



January 30, 2025

Q4 2024

FINANCIAL INFORMATION

Financial Information

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Key Figures

(\$ in millions, unless otherwise indicated)	Q4 2024	Q4 2023	CHANGE	
			US\$	Comparable ⁽¹⁾
Orders	8,088	7,649	6%	7%
Order backlog (end December)	21,221	21,567	-2%	4%
Revenues	8,590	8,245	4%	5%
Gross Profit	3,049	2,848	7%	
as % of revenues	35.5%	34.5%	+1 pts	
Income from operations	1,169	1,116	5%	
Operational EBITA ⁽¹⁾	1,434	1,333	8%	9% ⁽²⁾
as % of operational revenues ⁽¹⁾	16.7%	16.3%	+0.4 pts	
Income from continuing operations, net of tax	1,000	946	6%	
Net income attributable to ABB	987	921	7%	
Basic earnings per share (\$)	0.54	0.50	7% ⁽³⁾	
Cash flow from operating activities	1,537	1,897	-19%	
Free cash flow ⁽¹⁾	1,295	1,713	-24%	

(\$ in millions, unless otherwise indicated)	FY 2024	FY 2023	CHANGE	
			US\$	Comparable ⁽¹⁾
Orders	33,690	33,818	0%	1%
Revenues	32,850	32,235	2%	3%
Gross Profit	12,274	11,214	9%	
as % of revenues	37.4%	34.8%	+2.6 pts	
Income from operations	5,071	4,871	4%	
Operational EBITA ⁽¹⁾	5,968	5,427	10%	11% ⁽²⁾
as % of operational revenues ⁽¹⁾	18.1%	16.9%	+1.2 pts	
Income from continuing operations, net of tax	3,955	3,848	3%	
Net income attributable to ABB	3,935	3,745	5%	
Basic earnings per share (\$)	2.13	2.02	6% ⁽³⁾	
Cash flow from operating activities	4,675	4,290	9%	
Free cash flow ⁽¹⁾	3,937	3,667	7%	

(1) For a reconciliation of alternative performance measures see "Supplemental Reconciliations and Definitions" on page 32.

(2) Constant currency (not adjusted for portfolio changes).

(3) EPS growth rates are computed using unrounded amounts.

(\$ in millions, unless otherwise indicated)		Q4 2024	Q4 2023	CHANGE		
				US\$	Local	Comparable
Orders	ABB Group	8,088	7,649	6%	7%	7%
	Electrification	3,908	3,395	15%	16%	16%
	Motion	1,866	1,937	-4%	-3%	-3%
	Process Automation	1,823	1,870	-3%	-1%	-1%
	Robotics & Discrete Automation	567	550	3%	4%	4%
	<i>Corporate and Other</i>	117	125			
	<i>Intersegment eliminations</i>	(193)	(228)			
Order backlog (end December)	ABB Group	21,221	21,567	-2%	4%	4%
	Electrification	7,506	6,808	10%	15%	15%
	Motion	5,239	5,343	-2%	4%	4%
	Process Automation	7,437	7,519	-1%	5%	4%
	Robotics & Discrete Automation	1,447	2,141	-32%	-29%	-29%
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(408)	(244)			
Revenues	ABB Group	8,590	8,245	4%	6%	5%
	Electrification	4,046	3,698	9%	11%	11%
	Motion	2,038	1,946	5%	6%	6%
	Process Automation	1,795	1,727	4%	5%	4%
	Robotics & Discrete Automation	769	852	-10%	-9%	-9%
	<i>Corporate and Other</i>	181	229			
	<i>Intersegment eliminations</i>	(239)	(207)			
Income from operations	ABB Group	1,169	1,116			
	Electrification	863	670			
	Motion	333	292			
	Process Automation	224	259			
	Robotics & Discrete Automation	15	99			
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(266)	(204)			
Income from operations %	ABB Group	13.6%	13.5%			
	Electrification	21.3%	18.1%			
	Motion	16.3%	15.0%			
	Process Automation	12.5%	15.0%			
	Robotics & Discrete Automation	2.0%	11.6%			
Operational EBITA	ABB Group	1,434	1,333	8%	9%	
	Electrification	863	725	19%	21%	
	Motion	383	318	20%	21%	
	Process Automation	258	239	8%	10%	
	Robotics & Discrete Automation	61	118	-48%	-48%	
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(131)	(67)			
Operational EBITA %	ABB Group	16.7%	16.3%			
	Electrification	21.3%	19.7%			
	Motion	18.7%	16.6%			
	Process Automation	14.4%	14.0%			
	Robotics & Discrete Automation	7.9%	13.8%			
Cash flow from operating activities	ABB Group	1,537	1,897			
	Electrification	1,214	1,068			
	Motion	518	597			
	Process Automation	349	444			
	Robotics & Discrete Automation	39	170			
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(583)	(382)			

(\$ in millions, unless otherwise indicated)		FY 2024	FY 2023	CHANGE		
				US\$	Local	Comparable
Orders	ABB Group	33,690	33,818	0%	1%	1%
	Electrification	16,422	15,189	8%	9%	10%
	Motion	7,989	8,222	-3%	-2%	-2%
	Process Automation	7,106	7,535	-6%	-5%	-5%
	Robotics & Discrete Automation	2,596	3,066	-15%	-15%	-15%
	<i>Corporate and Other</i>	503	720			
	<i>Intersegment eliminations</i>	(926)	(914)			
Order backlog (end December)	ABB Group	21,221	21,567	-2%	4%	4%
	Electrification	7,506	6,808	10%	15%	15%
	Motion	5,239	5,343	-2%	4%	4%
	Process Automation	7,437	7,519	-1%	5%	4%
	Robotics & Discrete Automation	1,447	2,141	-32%	-29%	-29%
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(408)	(244)			
Revenues	ABB Group	32,850	32,235	2%	3%	3%
	Electrification	15,448	14,584	6%	7%	9%
	Motion	7,787	7,814	0%	1%	0%
	Process Automation	6,756	6,270	8%	9%	9%
	Robotics & Discrete Automation	3,213	3,640	-12%	-11%	-11%
	<i>Corporate and Other</i>	558	769			
	<i>Intersegment eliminations</i>	(912)	(842)			
Income from operations	ABB Group	5,071	4,871			
	Electrification	3,362	2,800			
	Motion	1,400	1,390			
	Process Automation	974	947			
	Robotics & Discrete Automation	183	446			
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(848)	(712)			
Income from operations %	ABB Group	15.4%	15.1%			
	Electrification	21.8%	19.2%			
	Motion	18.0%	17.8%			
	Process Automation	14.4%	15.1%			
	Robotics & Discrete Automation	5.7%	12.3%			
Operational EBITA	ABB Group	5,968	5,427	10%	11%	
	Electrification	3,520	2,937	20%	21%	
	Motion	1,518	1,475	3%	3%	
	Process Automation	1,025	909	13%	14%	
	Robotics & Discrete Automation	329	536	-39%	-38%	
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(424)	(430)			
Operational EBITA %	ABB Group	18.1%	16.9%			
	Electrification	22.7%	20.1%			
	Motion	19.4%	18.9%			
	Process Automation	15.1%	14.5%			
	Robotics & Discrete Automation	10.2%	14.7%			
Cash flow from operating activities	ABB Group	4,675	4,290			
	Electrification	3,652	3,211			
	Motion	1,776	1,532			
	Process Automation	1,158	1,002			
	Robotics & Discrete Automation	315	436			
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(2,226)	(1,891)			

Operational EBITA

(\$ in millions, unless otherwise indicated)	ABB		Electrification		Motion		Process Automation		Robotics & Discrete Automation	
	Q4 24	Q4 23	Q4 24	Q4 23	Q4 24	Q4 23	Q4 24	Q4 23	Q4 24	Q4 23
	Revenues	8,590	8,245	4,046	3,698	2,038	1,946	1,795	1,727	769
Foreign exchange/commodity timing differences in total revenues	16	(66)	6	(15)	11	(35)	2	(21)	1	2
Operational revenues	8,606	8,179	4,052	3,683	2,049	1,911	1,797	1,706	770	854
Income from operations	1,169	1,116	863	670	333	292	224	259	15	99
Acquisition-related amortization	46	56	25	22	9	9	5	1	6	20
Restructuring, related and implementation costs ⁽¹⁾	81	127	7	50	15	41	23	(4)	19	6
Changes in obligations related to divested businesses	1	2	-	-	-	-	-	-	-	-
Gains and losses from sale of businesses	(70)	(4)	(71)	(4)	-	-	-	-	-	-
Fair value adjustment on assets and liabilities held for sale	(19)	-	-	-	-	-	-	-	-	-
Acquisition- and divestment-related expenses and integration costs	19	19	5	7	2	2	2	(4)	4	7
Certain other non-operational items	157	76	4	5	2	2	2	-	14	(14)
Foreign exchange/commodity timing differences in income from operations	50	(59)	30	(25)	22	(28)	2	(13)	3	-
Operational EBITA	1,434	1,333	863	725	383	318	258	239	61	118
Operational EBITA margin (%)	16.7%	16.3%	21.3%	19.7%	18.7%	16.6%	14.4%	14.0%	7.9%	13.8%

(\$ in millions, unless otherwise indicated)	ABB		Electrification		Motion		Process Automation		Robotics & Discrete Automation	
	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23
	Revenues	32,850	32,235	15,448	14,584	7,787	7,814	6,756	6,270	3,213
Foreign exchange/commodity timing differences in total revenues	83	(41)	38	(3)	27	(23)	18	(18)	(1)	4
Operational revenues	32,933	32,194	15,486	14,581	7,814	7,791	6,774	6,252	3,212	3,644
Income from operations	5,071	4,871	3,362	2,800	1,400	1,390	974	947	183	446
Acquisition-related amortization	203	220	94	88	35	35	10	5	54	79
Restructuring, related and implementation costs ⁽¹⁾	178	219	27	76	39	46	30	3	59	6
Changes in obligations related to divested businesses	(10)	(3)	-	1	-	-	-	-	-	-
Gains and losses from sale of businesses	(57)	(101)	(73)	(75)	-	-	-	(26)	-	-
Fair value adjustment on assets and liabilities held for sale	113	-	25	-	-	-	-	-	-	-
Acquisition- and divestment-related expenses and integration costs	73	74	38	30	5	17	5	(7)	16	14
Certain other non-operational items	325	165	7	16	7	6	-	-	14	(10)
Foreign exchange/commodity timing differences in income from operations	72	(18)	40	1	32	(19)	6	(13)	3	1
Operational EBITA	5,968	5,427	3,520	2,937	1,518	1,475	1,025	909	329	536
Operational EBITA margin (%)	18.1%	16.9%	22.7%	20.1%	19.4%	18.9%	15.1%	14.5%	10.2%	14.7%

(1) Includes impairment of certain assets.

Depreciation and Amortization

(\$ in millions)	ABB		Electrification		Motion		Process Automation		Robotics & Discrete Automation	
	Q4 24	Q4 23	Q4 24	Q4 23	Q4 24	Q4 23	Q4 24	Q4 23	Q4 24	Q4 23
	Depreciation	144	133	74	66	31	28	12	12	14
Amortization	61	66	35	28	11	10	6	2	7	20
including total acquisition-related amortization of:	46	56	25	22	9	9	5	1	6	20

(\$ in millions)	ABB		Electrification		Motion		Process Automation		Robotics & Discrete Automation	
	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23
	Depreciation	550	517	275	256	119	108	48	47	58
Amortization	252	263	120	109	42	41	14	9	58	81
including total acquisition-related amortization of:	203	220	94	88	35	35	10	5	54	79

Orders received and revenues by region

(\$ in millions, unless otherwise indicated)	Orders received		CHANGE			Revenues		CHANGE		
	Q4 24	Q4 23	US\$	Local	Com-parable	Q4 24	Q4 23	US\$	Local	Com-parable
	Europe	2,798	2,554	10%	11%	9%	2,881	2,951	-2%	-2%
The Americas	3,127	2,985	5%	6%	7%	3,050	2,847	7%	9%	9%
of which United States	2,291	2,277	1%	1%	1%	2,289	2,105	9%	9%	9%
Asia, Middle East and Africa	2,163	2,110	3%	4%	4%	2,659	2,447	9%	11%	10%
of which China	800	895	-11%	-11%	-11%	1,070	1,064	1%	1%	1%
ABB Group	8,088	7,649	6%	7%	7%	8,590	8,245	4%	6%	5%

(\$ in millions, unless otherwise indicated)	Orders received		CHANGE			Revenues		CHANGE		
	FY 24	FY 23	US\$	Local	Com-parable	FY 24	FY 23	US\$	Local	Com-parable
	Europe	11,454	11,458	0%	0%	0%	11,119	11,568	-4%	-4%
The Americas	12,110	12,437	-3%	-2%	-1%	11,805	11,090	6%	7%	8%
of which United States	8,978	9,204	-2%	-2%	-2%	8,879	8,248	8%	8%	9%
Asia, Middle East and Africa	10,126	9,923	2%	5%	5%	9,926	9,577	4%	7%	7%
of which China	3,952	4,488	-12%	-10%	-10%	4,296	4,468	-4%	-2%	-2%
ABB Group	33,690	33,818	0%	1%	1%	32,850	32,235	2%	3%	3%

Consolidated Financial Information

ABB Ltd Consolidated Income Statements (unaudited)

(\$ in millions, except per share data in \$)	Year ended		Three months ended	
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Sales of products	27,217	27,010	7,085	6,800
Sales of services and other	5,633	5,225	1,505	1,445
Total revenues	32,850	32,235	8,590	8,245
Cost of sales of products	(17,347)	(17,938)	(4,661)	(4,545)
Cost of services and other	(3,229)	(3,083)	(880)	(852)
Total cost of sales	(20,576)	(21,021)	(5,541)	(5,397)
Gross profit	12,274	11,214	3,049	2,848
Selling, general and administrative expenses	(5,708)	(5,543)	(1,503)	(1,485)
Non-order related research and development expenses	(1,469)	(1,317)	(409)	(366)
Other income (expense), net	(26)	517	32	119
Income from operations	5,071	4,871	1,169	1,116
Interest and dividend income	206	165	60	50
Interest and other finance expense	(99)	(275)	(8)	(78)
Non-operational pension (cost) credit	55	17	16	(6)
Income from continuing operations before taxes	5,233	4,778	1,237	1,082
Income tax expense	(1,278)	(930)	(237)	(136)
Income from continuing operations, net of tax	3,955	3,848	1,000	946
Loss from discontinued operations, net of tax	(3)	(24)	(5)	(8)
Net income	3,952	3,824	995	938
Net income attributable to noncontrolling interests and redeemable noncontrolling interests	(17)	(79)	(8)	(17)
Net income attributable to ABB	3,935	3,745	987	921
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	3,937	3,769	992	929
Loss from discontinued operations, net of tax	(2)	(24)	(5)	(8)
Net income	3,935	3,745	987	921
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	2.14	2.03	0.54	0.50
Loss from discontinued operations, net of tax	-	(0.01)	-	-
Net income	2.13	2.02	0.54	0.50
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	2.13	2.02	0.54	0.50
Loss from discontinued operations, net of tax	-	(0.01)	-	-
Net income	2.13	2.01	0.53	0.50
Weighted-average number of shares outstanding (in millions) used to compute:				
Basic earnings per share attributable to ABB shareholders	1,844	1,855	1,841	1,845
Diluted earnings per share attributable to ABB shareholders	1,851	1,867	1,846	1,856

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)

(\$ in millions)	Year ended		Three months ended	
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Total comprehensive income, net of tax	3,647	3,315	695	586
Total comprehensive (income) loss attributable to noncontrolling interests and redeemable noncontrolling interests, net of tax	8	(84)	14	(30)
Total comprehensive income attributable to ABB shareholders, net of tax	3,655	3,231	709	556

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)	Dec. 31, 2024	Dec. 31, 2023
Cash and equivalents	4,311	3,891
Restricted cash	15	18
Marketable securities and short-term investments	1,334	1,928
Receivables, net	7,388	7,446
Contract assets	1,115	1,090
Inventories, net	5,859	6,149
Prepaid expenses	287	235
Other current assets	541	520
Total current assets	20,850	21,277
Property, plant and equipment, net	4,177	4,142
Operating lease right-of-use assets	840	893
Investments in equity-accounted companies	368	187
Prepaid pension and other employee benefits	689	780
Intangible assets, net	1,048	1,223
Goodwill	10,555	10,561
Deferred taxes	1,341	1,381
Other non-current assets	489	496
Total assets	40,357	40,940
Accounts payable, trade	5,036	4,847
Contract liabilities	2,969	2,844
Short-term debt and current maturities of long-term debt	293	2,607
Current operating leases	235	249
Provisions for warranties	1,248	1,210
Other provisions	853	1,201
Other current liabilities	4,582	5,046
Total current liabilities	15,216	18,004
Long-term debt	6,652	5,221
Non-current operating leases	631	666
Pension and other employee benefits	569	686
Deferred taxes	675	669
Other non-current liabilities	1,554	1,548
Total liabilities	25,297	26,794
<i>Commitments and contingencies</i>		
Redeemable noncontrolling interest	–	89
Stockholders' equity:		
Common stock, CHF 0.12 par value (1,861 million and 1,882 million shares issued at December 31, 2024 and 2023, respectively)	162	163
Additional paid-in capital	50	7
Retained earnings	20,717	19,724
Accumulated other comprehensive loss	(5,350)	(5,070)
Treasury stock, at cost (22 million and 40 million shares at December 31, 2024 and 2023, respectively)	(1,091)	(1,414)
Total ABB stockholders' equity	14,488	13,410
Noncontrolling interests	572	647
Total stockholders' equity	15,060	14,057
Total liabilities and stockholders' equity	40,357	40,940

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)

(\$ in millions)	Year ended		Three months ended	
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Operating activities:				
Net income	3,952	3,824	995	938
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	802	780	205	199
Changes in fair values of investments	65	(29)	83	(1)
Pension and other employee benefits	(92)	(48)	(40)	19
Deferred taxes	(2)	(28)	91	16
Loss from equity-accounted companies	21	16	7	5
Net loss (gain) from derivatives and foreign exchange	(52)	(54)	16	(11)
Net gain from sale of property, plant and equipment	(60)	(116)	(18)	(77)
Net gain from sale of businesses	(67)	(100)	(71)	(3)
Fair value adjustment on assets and liabilities held for sale	113	-	(19)	-
Other	138	158	39	43
Changes in operating assets and liabilities:				
Trade receivables, net	(179)	(633)	(229)	164
Contract assets and liabilities	203	412	82	169
Inventories, net	(101)	(3)	323	435
Accounts payable, trade	189	(129)	110	(73)
Accrued liabilities	(8)	252	183	114
Provisions, net	(29)	212	15	113
Income taxes payable and receivable	(123)	(190)	(316)	(181)
Other assets and liabilities, net	(95)	(34)	81	28
Net cash provided by operating activities	4,675	4,290	1,537	1,897
Investing activities:				
Purchases of investments	(1,563)	(1,957)	(361)	(854)
Purchases of property, plant and equipment and intangible assets	(845)	(770)	(283)	(264)
Acquisition of businesses (net of cash acquired) and increases in cost- and equity-accounted companies	(622)	(225)	(325)	(65)
Proceeds from sales of investments	2,170	610	332	12
Proceeds from maturity of investments	-	149	-	11
Proceeds from sales of property, plant and equipment	107	147	41	80
Proceeds from sales of businesses (net of transaction costs and cash disposed) and cost- and equity-accounted companies	(43)	530	(30)	(1)
Net cash from settlement of foreign currency derivatives	87	(109)	96	(33)
Changes in loans receivable, net	(13)	3	(3)	(4)
Other investing activities	(3)	7	(1)	(2)
Net cash used in investing activities	(725)	(1,615)	(534)	(1,120)
Financing activities:				
Net changes in debt with original maturities of 90 days or less	(15)	(1,365)	(8)	(368)
Increase in debt	1,914	2,586	550	2
Repayment of debt	(2,488)	(1,567)	(1)	(130)
Delivery of shares	451	154	47	36
Purchase of treasury stock	(1,247)	(1,258)	(404)	(349)
Dividends paid	(1,769)	(1,713)	-	-
Dividends paid to noncontrolling shareholders	(103)	(93)	-	(4)
Proceeds from issuance of subsidiary shares	-	328	-	-
Other financing activities	(69)	31	(43)	27
Net cash provided by (used in) financing activities	(3,326)	(2,897)	141	(786)
Effects of exchange rate changes on cash and equivalents and restricted cash	(207)	(43)	(101)	31
Adjustment for the net change in cash and equivalents and restricted cash in Assets held for sale	-	-	-	-
Net change in cash and equivalents and restricted cash	417	(265)	1,043	22
Cash and equivalents and restricted cash, beginning of period	3,909	4,174	3,283	3,887
Cash and equivalents and restricted cash, end of period	4,326	3,909	4,326	3,909
Supplementary disclosure of cash flow information:				
Interest paid	241	250	40	99
Income taxes paid	1,382	1,147	430	282

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, 2023	171	141	20,082	(4,556)	(3,061)	12,777	410	13,187
Net income ⁽¹⁾			3,745			3,745	83	3,828
Foreign currency translation adjustments, net of tax of \$(2)				(286)		(286)	5	(281)
Effect of change in fair value of available-for-sale securities, net of tax of \$3				11		11		11
Unrecognized income (expense) related to pensions and other postretirement plans, net of tax of \$(45)				(237)		(237)		(237)
Change in derivative instruments and hedges, net of tax of \$(1)				(2)		(2)		(2)
Issuance of subsidiary shares		170				170	168	338
Other changes in noncontrolling interests		(31)	(37)			(68)	67	(1)
Dividends to noncontrolling shareholders							(93)	(93)
Dividends to shareholders			(1,706)			(1,706)		(1,706)
Cancellation of treasury shares	(7)	(201)	(2,359)		2,567			
Share-based payment arrangements		101				101	2	103
Purchase of treasury stock					(1,247)	(1,247)		(1,247)
Delivery of shares		(173)			327	154		154
Other		(2)				(2)	5	3
Balance at December 31, 2023	163	7	19,724	(5,070)	(1,414)	13,410	647	14,057
Balance at January 1, 2024	163	7	19,724	(5,070)	(1,414)	13,410	647	14,057
Net income ⁽¹⁾			3,935			3,935	19	3,954
Foreign currency translation adjustments, net of tax of \$2				(271)		(271)	(25)	(296)
Effect of change in fair value of available-for-sale securities, net of tax of \$1				5		5		5
Unrecognized income (expense) related to pensions and other postretirement plans, net of tax of \$24				(16)		(16)		(16)
Change in derivative instruments and hedges, net of tax of \$(2)				2		2		2
Changes in noncontrolling interests		(10)	(62)			(72)	30	(42)
Dividends to noncontrolling shareholders							(104)	(104)
Dividends to shareholders			(1,804)			(1,804)		(1,804)
Cancellation of treasury shares	(2)	(2)	(828)		832			
Share-based payment arrangements		97				97	5	102
Purchase of treasury stock					(1,251)	(1,251)		(1,251)
Delivery of shares		(40)	(249)		740	451		451
Other		(1)				(1)		(1)
Balance at December 31, 2024	162	50	20,717	(5,350)	(1,091)	14,488	572	15,060

(1) Amounts attributable to noncontrolling interests for the year ended December 31, 2024 and 2023, exclude net losses of \$2 million and \$4 million, respectively, related to redeemable noncontrolling interests, which are reported in the mezzanine equity section on the Consolidated Balance Sheets. See Note 3 for details.

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

See Notes to the Consolidated Financial Information

Notes to the Consolidated Financial Information (unaudited)

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 Annual Report for the year ended December 31, 2023.

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 related to credit losses expected to occur over the remaining life of financial assets such as trade and other receivables, loans and other instruments,
- 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,
- 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,
- estimates and assumptions used in determining the fair values of assets and liabilities assumed in business combinations, and
- estimates and assumptions used in determining the initial fair value of retained noncontrolling interests and certain obligations in connection with divestments.

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

A portion of the Company's activities (primarily long-term construction activities) has an operating cycle that exceeds one year. For classification of current assets and liabilities related to such activities, the Company elected to use the duration of the individual contracts as its operating cycle. Accordingly, there are accounts receivable, contract assets, inventories and provisions related to these contracts which will not be realized within 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.

Effective January 1, 2024, the Company changed the presentation of discontinued operations in its statement of cash flows to an alternate allowable presentation. As a result, the total cash flows for operating, investing and financing activities from discontinued operations are no longer shown separately but instead all cash flows in discontinued operations are presented within each line item as appropriate in the statement of cash flows. All prior periods presented have been reclassified to conform to the current period presentation and there was no material impact for the year and three months ended December 31, 2023.

Note 2

Recent accounting pronouncements

Applicable for current periods

Improvements to reportable segment disclosures

In January 2024, the Company adopted an accounting standard update which requires the Company to disclose additional reportable segment information primarily through enhanced disclosures about significant segment expenses and extending certain annual disclosure requirements to a quarterly frequency. The update will be applied retrospectively for all periods presented in the Company's 2024 annual consolidated financial statements and then commencing from the first quarter of 2025, in its interim consolidated financial information. Other than these additional disclosures, this update does not have a significant impact on the Company's consolidated financial statements.

Applicable for future periods

Improvements to Income tax disclosures

In December 2023, an accounting standard update was issued which requires the Company to disclose additional information related to income taxes. Under the update, the Company is required to annually disclose by jurisdiction (i) additional disaggregated information within the tax rate reconciliation and (ii) income taxes paid. This update is effective for the Company prospectively, with retrospective adoption permitted, for annual periods beginning January 1, 2025. The Company is currently evaluating the impact of adopting this update on its consolidated financial statements.

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.

Note 3

Acquisitions and divestments

Acquisition of controlling interests

Acquisitions of controlling interests were as follows:

(\$ in millions, except number of acquired businesses)	Year ended December 31,		Three months ended December 31,	
	2024	2023	2024	2023
Purchase price for acquisitions (net of cash acquired) ⁽¹⁾	583	175	317	61
Aggregate excess of purchase price over fair value of net assets acquired ⁽²⁾	428	142	208	87
Number of acquired businesses	7	7	3	4

(1) Excluding changes in cost- and equity-accounted companies.

(2) 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" amounts in the year ended December 31, 2024, relate primarily to the acquisitions of the Födisch Group, the SEAM Group and DTN Europe B.V.

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 October 1, 2024, the Company acquired all the shares of the Födisch Group. The Födisch Group is a worldwide provider of advanced measurement and analytical solutions for the energy and industrial sectors. The cash outflows to complete the transaction amounted to \$287 million (net of cash acquired). This acquisition enhances the Company's Process Automation segment offering in continuous emission monitoring systems (CEMS) and bolsters its competitiveness in technology and innovation in this segment.

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.

Business divestments

In November 2024, the Company together with the Niedax Group formed Abnex Inc. (Abnex), a new joint venture company where each party has joint control. Under the terms of the agreement, the Company contributed its North American cable tray business to Abnex in return for a 50 percent ownership interest in the new joint venture. The transaction was recorded as a sale of its North American cable tray business, for which the Company recorded a gain of \$72 million, in Other income (expense), net, with a separate acquisition at fair value of the 50 percent investment in Abnex, amounting to \$124 million and accounted for using the equity method. The results of operations of the North American cable tray business are included in the continuing operations of the Electrification operating segment for all periods presented through to the date of transfer.

In September 2024, the Company and the noncontrolling shareholders of InCharge Energy Inc. (In-Charge) a subsidiary entirely within its E-mobility Division, came to a definitive agreement to terminate their respective put and call options by settling the contracts on a net basis. This agreement, completed in November 2024, resulted in the Company returning a portion of its shares to In-Charge, thereby reducing its direct ownership to approximately 46 percent and thus losing control. This transaction was treated similar to a business divestment and with a separate re-acquisition at fair value of the 46 percent investment (amounting to \$69 million) accounted for using the equity method. The Company recorded a loss of \$88 million, representing the excess of the carrying value over the estimated fair value of this business, in Other income (expense), net, in connection with the loss of control. The fair value adjustment on this business was determined using Level 3 inputs and based on a discounted cash flow model considering the expected future results of this business. The loss is based on the net assets of the business at the time of the deemed sale.

In the year ended December 31, 2023, the Company received proceeds (net of transaction costs and cash disposed) of \$530 million relating to divestments of consolidated businesses and recorded gains of \$100 million, in Other income (expense), net, on the sale of such businesses. These are primarily due the divestment of the Company's Power Conversion Division to AcBel Polytech Inc. in July 2023, which prior to its sale was part of the Company's Electrification operating segment.

Investments in equity-accounted companies

In connection with the establishment of the Joint Venture with the Niedex Group in November 2024, the Company obtained a 50 percent interest in Abnex, the resulting new joint venture entity. For accounting purposes the acquisition of the 50 percent interest has a fair value at the transaction date of \$124 million. The fair value was based on a discounted cash flow model considering the expected results of the future business operations of Abnex and using relevant market inputs including a risk-adjusted weighted-average cost of capital. As Abnex is jointly owned and controlled by ABB and the Niedex Group, the investment is accounted for using the equity method.

In November 2024, the reduction in the Company's share ownership and simultaneous loss of control of In-Charge resulted in, for accounting purposes, a separate acquisition of a 46 percent interest in this company. The fair value of this investment at the transaction date amounted to \$69 million and is accounted for using the equity method.

Note 4

Cash and equivalents, marketable securities and short-term investments

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

(\$ in millions)	December 31, 2024					
	Cost basis	Gross unrealized gains	Gross unrealized losses	Fair value	Cash and equivalents and restricted cash	Marketable securities and short-term investments
Changes in fair value recorded in net income						
Cash	1,328			1,328	1,328	
Time deposits	3,518			3,518	2,998	520
Equity securities	794	22	(2)	814		814
Total	5,640	22	(2)	5,660	4,326	1,334
Of which:						
Restricted cash, current					15	
(\$ in millions)	December 31, 2023					
	Cost basis	Gross unrealized gains	Gross unrealized losses	Fair value	Cash and equivalents and restricted cash	Marketable securities and short-term investments
Changes in fair value recorded in net income						
Cash	1,449			1,449	1,449	
Time deposits	2,923			2,923	2,460	463
Equity securities	1,250	32		1,282		1,282
	5,622	32	-	5,654	3,909	1,745
Changes in fair value recorded in other comprehensive income						
Debt securities available-for-sale:						
U.S. government obligations	189	2	(8)	183		183
	189	2	(8)	183	-	183
Total	5,811	34	(8)	5,837	3,909	1,928
Of which:						
Restricted cash, current					18	

Note 5

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's policies require its subsidiaries to hedge their foreign currency exposures from binding sales and purchase contracts denominated in foreign currencies. For forecasted foreign currency denominated sales of standard products and the related foreign currency denominated purchases, the Company's policy is to hedge up to a maximum of 100 percent of the forecasted foreign currency denominated exposures, depending on the length of the forecasted exposures. Forecasted exposures greater than 12 months are not hedged. 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.

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's policies require that its subsidiaries hedge the commodity price risk exposures from binding contracts, as well as at least 50 percent (up to a maximum of 100 percent) of the forecasted commodity exposure over the next 12 months or longer (up to a maximum of 18 months). Primarily swap contracts are 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 (\$ in millions)	Total notional amounts at	
	December 31, 2024	December 31, 2023
Foreign exchange contracts	12,800	12,335
Embedded foreign exchange derivatives	1,159	1,137
Cross-currency interest rate swaps	833	886
Interest rate contracts	1,510	1,606

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:

Type of derivative	Unit	Total notional amounts at	
		December 31, 2024	December 31, 2023
Copper swaps	metric tonnes	40,699	35,015
Silver swaps	ounces	2,648,681	2,359,363
Steel swaps	metric tonnes	20,185	10,206
Aluminum swaps	metric tonnes	4,525	5,900

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 year and three months ended December 31, 2024 and 2023, there were no significant amounts recorded for cash flow hedge accounting activities.

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:

(\$ in millions)		Year ended December 31,		Three months ended December 31,	
		2024	2023	2024	2023
Gains (losses) recognized in Interest and other finance expense:					
Interest rate contracts	Designated as fair value hedges	28	44	–	14
	Hedged item	(29)	(45)	–	(14)
Cross-currency interest rate swaps	Designated as fair value hedges	33	30	13	43
	Hedged item	(30)	(40)	(12)	(42)

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 (\$ in millions)	Location	Gains (losses) recognized in income			
		Year ended December 31,		Three months ended December 31,	
		2024	2023	2024	2023
Foreign exchange contracts	Total revenues	(262)	145	(143)	158
	Total cost of sales	77	(71)	42	(51)
	SG&A expenses ⁽¹⁾	35	27	11	3
	Non-order related research and development	–	(7)	–	(3)
	Interest and other finance expense	282	(240)	192	(224)
Embedded foreign exchange contracts	Total revenues	27	18	34	(21)
	Total cost of sales	(6)	1	(6)	1
Commodity contracts	Total cost of sales	14	(3)	(35)	4
Other	Interest and other finance expense	(1)	1	–	–
Total		166	(129)	95	(133)

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

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

(\$ in millions)	December 31, 2024			
	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	–	–	1	–
Interest rate contracts	–	7	–	–
Cross-currency interest rate swaps	–	–	–	256
Other	4	–	–	–
Total	4	7	1	256
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	151	17	111	15
Commodity contracts	4	–	20	–
Embedded foreign exchange derivatives	22	6	11	5
Other	–	5	–	–
Total	177	28	142	20
Total fair value	181	35	143	276

(\$ in millions)	December 31, 2023			
	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	-	-	5	2
Interest rate contracts	-	-	18	-
Cross-currency interest rate swaps	-	-	-	230
Other	10	-	-	-
Total	10	-	23	232
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	123	30	177	9
Commodity contracts	8	-	3	-
Interest rate contracts	1	-	1	-
Embedded foreign exchange derivatives	23	5	26	5
Other	4	-	-	-
Total	159	35	207	14
Total fair value	169	35	230	246

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 December 31, 2024 and 2023, have been presented on a gross basis.

The Company's netting agreements and other similar arrangements allow net settlements under certain conditions. At December 31, 2024 and 2023, information related to these offsetting arrangements was as follows:

(\$ in millions)	December 31, 2024				
	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	188	(90)	-	-	98
Total	188	(90)	-	-	98

(\$ in millions)	December 31, 2024				
	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	403	(90)	-	-	313
Total	403	(90)	-	-	313

(\$ in millions)	December 31, 2023				
	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	176	(111)	-	-	65
Total	176	(111)	-	-	65

(\$ in millions)	December 31, 2023				
	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	445	(111)	-	-	334
Total	445	(111)	-	-	334

Note 6

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 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 of relevant market data (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:

(\$ in millions)	December 31, 2024			
	Level 1	Level 2	Level 3	Total fair value
Assets				
Securities in "Marketable securities and short-term investments":				
Equity securities	-	814	-	814
Derivative assets—current in "Other current assets"	-	181	-	181
Derivative assets—non-current in "Other non-current assets"	-	35	-	35
Total	-	1,030	-	1,030
Liabilities				
Derivative liabilities—current in "Other current liabilities"	-	143	-	143
Derivative liabilities—non-current in "Other non-current liabilities"	-	276	-	276
Total	-	419	-	419
December 31, 2023				
(\$ in millions)	Level 1	Level 2	Level 3	Total fair value
Assets				
Securities in "Marketable securities and short-term investments":				
Equity securities	-	1,282	-	1,282
Debt securities—U.S. government obligations	183	-	-	183
Derivative assets—current in "Other current assets"	-	169	-	169
Derivative assets—non-current in "Other non-current assets"	-	35	-	35
Total	183	1,486	-	1,669
Liabilities				
Derivative liabilities—current in "Other current liabilities"	-	230	-	230
Derivative liabilities—non-current in "Other non-current liabilities"	-	246	-	246
Total	-	476	-	476

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

In the year and three months ended December 31, 2024, the Company recognized \$88 million and \$73 million, respectively, in fair value adjustments of equity investments. This primarily related to an impairment recorded in the three months ended December 31, 2024, of our investment in Northvolt AB. In the year ended December 31, 2024, the Company also recognized \$113 million of fair value adjustments on assets and liabilities held for sale, primarily related to the fair value adjustment of In-Charge for \$88 million (See Note 3). There were no other significant non-recurring fair value measurements during the year and three months ended December 31, 2024 and 2023.

Disclosure about financial instruments carried on a cost basis

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

(\$ in millions)	December 31, 2024				
	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	1,313	1,313	–	–	1,313
Time deposits	2,998	–	2,998	–	2,998
Restricted cash	15	15	–	–	15
Marketable securities and short-term investments (excluding securities):					
Time deposits	520	–	520	–	520
Liabilities					
Short-term debt and current maturities of long-term debt (excluding finance lease obligations)					
	265	188	77	–	265
Long-term debt (excluding finance lease obligations)	6,486	6,012	551	–	6,563

(\$ in millions)	December 31, 2023				
	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	1,431	1,431	–	–	1,431
Time deposits	2,460	–	2,460	–	2,460
Restricted cash	18	18	–	–	18
Marketable securities and short-term investments (excluding securities):					
Time deposits	463	–	463	–	463
Liabilities					
Short-term debt and current maturities of long-term debt (excluding finance lease obligations)					
	2,576	2,521	55	–	2,576
Long-term debt (excluding finance lease obligations)	5,060	5,096	5	–	5,101

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), Restricted cash, 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 7

Contract assets and liabilities

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

(\$ in millions)	December 31, 2024	December 31, 2023	December 31, 2022
Contract assets	1,115	1,090	954
Contract liabilities	2,969	2,844	2,216

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:

(\$ in millions)	Year ended December 31,			
	2024		2023	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Revenue recognized, which was included in the Contract liabilities balance at Jan 1, 2024/2023		(1,543)		(1,311)
Additions to Contract liabilities - excluding amounts recognized as revenue during the period		1,814		1,845
Receivables recognized that were included in the Contract assets balance at Jan 1, 2024/2023	(592)		(622)	

The Company considers its order backlog to represent its unsatisfied performance obligations. At December 31, 2024, the Company had unsatisfied performance obligations totaling \$21,221 million and, of this amount, the Company expects to fulfill approximately 70 percent of the obligations in 2025, approximately 16 percent of the obligations in 2026 and the balance thereafter.

Note 8

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 Statement of Cash Flows when paid. At December 31, 2024 and 2023, the total obligation outstanding under supplier finance programs amounted to \$435 million and \$415 million, respectively.

Note 9

Debt

The Company's total debt at December 31, 2024 and 2023, amounted to \$6,945 million and \$7,828 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)	December 31, 2024	December 31, 2023
Short-term debt	83	87
Current maturities of long-term debt	210	2,520
Total	293	2,607

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

In August 2024, the Company repaid at maturity its CHF 280 million 0.3% Bonds, equivalent to \$328 million on date of repayment. In May 2024, the Company repaid at maturity its EUR 750 million 0.75% EUR Instruments, equivalent to \$816 million on date of repayment. In April 2024, the Company repaid at maturity its EUR 700 million 0.625% EUR Instruments, equivalent to \$752 million on date of repayment and in March 2024, the Company repaid at maturity its EUR 500 million Floating Rate Instruments, equivalent to \$539 million on date of repayment.

Long-term debt

The Company's long-term debt at December 31, 2024 and 2023, amounted to \$6,652 million and \$5,221 million, respectively.

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

(in millions)	December 31, 2024		December 31, 2023					
	Nominal outstanding	Carrying value ⁽¹⁾	Nominal outstanding	Carrying value ⁽¹⁾				
Bonds:								
Floating Rate EUR Instruments, due 2024			EUR	500	\$	554		
0.625% EUR Instruments, due 2024			EUR	700	\$	768		
0.75% EUR Instruments, due 2024			EUR	750	\$	819		
0.3% CHF Bonds, due 2024			CHF	280	\$	335		
2.1% CHF Bonds, due 2025	CHF	150	\$	166	CHF	150	\$	179
1.965% CHF Bonds, due 2026	CHF	325	\$	359	CHF	325	\$	387
3.25% EUR Instruments, due 2027	EUR	500	\$	518	EUR	500	\$	551
0.75% CHF Bonds, due 2027	CHF	425	\$	468	CHF	425	\$	507
3.8% USD Notes, due 2028 ⁽²⁾	USD	383	\$	382	USD	383	\$	382
1.9775% CHF Bonds, due 2028	CHF	150	\$	165	CHF	150	\$	179
3.125% EUR Instruments, due 2029	EUR	500	\$	523				
1.0% CHF Bonds, due 2029	CHF	170	\$	188	CHF	170	\$	203
0% EUR Instruments, due 2030	EUR	800	\$	727	EUR	800	\$	749
2.375% CHF Bonds, due 2030	CHF	150	\$	165	CHF	150	\$	178
3.375% EUR Instruments, due 2031	EUR	750	\$	770	EUR	750	\$	818
Floating rate EIB R&D Loan, due 2031	USD	539	\$	539				
2.1125% CHF Bonds, due 2033	CHF	275	\$	303	CHF	275	\$	327
3.375% EUR Instruments, due 2034	EUR	750	\$	780				
4.375% USD Notes, due 2042 ⁽²⁾	USD	609	\$	591	USD	609	\$	591
Total			\$	6,644			\$	7,527

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

(2) Prior to completing a cash tender offer in November 2020, the original principal amount outstanding, on each of the 3.8% USD Notes, due 2028, and the 4.375% USD Notes, due 2042, was USD 750 million.

In January 2024, the Company issued the following EUR Instruments: (i) EUR 500 million of 3.125 percent Instruments, due 2029, and (ii) EUR 750 million of 3.375 percent Instruments, due 2034, both paying interest annually in arrears. The aggregate net proceeds of these EUR Instruments, after discount and fees, amounted to EUR 1,243 million (equivalent to approximately \$1,360 million on date of issuance).

In November 2024, the Company obtained a USD 539 million (EUR 500 million equivalent) loan pursuant to an agreement with the European Investment Bank (EIB) that was entered into in 2023. This floating rate loan, due 2031, pays interest semi-annually in arrears at a variable rate of 0.64 percentage points above the 6-month compound SOFR. The Company may repay the amount drawn down at any time, prior to maturity, in whole or in part, at par plus accrued interest and fees, if any. The funds received from this loan are required to be used to finance research and development (R&D) within the Electrification operating segment.

Note 10

Commitments and contingencies

Contingencies—Regulatory, Compliance and Legal

Regulatory

Based on findings during an internal investigation, the Company self-reported to the Securities and Exchange Commission (SEC) and the Department of Justice (DoJ), in the United States, to the Special Investigating Unit (SIU) and the National Prosecuting Authority (NPA) in South Africa as well as to various authorities in other countries potential suspect payments and other compliance concerns in connection with some of the Company's dealings with Eskom and related persons. Many of those parties have expressed an interest in, or commenced an investigation into, these matters and the Company is cooperating fully with them. The Company paid \$104 million to Eskom in December 2020 as part of a full and final settlement with Eskom and the SIU relating to improper payments and other compliance issues associated with the Controls and Instrumentation Contract, and its Variation Orders for Units 1 and 2 at Kusile. The Company made a provision of approximately \$325 million which was recorded in Other income (expense), net, during the third quarter of 2022. In December 2022, the Company settled with the SEC and DoJ as well as the authorities in South Africa and Switzerland. In March 2024, the Company settled its final pending matter with the authorities in Germany. The Company does not believe that it will need to record any additional provisions for this matter, and has paid all amounts in full.

General

The Company is aware of proceedings, or the threat of proceedings, against it and others in respect of private claims by customers and other third parties with regard to certain actual or alleged anticompetitive practices. Also, the Company is subject to other claims and legal proceedings, as well as investigations carried out by various law enforcement authorities. With respect to the above-mentioned claims, regulatory matters, and any related proceedings, the Company will bear the related costs, including costs necessary to resolve them.

Liabilities recognized

At December 31, 2024 and 2023, the Company had aggregate liabilities of \$83 million and \$101 million, respectively, included in Other provisions and Other non-current liabilities, for the above regulatory, compliance and legal contingencies, and none of the individual liabilities recognized was significant. 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.

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)	December 31, 2024	December 31, 2023
Performance guarantees	2,299	3,451
Financial guarantees	22	94
Total⁽¹⁾	2,321	3,545

(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 December 31, 2024 and 2023, 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 2034, 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 December 31, 2024 and 2023, the maximum potential payable under these guarantees amounts to \$747 million and \$874 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 December 31, 2024 and 2023, have been fully indemnified by Hitachi Ltd. These guarantees, having various maturities up to 2034, 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 December 31, 2024 and 2023, is approximately \$1.1 billion and \$2.2 billion, respectively.

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 December 31, 2024 and 2023, the total outstanding performance bonds aggregated to \$3.2 billion and \$3.1 billion, respectively. There have been no significant amounts reimbursed to financial institutions under these types of arrangements in the year and three months ended December 31, 2024 and 2023.

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)	2024	2023
Balance at January 1,	1,210	1,028
Net change in warranties due to acquisitions, divestments and spin-offs	2	–
Claims paid in cash or in kind	(157)	(171)
Net increase in provision for changes in estimates, warranties issued and warranties expired	256	327
Exchange rate differences	(63)	26
Balance at December 31,	1,248	1,210

Note 11

Income taxes

The effective tax rate of 24.4 percent in the year ended December 31, 2024, was higher than the effective tax rate of 19.5 percent in the year ended December 31, 2023, primarily due to the geographical mix of earnings. The increase in the effective tax rate also includes the impact of a net benefit of \$206 million realized on a favorable resolution of an uncertain tax position in the year ended December 31, 2023, along with a net benefit of \$72 million from a partial reversal of an uncertain tax position related to the reassessment of certain tax risks in the year ended December 31, 2024. The former resulted in an increase of \$0.11 in earnings per share (basic and diluted) for the year ended December 31, 2023, while the latter resulted in an increase of \$0.04 in earnings per share (basic and diluted) for the year ended December 31, 2024.

Note 12

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 December 31, 2024, 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.

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

(\$ in millions)	Defined pension benefits			
	Switzerland		International	
	2024	2023	2024	2023
Year ended December 31,				
Operational pension cost:				
Service cost	46	40	28	30
Operational pension cost	46	40	28	30
Non-operational pension cost (credit):				
Interest cost	35	48	156	166
Expected return on plan assets	(126)	(129)	(168)	(157)
Amortization of prior service cost (credit)	(8)	(8)	(2)	(2)
Amortization of net actuarial loss	–	–	52	52
Curtailments, settlements and special termination benefits	5	13	3	19
Non-operational pension cost (credit)⁽¹⁾	(94)	(76)	41	78
Net periodic benefit cost (credit)	(48)	(36)	69	108

(\$ in millions)	Defined pension benefits			
	Switzerland		International	
	2024	2023	2024	2023
Three months ended December 31,				
Operational pension cost:				
Service cost	11	11	8	9
Operational pension cost	11	11	8	9
Non-operational pension cost (credit):				
Interest cost	8	13	37	44
Expected return on plan assets	(28)	(35)	(42)	(41)
Amortization of prior service cost (credit)	(3)	(2)	(1)	–
Amortization of net actuarial loss	–	–	12	13
Curtailments, settlements and special termination benefits	2	13	(1)	1
Non-operational pension cost (credit)	(21)	(11)	5	17
Net periodic benefit cost (credit)	(10)	–	13	26

(1) Total Non-operational pension cost (credit) includes additional credits of \$(2) million and \$(19) million for the year ended December 31, 2024 and 2023, respectively, related to other postretirement benefits.

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.

Employer contributions were as follows:

(\$ in millions)	Defined pension benefits			
	Switzerland		International	
	2024	2023	2024	2023
Year ended December 31,				
Total contributions to defined benefit pension plans	45	18	77	89

(\$ in millions)	Defined pension benefits			
	Switzerland		International	
	2024	2023	2024	2023
Three months ended December 31,				
Total contributions to defined benefit pension plans	1	10	47	4

The Company expects to make contributions totaling approximately \$85 million to its defined benefit pension plans for the full year 2025.

Note 13

Stockholder's equity

At the Annual General Meeting of Shareholders on March 21, 2024, shareholders approved the proposal of the Board of Directors to distribute 0.87 Swiss francs per share to shareholders. The declared dividend amounted to \$1,804 million, with the Company disbursing a portion in March and the remaining amounts in April.

In March 2024, the Company completed the share buyback program that was launched in April 2023. This program was executed on a second trading line on the SIX Swiss Exchange. Also in March 2024, the Company announced a share buyback program of up to \$1 billion. This program, which was launched in April 2024, is being executed on a second trading line on the SIX Swiss Exchange and is planned to run until the end of January 2025. Under these buyback programs, the Company purchased 19 million shares in the year ended December 31, 2024, resulting in an increase in Treasury stock of \$1.0 billion.

In the second quarter of 2024, the Company cancelled 21 million shares which had been purchased under its share buyback programs. This resulted in a decrease in Treasury stock of \$832 million and a corresponding total decrease in Capital stock, Additional paid-in capital and Retained earnings.

In addition to the share buyback programs, the Company purchased 5 million of its own shares on the open market in the year ended December 31, 2024, mainly for use in connection with its employee share plans, resulting in an increase in Treasury stock of \$244 million.

In the year ended December 31, 2024, the Company delivered, out of treasury stock, 17 million shares in connection with its Management Incentive Plan.

Note 14

Earnings per share

Basic earnings per share is calculated by dividing income by the weighted-average number of shares outstanding during the period. Diluted earnings per share is calculated by dividing income by the weighted-average number of shares outstanding during the period, assuming that all potentially dilutive securities were exercised, if dilutive. Potentially dilutive securities comprise outstanding written call options, and outstanding options and shares granted subject to certain conditions under the Company's share-based payment arrangements.

Basic earnings per share

(\$ in millions, except per share data in \$)	Year ended December 31,		Three months ended December 31,	
	2024	2023	2024	2023
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	3,937	3,769	992	929
Loss from discontinued operations, net of tax	(2)	(24)	(5)	(8)
Net income	3,935	3,745	987	921
Weighted-average number of shares outstanding (in millions)	1,844	1,855	1,841	1,845
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	2.14	2.03	0.54	0.50
Loss from discontinued operations, net of tax	–	(0.01)	–	–
Net income	2.13	2.02	0.54	0.50

Diluted earnings per share

(\$ in millions, except per share data in \$)	Year ended December 31,		Three months ended December 31,	
	2024	2023	2024	2023
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	3,937	3,769	992	929
Loss from discontinued operations, net of tax	(2)	(24)	(5)	(8)
Net income	3,935	3,745	987	921
Weighted-average number of shares outstanding (in millions)	1,844	1,855	1,841	1,845
Effect of dilutive securities:				
Call options and shares	7	12	5	11
Adjusted weighted-average number of shares outstanding (in millions)	1,851	1,867	1,846	1,856
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	2.13	2.02	0.54	0.50
Loss from discontinued operations, net of tax	–	(0.01)	–	–
Net income	2.13	2.01	0.53	0.50

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, 2023	(3,691)	(19)	(838)	(8)	(4,556)
Other comprehensive (loss) income:					
Other comprehensive (loss) income before reclassifications	(290)	5	(283)	(10)	(578)
Amounts reclassified from OCI	9	6	46	8	69
Total other comprehensive (loss) income	(281)	11	(237)	(2)	(509)
Less:					
Amounts attributable to noncontrolling interests	5	-	-	-	5
Balance at December 31, 2023	(3,977)	(8)	(1,075)	(10)	(5,070)
Other comprehensive (loss) income:					
Other comprehensive (loss) income before reclassifications	(319)	1	(47)	(8)	(373)
Amounts reclassified from OCI	23	4	31	10	68
Total other comprehensive (loss) income	(296)	5	(16)	2	(305)
Less:					
Amounts attributable to noncontrolling interests and redeemable noncontrolling interests	(25)	-	-	-	(25)
Balance at December 31, 2024	(4,248)	(3)	(1,091)	(8)	(5,350)

The amounts reclassified out of OCI for the year and three months ended December 31, 2024 and 2023, were not significant.

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, Process Automation and Robotics & Discrete 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 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 currently delivered through five operating Divisions: Distribution Solutions, Smart Power, Smart Buildings, Installation Products and Service, as well as, prior to its sale in July 2023, the Power Conversion Division.
- **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 seven operating Divisions: Large Motors and Generators, IEC LV Motors, NEMA Motors, Drive Products, System Drives, Service and Traction.

- **Process 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, industrial software, advanced analytics, sensing and measurement technology, and marine propulsion systems. In addition, Process 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, systems and services are delivered through four operating Divisions: Energy Industries, Process Industries, Marine & Ports and Measurement & Analytics.
- **Robotics & Discrete Automation:** delivers its products, solutions and services through two operating Divisions. Robotics provides industrial and collaborative robots, autonomous mobile robotics, mapping and navigation solutions, robotic solutions, field services, spare parts and digital services. Machine Automation specializes in automation solutions based on its programmable logic controllers (PLC), industrial PCs (IPC), servo motion, transport systems and machine vision. Both divisions offer software across the entire life cycle, including engineering and simulation software as well as a comprehensive range of digital solutions.

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, other non-core operating activities as well as the operating activities of certain divested businesses.

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, as well as other items which are determined by management on a case-by-case basis.

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.

The following tables present disaggregated segment revenues from contracts with customers, Operational EBITA, and the reconciliations of consolidated Operational EBITA to Income from continuing operations before taxes for the year and three months ended December 31, 2024 and 2023, as well as total assets at December 31, 2024 and 2023.

(\$ in millions)	Year ended December 31, 2024					Total
	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	
Geographical markets						
Europe	4,566	2,241	2,443	1,648	221	11,119
The Americas	6,577	2,618	1,871	535	204	11,805
of which: United States	5,128	2,122	1,158	329	142	8,879
Asia, Middle East and Africa	4,047	2,353	2,408	1,020	98	9,926
of which: China	1,777	1,098	695	704	22	4,296
	15,190	7,212	6,722	3,203	523	32,850
Product type						
Products	14,129	6,060	3,930	2,622	476	27,217
Services and other	1,061	1,152	2,792	581	47	5,633
	15,190	7,212	6,722	3,203	523	32,850
Third-party revenues	15,190	7,212	6,722	3,203	523	32,850
Intersegment revenues	258	575	34	10	(877)	-
Total revenues⁽¹⁾	15,448	7,787	6,756	3,213	(354)	32,850

Year ended December 31, 2023						
(\$ in millions)	Electrification	Motion	Process Automation	Robotics &		Total
				Discrete Automation	Corporate and Other	
Geographical markets						
Europe	4,547	2,455	2,294	1,932	340	11,568
The Americas	5,926	2,562	1,738	573	291	11,090
of which: United States	4,456	2,123	1,076	358	235	8,248
Asia, Middle East and Africa	3,899	2,276	2,212	1,119	71	9,577
of which: China	1,775	1,148	707	804	34	4,468
	14,372	7,293	6,244	3,624	702	32,235
Product type						
Products	13,437	6,219	3,661	3,063	630	27,010
Services and other	935	1,074	2,583	561	72	5,225
	14,372	7,293	6,244	3,624	702	32,235
Third-party revenues	14,372	7,293	6,244	3,624	702	32,235
Intersegment revenues	212	521	26	16	(775)	-
Total revenues⁽¹⁾	14,584	7,814	6,270	3,640	(73)	32,235

Three months ended December 31, 2024						
(\$ in millions)	Electrification	Motion	Process Automation	Robotics &		Total
				Discrete Automation	Corporate and Other	
Geographical markets						
Europe	1,175	620	657	366	63	2,881
The Americas	1,691	670	487	136	66	3,050
of which: United States	1,325	542	301	81	40	2,289
Asia, Middle East and Africa	1,117	604	638	264	36	2,659
of which: China	440	271	173	180	6	1,070
	3,983	1,894	1,782	766	165	8,590
Product type						
Products	3,685	1,605	1,017	623	155	7,085
Services and other	298	289	765	143	10	1,505
	3,983	1,894	1,782	766	165	8,590
Third-party revenues	3,983	1,894	1,782	766	165	8,590
Intersegment revenues	63	144	13	3	(223)	-
Total revenues⁽¹⁾	4,046	2,038	1,795	769	(58)	8,590

Three months ended December 31, 2023						
(\$ in millions)	Electrification	Motion	Process Automation	Robotics &		Total
				Discrete Automation	Corporate and Other	
Geographical markets						
Europe	1,136	597	631	476	111	2,951
The Americas	1,533	638	459	142	75	2,847
of which: United States	1,164	521	278	89	53	2,105
Asia, Middle East and Africa	987	577	632	233	18	2,447
of which: China	419	282	205	147	11	1,064
	3,656	1,812	1,722	851	204	8,245
Product type						
Products	3,387	1,524	994	710	185	6,800
Services and other	269	288	728	141	19	1,445
	3,656	1,812	1,722	851	204	8,245
Third-party revenues	3,656	1,812	1,722	851	204	8,245
Intersegment revenues	42	134	5	1	(182)	-
Total revenues⁽¹⁾	3,698	1,946	1,727	852	22	8,245

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

(\$ in millions)	Year ended December 31,		Three months ended December 31,	
	2024	2023	2024	2023
Operational EBITA:				
Electrification	3,520	2,937	863	725
Motion	1,518	1,475	383	318
Process Automation	1,025	909	258	239
Robotics & Discrete Automation	329	536	61	118
Corporate and Other				
– E-mobility	(273)	(167)	(72)	(33)
– Corporate costs, Intersegment elimination and other	(151)	(263)	(59)	(34)
Total	5,968	5,427	1,434	1,333
Acquisition-related amortization	(203)	(220)	(46)	(56)
Restructuring, related and implementation costs ⁽¹⁾	(178)	(219)	(81)	(127)
Changes in obligations related to divested businesses	10	3	(1)	(2)
Gains and losses from sale of businesses	57	101	70	4
Fair value adjustment on assets and liabilities held for sale	(113)	–	19	–
Acquisition- and divestment-related expenses and integration costs	(73)	(74)	(19)	(19)
Foreign exchange/commodity timing differences in income from operations:				
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(118)	19	(80)	77
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	3	12	(3)	20
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	43	(13)	33	(38)
Certain other non-operational items:				
Other income/expense relating to the Power Grids joint venture	16	36	2	9
Regulatory, compliance and legal costs	(12)	–	(13)	–
Business transformation costs ⁽²⁾	(204)	(205)	(56)	(66)
Certain other fair value changes, including asset impairments	(107)	(10)	(76)	(13)
Other non-operational items	(18)	14	(14)	(6)
Income from operations	5,071	4,871	1,169	1,116
Interest and dividend income	206	165	60	50
Interest and other finance expense	(99)	(275)	(8)	(78)
Non-operational pension (cost) credit	55	17	16	(6)
Income from continuing operations before taxes	5,233	4,778	1,237	1,082

(1) Includes impairment of certain assets.

(2) Amount includes ABB Way process transformation costs of \$199 million and \$188 million for the year ended December 31, 2024 and 2023, respectively, and \$54 million and \$66 million for the three months ended December 31, 2024 and 2023, respectively.

(\$ in millions)	Total assets ⁽¹⁾	
	December 31, 2024	December 31, 2023
Electrification	13,124	12,668
Motion	6,895	7,016
Process Automation	5,330	4,971
Robotics & Discrete Automation	4,762	5,047
Corporate and Other	10,246	11,238
Consolidated	40,357	40,940

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

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 year and three months ended December 31, 2024.

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

Business Area	Q4 2024 compared to Q4 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Electrification	15%	1%	0%	16%	9%	2%	0%	11%
Motion	-4%	1%	0%	-3%	5%	1%	0%	6%
Process Automation	-3%	2%	0%	-1%	4%	1%	-1%	4%
Robotics & Discrete Automation	3%	1%	0%	4%	-10%	1%	0%	-9%
ABB Group	6%	1%	0%	7%	4%	2%	-1%	5%

Business Area	FY 2024 compared to FY 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Electrification	8%	1%	1%	10%	6%	1%	2%	9%
Motion	-3%	1%	0%	-2%	0%	1%	-1%	0%
Process Automation	-6%	1%	0%	-5%	8%	1%	0%	9%
Robotics & Discrete Automation	-15%	0%	0%	-15%	-12%	1%	0%	-11%
ABB Group	0%	1%	0%	1%	2%	1%	0%	3%

Regional comparable growth rate reconciliation

Regional comparable growth rate reconciliation for ABB Group - Quarter

Region	Q4 2024 compared to Q4 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	10%	1%	-2%	9%	-2%	0%	0%	-2%
The Americas	5%	1%	1%	7%	7%	2%	0%	9%
of which: United States	1%	0%	0%	1%	9%	0%	0%	9%
Asia, Middle East and Africa	3%	1%	0%	4%	9%	2%	-1%	10%
of which: China	-11%	0%	0%	-11%	1%	0%	0%	1%
ABB Group	6%	1%	0%	7%	4%	2%	-1%	5%

Regional comparable growth rate reconciliation by Business Area - Quarter

Region	Q4 2024 compared to Q4 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	11%	0%	0%	11%	4%	1%	0%	5%
The Americas	18%	2%	-1%	19%	10%	2%	0%	12%
of which: United States	21%	0%	-1%	20%	14%	0%	-1%	13%
Asia, Middle East and Africa	14%	3%	0%	17%	14%	3%	0%	17%
of which: China	-2%	0%	0%	-2%	5%	0%	0%	5%
Electrification	15%	1%	0%	16%	9%	2%	0%	11%

Region	Q4 2024 compared to Q4 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	2%	1%	0%	3%	4%	0%	0%	4%
The Americas	-11%	2%	0%	-9%	5%	1%	0%	6%
of which: United States	-10%	0%	0%	-10%	4%	0%	0%	4%
Asia, Middle East and Africa	-2%	1%	0%	-1%	6%	2%	0%	8%
of which: China	-3%	0%	0%	-3%	1%	-1%	0%	0%
Motion	-4%	1%	0%	-3%	5%	1%	0%	6%

Region	Q4 2024 compared to Q4 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	12%	2%	-2%	12%	4%	2%	-3%	3%
The Americas	-20%	2%	0%	-18%	7%	2%	0%	9%
of which: United States	-40%	0%	0%	-40%	8%	0%	0%	8%
Asia, Middle East and Africa	-1%	1%	0%	0%	1%	2%	0%	3%
of which: China	-22%	1%	0%	-21%	-15%	0%	0%	-15%
Process Automation	-3%	2%	0%	-1%	4%	1%	-1%	4%

Region	Q4 2024 compared to Q4 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	3%	1%	0%	4%	-23%	1%	0%	-22%
The Americas	39%	3%	0%	42%	-5%	4%	0%	-1%
of which: United States	53%	0%	0%	53%	-10%	0%	0%	-10%
Asia, Middle East and Africa	-21%	0%	0%	-21%	15%	0%	0%	15%
of which: China	-30%	-1%	0%	-31%	23%	0%	0%	23%
Robotics & Discrete Automation	3%	1%	0%	4%	-10%	1%	0%	-9%

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

Region	FY 2024 compared to FY 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	0%	0%	0%	0%	-4%	0%	0%	-4%
The Americas	-3%	1%	1%	-1%	6%	1%	1%	8%
of which: United States	-2%	0%	0%	-2%	8%	0%	1%	9%
Asia, Middle East and Africa	2%	3%	0%	5%	4%	3%	0%	7%
of which: China	-12%	2%	0%	-10%	-4%	2%	0%	-2%
ABB Group	0%	1%	0%	1%	2%	1%	0%	3%

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

Region	FY 2024 compared to FY 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	6%	0%	0%	6%	1%	-1%	1%	1%
The Americas	7%	1%	1%	9%	11%	1%	2%	14%
of which: United States	10%	0%	1%	11%	15%	0%	3%	18%
Asia, Middle East and Africa	12%	4%	0%	16%	5%	3%	1%	9%
of which: China	-4%	2%	0%	-2%	0%	1%	1%	2%
Electrification	8%	1%	1%	10%	6%	1%	2%	9%

Region	FY 2024 compared to FY 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	-4%	-1%	0%	-5%	-7%	-1%	0%	-8%
The Americas	-6%	0%	-1%	-7%	2%	0%	-1%	1%
of which: United States	-8%	0%	-1%	-9%	0%	0%	-1%	-1%
Asia, Middle East and Africa	2%	2%	0%	4%	5%	3%	0%	8%
of which: China	-6%	1%	0%	-5%	-1%	1%	0%	0%
Motion	-3%	1%	0%	-2%	0%	1%	-1%	0%

Region	FY 2024 compared to FY 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	8%	0%	0%	8%	6%	1%	-1%	6%
The Americas	-23%	1%	0%	-22%	8%	1%	0%	9%
of which: United States	-28%	0%	0%	-28%	8%	0%	0%	8%
Asia, Middle East and Africa	-3%	2%	0%	-1%	9%	2%	0%	11%
of which: China	-15%	2%	0%	-13%	-1%	1%	0%	0%
Process Automation	-6%	1%	0%	-5%	8%	1%	0%	9%

Region	FY 2024 compared to FY 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	-19%	0%	0%	-19%	-15%	0%	0%	-15%
The Americas	9%	1%	0%	10%	-7%	1%	0%	-6%
of which: United States	10%	0%	0%	10%	-9%	1%	0%	-8%
Asia, Middle East and Africa	-23%	2%	0%	-21%	-9%	2%	0%	-7%
of which: China	-32%	2%	0%	-30%	-12%	1%	0%	-11%
Robotics & Discrete Automation	-15%	0%	0%	-15%	-12%	1%	0%	-11%

Order backlog growth rate reconciliation

December 31, 2024 compared to December 31, 2023				
Business Area	US\$	Foreign	Portfolio	Comparable
	(as reported)	exchange impact	changes	
Electrification	10%	5%	0%	15%
Motion	-2%	6%	0%	4%
Process Automation	-1%	6%	-1%	4%
Robotics & Discrete Automation	-32%	3%	0%	-29%
ABB Group	-2%	6%	0%	4%

Other growth rate reconciliations

Q4 2024 compared to Q4 2023								
Business Area	Service orders growth rate				Services revenues growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Electrification	5%	1%	-6%	0%	11%	1%	-5%	7%
Motion	-15%	2%	0%	-13%	0%	3%	0%	3%
Process Automation	-12%	2%	0%	-10%	5%	2%	0%	7%
Robotics & Discrete Automation	-6%	1%	0%	-5%	1%	1%	0%	2%
ABB Group	-8%	2%	-1%	-7%	4%	2%	-1%	5%

FY 2024 compared to FY 2023								
Business Area	Service orders growth rate				Services revenues growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Electrification	13%	1%	-2%	12%	13%	2%	-3%	12%
Motion	-1%	1%	0%	0%	7%	3%	0%	10%
Process Automation	-8%	1%	0%	-7%	8%	1%	0%	9%
Robotics & Discrete Automation	2%	1%	0%	3%	3%	1%	0%	4%
ABB Group	-2%	1%	0%	-1%	8%	1%	0%	9%

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, 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 acquisitions.

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

(\$ in millions)	Year ended December 31,		Three months ended December 31,	
	2024	2023	2024	2023
Operational EBITA	5,968	5,427	1,434	1,333
Acquisition-related amortization	(203)	(220)	(46)	(56)
Restructuring, related and implementation costs ⁽¹⁾	(178)	(219)	(81)	(127)
Changes in obligations related to divested businesses	10	3	(1)	(2)
Gains and losses from sale of businesses	57	101	70	4
Fair value adjustment on assets and liabilities held for sale	(113)	–	19	–
Acquisition- and divestment-related expenses and integration costs	(73)	(74)	(19)	(19)
Certain other non-operational items	(325)	(165)	(157)	(76)
Foreign exchange/commodity timing differences in income from operations	(72)	18	(50)	59
Income from operations	5,071	4,871	1,169	1,116
Interest and dividend income	206	165	60	50
Interest and other finance expense	(99)	(275)	(8)	(78)
Non-operational pension (cost) credit	55	17	16	(6)
Income from continuing operations before taxes	5,233	4,778	1,237	1,082
Income tax expense	(1,278)	(930)	(237)	(136)
Income from continuing operations, net of tax	3,955	3,848	1,000	946
Loss from discontinued operations, net of tax	(3)	(24)	(5)	(8)
Net income	3,952	3,824	995	938

(1) Includes impairment of certain assets.

Reconciliation of Operational EBITA margin by business

(\$ in millions, unless otherwise indicated)	Three months ended December 31, 2024					Consolidated
	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other and Intersegment elimination	
Total revenues	4,046	2,038	1,795	769	(58)	8,590
Foreign exchange/commodity timing differences in total revenues:						
Unrealized gains and losses on derivatives	23	18	15	6	(2)	60
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	1	3	3	–	2	9
Unrealized foreign exchange movements on receivables (and related assets)	(18)	(10)	(16)	(5)	(4)	(53)
Operational revenues	4,052	2,049	1,797	770	(62)	8,606
Income (loss) from operations	863	333	224	15	(266)	1,169
Acquisition-related amortization	25	9	5	6	1	46
Restructuring, related and implementation costs ⁽¹⁾	7	15	23	19	17	81
Changes in obligations related to divested businesses	–	–	–	–	1	1
Gains and losses from sale of businesses	(71)	–	–	–	1	(70)
Fair value adjustment on assets and liabilities held for sale	–	–	–	–	(19)	(19)
Acquisition- and divestment-related expenses and integration costs	5	2	2	4	6	19
Certain other non-operational items	4	2	2	14	135	157
Foreign exchange/commodity timing differences in income from operations:						
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	44	26	10	5	(5)	80
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	–	1	1	–	1	3
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(14)	(5)	(9)	(2)	(3)	(33)
Operational EBITA	863	383	258	61	(131)	1,434
Operational EBITA margin (%)	21.3%	18.7%	14.4%	7.9%	n.a.	16.7%

(1) Includes impairment of certain assets.

In the three months ended December 31, 2024, Certain other non-operational items in the table above includes the following:

(\$ in millions, unless otherwise indicated)	Three months ended December 31, 2024					Consolidated
	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	
Certain other non-operational items:						
Other income/expense relating to the Power Grids joint venture	–	–	–	–	(2)	(2)
Regulatory, compliance and legal costs	–	–	–	14	(1)	13
Business transformation costs ⁽¹⁾	2	–	–	–	54	56
Certain other fair values changes, including asset impairments	2	1	1	–	72	76
Other non-operational items	–	1	1	–	12	14
Total	4	2	2	14	135	157

(1) Amounts include ABB Way process transformation costs of \$54 million for the three months ended December 31, 2024.

Three months ended December 31, 2023						
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other and Intersegment elimination	Consolidated
				Automation		
Total revenues	3,698	1,946	1,727	852	22	8,245
Foreign exchange/commodity timing differences in total revenues:						
Unrealized gains and losses on derivatives	(33)	(48)	(23)	(5)	(4)	(113)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(3)	1	(10)	(1)	(2)	(15)
Unrealized foreign exchange movements on receivables (and related assets)	21	12	12	8	9	62
Operational revenues	3,683	1,911	1,706	854	25	8,179
Income (loss) from operations	670	292	259	99	(204)	1,116
Acquisition-related amortization	22	9	1	20	4	56
Restructuring, related and implementation costs ⁽¹⁾	50	41	(4)	6	34	127
Changes in obligations related to divested businesses	-	-	-	-	2	2
Gains and losses from sale of businesses	(4)	-	-	-	-	(4)
Acquisition- and divestment-related expenses and integration costs	7	2	(4)	7	7	19
Certain other non-operational items	5	2	-	(14)	83	76
Foreign exchange/commodity timing differences in income from operations:						
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(31)	(36)	(12)	(2)	4	(77)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(4)	1	(11)	(2)	(4)	(20)
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	10	7	10	4	7	38
Operational EBITA	725	318	239	118	(67)	1,333
Operational EBITA margin (%)	19.7%	16.6%	14.0%	13.8%	n.a.	16.3%

(1) Includes impairment of certain assets.

In the three months ended December 31, 2023, Certain other non-operational items in the table above includes the following:

Three months ended December 31, 2023						
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	Consolidated
				Automation		
Certain other non-operational items:						
Other income/expense relating to the Power Grids joint venture	-	-	-	-	(9)	(9)
Business transformation costs ⁽¹⁾	3	-	-	(2)	65	66
Certain other fair values changes, including asset impairments	1	1	-	(11)	22	13
Other non-operational items	1	1	-	(1)	5	6
Total	5	2	-	(14)	83	76

(1) Amounts include ABB Way process transformation costs of \$66 million for the three months ended December 31, 2023.

	Year ended December 31, 2024					
				Robotics & Discrete Automation	Corporate and Other and Intersegment elimination	Consolidated
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation			
Total revenues	15,448	7,787	6,756	3,213	(354)	32,850
Foreign exchange/commodity timing differences in total revenues:						
Unrealized gains and losses on derivatives	68	47	35	9	-	159
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(1)	3	7	-	-	9
Unrealized foreign exchange movements on receivables (and related assets)	(29)	(23)	(24)	(10)	1	(85)
Operational revenues	15,486	7,814	6,774	3,212	(353)	32,933
Income (loss) from operations	3,362	1,400	974	183	(848)	5,071
Acquisition-related amortization	94	35	10	54	10	203
Restructuring, related and implementation costs ⁽¹⁾	27	39	30	59	23	178
Changes in obligations related to divested businesses	-	-	-	-	(10)	(10)
Gains and losses from sale of businesses	(73)	-	-	-	16	(57)
Fair value adjustment on assets and liabilities held for sale	25	-	-	-	88	113
Acquisition- and divestment-related expenses and integration costs	38	5	5	16	9	73
Certain other non-operational items	7	7	-	14	297	325
Foreign exchange/commodity timing differences in income from operations:						
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	56	41	14	7	-	118
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(7)	1	5	-	(2)	(3)
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(9)	(10)	(13)	(4)	(7)	(43)
Operational EBITA	3,520	1,518	1,025	329	(424)	5,968
Operational EBITA margin (%)	22.7%	19.4%	15.1%	10.2%	n.a.	18.1%

(1) Includes impairment of certain assets.

In the year ended December 31, 2024, Certain other non-operational items in the table above includes the following:

	Year ended December 31, 2024					
				Robotics & Discrete Automation	Corporate and Other	Consolidated
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation			
Certain other non-operational items:						
Other income/expense relating to the						
Power Grids joint venture	-	-	-	-	(16)	(16)
Regulatory, compliance and legal costs	-	-	-	14	(2)	12
Business transformation costs ⁽¹⁾	5	1	-	-	198	204
Certain other fair values changes, including asset impairments	3	5	(1)	-	100	107
Other non-operational items	(1)	1	1	-	17	18
Total	7	7	-	14	297	325

(1) Amounts include ABB Way process transformation costs of \$199 million for the year ended December 31, 2024.

Year ended December 31, 2023						
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other and Intersegment elimination	Consolidated
				Automation		
Total revenues	14,584	7,814	6,270	3,640	(73)	32,235
Foreign exchange/commodity timing differences in total revenues:						
Unrealized gains and losses on derivatives	4	(33)	(20)	(1)	2	(48)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(8)	-	(2)	-	(1)	(11)
Unrealized foreign exchange movements on receivables (and related assets)	1	10	4	5	(2)	18
Operational revenues	14,581	7,791	6,252	3,644	(74)	32,194
Income (loss) from operations	2,800	1,390	947	446	(712)	4,871
Acquisition-related amortization	88	35	5	79	13	220
Restructuring, related and implementation costs ⁽¹⁾	76	46	3	6	88	219
Changes in obligations related to divested businesses	1	-	-	-	(4)	(3)
Gains and losses from sale of businesses	(75)	-	(26)	-	-	(101)
Acquisition- and divestment-related expenses and integration costs	30	17	(7)	14	20	74
Certain other non-operational items	16	6	-	(10)	153	165
Foreign exchange/commodity timing differences in income from operations:						
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	11	(21)	(13)	(1)	5	(19)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(5)	-	(4)	-	(3)	(12)
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(5)	2	4	2	10	13
Operational EBITA	2,937	1,475	909	536	(430)	5,427
Operational EBITA margin (%)	20.1%	18.9%	14.5%	14.7%	n.a.	16.9%

(1) Includes impairment of certain assets.

In the year ended December 31, 2023, certain other non-operational items in the table above includes the following:

Year ended December 31, 2023						
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	Consolidated
				Automation		
Certain other non-operational items:						
Other income/expense related to the Power Grids joint venture	-	-	-	-	(36)	(36)
Business transformation costs	15	1	-	1	188	205
Certain other fair values changes, including asset impairments	2	3	-	(10)	15	10
Other non-operational items	(1)	2	-	(1)	(14)	(14)
Total	16	6	-	(10)	153	165

(1) Amounts include ABB Way process transformation costs of \$188 million for the year ended December 31, 2023.

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, Restricted cash and Marketable securities and short-term investments.

Reconciliation

(\$ in millions)	December 31,		
	2024	2023	2022
Short-term debt and current maturities of long-term debt	293	2,607	2,535
Long-term debt	6,652	5,221	5,143
Total debt	6,945	7,828	7,678
Cash and equivalents	4,311	3,891	4,156
Restricted cash - current	15	18	18
Marketable securities and short-term investments	1,334	1,928	725
Cash and marketable securities	5,660	5,837	4,899
Net debt	1,285	1,991	2,779

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)	December 31, 2024	December 31, 2023
Total stockholders' equity	15,060	14,057
Net debt (as defined above)	1,285	1,991
Net debt / Equity ratio	0.09	0.14

Net debt/EBITDA Ratio

Definition

Net debt/EBITDA

Net debt/EBITDA 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)	December 31, 2024	December 31, 2023
Income from operations	5,071	4,871
Depreciation and Amortization	802	780
EBITDA	5,873	5,651
Net debt (as defined above)	1,285	1,991
Net debt / EBITDA	0.22	0.35

Net working capital as a percentage of revenues

Definition

Net working capital as a percentage of revenues

Net working capital as a percentage of revenues is calculated as Net working capital divided by Adjusted revenues for the trailing twelve months.

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.

Adjusted revenues for the trailing twelve months

Adjusted revenues for the trailing twelve months includes total revenues recorded by ABB in the twelve months preceding the relevant balance sheet date adjusted to eliminate revenues of divested businesses and the estimated impact of annualizing revenues of certain acquisitions which were completed in the same trailing twelve-month period.

Reconciliation

(\$ in millions, unless otherwise indicated)	December 31,	
	2024	2023
Net working capital:		
Receivables, net	7,388	7,446
Contract assets	1,115	1,090
Inventories, net	5,859	6,149
Prepaid expenses	287	235
Accounts payable, trade	(5,036)	(4,847)
Contract liabilities	(2,969)	(2,844)
Other current liabilities ⁽¹⁾	(3,814)	(3,972)
Net working capital	2,830	3,257
Total revenues for the twelve months ended	32,850	32,235
Adjustment to annualize/eliminate revenues of certain acquisitions/divestments	(16)	(186)
Adjusted revenues for the trailing twelve months	32,834	32,049
Net working capital as a percentage of revenues (%)	8.6%	10.2%

(1) Amounts exclude \$768 million and \$1,074 million at December 31, 2024 and 2023, 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 the divestment of the Power Grids business.

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.

(\$ in millions, unless otherwise indicated)	Year ended December 31,		Three months ended December 31,	
	2024	2023	2024	2023
Net cash provided by operating activities	4,675	4,290	1,537	1,897
Adjusted for the effects of operations:				
Purchases of property, plant and equipment and intangible assets	(845)	(770)	(283)	(264)
Proceeds from sale of property, plant and equipment	107	147	41	80
Free cash flow	3,937	3,667	1,295	1,713

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 attributable to ABB.

Adjusted net income attributable to ABB

Adjusted net income attributable to ABB is calculated as Net income attributable to ABB 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.

Reconciliation

(\$ in millions, unless otherwise indicated)	Year ended December 31,	
	2024	2023
Free cash flow (as defined above)	3,937	3,667
Adjusted Net income attributable to ABB⁽¹⁾	3,949	3,686
Free cash flow conversion to net income	100%	99%

(1) Adjusted net income attributable to ABB for the year ended December 31, 2024, is adjusted to exclude the fair value adjustment of \$88 million on assets and liabilities held for sale related to In-Charge and the net gain on the sale of a business within the Electrification Business Area of \$64 million. In addition, 2024 includes adjustments to the gain on sale of Power Grids of \$10 million. Adjustments to net income for the year ended December 31, 2023, is adjusted to exclude the gain on sale of the Power Conversion Division of \$59 million.

Free cash flow margin

Definition

Free cash flow margin

Free cash flow margin is calculated as Free cash flow divided by total revenues.

Reconciliation

(\$ in millions, unless otherwise indicated)	Year ended December 31,	
	2024	2023
Free cash flow (as defined above)	3,937	3,667
Total revenues	32,850	32,235
Free cash flow margin	12.0%	11.4%

Net finance income (expense)

Definition

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

Reconciliation

(\$ in millions)	Year ended December 31,		Three months ended December 31,	
	2024	2023	2024	2023
Interest and dividend income	206	165	60	50
Interest and other finance expense	(99)	(275)	(8)	(78)
Net finance income (expense)	107	(110)	52	(28)

Book-to-bill ratio

Definition

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

Reconciliation

(\$ in millions, except Book-to-bill presented as a ratio)	Year ended December 31,					
	2024			2023		
	Orders	Revenues	Book-to-bill	Orders	Revenues	Book-to-bill
Electrification	16,422	15,448	1.06	15,189	14,584	1.04
Motion	7,989	7,787	1.03	8,222	7,814	1.05
Process Automation	7,106	6,756	1.05	7,535	6,270	1.20
Robotics & Discrete Automation	2,596	3,213	0.81	3,066	3,640	0.84
Corporate and Other (<i>incl. intersegment eliminations</i>)	(423)	(354)	n.a.	(194)	(73)	n.a.
ABB Group	33,690	32,850	1.03	33,818	32,235	1.05

(\$ in millions, except Book-to-bill presented as a ratio)	Three months ended December 31,					
	2024			2023		
	Orders	Revenues	Book-to-bill	Orders	Revenues	Book-to-bill
Electrification	3,908	4,046	0.97	3,395	3,698	0.92
Motion	1,866	2,038	0.92	1,937	1,946	1.00
Process Automation	1,823	1,795	1.02	1,870	1,727	1.08
Robotics & Discrete Automation	567	769	0.74	550	852	0.65
Corporate and Other (<i>incl. intersegment eliminations</i>)	(76)	(58)	n.a.	(103)	22	n.a.
ABB Group	8,088	8,590	0.94	7,649	8,245	0.93

Return on Capital employed (ROCE)

Definition

Return on Capital employed (ROCE)

Return on Capital employed is calculated as Operational EBITA after tax, divided by the average of the period's opening and closing Capital employed, adjusted to reflect impacts from the timing of significant acquisitions/divestments occurring during the period.

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) other intangible assets, net, (iv) investments in equity-accounted companies, and (v) operating lease right-of-use assets, less (vi) deferred tax liabilities recognized in certain acquisitions.

Notional tax on Operational EBITA

The Notional tax on Operational EBITA is computed using the adjusted group effective tax rate multiplied by Operational EBITA.

Adjusted Group effective tax rate

The Adjusted Group effective tax rate is computed by dividing an adjusted income tax expense by an adjusted pre-tax income. Certain amounts recorded in income before taxes and the related income tax expense (primarily due to gains and losses from sale of businesses and in 2022, regulatory penalties in connection with the Kusile project) are removed from the reported amounts when computing these adjusted amounts. Certain other amounts recorded in income tax expense are also excluded from the computation to determine the Adjusted Group effective tax rate.

Reconciliation

(\$ in millions, unless otherwise indicated)	December 31,		
	2024	2023	2022
Adjusted total fixed assets:			
Property, plant and equipment, net	4,177	4,142	3,911
Goodwill	10,555	10,561	10,511
Other intangible assets, net	1,048	1,223	1,406
Investments in equity-accounted companies	368	187	130
Operating lease right-of-use assets	840	893	841
Total fixed assets	16,988	17,006	16,799
Less: Deferred taxes recognized in certain acquisitions ⁽¹⁾	(242)	(297)	(358)
Adjusted total fixed assets	16,746	16,709	16,441
Net working capital - (as defined above)	2,830	3,257	3,216
Capital employed	19,576	19,966	19,657
Average Capital employed:			
Capital employed at the end of the previous year	19,966	19,657	20,539
Capital employed at the end of the current year	19,576	19,966	19,657
	19,771	19,812	20,098
Adjusted for timing of acquisitions/divestments	(53)	-	948
Average Capital employed	19,718	19,812	21,046
Operational EBITA for the year ended	5,968	5,427	4,510
Notional tax on Operational EBITA	(1,462)	(1,248)	(1,037)
Operational EBITA after tax	4,506	4,179	3,473
Return on Capital employed (ROCE)	22.9%	21.1%	16.5%

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

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