ZURICH, SWITZERLAND | FEBRUARY 3, 2022 | BJÖRN ROSENGREN, CEO; TIMO IHAMUOTILA, CFO

Q4 2021 results

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

Important notices

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

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

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

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

The important factors that could cause such differences include, among others:

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

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

This presentation contains non-GAAP measures of performance. Definitions of these measures and reconciliations between these measures and their US GAAP counterparts can be found in the “Supplemental Reconciliations and Definitions” section of the “Financial Information” booklet found under “Q4 2021” on our website at global.abb/group/en/investors/results-and-reports/2021.

Strong progress towards 2023 margin ambition

2021 highlights

ORDERS	REVENUES	Op. EBITA	Op. EBITA %	Basic EPS	CASH FLOW from operating activities[4]
$31.9 bn	$28.9 bn	$4.1 bn	14.2%	$2.27	$3,338 mn
+17%[1]	+8%[1]	+37%[2]	+310 bps	-7%[3]	+78%

1 OPERATIONAL PERFORMANCE

Strong progress towards ≥15% margin target in 2023

Improved profit and margin as divisions successfully mitigated cost inflation and supply chain imbalances

Increased targets for revenue growth and Operational EBITA margin at CMD 2021

2 PORTFOLIO MANAGEMENT

Mechanical Power Transmission (Dodge) divestment completed for $2.9 bn in cash

Turbocharging and E-mobility processes expected to be completed during H1 2022

Acquisition of ASTI to expand in Autonomous Mobile Robots

Improved portfolio management process to build up acquisition pipelines in the divisions

3 CAPITAL ALLOCATION

Very strong uplift in cash generation

Net cash positive at the end of 2021

Accelerated R&D investments in focus areas

Proposed 2021 DPS of CHF 0.82

Returned $2.7 bn of PG proceeds during 2021

1. YoY comparable. 2. YoY constant currency. 3. EPS growth rate impacted by Power Grids and Mechanical Power Transmission related book gains; EPS growth rates are computed using unrounded amounts. 4. Continuing operations only.

Strong demand and revenues
Q4 2021 results

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

Short-cycle
Steep growth across most businesses

Service
Orders +16%[1] and revenues +10%[1]

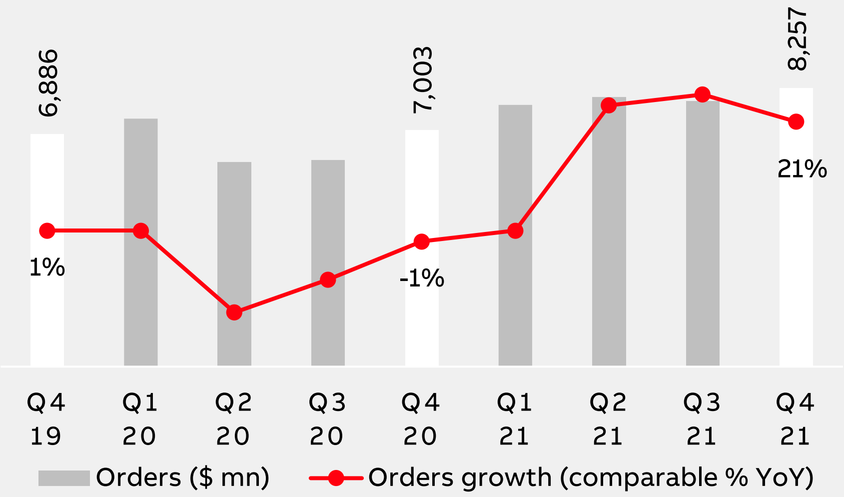
Discrete
Strong in machine building, F&B and general industries overall; automotive increased due to accelerating EV investments

Process
Improvement across most of the customer segments

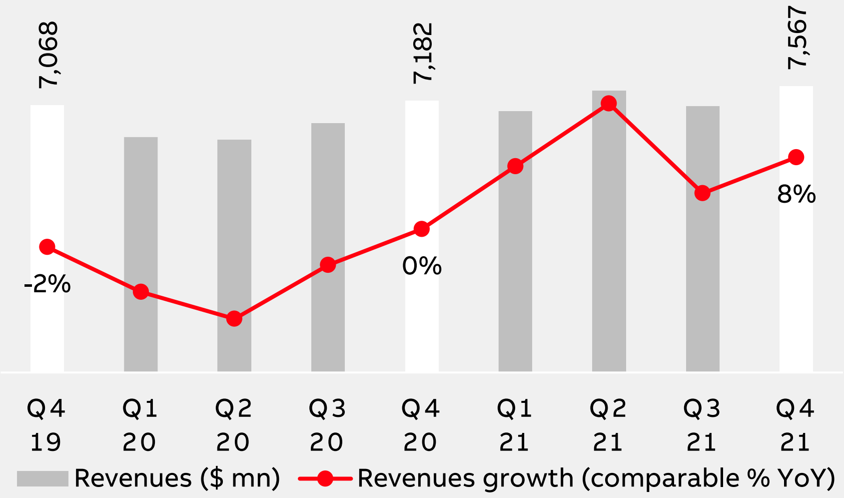
Transport & infrastructure
Very strong in renewables and e-mobility; improvement in buildings; continued recovery in marine including cruise

Very high order backlog of $16.6 bn vs. $14.3 bn at the end of 2020

Orders +21%[1]



Revenues +8%[1]

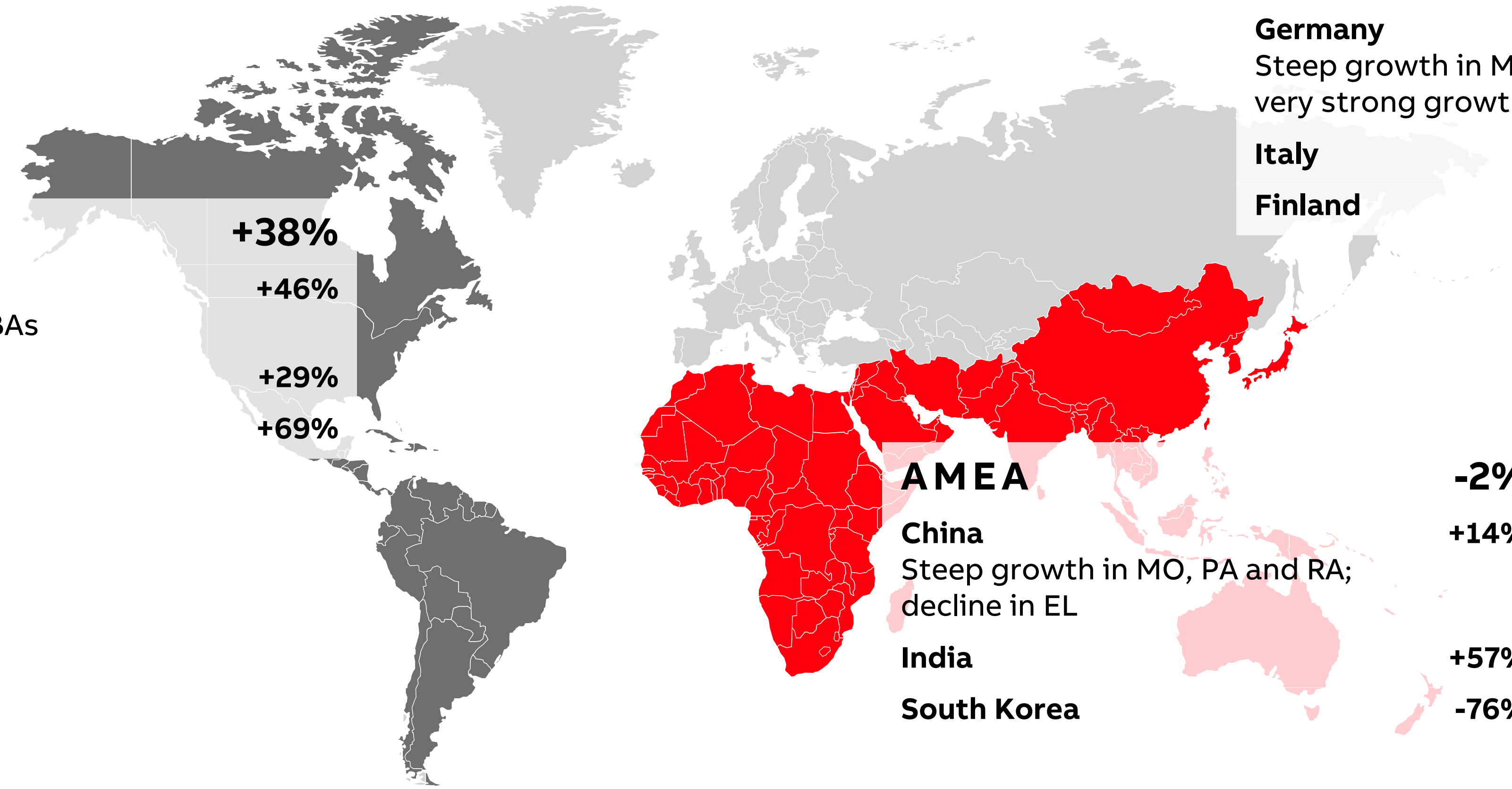


Book-to-bill 1.09

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

Strong Europe and Americas; AMEA impacted by high comp

Q4 2021 regional, country orders



AMERICAS	+38%
USA Steep growth in all BAs	**+46%**
Canada	**+29%**
Mexico	**+69%**

EUROPE	+31%
Germany Steep growth in MO, PA and RA; very strong growth in EL	**+34%**
Italy	**-1%**
Finland	**+36%**

AMEA	-2%
China Steep growth in MO, PA and RA; decline in EL	**+14%**
India	**+57%**
South Korea	**-76%**

All data presented on a YoY comparable basis; all growth comments refer to comparable growth trends. Performance highlighted for largest 3 countries in $ mn terms in each region.
EL = Electrification , MO = Motion, PA = Process Automation, RA = Robotics & Discrete Automation. LO = Large orders.

Q4 profitability improvement driven by PA and RA

Profitability drivers
(comparable % YoY, unless otherwise indicated)

Gross margin
+180 bps, driven by strong improvement in PA; lower project charges

SG&A expenses
+9%[1]
SG&A expense in % of revenues increasing from 17.7% to 17.9%

R&D expenses
-3%[1], full-year up +4%[1]

Corporate and Other Operational EBITA
-$108 mn, $36 mn lower YoY, primarily due to the reduction of losses incurred in non-core businesses
Ongoing corporate costs run-rate largely at $300 mn

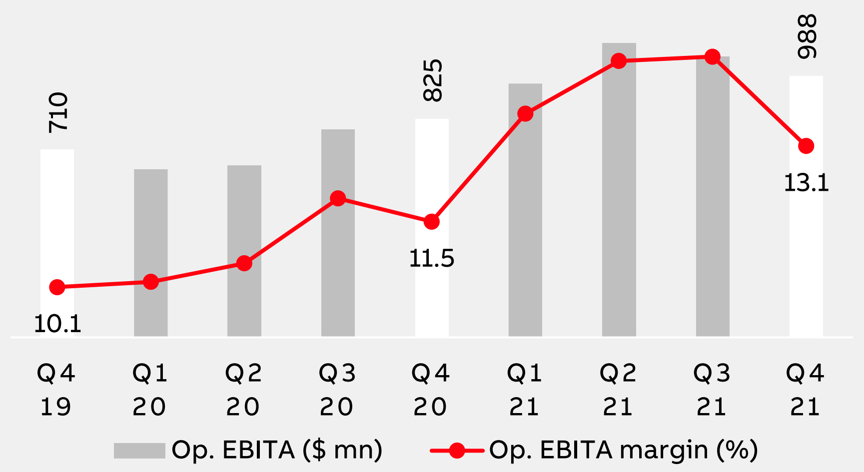
1. Constant currency.

Basic EPS

$1.34
+$1.38

Cash flow
from operating activities in continuing operations
$1,033 mn
-$192 mn

Operational EBITA +20%

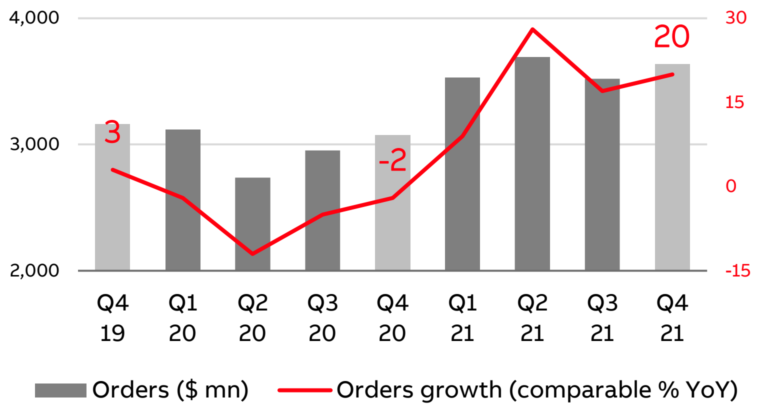


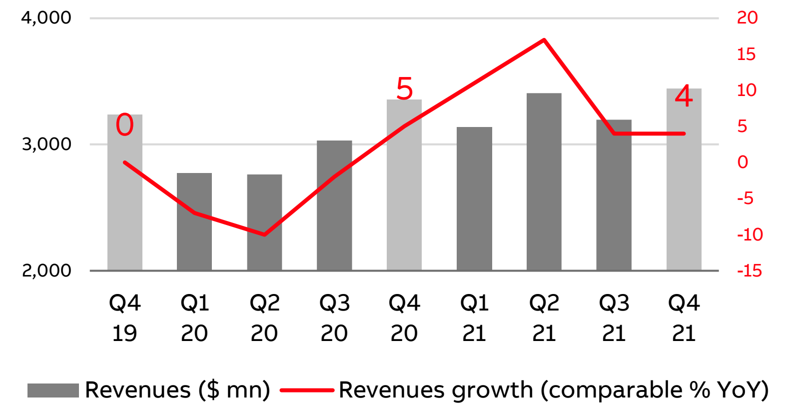
Operational EBITA margin +160 bps

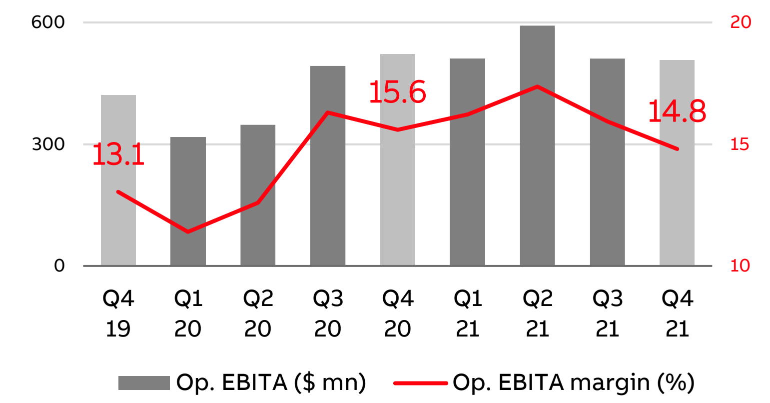
	Q4 20	Q4 21
Op. EBITA margin	**11.5%**	**13.1%**
Incl. following impacts within period:		
Non-core	-35 bps	0 bps
Kusile	-45 bps	n.a.
	-80 bps	**0 bps**

Strong demand, but cost inflation impacts margin

Q4 2021 Electrification







Orders $3,638 mn

Positive development in all customer segments, particularly good momentum in buildings, F&B, infrastructure, renewables and e-mobility

Americas and Europe very strong, stable in AMEA, including -6% decline in China on high comparable

Backlog $5.5 bn (prior Q-end $5.2 bn)

Revenues $3,445 mn

Strong pricing execution as volumes were hampered by supply chain disruptions including component shortages and tight labor market; challenges expected to persist near-term

All regions noted stable to positive growth

Book-to-bill 1.06x

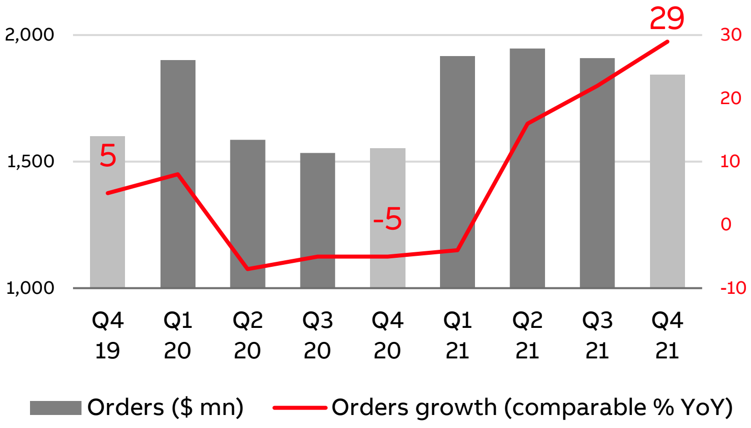
Operational EBITA $507 mn, -3% YoY

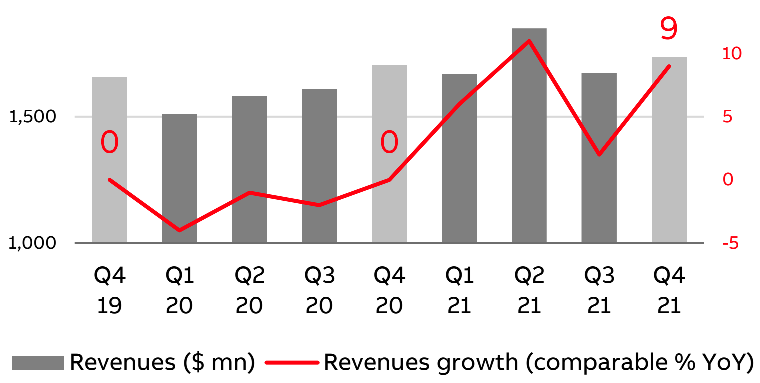
Margin -80 bps YoY

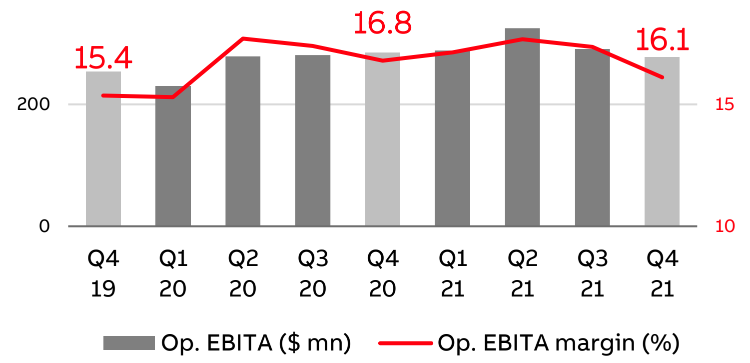
Margin was positively impacted by price development and efficiency gains

This was, however, more than offset by impact from component shortages and higher input costs particularly in the Distribution Solutions division

Strong demand across all divisions
Q4 2021 Motion







Orders $1,843 mn

Strong demand across the board with double-digit growth in short- and long-cycle business as well as service

Very strong growth in Europe and Americas outpaced high-single-digit improvement in AMEA including slight growth in China

Backlog $3.7 bn (prior Q-end $3.7 bn)

Revenues $1,735 mn

Most divisions saw revenues growing year-on-year

Focused efforts to ease the impact from component shortages starting to pay off in some areas

Book-to-bill 1.06x

Operational EBITA $278 mn, -2% YoY

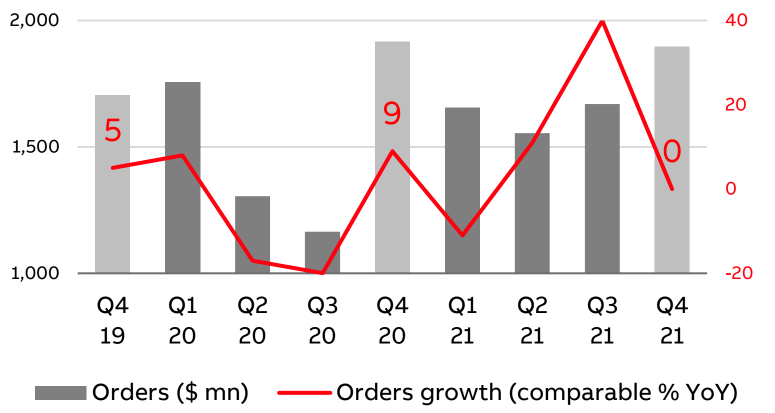
Margin -70 bps YoY; approximately -50bps impact from Dodge divestment

Slight pressure due to increased material and freight costs and divisional mix, offsetting positive volume and efficiency measures

Dodge divestment completed for $2.9 bn in cash, generating non-operational gain of $2.2 bn included in income from operations

Strong profitability improvement

Q4 2021 Process Automation

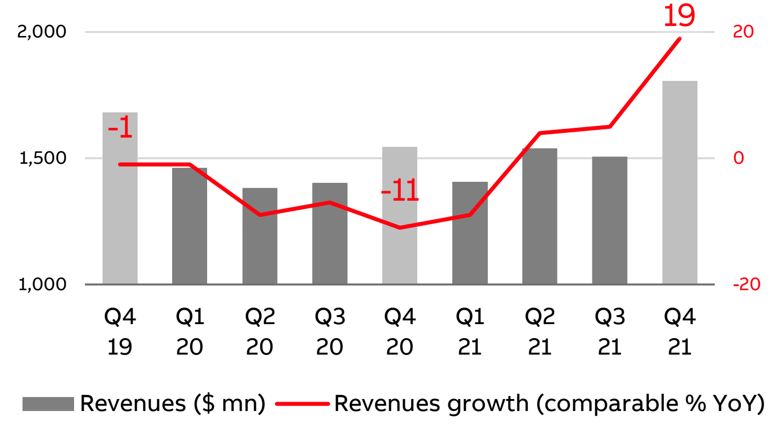


Orders $1,898 mn

Strong demand across most segments, including positive investment momentum in oil & gas

Positive market development in all regions, AMEA order growth impacted by very high large orders comparable

Backlog $6.1 bn (prior Q-end $6.0 bn)

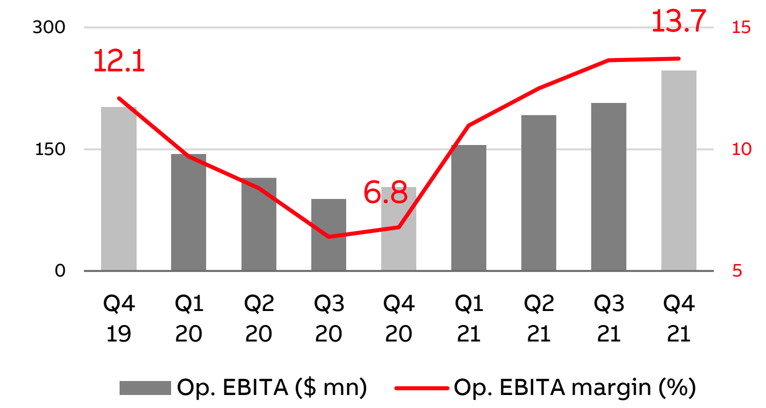


Revenues $1,805 mn

Strong revenues generation including double-digit growth in services

Still limited impact of component shortages and customer acceptance delays; impacts expected to increase in the coming quarter

Book-to-bill 1.05x



Operational EBITA $247 mn, +140% YoY

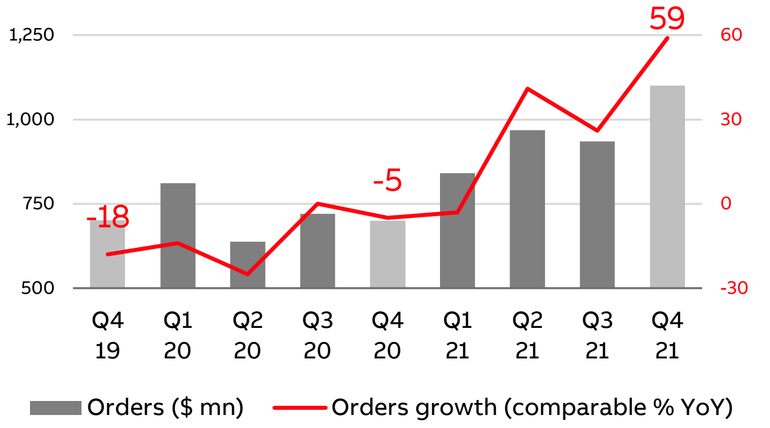
Margin +690 bps YoY; approximately +270 bps impact from Kusile project and India legacy projects in Q4 20

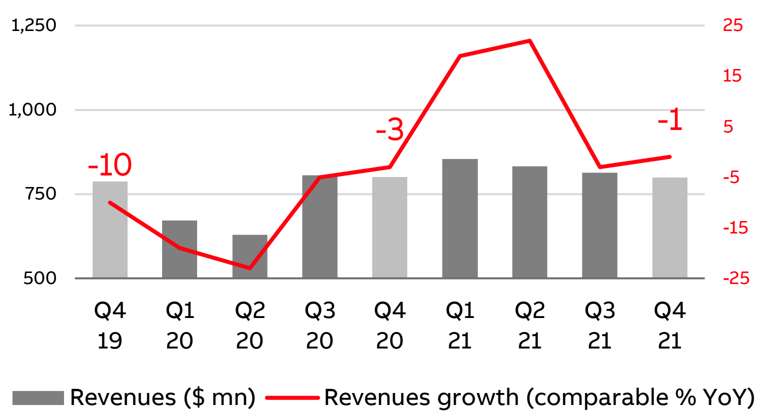
Profitability improvement driven by volume and continued benefit from initiated cost measures, slightly offset by mix

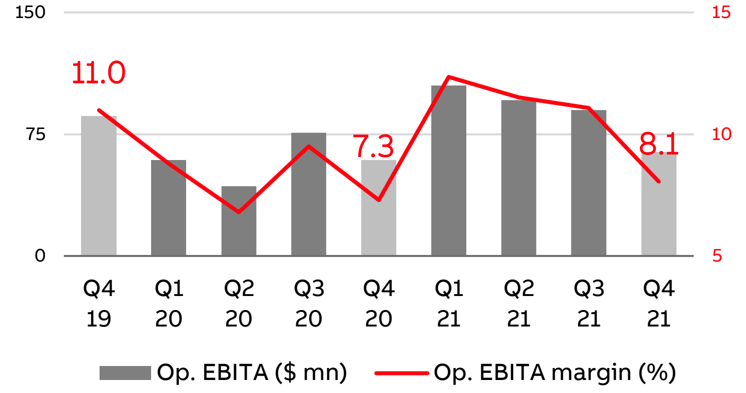
New president for Turbocharging division appointed

Profitability improvement despite flat revenues

Q4 2021 Robotics & Discrete Automation







Orders $1,100 mn

Broad-based strength in all customer segments

Auto benefitting from investments in EV, especially in China; continued stellar growth in general industry, supporting future profitability; machine builders very strong, despite extended delivery times

Backlog $1.9 bn (prior Q-end $1.6 bn)

Revenues $799 mn

Component shortages slowed pace of customer deliveries in both divisions

Supply constraints primarily related to semis, but increasing impact due to a tight labor market; impacts expected to remain tangible in the coming quarter

Book-to-bill 1.38x

Operational EBITA $64 mn, +8% YoY

Margin +80 bps YoY, despite lack of revenue growth

Increased efficiency and favorable mix more than offset adverse impacts from increased freight and input costs

Growth in Robotics offset the decline in Machine Automation where supply chain disruptions were more tangible

Revenues and Operational EBITA bridge

($ million, unless otherwise indicated)	Q4 2020	Δ Comparable (core)	Δ Non-core business	Δ Acquisitions /divestments	Δ FX	Q4 2021
Revenues	**7,182**	531	5	-65	-86	**7,567**
Operational EBITA	**825**	161	23	-17	-4	**988**
Op. EBITA margin (%)	**11.5**					**13.1**
Margin accretion/ dilution (%)		+1.3[1]	+0.3	-0.1	+0.1	

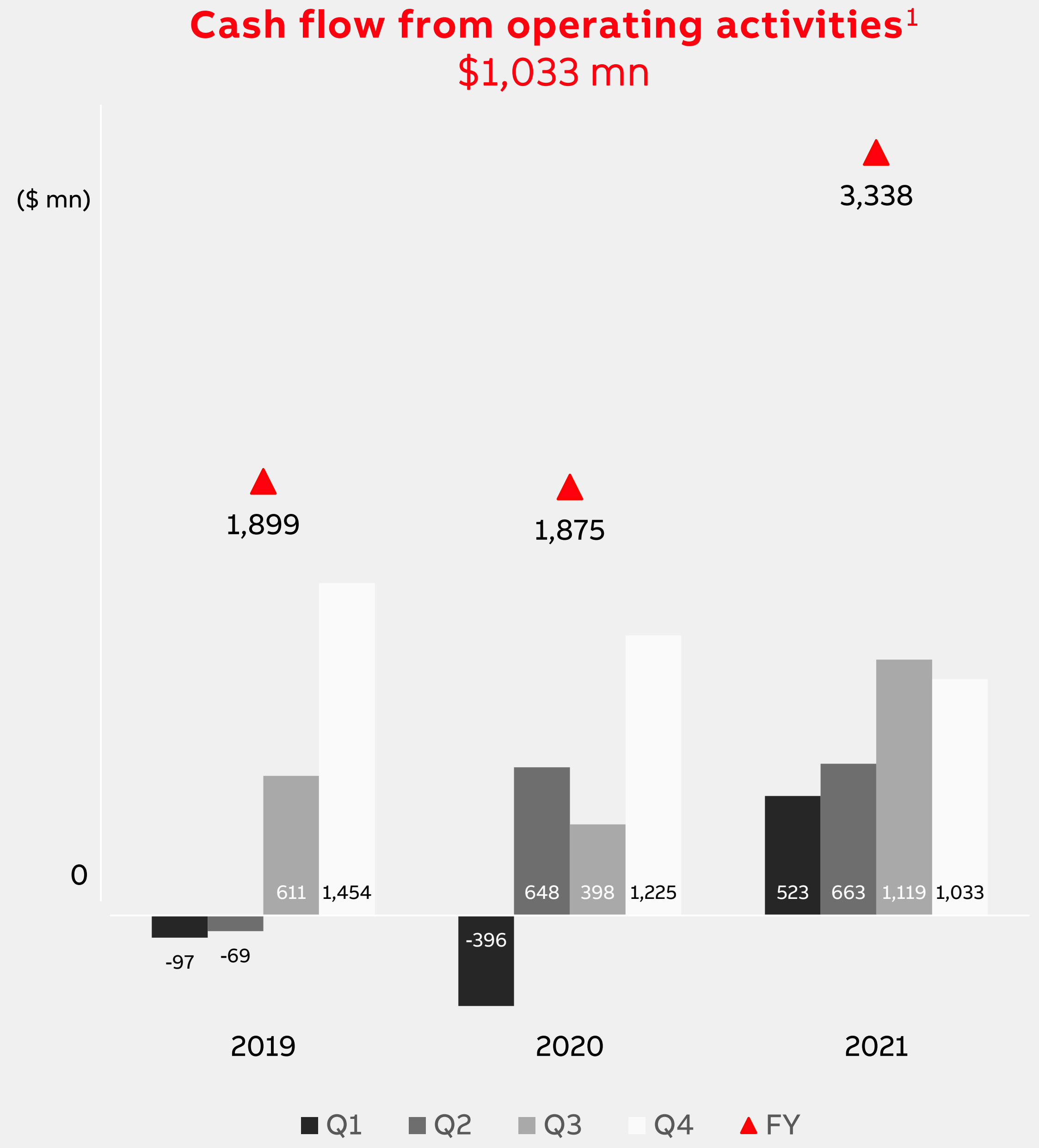
1. Incl. 45 bps margin accretion from the absence of the Kusile project.

Cash generation analysis
Q4 2021 cash flow drivers

Cash flow from operating activities[1]
$1,033 mn, -$192 mn YoY

- Stronger operational performance driven by Process Automation
- Balanced by less positive movement in trade working capital, mainly from inventory
- Cash flow reflected ~$300 mn of cash paid for income taxes relating to the sale of Mechanical Power Transmission business, while Q4-20 included ~$200 mn due to the Kusile settlement and pension plan transfers

Strong FY cash generation of $3.3 bn, representing an annual improvement of +$1.5 bn

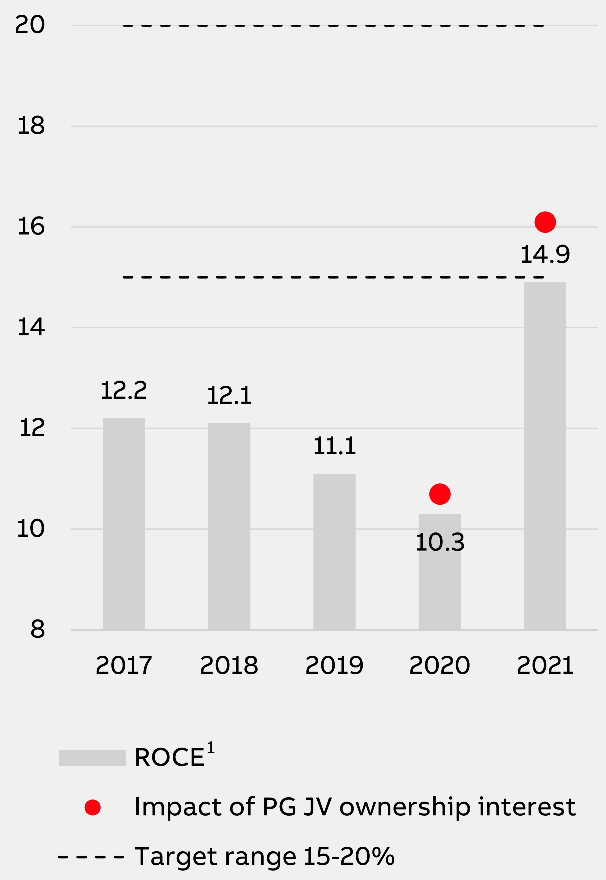


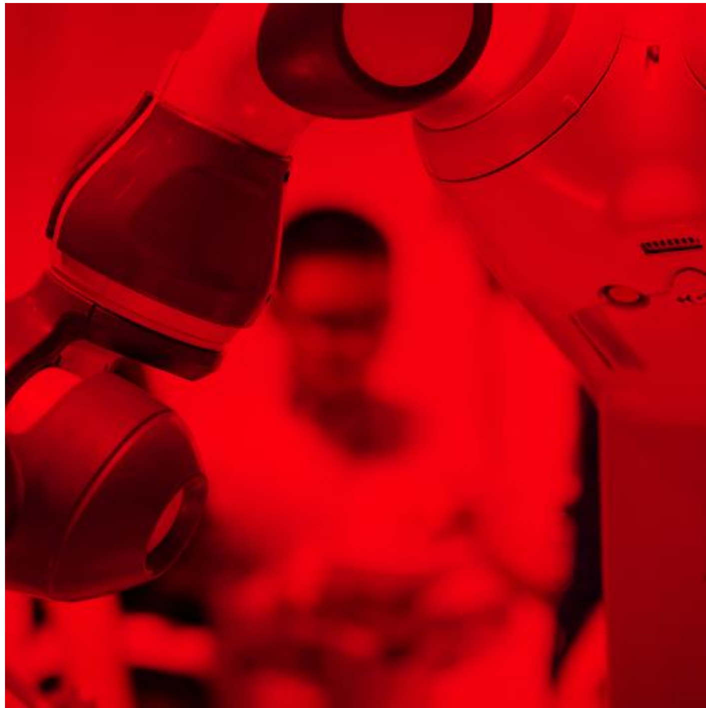
1. Continuing operations only.

Strong recovery in Return on Capital employed

Return on Capital employed (ROCE)

- Strong ROCE improvement in 2021 towards the 15 – 20% target range
- Improvement driven by higher Operational EBITA and lower adjusted group effective tax rate compared to last year
- Approximately 120 bps negative impact of 19.9% ownership interest in Hitachi Energy which will reverse after a sale of this investment





1. 2021, 2020 and 2019 are not comparable to 2018 and 2017 due to the adoption of the new lease accounting standard in 2019.

Q1 2022 outlook

Orders and revenues
Underlying market activity to remain overall stable compared with Q4; revenues in Q1 tend to be seasonally softer in absolute terms

Operational EBITA %
Remain broadly stable or slightly up compared with Q4

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

UNDERLYING MARKET

	% of 2021 revenues[1]	Previous outlook Q4, YoY	Outlook Q1, YoY		% of 2021 revenues[1]	Previous outlook Q4, YoY	Outlook Q1, YoY
Non-resi buildings	~12%	●●●	●●	**Power distribution utilities**	~6%	●●	●●
Oil & gas, chemicals	~10%	●●●	●●	**Conv. power generation**	~6%	●	●
Mining & metals	~9%	●●●	●●●	**Food & beverage**	~5%	●●●	●●
Residential buildings	~7%	●●●	●●	**Automotive**	~5%	●●●	●●
Marine & ports	~6%	●●●	●●	**Renewables**	~3%	●●●	●●●

1. Management estimates.

2022 in focus

we expect support from an anticipated positive market momentum and our strong order backlog as well as a steady margin improvement towards the 2023 target of at least 15%

manage interruptions in supply chain

continuous improvements

strong focus on performance culture

Cement performance culture

- All divisions to take ownership of performance
  - Accountability, transparency & speed
  - Transparent reviews
  - Exposure to EC & Board
- Good leaders cooperate

Focus on growth

- Focused R&D spend driven by divisions
- Efficient growth through increasing channel sales
- Building M&A pipeline
- Grow software and embedded digital sales

Improve profitability

- Improve underperforming divisions
- Focus on quality of revenues
  - Better gross margin
  - Less tail risks
  - Reduced earnings volatility
- Continuous improvements

Portfolio management

- Progress with already announced exits and IPO
- Inside divisions: review of product group portfolio
- Work towards increased pace of acquisitions
- Strong balance sheet to support acquisitions

Reward shareholders

- Value creation through improved performance
- Create value by adding know-how/exposure through acquisitions
- Proposed 2021 DPS of CHF 0.82, in line with dividend policy
- Plan to continue share buybacks, also in excess of the PG capital return program

Q&A

Appendix

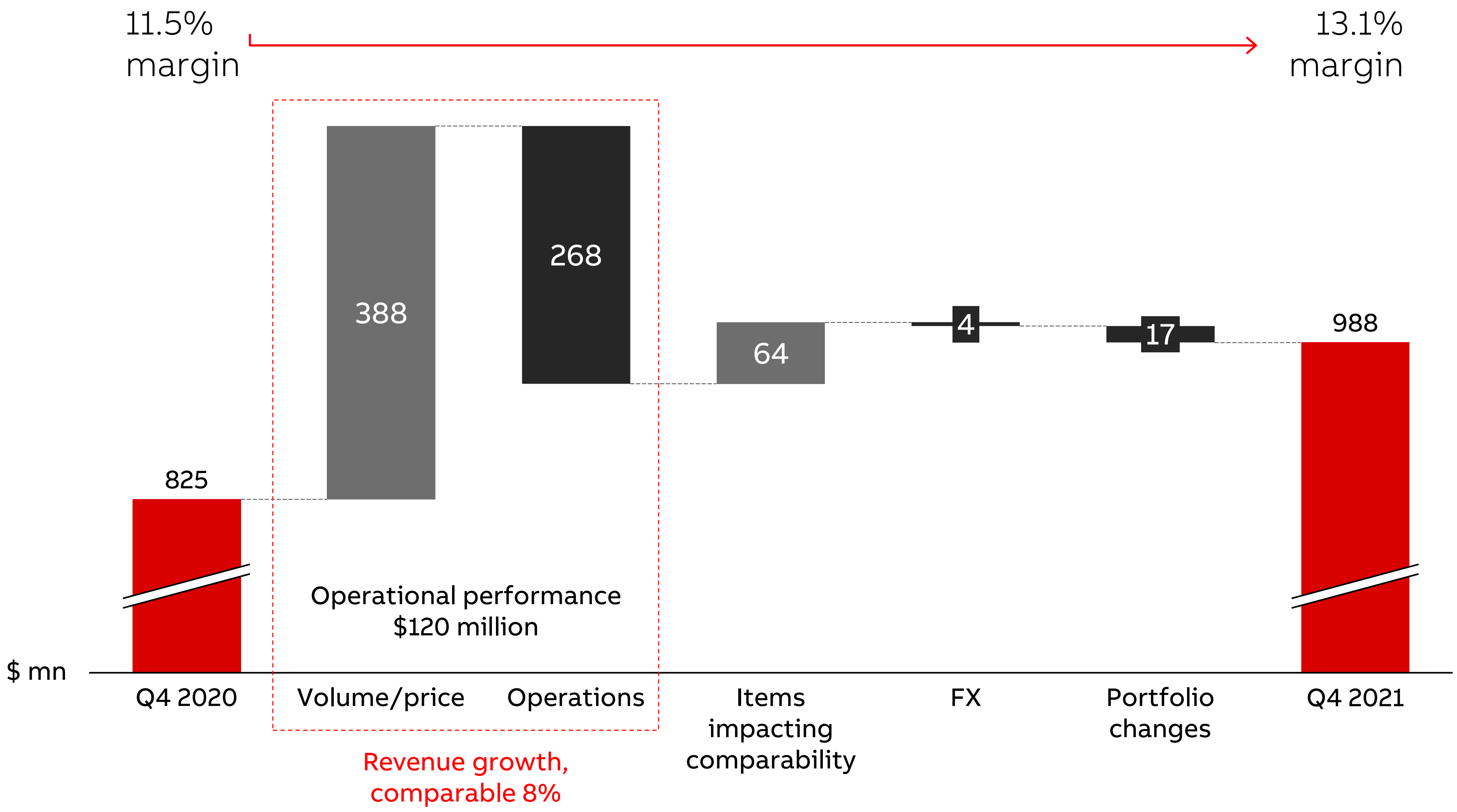
2022 framework

$ mn unless otherwise stated	Q4 21	Q1 22 framework	2022[1] framework
Corporate and Other Operational EBITA	(108)	~(80)	~(330)
Non-operating items			
Restructuring and restructuring-related	(79)	~(40)	~(150)
GEIS integration costs	(14)	–	–
Separation costs[2]	(36)	~(70)	~(180)
ABB Way transformation	(28)	~(30)	~(150)
PPA-related amortization	(59)	~(60)	~(230)
Certain other income and expenses related to PG divestment[3]	(25)	~(15)	~(20)

	Q4 21	Q1 22 framework	2022 framework
Net finance expenses	(26)	~(25)	~(100)
Non-operational pension (cost) / credit	36	~35	~140
Effective tax rate	9.4%	~20%	~25%
Capital expenditure	(361)	~(140)	~(750)

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

Operational EBITA bridge



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