,664
Receivables recognized that were included in the Contract assets balance at Jan 1, 2026/2025	(575)		(500)	

The Company considers its order backlog to represent its unsatisfied performance obligations. At September 30, 2026, the Company had unsatisfied performance obligations totaling $32,256 million and, of this amount, the Company expects to fulfill approximately 26 percent of the obligations in 2026, approximately 41 percent of the obligations in 2027 and the balance thereafter.

Note 9
Supplier finance programs

The Company has several supplier finance programs, all with similar characteristics, with various financial institutions acting as paying agent. These programs allow qualifying suppliers access to bank facilities which permit earlier payment at a cost to the supplier. The Company's payment terms related to suppliers' finance programs are not impacted by the suppliers' decisions to sell amounts under the arrangements and are typically consistent with local market practices. Outstanding supplier finance obligations are included in Accounts payable, trade in the Consolidated Balance Sheets and are reported as operating or investing (if capitalized) activities in the Consolidated Statements of Cash Flows when paid. At September 30, 2026, and December 31, 2025, the total obligation outstanding under supplier finance programs amounted to $700 million and $482 million, respectively.

Note 10
Debt

The Company's total debt at September 30, 2026, and December 31, 2025, amounted to $7,620 million and $8,304 million, respectively.

Short-term debt and current maturities of long-term debt

The Company's Short-term debt and current maturities of long-term debt consisted of the following:

($ in millions)	September 30, 2026	December 31, 2025
Short-term debt	33	26
Current maturities of long-term debt	1,124	449
Total	**1,157**	**475**

Short-term debt primarily represented short-term bank borrowings from various banks.

In September 2026, the Company repaid at maturity its CHF 325 million 1.965% CHF Bonds, equivalent to $397 million on date of repayment.

Long-term debt

The Company's Long-term debt at September 30, 2026, and December 31, 2025, amounted to $6,463 million and $7,829 million, respectively.

Significant long-term borrowings (including maturities within the next 12 months) were as follows:

	September 30, 2026			December 31, 2025		
(in millions)	Nominal outstanding		Carrying value[1]	Nominal outstanding		Carrying value[1]
1.965% CHF Bonds, due 2026				CHF	325	$ 410
3.25% EUR Instruments, due 2027	EUR	500	$ 568	EUR	500	$ 586
0.75% CHF Bonds, due 2027	CHF	425	$ 509	CHF	425	$ 535
3.8% USD Notes, due 2028	USD	383	$ 382	USD	383	$ 382
1.9775% CHF Bonds, due 2028	CHF	150	$ 180	CHF	150	$ 189
3.125% EUR Instruments, due 2029	EUR	500	$ 561	EUR	500	$ 588
1.0% CHF Bonds, due 2029	CHF	170	$ 204	CHF	170	$ 214
0% EUR Instruments, due 2030	EUR	800	$ 800	EUR	800	$ 838
2.375% CHF Bonds, due 2030	CHF	150	$ 179	CHF	150	$ 189
3.375% EUR Instruments, due 2031	EUR	750	$ 844	EUR	750	$ 871
Floating rate EIB R&D Loan, due 2031	USD	539	$ 539	USD	539	$ 539
0.8725% CHF Bonds, due 2032	CHF	350	$ 418	CHF	350	$ 440
2.1125% CHF Bonds, due 2033	CHF	275	$ 329	CHF	275	$ 346
3.375% EUR Instruments, due 2034	EUR	750	$ 829	EUR	750	$ 872
1.2762% CHF Bonds, due 2036	CHF	250	$ 299	CHF	250	$ 314
4.375% USD Notes, due 2042	USD	609	$ 593	USD	609	$ 592
Total			**$ 7,234**			**$ 7,905**

(1) USD carrying values include unamortized debt issuance costs, bond discounts or premiums, as well as adjustments for fair value hedge accounting, where appropriate.

Note 11
Commitments and contingencies

Contingencies—Environmental

The Company has been notified by the United States Environmental Protection Agency (EPA) that the Company, along with others, has been identified as a potentially responsible party at a location on the EPA's National Priorities List of Superfund sites. This site is associated with a business acquired by the Company in 2012 and the claim relates to operations of the acquired business prior to the acquisition. The Company determined that a loss related to this matter is probable. The reasonably estimable range of loss based upon currently available information is between $31 million and $204 million. As no amount within the range is a better estimate than any other, the Company has recorded a provision of $31 million during the nine months ended September 30, 2026. The estimated range reflects potential exposure associated with currently identified remediation activities while a subsequent phase of remediation could result in additional losses that are not presently estimable as the related remediation strategy is yet to be defined. Although the Company believes its estimated range of potential loss is reasonable, the outcome of these matters is inherently uncertain and actual losses could exceed the amounts accrued or disclosed.

Contingencies—Regulatory, Compliance and Legal

General

The Company is subject to proceedings, litigation or threatened litigation and other claims and inquiries related to various regulatory, commercial and other matters. The Company assesses the likelihood of any adverse judgments or outcomes to these matters, as well as potential ranges of probable losses. A determination of the provision required, if any, for these contingencies is made after analysis of each individual issue, with assistance, when necessary, from internal and external legal counsel and technical experts.

As it is not possible to make an informed judgment on, or reasonably predict, the outcome of certain matters and as it is not possible, based on information currently available to management, to estimate the maximum potential liability on other matters, there could be adverse outcomes beyond the amounts accrued; however, the Company does not expect the resolution of current matters to have a material adverse effect on its financial statements.

Guarantees

General

The following table provides quantitative data regarding the Company's third-party guarantees. The maximum potential payments represent a "worst-case scenario", and do not reflect management's expected outcomes.

Maximum potential payments ($ in millions)	September 30, 2026	December 31, 2025
Performance guarantees	1,505	1,926
Financial guarantees	41	18
Total[(1)]	**1,546**	**1,944**

(1) Maximum potential payments include amounts in both continuing and discontinued operations.

The carrying amount of liabilities recorded in the Consolidated Balance Sheets reflects the Company's best estimate of future payments, which it may incur as part of fulfilling its guarantee obligations. In respect of the above guarantees, the carrying amounts of liabilities at September 30, 2026, and December 31, 2025, were not significant.

The Company is party to various guarantees providing financial or performance assurances to certain third parties. These guarantees, which have various maturities up to 2040, mainly consist of performance guarantees whereby (i) the Company guarantees the performance of a third party's product or service according to the terms of a contract and (ii) as member of a consortium/joint-venture that includes third parties, the Company guarantees not only its own performance but also the work of third parties. Such guarantees may include guarantees that a project will be completed within a specified time. If the third party does not fulfill the obligation, the Company will compensate the guaranteed party in cash or in kind. The original maturity dates for the majority of these performance guarantees range from one to ten years.

In conjunction with the divestment of the high-voltage cable and cables accessories businesses in 2017, the Company has entered into various performance guarantees with other parties with respect to certain liabilities of the divested business. At September 30, 2026, and December 31, 2025, the maximum potential payable under these guarantees amounted to $574 million and $681 million, respectively, and these guarantees have various original maturities up to ten years.

The Company retained obligations for financial and performance guarantees related to its former Power Grids business (reported as discontinued operations prior to its sale to Hitachi Ltd in 2020), which at both September 30, 2026, and December 31, 2025, have been fully indemnified by Hitachi Ltd. These guarantees, having various maturities up to 2032, primarily consist of bank guarantees, standby letters of credit, business performance guarantees and other trade-related guarantees, the majority of which have original maturity dates ranging from one to ten years. The maximum amount payable under these guarantees at both September 30, 2026, and December 31, 2025, amounted to approximately $0.9 billion.

Commercial commitments

In addition, in the normal course of bidding for and executing certain projects, the Company has entered into standby letters of credit, bid/performance bonds and surety bonds (collectively "performance bonds") with various financial institutions. Customers can draw on such performance bonds in the event that the Company does not fulfill its contractual obligations. The Company would then have an obligation to reimburse the financial institution for amounts paid under the performance bonds. At September 30, 2026, and December 31, 2025, the total outstanding performance bonds aggregated to $3.7 billion and $3.6 billion, respectively; of each of these amounts, $0.1 billion relates to discontinued operations. There have been no significant amounts reimbursed to financial institutions under these types of arrangements in the nine and three months ended September 30, 2026 and 2025.

Product and order-related contingencies

The Company calculates its provision for product warranties based on historical claims experience and specific review of certain contracts. The reconciliation of the Provisions for warranties, including guarantees of product performance, was as follows:

($ in millions)	2026	2025
Balance at January 1,	**1,386**	**1,202**
Net change in warranties due to acquisitions and divestments	1	(6)
Claims paid in cash or in kind	(109)	(113)
Net increase in provision for changes in estimates, warranties issued and warranties expired	196	157
Exchange rate differences	(19)	95
Balance at September 30,	**1,455**	**1,335**
Included in:		
"Provisions"	715	667
"Other non-current liabilities"	740	668
Provisions for warranties - Total	**1,455**	**1,335**

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Note 12
Income taxes

In calculating income tax expense, the Company uses an estimate of the annual effective tax rate based upon the facts and circumstances known at each interim period. On a quarterly basis, the actual effective tax rate is adjusted, as appropriate, based upon changed facts and circumstances, if any, as compared to those forecasted at the beginning of the year and each interim period thereafter.

The effective tax rate of 25.5 percent in the nine months ended September 30, 2026, was lower than the effective tax rate of 27.5 percent in the nine months ended September 30, 2025, primarily due to the tax impact of the gain on sale of real estate in the nine months ended September 30, 2026, which is taxed at a rate lower than the Company's weighted-average tax rate.

Note 13
Employee benefits

The Company operates defined benefit pension plans, defined contribution pension plans, and termination indemnity plans, in accordance with local regulations and practices. At September 30, 2026, the Company's most significant defined benefit pension plans are in Switzerland as well as in Germany, the United Kingdom, and the United States. These plans cover a large portion of the Company's employees and provide benefits to employees in the event of death, disability, retirement, or termination of employment. Certain of these plans are multi-employer plans. The Company also operates other postretirement benefit plans including postretirement health care benefits and other employee-related benefits for active employees including long-service award plans. The postretirement benefit plans are not significant. The measurement date used for the Company's employee benefit plans is December 31. The funding policies of the Company's plans are consistent with the local government and tax requirements.

In July 2026, the Company purchased an irrevocable group annuity contract from an insurance company for $285 million to settle $307 million of the outstanding defined benefit pension obligation related to certain former employees in the United States. The purchase of the group annuity contract was funded directly from the assets of the United States pension plan. As a result of this transaction, the Company remeasured the accumulated and projected benefit obligations and recognized a one-time pre-tax settlement loss of $51 million in Non-operational pension cost (credit) during the three months ended September 30, 2026. The settlement loss is included in net periodic benefit cost (credit) as curtailments, settlements and special termination benefits.

The following tables include amounts relating to defined benefit pension plans for both continuing and discontinued operations.

Net periodic benefit cost of the Company's defined benefit pension plans consists of the following:

($ in millions)	Defined pension benefits			
	Switzerland		International	
Nine months ended September 30,	**2026**	**2025**	**2026**	**2025**
Operational pension cost:				
Service cost	40	42	20	18
Operational pension cost	**40**	**42**	**20**	**18**
Non-operational pension cost (credit):				
Interest cost	19	16	108	115
Expected return on plan assets	(92)	(89)	(122)	(126)
Amortization of prior service cost (credit)	2	–	(2)	(2)
Amortization of net actuarial loss	1	1	32	42
Curtailments, settlements and special termination benefits	–	–	52	1
Non-operational pension cost (credit)	**(70)**	**(72)**	**68**	**30**
Net periodic benefit cost (credit)	**(30)**	**(30)**	**88**	**48**

($ in millions)	Defined pension benefits			
	Switzerland		International	
Three months ended September 30,	**2026**	**2025**	**2026**	**2025**
Operational pension cost:				
Service cost	12	14	7	6
Operational pension cost	**12**	**14**	**7**	**6**
Non-operational pension cost (credit):				
Interest cost	6	5	34	37
Expected return on plan assets	(30)	(30)	(38)	(43)
Amortization of prior service cost (credit)	1	–	(1)	–
Amortization of net actuarial loss	1	1	11	17
Curtailments, settlements and special termination benefits	–	–	51	1
Non-operational pension cost (credit)	**(22)**	**(24)**	**57**	**12**
Net periodic benefit cost (credit)	**(10)**	**(10)**	**64**	**18**

The components of net periodic benefit cost other than the service cost component are included in the line Non-operational pension cost (credit) in the Consolidated Income Statements. Net periodic benefit cost (credit) related to discontinued operations for the nine and three months ended September 30, 2026 and 2025, is not significant.

Note 14
Stockholders' equity

At the Annual General Meeting of Shareholders on March 19, 2026, shareholders approved the proposal of the Board of Directors to distribute 0.94 Swiss francs per share to shareholders. The declared dividend amounted to $2,146 million.

In January 2026, the Company announced the completion of its share buyback program of up to $1.5 billion that was launched in February 2025. This program was executed on a second trading line on the SIX Swiss Exchange. In February 2026, the Company launched a new share buyback program of up to $2.0 billion, as announced in January 2026. This program, which is being executed on a second trading line on the SIX Swiss Exchange, is planned to run until January 2027. Under these buyback programs, the Company purchased approximately 10 million shares in the nine months ended September 30, 2026, resulting in an increase in Treasury stock of $981 million.

In the second quarter of 2026, the Company cancelled 21 million shares which had been purchased under its share buyback program. This resulted in a decrease in Treasury stock of $1,326 million and a corresponding total decrease in Common stock, Additional paid-in capital and Retained earnings.

Note 15
Reclassifications out of accumulated other comprehensive loss

The following table shows changes in Accumulated other comprehensive loss (OCI) attributable to ABB, by component, net of tax:

($ in millions)	Foreign currency translation adjustments	Unrealized gains (losses) on available-for-sale securities	Pension and other postretirement plan adjustments	Derivative instruments and hedges	Total OCI
Balance at January 1, 2025	**(4,248)**	**(3)**	**(1,091)**	**(8)**	**(5,350)**
Other comprehensive (loss) income:					
Other comprehensive (loss) income before reclassifications	81	3	(94)	(3)	**(13)**
Amounts reclassified from OCI	–	–	30	6	**36**
Total other comprehensive (loss) income	**81**	**3**	**(64)**	**3**	**23**
Less:					
Amounts attributable to noncontrolling interests	12	–	–	–	**12**
Balance at September 30, 2025	**(4,179)**	**–**	**(1,155)**	**(5)**	**(5,339)**

($ in millions)	Foreign currency translation adjustments	Unrealized gains (losses) on available-for-sale securities	Pension and other postretirement plan adjustments	Derivative instruments and hedges	Total OCI
Balance at January 1, 2026	**(4,176)**	**–**	**(1,073)**	**(4)**	**(5,253)**
Other comprehensive (loss) income:					
Other comprehensive (loss) income before reclassifications	(121)	–	41	2	**(78)**
Amounts reclassified from OCI	–	–	64	–	**64**
Total other comprehensive (loss) income	**(121)**	**–**	**105**	**2**	**(14)**
Less:					
Amounts attributable to noncontrolling interests	(12)	–	–	–	**(12)**
Balance at September 30, 2026	**(4,285)**	**–**	**(968)**	**(2)**	**(5,255)**

In the nine months ended September 30, 2026, Amounts reclassified from OCI related to Pension and other postretirement plan adjustments includes the impact of a pre-tax settlement loss of $51 million recognized in Non-operational pension (cost) credit (See Note 13).

Note 16
Operating segment data

The Chief Operating Decision Maker (CODM) is the Chief Executive Officer. The CODM allocates resources to and assesses the performance of each operating segment using the information outlined below. The Company is organized into the following segments, based on products and services: Electrification, Motion and Automation. The remaining operations of the Company are included in Corporate and Other.

A description of the types of products and services provided by each reportable segment is as follows:

- Electrification: manufactures and sells electrical products and solutions which are designed to provide the efficient and reliable distribution of electricity from source to socket. The portfolio of increasingly digital and connected solutions includes renewable power solutions, modular substation packages, distribution automation products, switchboards and panelboards, switchgear, UPS solutions, circuit breakers, measuring and sensing devices, control products, wiring accessories, enclosures and cabling systems, and intelligent home and building solutions, designed to integrate and automate lighting, heating, ventilation, security and data communication networks. The products and services are delivered through five operating divisions: Distribution Solutions, Smart Power, Smart Buildings, Installation Products, and Service.

- Motion: designs, manufactures and sells drives, motors, generators and traction converters that are driving the low-carbon future for industries, cities, infrastructure and transportation. These products, digital technology and related services enable industrial customers to increase energy efficiency, improve safety and reliability, and achieve precise control of their processes. Building on over 140 years of cumulative experience in electric powertrains, Motion combines domain expertise and technology to deliver the optimum solution for a wide range of applications in all industrial segments. In addition, Motion, along with its partners, has a leading global service presence. These products and services are delivered through six operating divisions: Motion High Power, Drive Products, Motion Services, Traction, IEC LV Motors and NEMA Motors.

- Automation: offers a broad range of industry-specific, integrated automation, electrification and digital solutions, as well as lifecycle services for the process, hybrid and marine industries. The product portfolio includes control technologies; process, machine and factory automation; industrial software; advanced analytics; sensing and measurement technology; and marine propulsion systems. In addition, Automation offers a comprehensive range of services, from repair to advanced digital capabilities such as remote monitoring, preventive maintenance, asset performance management, emission monitoring and cybersecurity. The products and services are currently delivered through five operating divisions: Energy Industries, Process Industries, Marine & Ports, Measurement & Analytics and Machine Automation.

Corporate and Other: Corporate includes headquarter costs, the Company's corporate real estate activities and Corporate Treasury while Other includes the E-mobility operating segment and other non-core operating activities as well as the operating activities of certain divested businesses and stranded corporate costs related to the planned divestment of the Robotics division.

The primary measure of profitability on which the operating segments are evaluated is Operational EBITA, which represents income from operations excluding:

- amortization expense on intangibles arising upon acquisition (acquisition-related amortization),
- restructuring, related and implementation costs,
- changes in the amount recorded for obligations related to divested businesses occurring after the divestment date (changes in obligations related to divested businesses),
- gains and losses from sale of businesses (including fair value adjustment on assets and liabilities held for sale, if any),
- acquisition- and divestment-related expenses and integration costs,
- certain other non-operational items, as well as
- foreign exchange/commodity timing differences in income from operations consisting of: (a) unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives), (b) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, and (c) unrealized foreign exchange movements on receivables/payables (and related assets/liabilities).

Certain other non-operational items generally includes certain regulatory, compliance and legal costs, certain asset write downs/impairments and certain other fair value changes, and certain environmental and related costs (net of insurance recoveries), as well as other items which are determined by management on a case-by-case basis.

For all operating segments, the primary performance measure the CODM uses to allocate resources (including capital expenditure and financial resources) and assess performance as part of the monthly business review process is Operational EBITA. As part of this review process, current year-to-date budget-to-actual variances are provided (inclusive of key deviations) along with forecasted annual expectations and plans to address any negative variances. Operational EBITA is also used to assess segment performance against targets set in the annual incentive plans as part of the compensation of the Company's employees.

The CODM primarily reviews the results of each segment on a basis that is before the elimination of profits made on inventory sales between segments. Segment results below are presented before these eliminations, with a total deduction for intersegment profits to arrive at the Company's consolidated Operational EBITA. Intersegment sales and transfers are accounted for as if the sales and transfers were to third parties, at current market prices.

For a category of expense to be classified as a significant segment expense, it must be significant to the segment, regularly provided to or easily computed from information regularly provided to the CODM and included in the primary measure of profitability. Significant segment expenses include Operational cost of sales, Operational selling, general and administrative expenses, and Operational non-order related research and development costs, which respectively are comprised of Cost of sales, Selling, general and administrative expenses (excluding bad debt expense), and Non-order related research and development costs, with each of these expense categories being adjusted to exclude any costs incurred on behalf of other segments and any relevant non-operational items (as defined above).

Other segment items represent Other income (expense) excluding its respective components of non-operational items (as defined above), bad debt expense, and foreign exchange/commodity timing differences in total revenues.

The following tables present disaggregated segment revenues from contracts with customers, significant segment expenses, and Operational EBITA for the nine and three months ended September 30, 2026 and 2025.

	Nine months ended September 30, 2026				
($ in millions)	Electrification	Motion	Automation	Corporate and Other	Total
Geographical markets					
Europe	4,086	1,939	2,818	125	**8,968**
The Americas	7,119	2,311	1,545	135	**11,110**
of which: United States	5,928	1,925	1,026	95	**8,974**
Asia, Middle East and Africa	3,798	1,939	2,075	20	**7,832**
of which: China	1,587	965	651	–	**3,203**
	15,003	**6,189**	**6,438**	**280**	**27,910**
Product type					
Products	14,041	5,277	4,073	215	**23,606**
Services and other	962	912	2,365	65	**4,304**
	15,003	**6,189**	**6,438**	**280**	**27,910**
Third-party revenues	15,003	6,189	6,438	280	**27,910**
Intersegment revenues	234	490	28	(752)	**–**
Total revenues	**15,237**	**6,679**	**6,466**	**(472)**	**27,910**
Operational cost of sales	(8,828)	(4,204)	(4,012)		
Operational selling, general and administrative expenses	(2,280)	(1,019)	(1,170)		
Operational non-order related research and development expenses	(407)	(263)	(321)		
Other segment items	78	67	1		
Operational EBITA	**3,800**	**1,260**	**964**		

	Nine months ended September 30, 2025				
($ in millions)	Electrification	Motion	Automation	Corporate and Other	Total
Geographical markets					
Europe	3,761	1,828	2,501	142	**8,232**
The Americas	5,588	1,998	1,477	114	**9,177**
of which: United States	4,472	1,651	956	70	**7,149**
Asia, Middle East and Africa	3,128	1,761	1,829	41	**6,759**
of which: China	1,344	810	529	12	**2,695**
	12,477	**5,587**	**5,807**	**297**	**24,168**
Product type					
Products	11,600	4,734	3,622	229	**20,185**
Services and other	877	853	2,185	68	**3,983**
	12,477	**5,587**	**5,807**	**297**	**24,168**
Third-party revenues	12,477	5,587	5,807	297	**24,168**
Intersegment revenues	178	400	34	(612)	**–**
Total revenues	**12,655**	**5,987**	**5,841**	**(315)**	**24,168**
Operational cost of sales	(7,257)	(3,663)	(3,559)		
Operational selling, general and administrative expenses	(2,053)	(916)	(1,147)		
Operational non-order related research and development expenses	(344)	(230)	(301)		
Other segment items	18	10	(13)		
Operational EBITA	**3,019**	**1,188**	**821**		

($ in millions)	Three months ended September 30, 2026				
	Electrification	Motion	Automation	Corporate and Other	Total
Geographical markets					
Europe	1,386	623	933	40	**2,982**
The Americas	2,574	822	490	45	**3,931**
of which: United States	2,179	694	329	29	**3,231**
Asia, Middle East and Africa	1,383	705	694	6	**2,788**
of which: China	588	348	237	–	**1,173**
	5,343	**2,150**	**2,117**	**91**	**9,701**
Product type					
Products	5,007	1,843	1,366	67	**8,283**
Services and other	336	307	751	24	**1,418**
	5,343	**2,150**	**2,117**	**91**	**9,701**
Third-party revenues	5,343	2,150	2,117	91	**9,701**
Intersegment revenues	81	170	9	(260)	**–**
Total revenues	**5,424**	**2,320**	**2,126**	**(169)**	**9,701**
Operational cost of sales	(3,141)	(1,478)	(1,336)		
Operational selling, general and administrative expenses	(774)	(342)	(386)		
Operational non-order related research and development expenses	(143)	(86)	(103)		
Other segment items	28	35	14		
Operational EBITA	**1,394**	**449**	**315**		

($ in millions)	Three months ended September 30, 2025				
	Electrification	Motion	Automation	Corporate and Other	Total
Geographical markets					
Europe	1,310	669	853	59	**2,891**
The Americas	2,003	684	493	41	**3,221**
of which: United States	1,598	564	319	27	**2,508**
Asia, Middle East and Africa	1,119	592	653	15	**2,379**
of which: China	478	276	190	5	**949**
	4,432	**1,945**	**1,999**	**115**	**8,491**
Product type					
Products	4,119	1,639	1,274	88	**7,120**
Services and other	313	306	725	27	**1,371**
	4,432	**1,945**	**1,999**	**115**	**8,491**
Third-party revenues	4,432	1,945	1,999	115	**8,491**
Intersegment revenues	67	137	14	(218)	**–**
Total revenues	**4,499**	**2,082**	**2,013**	**(103)**	**8,491**
Operational cost of sales	(2,587)	(1,287)	(1,231)		
Operational selling, general and administrative expenses	(695)	(313)	(390)		
Operational non-order related research and development expenses	(121)	(79)	(104)		
Other segment items	4	18	(10)		
Operational EBITA	**1,100**	**421**	**278**		

The following tables present Operational EBITA, the reconciliations of consolidated Operational EBITA to Income from continuing operations before taxes, as well as Depreciation and amortization, and Capital expenditures for the nine and three months ended September 30, 2026 and 2025, and Total assets at September 30, 2026, and December 31, 2025:

	Nine months ended September 30,		Three months ended September 30,	
($ in millions)	**2026**	**2025**	**2026**	**2025**
Operational EBITA:				
Electrification	3,800	3,019	1,394	1,100
Motion	1,260	1,188	449	421
Automation	964	821	315	278
Corporate and Other				
– E-mobility	(83)	(115)	(18)	(26)
– Stranded corporate costs	(76)	(93)	(25)	(31)
– Corporate costs, Intersegment elimination and other	135	(94)	(89)	(109)
Total	**6,000**	**4,726**	**2,026**	**1,633**
Acquisition-related amortization	(149)	(139)	(51)	(48)
Restructuring, related and implementation costs[1]	(81)	(39)	(17)	(19)
Changes in obligations related to divested businesses	5	3	–	–
Gains and losses from sale of businesses	9	–	2	(12)
Acquisition- and divestment-related expenses and integration costs	(75)	(37)	(40)	(10)
Foreign exchange/commodity timing differences in income from operations:				
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(234)	106	(25)	34
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	6	(3)	1	(4)
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	32	(17)	–	28
Certain other non-operational items:				
Business transformation costs[2]	(73)	(133)	(25)	(41)
Environmental and related costs	(98)	(6)	(4)	(5)
Certain other fair value changes, including asset impairments	(121)	72	(15)	46
Other non-operational items	(10)	9	(6)	–
Income from operations	**5,211**	**4,542**	**1,846**	**1,602**
Interest and dividend income	131	142	41	47
Interest and other finance expense	(206)	(73)	(168)	(24)
Non-operational pension (cost) credit	–	42	(35)	12
Income from continuing operations before taxes	**5,136**	**4,653**	**1,684**	**1,637**

(1) Includes impairment of certain assets.
(2) Amount includes ABB Way process transformation costs of $121 million and $35 million for the nine and three months ended September 30, 2025, respectively.

Depreciation and amortization

	Nine months ended September 30,		Three months ended September 30,	
($ in millions)	**2026**	**2025**	**2026**	**2025**
Electrification	367	329	125	114
Motion	148	130	50	45
Automation	92	86	31	30
Corporate and Other	52	47	23	15
Consolidated	**659**	**592**	**229**	**204**

Capital expenditures

	Nine months ended September 30,		Three months ended September 30,	
($ in millions)	**2026**	**2025**	**2026**	**2025**
Electrification	452	328	169	130
Motion	116	140	47	50
Automation	59	54	20	9
Corporate and Other	41	70	15	18
Consolidated[1]	**668**	**592**	**251**	**207**

(1) Capital expenditures are after intersegment eliminations and therefore reflect third-party assets only.

($ in millions)	Total assets[1]	
	September 30, 2026	December 31, 2025
Electrification	17,016	15,088
Motion	8,176	7,648
Automation	7,054	7,070
Corporate and Other[2]	15,194	15,079
Consolidated	**47,440**	**44,885**

(1) Total assets are after intersegment eliminations and therefore reflect third-party assets only.
(2) At September 30, 2026, and December 31, 2025, Corporate and Other includes $4,069 million and $3,562 million, respectively, of assets reported in discontinued operations (see Note 3).

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Note 17
Subsequent events

Sale of commercial properties
On October 13, 2026, the Company completed the sale of commercial properties located in Switzerland for proceeds of approximately CHF 253 million, resulting in an estimated gain of CHF 240 million before tax. The Company has evaluated this subsequent event and determined that it does not require adjustment to the financial statements for the nine and three months ended September 30, 2026.

Planned acquisition
On October 20, 2026, the Company announced that it had reached an agreement with Mitsubishi Electric Corporation (Mitsubishi Electric) to acquire a 51 percent controlling interest in what will be a newly formed company, comprised of Mitsubishi Electric's low-voltage power distribution business, as well as 100 percent of Mitsubishi Electric's related sales operations of low-voltage power distribution products outside of Japan, for approximately JPY 79 billion ($495 million). The acquisition will strengthen the Company's position within the Asia-Pacific electrification market and expand its low-voltage product offerings worldwide. Upon closing, the results and financial position of the newly formed company will be fully consolidated into the Company's consolidated financial statements. The Company expects to complete the acquisition in the second half of 2027, following the receipt of regulatory approvals and the fulfillment of customary closing conditions.

Supplemental Reconciliations and Definitions

The following reconciliations and definitions include alternative performance measures which ABB uses to supplement its Consolidated Financial Information (unaudited) which is prepared in accordance with United States generally accepted accounting principles (U.S. GAAP). Certain of these financial measures are not defined under U.S. GAAP.

While ABB's management believes that the measures herein are useful in evaluating ABB's operating results, this information should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with U.S. GAAP. Therefore these measures should not be viewed in isolation but considered together with the Consolidated Financial Information (unaudited) prepared in accordance with U.S. GAAP as of and for the nine and three months ended September 30, 2026.

Comparable growth rates

Growth rates for certain key figures may be presented and discussed on a "comparable" basis. The comparable growth rate measures growth on a constant currency basis. Since we are a global company, the comparability of our operating results reported in U.S. dollars is affected by foreign currency exchange rate fluctuations. We calculate the impacts from foreign currency fluctuations by translating the current-year periods' reported key figures into U.S. dollar amounts using the exchange rates in effect for the comparable periods in the previous year.

Comparable growth rates are also adjusted for changes in our business portfolio. Adjustments to our business portfolio occur due to acquisitions, divestments, or by exiting specific business activities or customer markets. The adjustment for portfolio changes is calculated as follows: where the results of any business acquired or divested have not been consolidated and reported for the entire duration of both the current and comparable periods, the reported key figures of such business are adjusted to exclude the relevant key figures of any corresponding quarters which are not comparable when computing the comparable growth rate. Certain portfolio changes which do not qualify as divestments under U.S. GAAP have been treated in a similar manner to divestments. Changes in our portfolio where we have exited certain business activities or customer markets are adjusted as if the relevant business was divested in the period when the decision to cease business activities was taken. We do not adjust for portfolio changes where the relevant business has annualized revenues of less than $50 million.

The following tables provide reconciliations of reported growth rates of certain key figures to their respective comparable growth rate.

Comparable growth rate reconciliation by Business Area

	Q3 2026 compared to Q3 2025							
	Order growth rate				Revenue growth rate			
Business Area	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**
Electrification	70%	0%	0%	**70%**	21%	-1%	1%	**21%**
Motion	14%	-1%	-1%	**12%**	11%	0%	-2%	**9%**
Automation	1%	-1%	0%	**0%**	6%	-1%	0%	**5%**
ABB Group	**40%**	**0%**	**0%**	**40%**	**14%**	**0%**	**0%**	**14%**

	9M 2026 compared to 9M 2025							
	Order growth rate				Revenue growth rate			
Business Area	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**
Electrification	60%	-3%	1%	**58%**	20%	-2%	0%	**18%**
Motion	18%	-3%	-2%	**13%**	12%	-3%	-2%	**7%**
Automation	-1%	-3%	0%	**-4%**	11%	-4%	0%	**7%**
ABB Group	**34%**	**-3%**	**0%**	**31%**	**15%**	**-2%**	**-1%**	**12%**

Regional comparable growth rate reconciliation

Regional comparable growth rate reconciliation for ABB Group - Quarter

	Q3 2026 compared to Q3 2025							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	9%	1%	0%	**10%**	3%	1%	-1%	**3%**
The Americas	71%	0%	-1%	**70%**	22%	0%	-1%	**21%**
of which: United States	82%	0%	0%	**82%**	29%	0%	-1%	**28%**
Asia, Middle East and Africa	30%	0%	-1%	**29%**	17%	-1%	0%	**16%**
of which: China	32%	-7%	0%	**25%**	24%	-7%	1%	**18%**
ABB Group	**40%**	**0%**	**0%**	**40%**	**14%**	**0%**	**0%**	**14%**

Regional comparable growth rate reconciliation by business area - Quarter

	Q3 2026 compared to Q3 2025							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	19%	1%	0%	**20%**	6%	1%	0%	**7%**
The Americas	117%	0%	0%	**117%**	29%	-1%	0%	**28%**
of which: United States	136%	1%	0%	**137%**	36%	0%	0%	**36%**
Asia, Middle East and Africa	46%	0%	0%	**46%**	24%	-2%	1%	**23%**
of which: China	45%	-8%	1%	**38%**	23%	-7%	1%	**17%**
Electrification	**70%**	**0%**	**0%**	**70%**	**21%**	**-1%**	**1%**	**21%**

	Q3 2026 compared to Q3 2025							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	8%	1%	-1%	**8%**	-3%	2%	-2%	**-3%**
The Americas	14%	0%	-2%	**12%**	19%	-1%	-2%	**16%**
of which: United States	1%	1%	0%	**2%**	22%	0%	-3%	**19%**
Asia, Middle East and Africa	18%	-1%	-2%	**15%**	19%	-1%	-1%	**17%**
of which: China	30%	-7%	0%	**23%**	26%	-7%	-1%	**18%**
Motion	**14%**	**-1%**	**-1%**	**12%**	**11%**	**0%**	**-2%**	**9%**

	Q3 2026 compared to Q3 2025							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	-5%	1%	0%	**-4%**	9%	1%	0%	**10%**
The Americas	2%	-1%	0%	**1%**	-2%	0%	0%	**-2%**
of which: United States	9%	1%	0%	**10%**	2%	1%	0%	**3%**
Asia, Middle East and Africa	8%	-2%	0%	**6%**	6%	-1%	0%	**5%**
of which: China	7%	-5%	0%	**2%**	25%	-5%	0%	**20%**
Automation	**1%**	**-1%**	**0%**	**0%**	**6%**	**-1%**	**0%**	**5%**

Regional comparable growth rate reconciliation for ABB Group – Year to date

	9M 2026 compared to 9M 2025							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	17%	-5%	0%	**12%**	9%	-5%	-1%	**3%**
The Americas	59%	-1%	-1%	**57%**	21%	-1%	0%	**20%**
of which: United States	71%	0%	-1%	**70%**	26%	-1%	0%	**25%**
Asia, Middle East and Africa	19%	-2%	0%	**17%**	16%	-2%	0%	**14%**
of which: China	18%	-6%	0%	**12%**	19%	-6%	0%	**13%**
ABB Group	**34%**	**-3%**	**0%**	**31%**	**15%**	**-2%**	**-1%**	**12%**

Regional comparable growth rate reconciliation by Business Area – Year to date

	9M 2026 compared to 9M 2025							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	24%	-5%	0%	**19%**	9%	-5%	0%	**4%**
The Americas	105%	-1%	0%	**104%**	27%	0%	0%	**27%**
of which: United States	124%	-1%	0%	**123%**	33%	0%	0%	**33%**
Asia, Middle East and Africa	31%	-2%	0%	**29%**	22%	-2%	0%	**20%**
of which: China	27%	-7%	0%	**20%**	18%	-7%	1%	**12%**
Electrification	**60%**	**-3%**	**1%**	**58%**	**20%**	**-2%**	**0%**	**18%**

	9M 2026 compared to 9M 2025							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	14%	-6%	-1%	**7%**	8%	-5%	-4%	**-1%**
The Americas	27%	-2%	-3%	**22%**	15%	-1%	-2%	**12%**
of which: United States	25%	-1%	-3%	**21%**	16%	0%	-2%	**14%**
Asia, Middle East and Africa	13%	-2%	0%	**11%**	12%	-2%	-1%	**9%**
of which: China	16%	-7%	0%	**9%**	20%	-7%	0%	**13%**
Motion	**18%**	**-3%**	**-2%**	**13%**	**12%**	**-3%**	**-2%**	**7%**

	9M 2026 compared to 9M 2025							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	14%	-6%	0%	**8%**	12%	-5%	0%	**7%**
The Americas	-21%	-1%	0%	**-22%**	4%	-1%	0%	**3%**
of which: United States	-22%	-1%	0%	**-23%**	7%	0%	0%	**7%**
Asia, Middle East and Africa	1%	-2%	0%	**-1%**	13%	-2%	0%	**11%**
of which: China	4%	-4%	0%	**0%**	23%	-6%	0%	**17%**
Automation	**-1%**	**-3%**	**0%**	**-4%**	**11%**	**-4%**	**0%**	**7%**

Order backlog growth rate reconciliation

	September 30, 2026 compared to September 30, 2025			
Business Area	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**
Electrification	83%	1%	1%	**85%**
Motion	14%	3%	-3%	**14%**
Automation	11%	1%	0%	**12%**
ABB Group	**35%**	**2%**	**0%**	**37%**

Other growth rate reconciliations

	Q3 2026 compared to Q3 2025							
	Service orders growth rate				Services revenues growth rate			
Business Area	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**
Electrification	16%	0%	0%	**16%**	7%	0%	0%	**7%**
Motion	20%	-1%	-2%	**17%**	0%	0%	-1%	**-1%**
Automation	8%	0%	0%	**8%**	4%	-1%	0%	**3%**
ABB Group	**11%**	**0%**	**0%**	**11%**	**3%**	**0%**	**0%**	**3%**

	9M 2026 compared to 9M 2025							
	Service orders growth rate				Services revenues growth rate			
Business Area	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**
Electrification	21%	-3%	0%	**18%**	10%	-3%	0%	**7%**
Motion	12%	-4%	-1%	**7%**	7%	-3%	-1%	**3%**
Automation	-13%	-2%	0%	**-15%**	8%	-3%	0%	**5%**
ABB Group	**-2%**	**-3%**	**0%**	**-5%**	**8%**	**-3%**	**0%**	**5%**

Operational EBITA as % of operational revenues (Operational EBITA margin)

Definition

Operational EBITA margin

Operational EBITA margin is Operational EBITA as a percentage of operational revenues.

Operational EBITA

Operational earnings before interest, taxes and acquisition-related amortization (Operational EBITA) represents Income from operations excluding:

- acquisition-related amortization (as defined below),
- restructuring, related and implementation costs,
- changes in the amount recorded for obligations related to divested businesses occurring after the divestment date (changes in obligations related to divested businesses),
- gains and losses from sale of businesses (including fair value adjustment on assets and liabilities held for sale, if any),
- acquisition- and divestment-related expenses and integration costs,
- certain other non-operational items, as well as
- foreign exchange/commodity timing differences in income from operations consisting of: (a) unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives), (b) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, and (c) unrealized foreign exchange movements on receivables/payables (and related assets/liabilities).

Certain other non-operational items generally includes certain regulatory, compliance and legal costs, certain asset write downs/impairments and certain other fair value changes, and certain environmental and related costs (net of insurance recoveries), as well as other items which are determined by management on a case-by-case basis.

Operational EBITA is our measure of segment profit but is also used by management to evaluate the profitability of the Company as a whole.

Acquisition-related amortization

Amortization expense on intangibles arising upon acquisition.

Restructuring, related and implementation costs

Restructuring, related and implementation costs consists of restructuring and other related expenses, as well as internal and external costs relating to the implementation of group-wide restructuring programs.

Operational revenues

The Company presents operational revenues solely for the purpose of allowing the computation of Operational EBITA margin. Operational revenues are Total revenues adjusted for foreign exchange/commodity timing differences in total revenues of: (i) unrealized gains and losses on derivatives, (ii) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, and (iii) unrealized foreign exchange movements on receivables (and related assets). Operational revenues are not intended to be an alternative measure to Total revenues, which represent our revenues measured in accordance with U.S. GAAP.

Reconciliation

The following tables provide reconciliations of consolidated Operational EBITA to Net Income and Operational EBITA margin by business.

Reconciliation of consolidated Operational EBITA to Net Income

	Nine months ended September 30,		Three months ended September 30,	
($ in millions)	**2026**	**2025**	**2026**	**2025**
Operational EBITA	**6,000**	**4,726**	**2,026**	**1,633**
Acquisition-related amortization	(149)	(139)	(51)	(48)
Restructuring, related and implementation costs[(1)]	(81)	(39)	(17)	(19)
Changes in obligations related to divested businesses	5	3	–	–
Gains and losses from sale of businesses	9	–	2	(12)
Acquisition- and divestment-related expenses and integration costs	(75)	(37)	(40)	(10)
Certain other non-operational items	(302)	(58)	(50)	–
Foreign exchange/commodity timing differences in income from operations	(196)	86	(24)	58
Income from operations	**5,211**	**4,542**	**1,846**	**1,602**
Interest and dividend income	131	142	41	47
Interest and other finance expense	(206)	(73)	(168)	(24)
Non-operational pension (cost) credit	–	42	(35)	12
Income from continuing operations before taxes	**5,136**	**4,653**	**1,684**	**1,637**
Income tax expense	(1,309)	(1,278)	(426)	(430)
Income from continuing operations, net of tax	**3,827**	**3,375**	**1,258**	**1,207**
Income (loss) from discontinued operations, net of tax	(23)	168	(43)	37
Net income	**3,804**	**3,543**	**1,215**	**1,244**

(1) Includes impairment of certain assets.

Reconciliation of Operational EBITA margin by business

($ in millions, unless otherwise indicated)	Three months ended September 30, 2026				
	Electrification	**Motion**	**Automation**	**Corporate and Other and Intersegment elimination**	**Consolidated**
Total revenues	**5,424**	**2,320**	**2,126**	**(169)**	**9,701**
Foreign exchange/commodity timing differences in total revenues:					
Unrealized gains and losses on derivatives	27	31	5	–	**63**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	–	3	(4)	–	**(1)**
Unrealized foreign exchange movements on receivables (and related assets)	(12)	(5)	5	(3)	**(15)**
Operational revenues	**5,439**	**2,349**	**2,132**	**(172)**	**9,748**
Income (loss) from operations	**1,356**	**394**	**261**	**(165)**	**1,846**
Acquisition-related amortization	28	13	8	2	**51**
Restructuring, related and implementation costs[(1)]	13	3	4	(3)	**17**
Gains and losses from sale of businesses	(1)	–	(2)	1	**(2)**
Acquisition- and divestment-related expenses and integration costs	10	5	25	–	**40**
Certain other non-operational items	8	3	6	33	**50**
Foreign exchange/commodity timing differences in income from operations:					
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(17)	34	7	1	**25**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(1)	2	(2)	–	**(1)**
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(2)	(5)	8	(1)	**–**
Operational EBITA	**1,394**	**449**	**315**	**(132)**	**2,026**
Operational EBITA margin (%)	**25.6%**	**19.1%**	**14.8%**	**n.a.**	**20.8%**

(1) Includes impairment of certain assets.

In the three months ended September 30, 2026, Certain other non-operational items in the table above includes the following:

($ in millions, unless otherwise indicated)	Three months ended September 30, 2026				
	Electrification	**Motion**	**Automation**	**Corporate and Other**	**Consolidated**
Certain other non-operational items:					
Business transformation costs	6	3	5	11	**25**
Environmental and related costs	1	–	–	3	**4**
Certain other fair values changes, including asset impairments	1	–	1	13	**15**
Other non-operational items	–	–	–	6	**6**
Total	**8**	**3**	**6**	**33**	**50**

($ in millions, unless otherwise indicated)	Three months ended September 30, 2025				
	Electrification	Motion	Automation	Corporate and Other and Intersegment elimination	Consolidated
Total revenues	**4,499**	**2,082**	**2,013**	**(103)**	**8,491**
Foreign exchange/commodity timing differences in total revenues:					
Unrealized gains and losses on derivatives	9	11	(7)	3	**16**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	1	–	1	–	**2**
Unrealized foreign exchange movements on receivables (and related assets)	(13)	(2)	(6)	(4)	**(25)**
Operational revenues	**4,496**	**2,091**	**2,001**	**(104)**	**8,484**
Income (loss) from operations	**1,079**	**402**	**298**	**(177)**	**1,602**
Acquisition-related amortization	27	8	11	2	**48**
Restructuring, related and implementation costs[1]	6	10	(1)	4	**19**
Gains and losses from sale of businesses	8	–	–	4	**12**
Acquisition- and divestment-related expenses and integration costs	5	1	2	2	**10**
Certain other non-operational items	1	3	(20)	16	**–**
Foreign exchange/commodity timing differences in income from operations:					
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(16)	(1)	(5)	(12)	**(34)**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	2	–	2	–	**4**
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(12)	(2)	(9)	(5)	**(28)**
Operational EBITA	**1,100**	**421**	**278**	**(166)**	**1,633**
Operational EBITA margin (%)	**24.5%**	**20.1%**	**13.9%**	**n.a.**	**19.2%**

(1) Includes impairment of certain assets.

In the three months ended September 30, 2025, Certain other non-operational items in the table above includes the following:

($ in millions, unless otherwise indicated)	Three months ended September 30, 2025				
	Electrification	Motion	Automation	Corporate and Other	Consolidated
Certain other non-operational items:					
Business transformation costs[1]	–	2	–	39	**41**
Environmental and related costs	–	–	–	5	**5**
Certain other fair values changes, including asset impairments	2	1	(21)	(28)	**(46)**
Other non-operational items	(1)	–	1	–	**–**
Total	**1**	**3**	**(20)**	**16**	**–**

(1) Amounts include ABB Way process transformation costs of $35 million for the three months ended September 30, 2025.

($ in millions, unless otherwise indicated)	Nine months ended September 30, 2026				
	Electrification	Motion	Automation	Corporate and Other and Intersegment elimination	Consolidated
Total revenues	**15,237**	**6,679**	**6,466**	**(472)**	**27,910**
Foreign exchange/commodity timing differences in total revenues:					
Unrealized gains and losses on derivatives	74	52	4	2	**132**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(1)	3	(10)	–	**(8)**
Unrealized foreign exchange movements on receivables (and related assets)	(35)	(4)	(5)	(9)	**(53)**
Operational revenues	**15,275**	**6,730**	**6,455**	**(479)**	**27,981**
Income (loss) from operations	**3,497**	**1,081**	**875**	**(242)**	**5,211**
Acquisition-related amortization	82	39	26	2	**149**
Restructuring, related and implementation costs[(1)]	43	13	23	2	**81**
Changes in obligations related to divested businesses	–	–	–	(5)	**(5)**
Gains and losses from sale of businesses	(3)	–	(11)	5	**(9)**
Acquisition- and divestment-related expenses and integration costs	34	9	30	2	**75**
Certain other non-operational items	21	52	13	216	**302**
Foreign exchange/commodity timing differences in income from operations:					
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	149	70	18	(3)	**234**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(1)	3	(9)	1	**(6)**
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(22)	(7)	(1)	(2)	**(32)**
Operational EBITA	**3,800**	**1,260**	**964**	**(24)**	**6,000**
Operational EBITA margin (%)	**24.9%**	**18.7%**	**14.9%**	**n.a.**	**21.4%**

(1) Includes impairment of certain assets.

In the nine months ended September 30, 2026, Certain other non-operational items in the table above includes the following:

($ in millions, unless otherwise indicated)	Nine months ended September 30, 2026				
	Electrification	Motion	Automation	Corporate and Other	Consolidated
Certain other non-operational items:					
Business transformation costs	15	10	14	34	**73**
Environmental and related costs	1	–	–	97	**98**
Certain other fair values changes, including asset impairments	3	41	(1)	78	**121**
Other non-operational items	2	1	–	7	**10**
Total	**21**	**52**	**13**	**216**	**302**

($ in millions, unless otherwise indicated)	Nine months ended September 30, 2025				
	Electrification	Motion	Automation	Corporate and Other and Intersegment elimination	Consolidated
Total revenues	**12,655**	**5,987**	**5,841**	**(315)**	**24,168**
Foreign exchange/commodity timing differences in total revenues:					
Unrealized gains and losses on derivatives	(44)	(5)	(10)	–	**(59)**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	–	–	(5)	(1)	**(6)**
Unrealized foreign exchange movements on receivables (and related assets)	28	3	4	(1)	**34**
Operational revenues	**12,639**	**5,985**	**5,830**	**(317)**	**24,137**
Income (loss) from operations	**2,991**	**1,156**	**819**	**(424)**	**4,542**
Acquisition-related amortization	82	26	28	3	**139**
Restructuring, related and implementation costs[1]	16	17	4	2	**39**
Changes in obligations related to divested businesses	–	–	–	(3)	**(3)**
Gains and losses from sale of businesses	(5)	–	–	5	**–**
Acquisition- and divestment-related expenses and integration costs	24	3	7	3	**37**
Certain other non-operational items	(28)	13	(22)	95	**58**
Foreign exchange/commodity timing differences in income from operations:					
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(80)	(32)	(14)	20	**(106)**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	3	1	–	(1)	**3**
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	16	4	(1)	(2)	**17**
Operational EBITA	**3,019**	**1,188**	**821**	**(302)**	**4,726**
Operational EBITA margin (%)	**23.9%**	**19.8%**	**14.1%**	**n.a.**	**19.6%**

In the nine months ended September 30, 2025, certain other non-operational items in the table above includes the following:

($ in millions, unless otherwise indicated)	Nine months ended September 30, 2025				
	Electrification	Motion	Automation	Corporate and Other	Consolidated
Certain other non-operational items:					
Business transformation costs[1]	1	7	–	125	**133**
Environmental and related costs	–	–	–	6	**6**
Certain other fair values changes, including asset impairments	(23)	5	(23)	(31)	**(72)**
Other non-operational items	(6)	1	1	(5)	**(9)**
Total	**(28)**	**13**	**(22)**	**95**	**58**

(1) Amounts include ABB Way process transformation costs of $121 million for the nine months ended September 30, 2025.

Net debt

Definition

Net debt

Net debt is defined as Total debt less Cash and marketable securities.

Total debt

Total debt is the sum of Short-term debt and current maturities of long-term debt, and Long-term debt.

Cash and marketable securities

Cash and marketable securities is the sum of Cash and equivalents and Marketable securities and short-term investments.

Reconciliation

($ in millions)	September 30, 2026	December 31, 2025
Short-term debt and current maturities of long-term debt	1,157	475
Long-term debt	6,463	7,829
Total debt	**7,620**	**8,304**
Cash and equivalents	3,810	4,640
Marketable securities and short-term investments	2,478	1,981
Cash and marketable securities	**6,288**	**6,621**
Net debt	**1,332**	**1,683**

Net debt/Equity ratio

Definition

Net debt/Equity ratio

Net debt/Equity ratio is defined as Net debt divided by Equity.

Equity

Equity is defined as Total stockholders' equity.

Reconciliation

($ in millions, unless otherwise indicated)	September 30, 2026	December 31, 2025
Total stockholders' equity	17,071	16,646
Net debt (see above)	1,332	1,683
Net debt / Equity ratio	**0.08**	**0.10**

Net debt/EBITDA ratio

Definition

Net debt/EBITDA ratio

Net debt/EBITDA ratio is defined as Net debt divided by EBITDA.

EBITDA

EBITDA is defined as Income from operations for the trailing twelve months preceding the balance sheet date before depreciation and amortization for the same trailing twelve-month period.

Reconciliation

($ in millions, unless otherwise indicated)	September 30, 2026	September 30, 2025
Income from operations for the three months ended:		
December 31, 2025 / 2024	1,505	1,094
March 31, 2026 / 2025	1,780	1,474
June 30, 2026 / 2025	1,585	1,466
September 30, 2026 / 2025	1,846	1,602
Depreciation and Amortization for the three months ended:		
December 31, 2025 / 2024	221	194
March 31, 2026 / 2025	210	186
June 30, 2026 / 2025	220	202
September 30, 2026 / 2025	229	204
EBITDA	**7,596**	**6,422**
Net debt (as defined above)	**1,332**	**2,690**
Net debt / EBITDA ratio	**0.18**	**0.42**

Net working capital

Definition

Net working capital

Net working capital is the sum of (i) receivables, net, (ii) contract assets, (iii) inventories, net, and (iv) prepaid expenses; less (v) accounts payable, trade, (vi) contract liabilities and (vii) other current liabilities (excluding primarily: (a) income taxes payable, (b) current derivative liabilities, (c) pension and other employee benefits, (d) payables under the share buyback program and (e) liabilities related to certain other restructuring-related activities); and including the amounts related to these accounts which have been presented as either assets or liabilities held for sale.

Reconciliation

($ in millions, unless otherwise indicated)	September 30, 2026	September 30, 2025
Net working capital:		
Receivables, net	8,169	7,485
Contract assets	1,259	1,062
Inventories, net	7,024	6,051
Prepaid expenses	342	321
Accounts payable, trade	(6,294)	(4,936)
Contract liabilities	(3,712)	(3,204)
Other current liabilities[(1)]	(3,961)	(3,777)
Net working capital in assets and liabilities held for sale	–	(9)
Net working capital	**2,827**	**2,993**

(1) Amounts exclude $1,300 million and $749 million at September 30, 2026 and 2025, respectively, related primarily to (a) income taxes payable, (b) current derivative liabilities, (c) pension and other employee benefits, (d) payables under the share buyback program and (e) liabilities related to certain restructuring-related activities.

Average trade net working capital as a percentage of revenues

Definition

Average trade net working capital as a percentage of revenues

Average trade net working capital as a percentage of revenues is calculated as Average trade net working capital divided by Total revenues for the trailing twelve months (being total revenues for the twelve months preceding the relevant balance sheet date).

Average trade net working capital

Average trade net working capital is calculated as the average of the opening and closing Trade net working capital for each of the four quarters during the trailing twelve-month period (4-quarter average).

Trade net working capital

Trade net working capital is the sum of (i) trade receivables, net (comprised of trade accounts receivable net of related allowance, presented within Receivables, net, on the Consolidated Balance Sheets), (ii) contract assets, and (iii) inventories, net; less (iv) accounts payable, trade, (v) contract liabilities and (vi) accrued expenses, operating (comprised of accruals related to customer rebates, unpaid interest and other general operating expenses; all of which are presented within Other current liabilities on the Consolidated Balance Sheets); and including the amounts related to these accounts which have been presented as either assets or liabilities held for sale.

Reconciliation

($ in millions, unless otherwise indicated)	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
Trade net working capital:					
Trade receivables, net	7,483	7,400	6,959	6,884	6,838
Contract assets	1,259	1,189	1,152	1,090	1,062
Inventories, net	7,024	6,471	6,056	5,862	6,051
Accounts payable, trade	(6,294)	(5,868)	(5,423)	(5,210)	(4,936)
Contract liabilities	(3,712)	(3,545)	(3,475)	(3,221)	(3,204)
Accrued expenses, operating	(1,477)	(1,320)	(1,252)	(1,346)	(1,370)
Trade net working capital in assets and liabilities held for sale	–	–	–	–	(8)
Trade net working capital	**4,283**	**4,327**	**4,017**	**4,059**	**4,433**
Average of opening and closing Trade net working capital	4,305	4,172	4,038	4,246	
Average trade net working capital	**4,190**				
Total revenues for the three months ended:					
December 31, 2025	9,052				
March 31, 2026	8,734				
June 30, 2026	9,475				
September 30, 2026	9,701				
Total revenues for the trailing twelve months	**36,962**				
Average trade net working capital as a percentage of revenues	**11.3%**				

($ in millions, unless otherwise indicated)	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024
Trade net working capital:					
Trade receivables, net	6,838	6,837	6,401	6,277	6,360
Contract assets	1,062	1,083	992	889	967
Inventories, net	6,051	6,007	5,680	5,420	6,100
Accounts payable, trade	(4,936)	(4,918)	(4,676)	(4,681)	(4,798)
Contract liabilities	(3,204)	(3,109)	(2,986)	(2,704)	(2,795)
Accrued expenses, operating	(1,370)	(1,254)	(1,189)	(1,234)	(1,327)
Trade net working capital in assets and liabilities held for sale	(8)	–	–	–	20
Trade net working capital	**4,433**	**4,646**	**4,222**	**3,967**	**4,527**
Average of opening and closing Trade net working capital	4,540	4,434	4,095	4,247	
Average trade net working capital	**4,329**				
Total revenues for the three months ended:					
December 31, 2024	7,996				
March 31, 2025	7,382				
June 30, 2025	8,295				
September 30, 2025	8,491				
Total revenues for the trailing twelve months	**32,164**				
Average trade net working capital as a percentage of revenues	**13.5%**				

Return on Capital employed (ROCE)

Definition

Return on Capital employed (ROCE)

Return on Capital employed (ROCE) is calculated as Operational EBITA after tax for the trailing twelve months divided by the unrounded average of the opening and closing Capital employed for each of the four quarters during the trailing twelve-month period (4-quarter average).

Capital employed

Capital employed is calculated as the sum of Adjusted total fixed assets and Net working capital (as defined above).

Adjusted total fixed assets

Adjusted total fixed assets is the sum of (i) property, plant and equipment, net, (ii) goodwill, (iii) intangible assets, net, (iv) investments in equity-accounted companies, (v) operating lease right-of-use assets, and (vi) fixed assets included in assets held for sale, less (vii) deferred tax liabilities recognized in certain acquisitions.

Notional tax on Operational EBITA

The Notional tax on Operational EBITA is computed using a consistent notional tax rate, approximately representative of the Company's weighted-average global tax rate, multiplied by Operational EBITA. The notional tax rate is subject to adjustment for significant changes in the Company's weighted-average global tax rate.

Reconciliation

($ in millions, unless otherwise indicated)	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
Adjusted total fixed assets:					
Property, plant and equipment, net	4,749	4,700	4,605	4,692	4,443
Goodwill	9,758	9,636	9,585	9,637	9,522
Intangible assets, net	1,104	1,075	1,088	1,119	1,096
Investments in equity-accounted companies	340	340	321	349	381
Operating lease right-of-use assets	826	783	785	765	754
Fixed assets included in assets held for sale	–	–	–	–	9
Total fixed assets	**16,777**	**16,534**	**16,384**	**16,562**	**16,205**
Less: Deferred taxes recognized in certain acquisitions[1]	(166)	(177)	(188)	(199)	(210)
Adjusted total fixed assets	**16,611**	**16,357**	**16,196**	**16,363**	**15,995**
Net working capital - (as defined above)	**2,827**	**3,046**	**2,705**	**2,372**	**2,993**
Capital employed	**19,438**	**19,403**	**18,901**	**18,735**	**18,988**
Average of opening and closing Capital employed	19,421	19,152	18,818	18,862	
Operational EBITA for the three months ended	2,026	1,925	2,049	1,588	
Operational EBITA for the trailing twelve months	7,588				
Notional tax on Operational EBITA	(1,897)				
Operational EBITA after tax for the trailing twelve months	**5,691**				
Average Capital employed (4 quarters)	**19,063**				
Return on Capital Employed (ROCE)	**29.9%**				

(1) Amount relates to GEIS acquired in 2018, B&R acquired in 2017, Thomas & Betts acquired in 2012 and Baldor acquired in 2011.

($ in millions, unless otherwise indicated)	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024
Adjusted total fixed assets:					
Property, plant and equipment, net	4,443	4,396	4,099	3,986	4,050
Goodwill	9,522	9,507	9,305	8,801	8,774
Intangible assets, net	1,096	1,140	1,134	999	981
Investments in equity-accounted companies	381	369	361	351	172
Operating lease right-of-use assets	754	761	765	752	779
Fixed assets included in assets held for sale	9	–	–	–	176
Total fixed assets	**16,205**	**16,173**	**15,664**	**14,889**	**14,932**
Less: Deferred taxes recognized in certain acquisitions[1]	(210)	(220)	(231)	(242)	(253)
Adjusted total fixed assets	**15,995**	**15,953**	**15,433**	**14,647**	**14,679**
Net working capital - (as defined above)	**2,993**	**3,423**	**3,037**	**2,403**	**3,231**
Capital employed	**18,988**	**19,376**	**18,470**	**17,050**	**17,910**

Average of opening and closing Capital employed	19,182	18,923	17,760	17,480
Operational EBITA for the three months ended	1,633	1,598	1,495	1,330

Operational EBITA for the trailing twelve months	6,056
Notional tax on Operational EBITA	(1,514)
Operational EBITA after tax for the trailing twelve months	**4,542**
Average Capital employed (4 quarters)	**18,336**
Return on Capital Employed (ROCE)	**24.8%**

(1) Amount relates to GEIS acquired in 2018, B&R acquired in 2017, Thomas & Betts acquired in 2012 and Baldor acquired in 2011.

Free cash flow

Definition

Free cash flow

Free cash flow is calculated as net cash provided by operating activities adjusted for: (i) purchases of property, plant and equipment and intangible assets, and (ii) proceeds from sales of property, plant and equipment.

Reconciliation

	Nine months ended September 30,		Three months ended September 30,	
($ in millions, unless otherwise indicated)	2026	2025	2026	2025
Net cash provided by operating activities – continuing operations	**4,203**	**3,262**	**1,888**	**1,683**
Adjusted for the effects of continuing operations:				
Purchases of property, plant and equipment and intangible assets	(668)	(592)	(251)	(207)
Proceeds from sale of property, plant and equipment	467	176	5	3
Free cash flow – continuing operations	**4,002**	**2,846**	**1,642**	**1,479**
Net cash provided by (used in) operating activities – discontinued operations	**(162)**	**258**	**(26)**	**94**
Adjusted for the effects of discontinued operations:				
Purchases of property, plant and equipment and intangible assets	(134)	(56)	(41)	(22)
Proceeds from sale of property, plant and equipment	1	1	1	1
Free cash flow – discontinued operations	**(295)**	**203**	**(66)**	**73**
Free cash flow	**3,707**	**3,049**	**1,576**	**1,552**

Free cash flow conversion to net income

Definition

Free cash flow conversion to net income

Free cash flow conversion to net income is calculated as free cash flow divided by Adjusted net income.

Adjusted net income

Adjusted net income is calculated as Net income adjusted for gains or losses arising on sale of certain businesses and certain other significant items within net income which are also excluded / adjusted for when calculating operating cashflows.

Free cash flow for the trailing twelve months

Free cash flow for the trailing twelve months is defined as Free cash flow for the twelve months preceding the relevant balance sheet date.

Adjusted net income for the trailing twelve months

Adjusted net income for the trailing twelve months is defined as Adjusted net income for the twelve months preceding the relevant balance sheet date.

Reconciliation

	Trailing twelve months to	
($ in millions, unless otherwise indicated)	September 30, 2026	December 31, 2025
Net cash provided by operating activities	**5,990**	**5,469**
Adjusted for the effects of continuing operations:		
Purchases of property, plant and equipment and intangible assets	(1,077)	(1,001)
Proceeds from sale of property, plant and equipment	485	194
Adjusted for the effects of discontinued operations:		
Purchases of property, plant and equipment and intangible assets	(176)	(98)
Proceeds from sale of property, plant and equipment	2	2
Free cash flow	**5,224**	**4,566**
Adjusted net income[(1)]	**5,084**	**4,757**
Free cash flow conversion to net income	**103%**	**96%**

(1) Adjusted net income for the year ended December 31, 2025, is adjusted to exclude $53 million of gains arising on sale of certain investments and intangible assets, and adjustments to the gain on sale of Power Grids of $13 million.

Reconciliation of the trailing twelve months to September 30, 2026

		Continuing operations		Discontinued operations		
($ in millions)	Net cash provided by operating activities	Purchases of property, plant and equipment and intangible assets	Proceeds from sale of property, plant and equipment	Purchases of property, plant and equipment and intangible assets	Proceeds from sale of property, plant and equipment	Adjusted net income
Q4 2025	1,949	(409)	18	(42)	1	1,280
Q1 2026	1,029	(181)	437	(35)	–	1,333
Q2 2026	1,150	(236)	25	(58)	–	1,256
Q3 2026	1,862	(251)	5	(41)	1	1,215
Total for the trailing twelve months to September 30, 2026	**5,990**	**(1,077)**	**485**	**(176)**	**2**	**5,084**

Net finance income (expense)

Definition
Net finance income (expense) is calculated as Interest and dividend income less Interest and other finance expense.

Reconciliation

	Nine months ended September 30,		Three months ended September 30,	
($ in millions)	**2026**	**2025**	**2026**	**2025**
Interest and dividend income	131	142	41	47
Interest and other finance expense	(206)	(73)	(168)	(24)
Net finance income (expense)	**(75)**	**69**	**(127)**	**23**

Book-to-bill ratio

Definition
Book-to-bill ratio is calculated as Orders received divided by Total revenues.

Reconciliation

	Nine months ended September 30,					
	2026			**2025**		
($ in millions, except Book-to-bill presented as a ratio)	**Orders**	**Revenues**	**Book-to-bill**	**Orders**	**Revenues**	**Book-to-bill**
Electrification	21,549	15,237	**1.41**	13,434	12,655	**1.06**
Motion	7,595	6,679	**1.14**	6,430	5,987	**1.07**
Automation	7,032	6,466	**1.09**	7,111	5,841	**1.22**
Corporate and Other *(incl. intersegment eliminations)*	(781)	(472)	**n.a.**	(526)	(315)	**n.a.**
ABB Group	**35,395**	**27,910**	**1.27**	**26,449**	**24,168**	**1.09**

	Three months ended September 30,					
	2026			**2025**		
($ in millions, except Book-to-bill presented as a ratio)	**Orders**	**Revenues**	**Book-to-bill**	**Orders**	**Revenues**	**Book-to-bill**
Electrification	7,671	5,424	**1.41**	4,522	4,499	**1.01**
Motion	2,455	2,320	**1.06**	2,162	2,082	**1.04**
Automation	2,114	2,126	**0.99**	2,100	2,013	**1.04**
Corporate and Other *(incl. intersegment eliminations)*	(185)	(169)	**n.a.**	(178)	(103)	**n.a.**
ABB Group	**12,055**	**9,701**	**1.24**	**8,606**	**8,491**	**1.01**

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