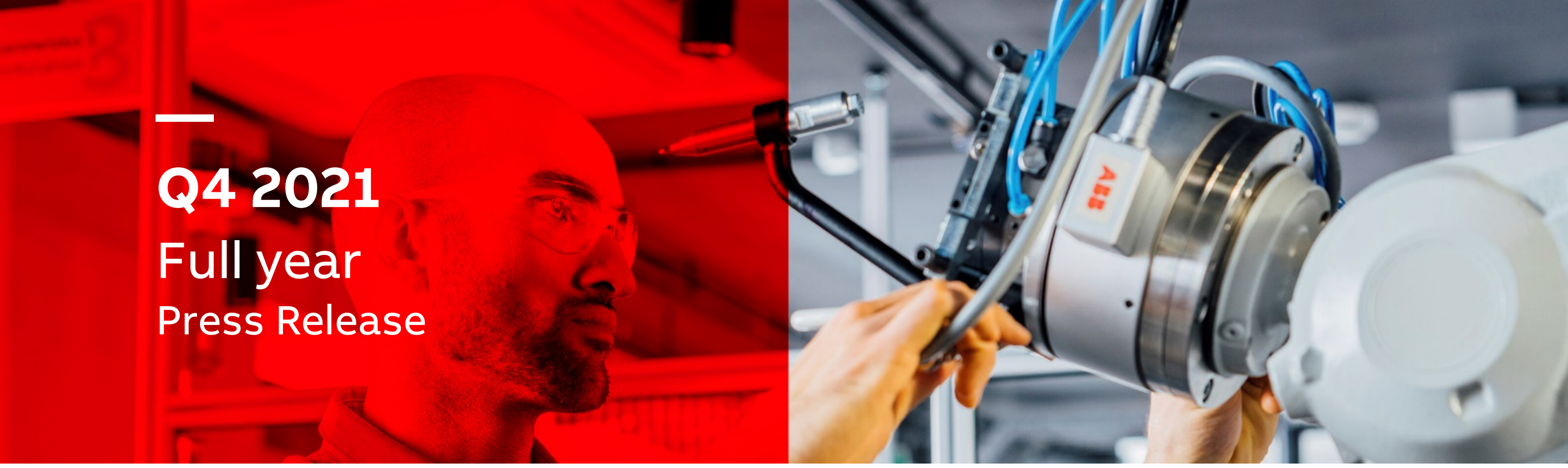


Ad hoc Announcement pursuant to Art. 53 Listing Rules of SIX Swiss Exchange

ZURICH, SWITZERLAND, FEBRUARY 3, 2022

Q4 2021 results

Strong demand, increased earnings and margin support a robust cash flow

Q4 2021

- Orders $8.3 billion, +18%; comparable[1] +21%
- Revenues $7.6 billion, +5%; comparable +8%
- Income from operations $2,975 million; margin 39.3%
- Operational EBITA[1] $988 million; margin[1] 13.1%
- Basic EPS $1.34; up from $-0.04 year on year
- Cash flow from operating activities was $1,020 million and from operating activities in continuing operations it was $1,033 million

FY 2021

- Orders $31.9 billion, +20%; comparable[1] +17%
- Revenues $28.9 billion, +11%; comparable +8%
- Income from operations $5,718 million; margin 19.8%
- Operational EBITA[1] $4,122 million; margin[1] 14.2%
- Basic EPS $2.27; -7%[2]
- Cash flow from operating activities was $3,330 million and from operating activities in continuing operations it was $3,338 million
- Dividend proposal of CHF 0.82 per share, up from CHF 0.80 last year

KEY FIGURES

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	**Q4 2021**	**Q4 2020**	**US$**	**Comparable[1]**	**FY 2021**	**FY 2020**	**US$**	**Comparable[1]**
Orders	8,257	7,003	18%	21%	31,868	26,512	20%	17%
Revenues	7,567	7,182	5%	8%	28,945	26,134	11%	8%
Gross Profit	2,397	2,147	12%		9,467	7,878	20%	
as % of revenues	31.7%	29.9%	+1.8 pts		32.7%	30.1%	+2.6 pts	
Income from operations	2,975	578	415%		5,718	1,593	259%	
Operational EBITA[1]	988	825	20%	22%[3]	4,122	2,899	42%	37%[3]
as % of operational revenues[1]	13.1%	11.5%	+1.6 pts		14.2%	11.1%	+3.1 pts	
Income (loss) from continuing operations, net of tax	2,703	127	n.a.		4,730	345	n.a.	
Net income attributable to ABB	2,640	(79)	n.a.		4,546	5,146	-12%	
Basic earnings per share ($)	1.34	(0.04)	n.a.[2]		2.27	2.44	-7%[2]	
Cash flow from operating activities[4]	1,020	1,182	-14%		3,330	1,693	97%	
Cash flow from operating activities in continuing operations	1,033	1,225	-16%		3,338	1,875	78%	

1 For a reconciliation of non-GAAP measures, see "supplemental reconciliations and definitions" in the attached Q4 2021 Financial Information.
2 EPS growth rates are computed using unrounded amounts.
3 Constant currency (not adjusted for portfolio changes).
4 Amount represents total for both continuing and discontinued operations.

"2021 was a good year with strong demand, improved profitability, consolidation of our portfolio and strong cash flow. We look towards 2022 with confidence."

Björn Rosengren, CEO

CEO summary

In the fourth quarter, demand increased significantly and orders grew by 18% year-on-year (21% comparable) with underlying strength shown across all business areas, regions and most customer segments. Revenue growth of 5% (8% comparable) was stronger than expected, due primarily to higher project deliveries towards the end of the period and despite supply chain disruptions in parts of our business. We expect supply chain constraints to prevail near-term. Importantly, we did not experience any unusual order cancellations, which adds comfort to the high level of order backlog of $16.6 billion, up 16% year-on-year (21% comparable).

Operational EBITA increased by 20% year-on-year, and despite adverse impacts from supply chain imbalances and some cost inflation we achieved a 160bps improvement of the Operational EBITA margin to 13.1%. This improvement includes last year's adverse margin impact of 80bps due to the charges triggered by the Kusile project in South Africa as well as non-core items.

At $1.0 billion we maintained a strong cash generation in the fourth quarter, and I am pleased with us closing 2021 with a total cash flow from operating activities in continuing operations of $3.3 billion, representing an annual improvement of $1.5 billion.

We successfully closed the divestment of the Mechanical Power Transmission (Dodge) division on November 1. This triggered a book gain of $2.2 billion reported in income from operations. This marks the completion of the announced first step to focus the business portfolio on our leading position in electrification and automation. As part of these actions, we have appointed a new Head of the Turbocharging division and while a spin-off looks more likely, we will make a final decision towards the end of the first quarter. Meanwhile, efforts to separately list the E-mobility business are moving ahead and we aim to complete this during the second quarter 2022.

On the back of added confidence for our future growth and profitability, we lifted our long-term targets at our Capital Markets Day in December. Our leading position in resource efficiency through electrification and automation, new ways of working through the decentralized operating model, improved performance management system and acceleration of ESG drivers are expected to drive our through-the-cycle revenue growth to 4-7%, in constant currency. This is the total of 3-5% organic growth and 1-2% acquired growth. We also sharpened our Operational EBITA margin target to be at least 15% as from 2023, in any given year.

We firmed up our ambition to drive industry leadership in circularity. By 2030, the goal is to have 80% of ABB products and solutions covered by our common approach for circular customer solutions and circularity in our own operations.

To support our growth ambitions and leading offering, we invested in start-up company BrainBox AI which pioneers the use of artificial intelligence to reduce energy costs and carbon emissions from Heating, Ventilation and Air Conditioning (HVAC) systems in commercial buildings. Additionally, we entered into a strategic partnership with start-up Sevensense, to enhance our new autonomous mobile robotics (AMR) offering with artificial intelligence and 3D vision mapping technology.

After the close of the quarter, the E-mobility division took action to strengthen its position on the US market as it increased its stake to a controlling 60% in InCharge Energy. InCharge Energy tailors end-to-end EV charging infrastructure solutions, including the procurement, installation, operation, and maintenance of charging systems, and provides cloud-based software services to optimize energy management.

Considering improving performance, strong cash flow and robust balance sheet, the Board of Directors proposes an ordinary dividend of CHF 0.82 per share. Up from CHF 0.80 in the previous year and in line with the long-term ambition of a rising sustainable dividend per share over time, while still prioritizing a continued solid balance sheet to support our growth ambitions. We plan to continue our share buybacks for full year of 2022, also in excess of the PG capital return program.

Björn Rosengren
CEO

Outlook

In the **first quarter of 2022**, ABB anticipates the underlying market activity to remain overall stable compared with the prior quarter. Revenues in the first quarter tend to be sequentially seasonally softer in absolute terms. ABB anticipates the Operational EBITA margin to remain broadly stable or to be slightly up, compared with the prior quarter.

In full year 2022, we expect a steady margin improvement towards the 2023 target of at least 15%, supported by increased efficiency as we fully incorporate the decentralized operating model and performance culture in all our divisions. Furthermore, we expect support from an anticipated positive market momentum and our strong order backlog.

Orders and revenues

In the fourth quarter, demand was strong across the board and orders improved by 18% (21% comparable) year-on-year, growing from an already relatively high level and despite a lower contribution from large orders received in the current quarter. Total order intake amounted to the high level of $8,257 million, supported by both the short-cycle as well as the process-related businesses and a 14% (16% comparable) improvement in the service business. All business areas reported strong double-digit order growth, except for Process Automation, which faced a high comparable in last year's quarter and reported a flat development.

All customer segments improved year-on-year. Orders grew strongly in the machine building and food & beverage segments, as well as in general industries overall. The automotive segment increased due to broadly accelerating investments in the EV segment.

In transport and infrastructure, there was a very strong order development across the renewables and e-mobility business. The buildings segment improved in both the residential and non-residential segments. The marine segment recovered, including a positive development in the cruise segment with customers initiating service spend in anticipation of upcoming cruising activities.

The process-related business improved across most of the customer segments.

From a geographical perspective, demand was strong in all three regions. In Europe and Americas orders increased by 26% (31% comparable) and 32% (38% comparable) respectively. While order intake in China increased by 17% (14% comparable), the region of Asia Middle East and Africa declined by 1% (2% comparable) from last year, when certain large project orders were received.

Revenues increased by 5% (8% comparable) with contribution from positive volumes in a generally strong demand environment and execution of the order backlog. Additionally, there was support from a positive pricing development, but also due to stronger than expected project deliveries late in the period. The impact from imbalances in the supply chain adversely affected the revenues as component shortages and strained logistics triggered protracted lead times for some customer deliveries. Sequentially, these challenges remained broadly stable. The strong order intake and certain limitations on deliveries resulted in a book-to-bill ratio of 1.09 and an order backlog of $16.6 billion, up by 16% year-on-year (21% comparable).

Growth

Change year-on-year	Q4 Orders	Q4 Revenues
Comparable	21%	8%
FX	-2%	-2%
Portfolio changes	-1%	-1%
Total	**18%**	**5%**

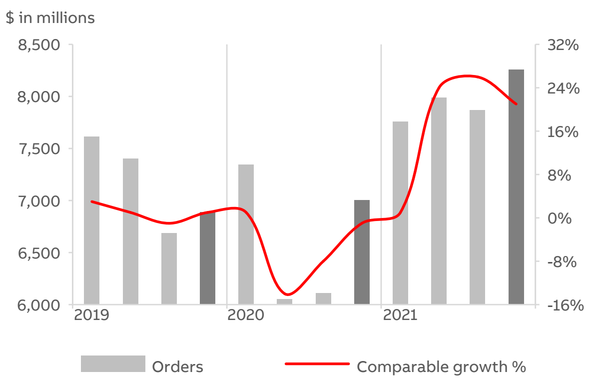
Orders by region

($ in millions, unless otherwise indicated)	Q4 2021	Q4 2020	CHANGE US$	CHANGE Comparable
Europe	3,138	2,497	26%	31%
The Americas	2,640	2,002	32%	38%
Asia, Middle East and Africa	2,479	2,504	-1%	-2%
ABB Group	**8,257**	**7,003**	**18%**	**21%**

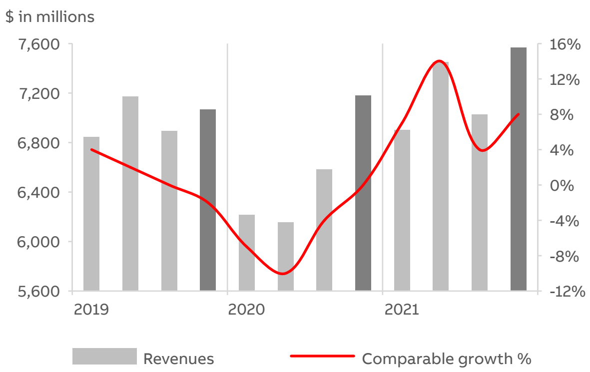
Revenues by region

($ in millions, unless otherwise indicated)	Q4 2021	Q4 2020	CHANGE US$	CHANGE Comparable
Europe	2,756	2,710	2%	6%
The Americas	2,198	2,045	7%	12%
Asia, Middle East and Africa	2,613	2,427	8%	7%
ABB Group	**7,567**	**7,182**	**5%**	**8%**

Orders



Revenues



Earnings

Gross profit
Gross margin increased to 31.7%, up 180bps year-on-year, driven by Process Automation and lower project charges. Gross profit improved by 12% to $2,397 million.

Income from operations
Income from operations amounted to $2,975 million, improving by close to $2.4 billion, mainly due to the positive impact from the $2.2 billion book gain related to the completion of the divestment of the Mechanical Power Transmission division, in the Motion business area. The improvement was also driven by strong operational performance and approximately $140 million less restructuring costs, partially offset by separation costs of $36 million.

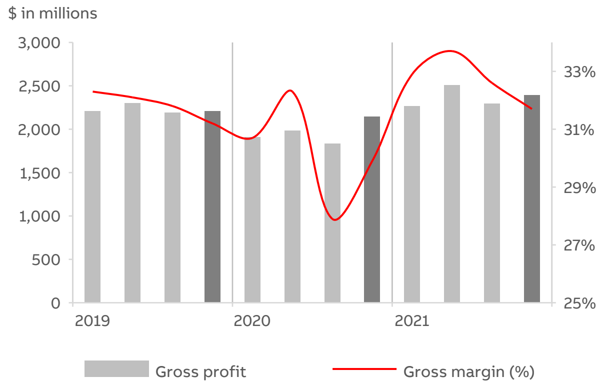
Operational EBITA
Operational EBITA of $988 million was 20% higher (22% constant currency) year-on-year, with the increased profit in Process Automation as the main driver. The Operational EBITA margin improved by 160bps to 13.1%, including last year's adverse margin impact of 80bps due to the specific items impacting comparability triggered by the Kusile project in South Africa as well as non-core items. The operational improvement was due to the combined positive impact from higher volumes, positive price development and increased efficiency, which more than offset adverse effects from primarily cost inflation related to raw materials and freight. Both Process Automation as well as Robotics and Discrete Automation improved profitability, while Electrification and Motion declined, with the latter primarily due to the divestment of Mechanical Power Transmission.
Selling, general and administrative (SG&A) expenses increased by 7% (9% in constant currency), while the ratio in relation to revenues remained relatively stable at 17.9%, compared with 17.7% last year. Corporate and Other Operational EBITA improved by $36 million, to -$108 million.

Net finance expenses
Net finance expenses[1] declined to $26 million from $199 million, primarily reflecting the absence of losses on extinguishment of debt and slightly lower underlying debt compared with last year.

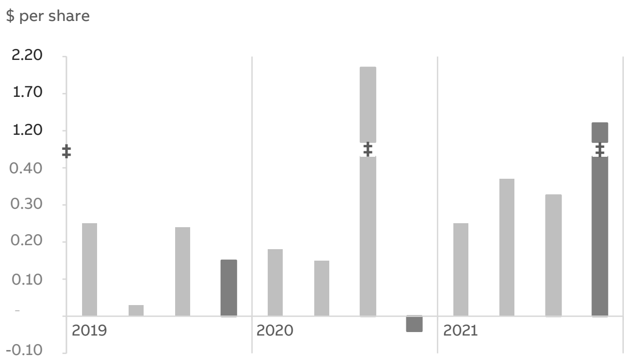
Income tax
Income tax expense was $282 million with an effective tax rate of 9.4%. The low rate reflects the approximate $210 million of income tax expense related to the $2.2 billion book gain due to the divestment of the Mechanical Power Transmission business. In addition, we benefited from favorable resolution of prior year tax matters and together these reduced the reported tax rate by approximately 9 percentage points. For the full year 2021, the tax rate was 18.3%, reduced by approximately 8 percentage points by the impact from the divestment and certain tax benefits in the third and fourth quarter.

Net income and earnings per share
Net income attributable to ABB was $2,640 million and increased significantly from last year due to the book gain related to the divestment of Mechanical Power Transmission as well as increased earnings in continuing operations. Consequently, basic earnings per share was $1.34 and increased from last year's loss of $0.04, when early repayment of bonds and non-operational pension costs had an adverse impact.

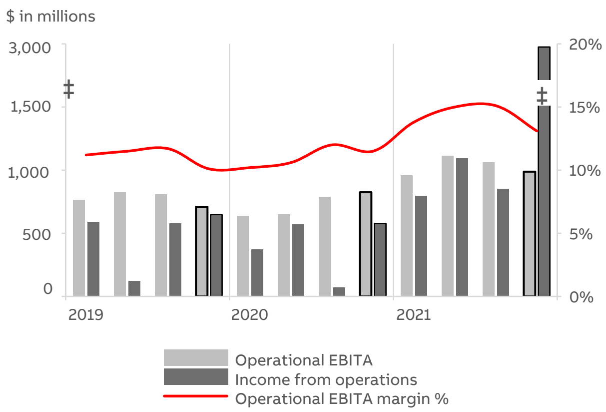
Gross profit & Gross margin



Basic EPS



Income from operations & Operational EBITA



Balance sheet & Cash flow

Net working capital

Net working capital amounted to $2,303 million, declining both year-on-year from $2,718 million and sequentially from $2,920 million. The sequential decline was driven primarily by payables as inventories and receivables remained largely stable. Net working capital as a percentage of revenues[1] was 8.1%.

Capital expenditures

Purchases of property, plant and equipment and intangible assets amounted to $361 million, higher than anticipated due mainly to the opportunity to acquire a formerly leased property in China.

Net debt

A net cash[1] position of $98 million was achieved at the end of the quarter, compared with last year's net debt of $112 million. Sequentially, net debt was reduced from $1,898 million, including the contribution from completing the divestment of Mechanical Power Transmission.

Cash flows

Cash flow from operating activities in continuing operations was $1,033 million and declined year-on-year from $1,225 million. The quarterly year-on-year decline was related to a lower reduction of trade net working capital. Cash flow was impacted by approximately $300 million cash tax related to the Mechanical Power Transmission divestment, compared with approximately $200 million in the prior year quarter due to the Kusile settlement and pension plan transfers.

Share buyback program

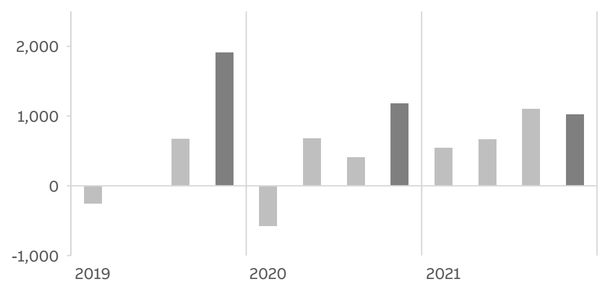
A follow-up share buyback program of up to $4.3 billion was launched in early April. This follow-up program is part of the plan to return $7.8 billion of cash proceeds from the Power Grids divestment to shareholders. Under the initial program a total of 128,620,589 shares were repurchased for an amount of approximately $3.5 billion. Since the launch of the follow-up program on April 9 and through the end of 2021, a total of 58,627,600 shares were repurchased for the total of approximately $2.0 billion, including 32,785,000 shares in the fourth quarter. Shares were repurchased on the second trading line. The total number of ABB Ltd's issued shares is 2,053,148,264.

($ millions, unless otherwise indicated)	Dec. 31 2021	Dec. 31 2020
Short term debt and current maturities of long-term debt	1,384	1,293
Long-term debt	4,177	4,828
Total debt	**5,561**	**6,121**
Cash & equivalents	4,159	3,278
Restricted cash - current	30	323
Marketable securities and short-term investments	1,170	2,108
Restricted cash - non-current	300	300
Cash and marketable securities	**5,659**	**6,009**
Net debt (cash)*	**(98)**	**112**
Net debt (cash)* to EBITDA ratio	**(0.01)**	**0.04**
Net debt (cash)* to Equity ratio	**(0.01)**	**0.01**

* net debt excludes net pension liabilities $871 million

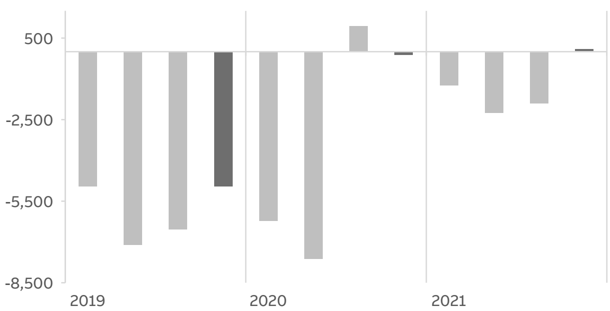
Cash flow from operating activities

$ in millions

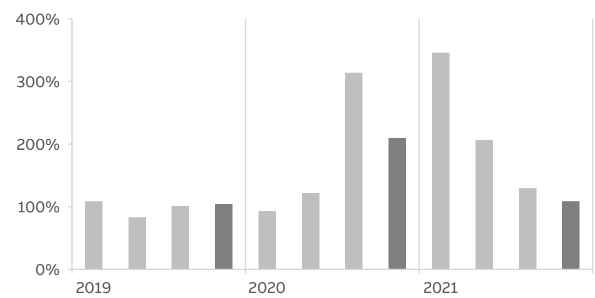


Net Cash (Net Debt) position

$ in millions



Free cash flow conversion to net income[1], R12M



Electrification

Growth

Change year-on-year	Q4 Orders	Q4 Revenues
Comparable	20%	4%
FX	-2%	-1%
Portfolio changes	0%	0%
Total	**18%**	**3%**

Orders and revenues

Order intake of $3,638 million increased by 18% year-on-year (20% comparable) and represents one of the strongest quarters on record, supported by an overall positive development in all customer segments. Supply chain constraints hampered revenues. Consequently, Electrification enters 2022 with a record-high order backlog of $5.5 billion to execute, while supply chain challenges are expected to persist near term.

- Strong comparable order growth was driven by a positive development in all divisions. E-mobility and Power Conversion were particularly strong, albeit relatively small in absolute terms.
- All segments improved. Momentum was stronger in buildings, food & beverage, infrastructure, renewables and e-mobility. The pace of improvement was more moderate in oil & gas and utilities.
- Order growth was very strong in both Americas at 41% (40% comparable) and Europe at 15% (19% comparable). Asia, Middle East and Africa remained stable, including a decline of 3% (6% comparable) in China on high comparables.
- Revenues improved by 3% (4% comparable), mainly due to strong pricing execution as volumes were hampered by supply chain disruptions including component shortages and a tight labor market. All regions noted stable to positive growth, with the strongest comparable contribution from Americas and Europe while Asia, Middle East and Africa remained stable.

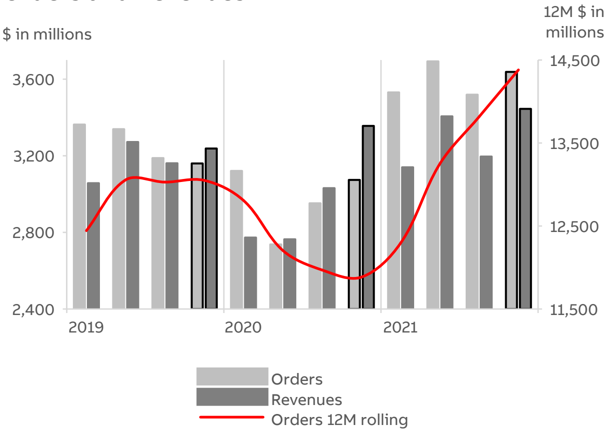
Profit

The impact from higher revenues was offset primarily by higher raw material and freight costs, and while gross margin remained stable, the Operational EBITA declined by 3% (1% constant currency) to $507 million, from a high comparable. Operational EBITA margin declined by 80bps to 14.8% in the fourth quarter, which tends to be seasonally soft.

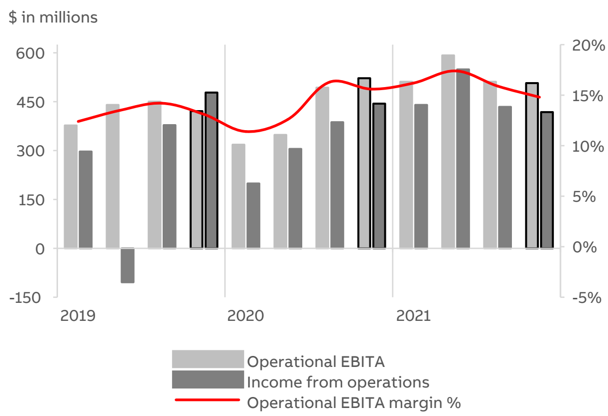
- The component shortages mostly impacted the largest division, Distribution Solutions, due to its large systems sales. This, and the impact from higher costs for primarily raw materials, freight and higher sales costs, weighed on business area earnings and margins year-on-year and more than offset impacts from increased efficiency, positive pricing and higher profits in the smaller divisions.

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	**Q4 2021**	**Q4 2020**	**US$**	**Comparable**	**FY 2021**	**FY 2020**	**US$**	**Comparable**
Orders	3,638	3,074	18%	20%	14,381	11,884	21%	18%
Order backlog	5,458	4,358	25%	29%	5,458	4,358	25%	29%
Revenues	3,445	3,356	3%	4%	13,187	11,924	11%	9%
Operational EBITA	507	522	-3%		2,121	1,681	26%	
as % of operational revenues	14.8%	15.6%	-0.8 pts		16.1%	14.1%	+2 pts	
Cash flow from operating activities	715	882	-19%		2,181	1,757	24%	
No. of employees (FTE equiv.)	50,800	50,500	1%					

Orders and Revenues



Income from operations & Operational EBITA



Motion

Growth

Change year-on-year	Q4 Orders	Q4 Revenues
Comparable	29%	9%
FX	-2%	-1%
Portfolio changes	-8%	-6%
Total	**19%**	**2%**

Orders and revenues

Demand was strong across the board, which supported the double-digit growth in both the short- and long-cycle businesses as well as in the service business.

- Despite the divestment of the Mechanical Power Transmission division, order intake amounted to $1,843 million, representing a reported growth of 19%, with market strength further visible in the remaining divisions (29% comparable).
- All divisions reported strong double-digit order growth, supported by a positive development in all customer segments for electrical motors and drives. Orders were supported by a higher level of project orders coming through, year-on-year.
- All regions improved, although the very strong order growth in Europe and the Americas outpaced the high single-digit improvement in Asia, Middle East and Africa, which included a slight order growth in China.
- The focused efforts to ease the impact from component shortages by re-designing products and onboarding additional sourcing options are increasingly paying off in some areas, compared with the previous quarter. Consequently, most divisions increased revenues which amounted to $1,735 million, up 2% (9% comparable), year-on-year.

Profit

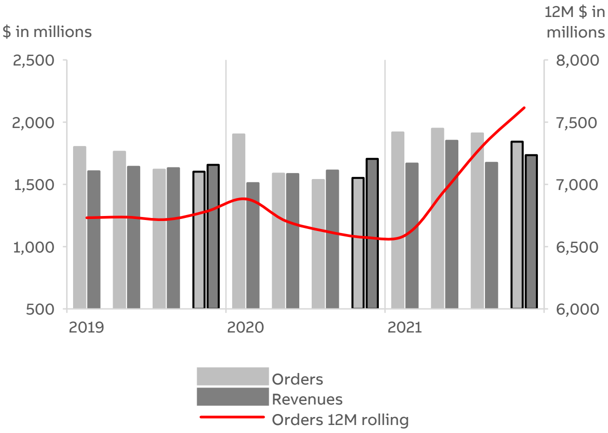
Despite the divestment of the Mechanical Power Transmission division early in the quarter, the Operational EBITA remained largely stable year-on-year at $278 million.

- The Operational EBITA margin declined by 70bps year-on-year, out of which approximately 50bps was related to the divestment of the Mechanical Power Transmission. Additional slight margin pressure was primarily due to increased raw material and freight costs as well as divisional mix, which offset the positive impacts from higher revenues and efficiency measures.

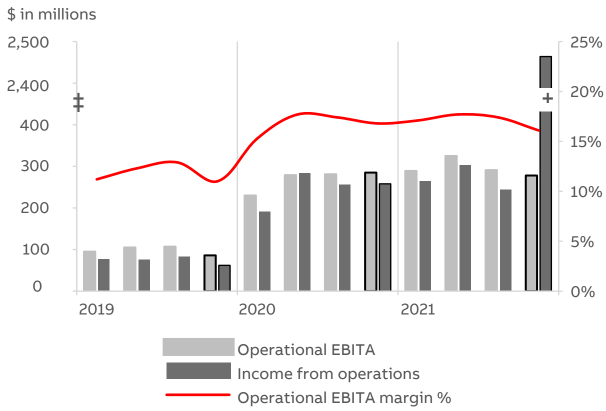
The divestment of the Mechanical Power Transmission division for $2.9 billion in cash was completed, triggering a non-operational pre-tax book gain of $2.2 billion in income from operations.

($ millions, unless otherwise indicated)	Q4 2021	Q4 2020	CHANGE US$	CHANGE Comparable	FY 2021	FY 2020	CHANGE US$	CHANGE Comparable
Orders	1,843	1,552	19%	29%	7,616	6,574	16%	14%
Order backlog	3,749	3,320	13%	20%	3,749	3,320	13%	20%
Revenues	1,735	1,705	2%	9%	6,925	6,409	8%	7%
Operational EBITA	278	285	-2%		1,183	1,075	10%	
as % of operational revenues	16.1%	16.8%	-0.7 pts		17.1%	16.8%	+0.3 pts	
Cash flow from operating activities	416	424	-2%		1,362	1,283	6%	
No. of employees (FTE equiv.)	20,100	20,900	-4%					

Orders and Revenues



Income from operations & Operational EBITA



Process Automation

Growth

Change year-on-year	Q4 Orders	Q4 Revenues
Comparable	0%	19%
FX	-1%	-2%
Portfolio changes	0%	0%
Total	**-1%**	**17%**

Orders and revenues

Order intake for the quarter of $1,898 million remained stable at last year's record-high level, despite significantly less contribution from large orders received. Consequently, while growth was very strong in base orders, total order growth remained largely flat at -1% (0% comparable). Order backlog increased slightly sequentially to $6.1 billion.

- Demand was strong across almost all customer segments with power generation remaining stable. Orders in the service business increased by 19% (21% comparable), including a significant improvement related to the cruise business.
- Excluding the impact from large orders[5], order intake increased by at least 20% in all regions. Large orders received in the year-earlier period resulted in declining total orders in Asia, Middle East and Africa.

Revenues increased by 17% (19% comparable) with support from all divisions on successful execution of the order backlog and a generally strong demand environment in the relatively more short-cycle business like Measurement and Analytics.

Profit

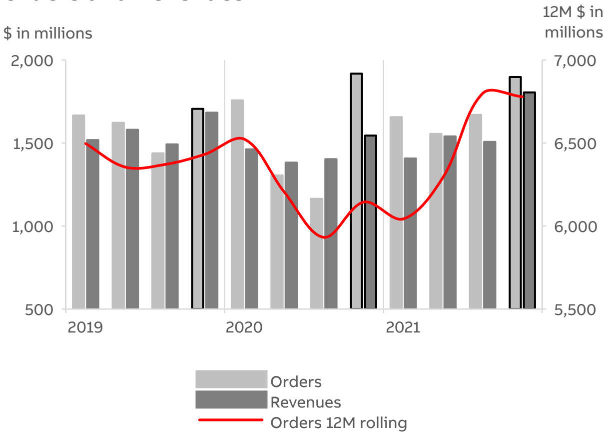
All divisions improved both earnings and margin compared with the corresponding quarter last year, which included the already communicated items impacting comparability of approximately $43 million. In total, the business area's Operational EBITA increased by 140%, to $247 million, and the Operational EBITA margin improved to 13.7% from 6.8%.

- The earnings and margin increase were driven by higher volumes and efficiency measures.
- Impacts from component shortages were limited in the period, although may increase near-term.

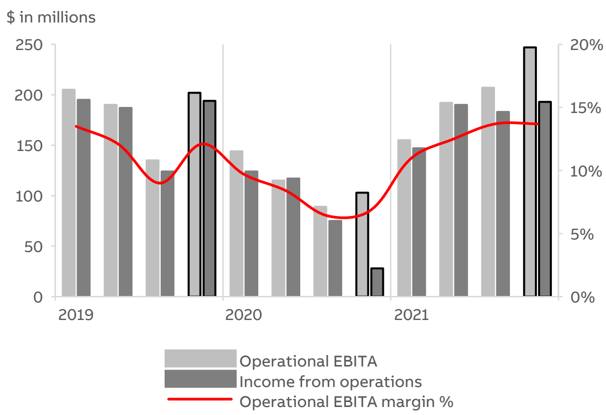
As part of the process to exit the Turbocharging business, a new divisional President has been appointed, as Daniel Bischofberger rejoins ABB.

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	Q4 2021	Q4 2020	US$	Comparable	FY 2021	FY 2020	US$	Comparable
Orders	1,898	1,918	-1%	0%	6,779	6,144	10%	7%
Order backlog	6,079	5,805	5%	10%	6,079	5,805	5%	10%
Revenues	1,805	1,545	17%	19%	6,259	5,792	8%	5%
Operational EBITA	247	103	140%		801	451	78%	
as % of operational revenues	13.7%	6.8%	+6.9 pts		12.8%	7.8%	+5 pts	
Cash flow from operating activities	370	196	89%		1,062	454	134%	
No. of employees (FTE equiv.)	22,000	22,200	-1%					

Orders and Revenues



Income from operations & Operational EBITA



5 Large orders, defined as orders >$15 million

Robotics & Discrete Automation

Growth

Change year-on-year	Q4 Orders	Q4 Revenues
Comparable	59%	-1%
FX	-3%	-2%
Portfolio changes	1%	3%
Total	**57%**	**0%**

Orders and revenues

Due to the broad-based strength in all customer segments order intake amounted to $1,100 million, representing a significant increase of 57% (59% comparable), albeit from a low comparable in the year-earlier period. Order backlog increased to the high level of $1.9 billion, as the pace of converting strong orders into revenues was protracted due to component shortages, which are expected to remain also in the coming quarter.

- Both divisions reported double-digit order growth, with Machine Automation outpacing Robotics on a lower comparable.
- The automotive segment benefited from investments in EV capacity, with the strongest increase noted in China. The conscious effort to grow in the general industry segment is paying off as steep order growth resulted in the strongest contribution in absolute terms, supporting future profitability as the backlog is executed. Demand from machine builders was stellar, despite extended delivery times.
- All regions increased orders at a high rate of at least 40% year-on-year.
- Despite the strong order intake, revenues remained broadly stable year-on-year at $799 million, as component shortages slowed the pace of customer deliveries in both divisions. Supply constraints primarily relate to semiconductor shortages and logistics.

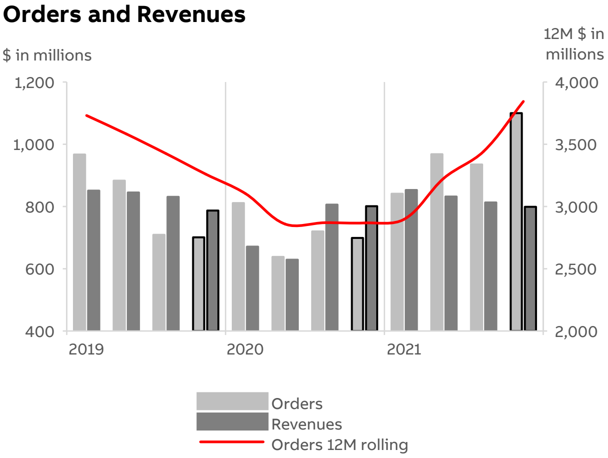
Profit

Both profit and profitability increased year-on-year, despite the lack of revenue growth. Operational EBITA improved by 8% with a margin increase of 80bps.

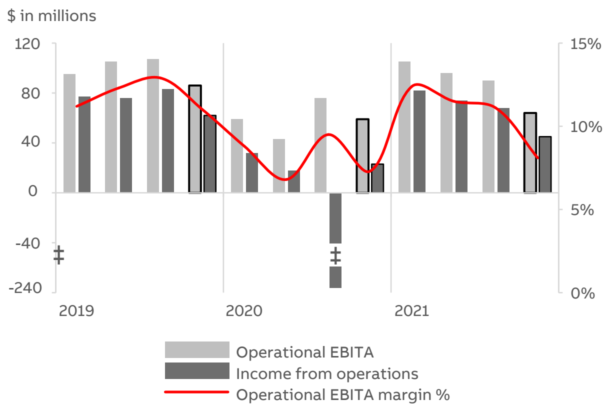
- In total, the positive impacts from increased efficiency and favorable mix due to a lower share of systems sales compared with the year-earlier period, more than offset the adverse impacts from increased freight and input costs.
- The positive earnings and profitability development in Robotics more than offset the decline in Machine Automation where the impacts from supply chain disruptions were relatively higher.

($ millions, unless otherwise indicated)	Q4 2021	Q4 2020	CHANGE US$	CHANGE Comparable	FY 2021	FY 2020	CHANGE US$	CHANGE Comparable
Orders	1,100	699	57%	59%	3,844	2,868	34%	29%
Order backlog	1,919	1,403	37%	43%	1,919	1,403	37%	43%
Revenues	799	801	0%	-1%	3,297	2,907	13%	9%
Operational EBITA	64	59	8%		355	237	50%	
as % of operational revenues	8.1%	7.3%	+0.8 pts		10.8%	8.2%	+2.6 pts	
Cash flow from operating activities	129	134	-4%		374	378	-1%	
No. of employees (FTE equiv.)	10,600	10,300	3%					

Orders and Revenues



Income from operations & Operational EBITA



Sustainability

Q4 outcome
- 29% reduction of CO_2 emissions in own operations as green electricity contracts increasingly implemented
- 12% year-on-year decline in LTIFR due to increased safety measures in production and more employees working from home
- 3%-points increase in number of women in senior management supported by various initiatives across the company

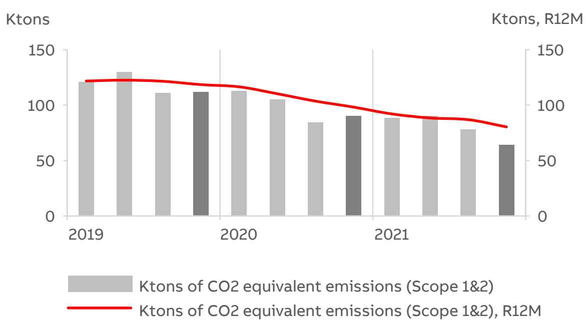
Quarterly highlights
- At the Capital Markets Day in December, ABB unveiled its circularity framework covering every stage of the product lifecycle to preserve resources. It includes four stages: circular design and sourcing, resource efficient operations, optimized use phase and responsible end of life. The goal is to have 80% of ABB products, solutions and services covered by the circularity framework by 2030, with the company's progress measured against a set of KPIs.
- Safety performance was good for the year with ABB having zero fatalities in 2021, the first time since 2011, and underlines the company's efforts to continuously advance its world-class safety practices, an integral part of its sustainability ambitions.
- ABB Robotics signed an agreement to collaborate with California-based Zume, a global provider of innovative, compostable packaging. ABB will supply robotic cells that will enable Zume's production of sustainable packaging on a global scale, helping to reduce reliance on single-use plastics.
- As part of its Diversity and Inclusion Strategy 2030 and in line with national legislation, ABB carried out an equal pay analysis for its Swiss entities with at least 100 employees. More details will be available in the Compensation Report to be published near the end of February.
- In October, ABB's Electrification sites in Ede (The Netherlands) and Porvoo (Finland) joined Beijing (China) and Lüdenscheid (Germany) as official sites that have achieved carbon neutral operations, a key element of the company's 2030 Mission to Zero journey.

Story of the quarter
As part of the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow, UK, ABB announced the ABB Formula E Climate Initiatives focused around three pillars: Innovating technologies; Social progress, diversity and inclusion; and Championing Change. Under these pillars, activities will be undertaken in connection with ABB Formula E races in city centers around the world. ABB will build on its existing partnership with FIA Girls on Track to empower women and promote gender equality in an innovative, engaging, and positive manner. It will also support energy transition through education, awareness, training and volunteering by organizing events in schools and communities. Global & local engagement will also be driven by targeted public affairs programs within race locations.

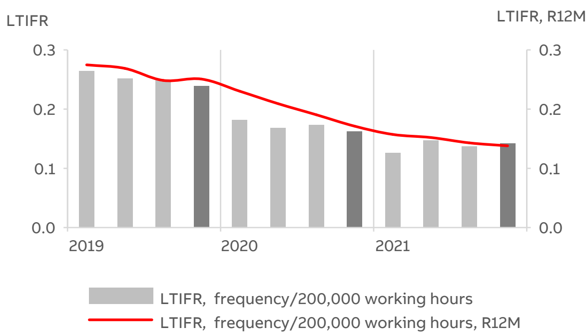
	Q4 2021	Q4 2020	CHANGE	12M ROLLING
CO2e own operations emissions, kt scope 1 and 2[1]	64	90	-29%	80
Lost Time Injury Frequency Rate (LTIFR), frequency / 200,000 working hours	0.142	0.162	-12%	0.143
Share of females in senior management positions, %	16.3	13.5	+2.8 pts	14.9

1 From energy use, previous quarter

CO_2 Scope 1&2



Lost Time Injury Frequency Rate



Significant events

During Q4 2021

- On December 7, ABB hosted its Capital Markets Day and lifted the revenue growth target to 4-7% through the economic cycle, in constant currency, which is the total of 3-5% organic growth and 1-2% acquired growth. ABB also sharpened the operational EBITA margin target to be at least 15% as from 2023, in any given year. These changes take into account the immediate adverse margin impacts due to the exit of the Mechanical Power Transmission division and the planned exit of the Turbocharging division. The Group had previously targeted 3-5% for revenue growth through the cycle and an operational EBITA margin in the upper half of a 13-16% range as from 2023.
  Additionally, in 2022, ABB will introduce a circularity framework covering every stage of the product lifecycle in order to preserve resources. These include: design and sourcing; production and packaging; optimizing the use phase (efficiency and lifetime); and the end-of-life phase (take back and recycling). The goal is to have 80% of ABB products, solutions and services covered by the circularity framework by 2030, with the company's progress measured against a set of KPIs. Already today, several initiatives are in place. For example, close to 40% of ABB's 400 sites across the world are sending zero waste to landfills.
- On November 1, ABB completed the divestment of its Mechanical Power Transmission division (Dodge) for $2.9 billion in cash. The deal triggered a non-operational pre-tax book gain of approximately $2.2 billion reported in income from operations.

After Q4 2021

- On January 27, ABB announced that it had increased its shareholdings to approximately 60% in start-up company InCharge Energy to strengthen its E-mobility division in the North American market and expand its software and digital services offering. InCharge Energy tailors end-to-end EV charging infrastructure solutions, including the procurement, installation, operation, and maintenance of charging systems, and provides cloud-based software services for the optimization of energy management.
- On February 2, ABB announced that Andrea Antonelli had been appointed General Counsel and Member of the Executive Committee, as of March 1, 2022. He will succeed Maria Varsellona, who will, as previously announced, leave the company to become Chief Legal Officer of Unilever. Furthermore, Andrea will become ABB's Company Secretary on March 24, 2022, following the Annual General Meeting.

Full year 2021

In 2021, demand for ABB's products increased strongly from the low level in the previous year period when the adverse business impact of the COVID-19 pandemic was significant. Orders amounted to $31,868 million and improved by 20% (17% comparable) and revenues amounted to $28,945 million, up by 11% (8% comparable), with a book-to-bill ratio of 1.10. The recovery was initially driven by the short-cycle business, and the process-related business predominantly picked up later in the period. Demand increased in both the product and the service business. Additionally, exchange rates had a positive impact on order intake and revenues.

Income from operations amounted to $5,718 million, up significantly from last year driven by stronger Operational EBITA as well as the book gain of $2.2 billion related to the divestment of the Mechanical Power Transmission business. Results include restructuring activities that are progressing according to plan with restructuring and restructuring-related expenses of $160 million. Operational EBITA improved by 42% year-on-year to $4,122 million and the Operational EBITA margin increased by 310bps to 14.2%. The improved performance was driven by increased revenues in combination with an improved gross margin and lower specific items which impact comparability. While revenues increased by 11%, the expenses related to selling, general and administrative (SG&A) increased by a more limited 5%, driven by higher sales expenses. The ratio in relation to revenues declined to 17.8%, from 18.7% in the year-earlier period. R&D expenses increased by 8%. Corporate and Other Operational EBITA improved by $207 million to -$338 million.

Net finance expenses amounted to -$97 million. For the full year 2021, the tax rate was 18.3%, reduced by approximately 8 percentage points by the impact from the divestment and certain tax benefits in the third and fourth quarter. Net income attributable to ABB was $4,546 million and decreased from last year's level which includes the book gain related to the divestment of Power Grids and was larger than the book gain related to this year's divestment of Mechanical Power Transmission. Basic earnings per share was $2.27. Cash flow from operating activities in continuing operations amounted to $3,338 million, up from $1,875 million in the year-earlier period.

Acquisitions and divestments, last twelve months

Acquisitions	Company/unit	Closing date	Revenues, $ million[1]	No. of employees
2021				
Electrification	Enervalis (majority stake)	26-Apr	1	22
Robotics & Discrete Automation	ASTI Mobile Robotics Group	2-Aug	36	300

Divestments	Company/unit	Closing date	Revenues, $ million[1]	No. of employees
2021				
Motion	Mechanical Power Transmission	1-Nov	645	1,500

Note: comparable growth calculation includes acquisitions and divestments with revenues of greater than $50 million.

1 Represents the estimated annual revenues for the period prior to the announcement of the respective acquisition/divestment.

Additional figures

ABB Group	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
EBITDA, $ in million	600	799	302	807	2,508	1,024	1,324	1,072	3,191	6,611
Return on Capital Employed, %	n.a.	n.a.	n.a.	n.a.	10.3%	n.a.	n.a.	n.a.	n.a.	14.90
Net debt/Equity	0.52	0.61	(0.05)	0.01	0.01	0.09	0.16	0.13	(0.01)	(0.01)
Net debt/ EBITDA 12M rolling	2.3	2.5	(0.4)	0.04	0.04	0.4	0.7	0.5	(0.01)	(0.01)
Net working capital, % of 12M rolling revenues	12.3%	12.6%	12.5%	10.5%	10.5%	10.8%	11.6%	10.2%	8.1%	8.1%
Earnings per share, basic, $	0.18	0.15	2.14	(0.04)	2.44	0.25	0.37	0.33	1.34	2.27
Earnings per share, diluted, $	0.18	0.15	2.14	(0.04)	2.43	0.25	0.37	0.32	1.33	2.25
Dividend per share, CHF	n.a.	n.a.	n.a.	n.a.	0.80	n.a.	n.a.	n.a.	n.a.	0.82*
Share price at the end of period, CHF	17.01	21.33	23.45	24.71	24.71	28.56	31.39	31.39	34.90	34.90
Share price at the end of period, $	17.26	22.56	25.45	27.96	27.96	30.47	33.99	33.36	38.17	38.17
Number of employees (FTE equivalents)	143,320	142,310	106,420	105,520	105,520	105,330	106,370	106,080	104,420	104,420
No. of shares outstanding at end of period (in millions)	2,134	2,135	2,092	2,031	2,031	2,024	2,006	1,993	1,958	1,958

* Dividend proposal subject to shareholder approval at the 2022 AGM

Additional 2022 guidance

($ in millions, unless otherwise stated)	FY 2022[1]	Q1 2022
Corporate and Other Operational costs	~(330)	~(80)
Non-operating items		
Restructuring and restructuring related	~(150)	~(40)
Separation costs[2]	~(180)	~(70)
ABB Way transformation	~(150)	~(30)
PPA-related amortization	~(230)	~(60)
Certain other income and expenses related to PG divestment[3]	~(20)	~(15)

($ in millions, unless otherwise stated)	FY 2022	Q1 2022
Net finance expenses	~(100)	~(25)
Non-operational pension (cost) / credit	~140	~35
Effective tax rate	~25%	~20%
Capital Expenditures	~(750)	~(140)

1 Excludes 2 main exposures estimated to a total of ~$300 million, that are ongoing in the non-core business. Exact exit timing is difficult to assess due to legal proceedings etc. however ABB currently expects $150-$200 million to come through in non-operating items during 2022.
2 Costs relating to the announced exits and the potential E-mobility listing.
3 Excluding share of net income from JV.

Important notice about forward-looking information

This press release includes forward-looking information and statements as well as other statements concerning the outlook for our business, including those in the sections of this release titled “CEO summary”, “Outlook”, “Share buyback program”, “Sustainability” and “Significant events”. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, the economic conditions of the regions and industries that are major markets for ABB. These expectations, estimates and projections are generally identifiable by statements containing words such as “goals”, “anticipates,” “expects”, “estimates,” “plans,” “targets” or similar expressions. However, there are many risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this press release and which could affect our ability to achieve any or all of our stated targets. Some important factors that could cause such differences include, among others, business risks associated with the volatile global economic environment and political conditions, costs associated with compliance activities, market acceptance of new products and services, changes in governmental regulations and currency exchange rates and such other factors as may be discussed from time to time in ABB Ltd’s filings with the U.S. Securities and Exchange Commission, including its Annual Reports on Form 20-F. Although ABB Ltd believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

Q4 results presentation on February 3, 2022

The Q4 2021 results press release and presentation slides are available on the ABB News Center at www.abb.com/news and on the Investor Relations homepage at www.abb.com/investorrelations.

A conference call and webcast for analysts and investors is scheduled to begin today at 10:00 a.m. CET.

To pre-register for the conference call or to join the webcast, please refer to the ABB website: www.abb.com/investorrelations.

The recorded session will be available after the event on ABB’s website.

Financial calendar

2022	
February 10	ABB E-mobility CMD, virtual
March 24	Annual General Meeting
March 30	Propose date to receive dividend for shares on CH-SIX
April 1	Proposed date to receive dividend for shares on SE-Nasdaq
April 21	Q1 2022 results
Mid-May	Proposed timing to receive dividend for shares on US-NYSE
May 17	ABB Motion CMD in Helsinki
May 18	ABB Process Automation CMD in Helsinki
July 21	Q2 2022 results
October 20	Q3 2022 results

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ABB (ABBN: SIX Swiss Ex) is a leading global technology company that energizes the transformation of society and industry to achieve a more productive, sustainable future. By connecting software to its electrification, robotics, automation and motion portfolio, ABB pushes the boundaries of technology to drive performance to new levels. With a history of excellence stretching back more than 130 years, ABB’s success is driven by about 105,000 talented employees in over 100 countries.