ZURICH, SWITZERLAND | OCTOBER 21, 2021 | BJÖRN ROSENGREN, CEO; TIMO IHAMUOTILA, CFO

Q3 2021 results

Strong demand, supply chain constraints impacting revenues

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 "Q3 2021" on our website at global.abb/group/en/investors/results-and-reports/2021.

Q3 2021 highlights

- **High level of demand driving strong order growth** with double-digit growth rates in all BAs
- **Revenues hampered by component constraints delaying** customer deliveries primarily related to semiconductors
- **High Operational EBITA margin** supported by strong improvement in Process Automation, SG&A cost control and unusually low corporate costs
- Yet another quarter with **strong cash performance** with cash[1] for the first nine months 2021 above full year 2020

1. Cash flow from operating activities in continuing operations
BA = Business Area

Game-changing ABB Ability™ eMine unveiled to fast-track transition to all-electric mines

Acquisition of ASTI Mobile Robotics Group to drive next generation of flexible automation

Recognized once again by FTSE4Good Index Series

Announced divestment of Mechanical Power Transmission division to RBC Bearings for $2.9 billion

Investment in e-mobility startup GO TO-U that offers a unique digital e-mobility experience platform

World's fastest electric car charger, Terra 360, launched, which can simultaneously charge up to four vehicles

Strong demand, but revenues impacted by ability to deliver

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

Short-cycle
Steep growth across most businesses

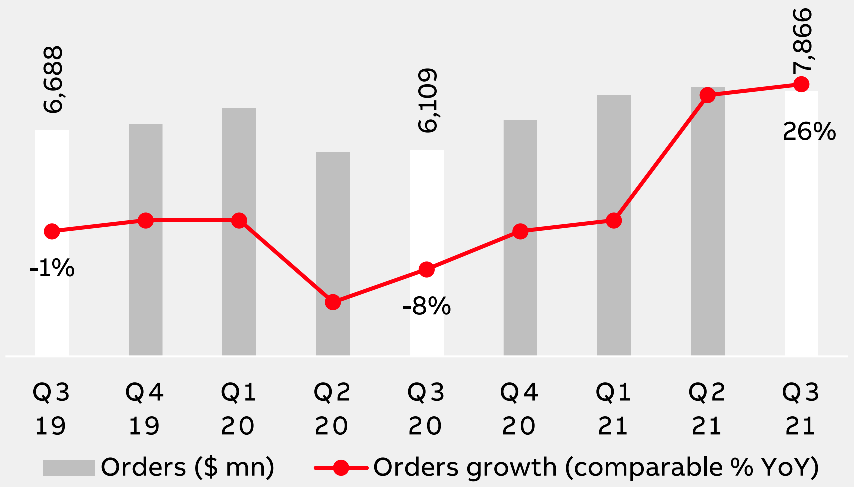
Services
Orders +18%[1] and revenues +2%[1]

Discrete
Broad-based order growth with orders also improving in automotive

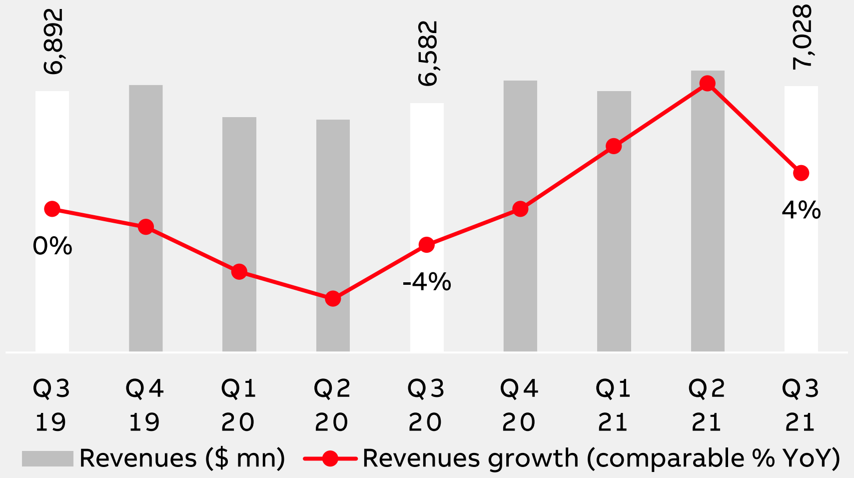
Process
Improvement across segments, including oil & gas; customer activity in power generation remained stable

Transport & infrastructure
Broad-based order growth across segments; continued recovery in marine including cruise

Orders +26%[1]



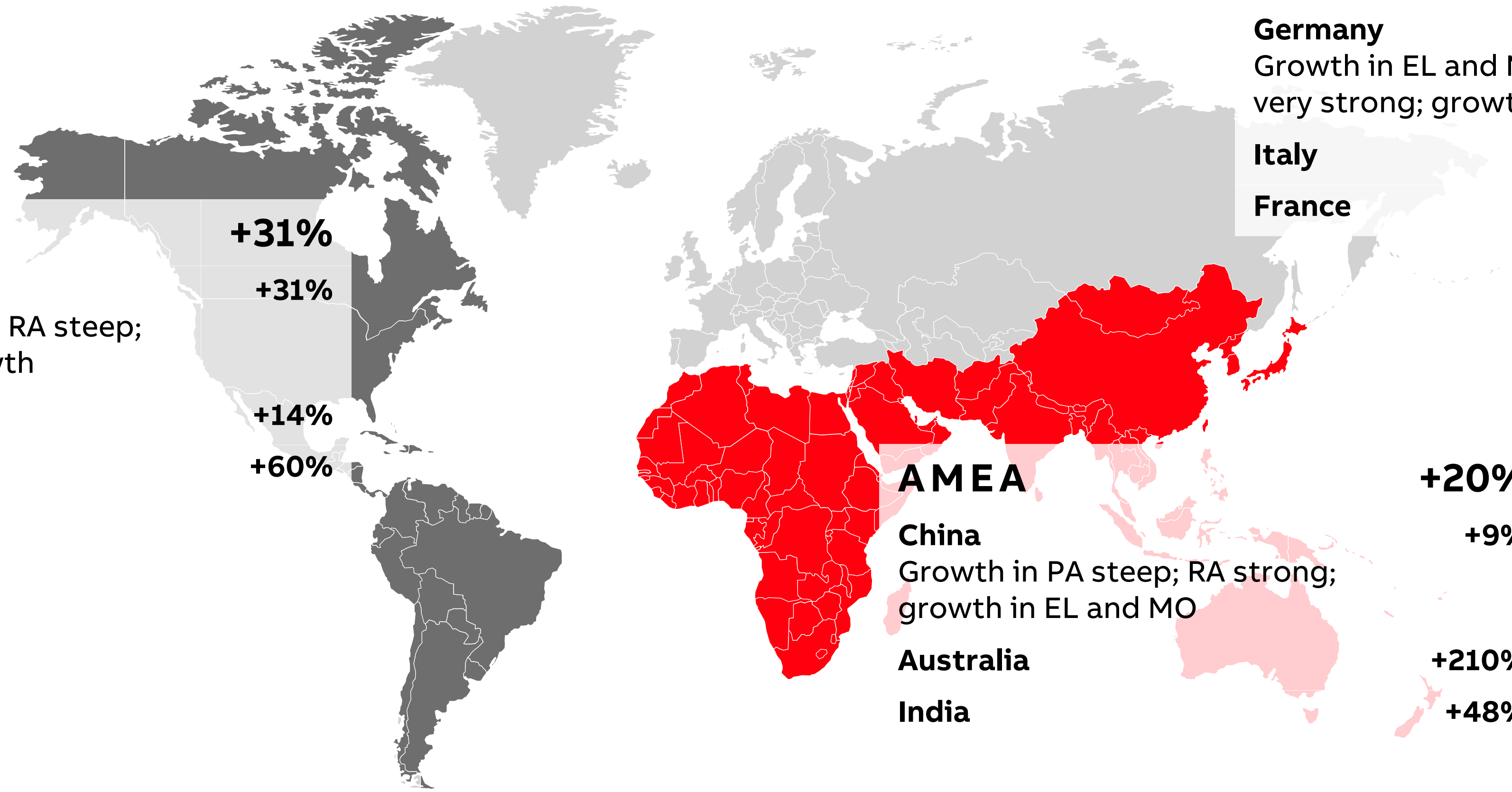
Revenues +4%[1]



Book-to-bill 1.12

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

Steep growth in all regions
Q3 2021 regional, country orders



AMERICAS **+31%**

USA **+31%**
Growth in EL, PA and RA steep; MO very strong growth

Canada **+14%**

Mexico **+60%**

EUROPE **+27%**

Germany **+32%**
Growth in EL and MO steep; RA very strong; growth in PA

Italy **+17%**

France **+62%**

AMEA **+20%**

China **+9%**
Growth in PA steep; RA strong; growth in EL and MO

Australia **+210%**

India **+48%**

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

Profitability improvement in PA and low corporate costs

Profitability drivers
(comparable % YoY, unless otherwise indicated)

Gross margins
+470 bps, driven by strong improvement in PA; EL and MO impacted by higher raw material prices; fewer one-time items

SG&A expenses
+1%[1], driven by higher sales expenses
SG&A expense in % of revenues declining from 18.1% to 17.5%

R&D expenses
+7%[1] , increasing in all BAs

Corporate and Other Operational EBITA
-$37 mn, $115 mn lower YoY, primarily due to the reduction of losses incurred in non-core businesses as well as certain positive non-repeating items

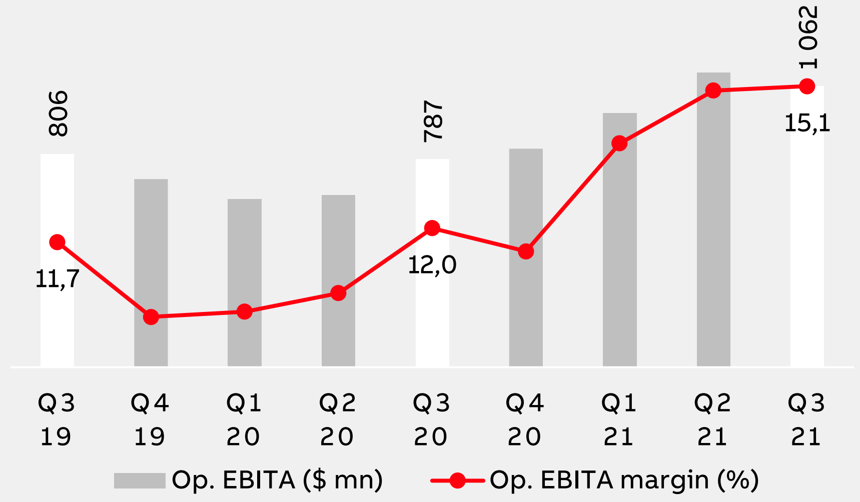
1. Constant currency. 2. EPS growth rate impacted by Power Grids related book gain in Q3 2020; EPS growth rates are computed using unrounded amounts.

Basic EPS

$0.33
-85%[2]

Cash flow
from operating activities in continuing operations
$1,119 mn
+$721 mn

Operational EBITA +35%

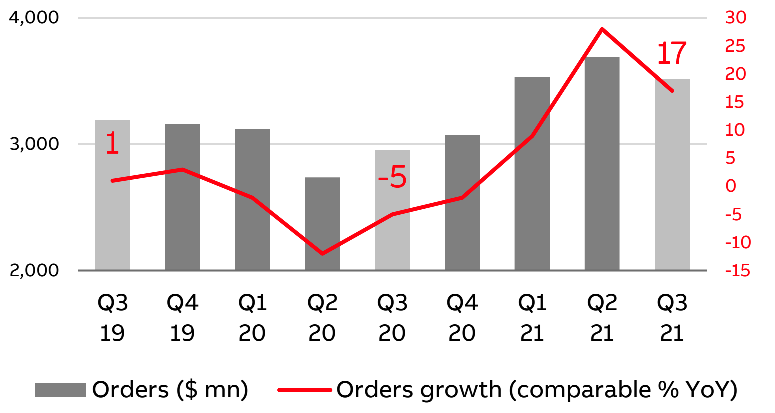


Operational EBITA margin +310 bps

	Q3 20	Q3 21
Op. EBITA margin	**12.0%**	**15.1%**
Incl. following impacts within period:		
Non-core	-130 bps	-10 bps
Kusile	-80 bps	n.a.
Non-repeating EL items	+50 bps	n.a.
	-160 bps	**-10 bps**

Input costs and supply constraints weigh on margin

Q3 2021 Electrification

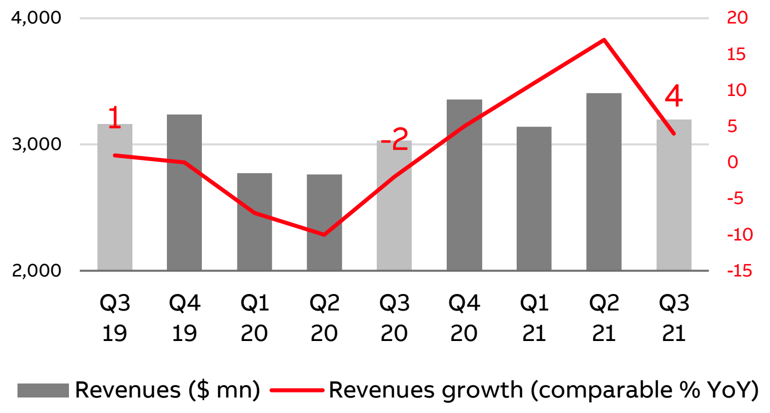


Orders $3,519 mn

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

Strong growth across transport & infrastructure segment including residential and non-residential buildings

Backlog $5.2 bn (prior Q-end $5.0 bn)

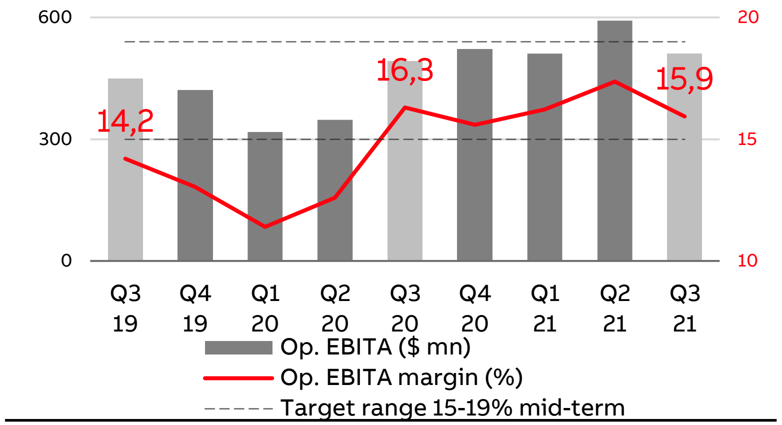


Revenues $3,196 mn

Revenues challenged by supply constraints limiting the ability to convert orders into actual deliveries

Component shortages expected to impact customer deliveries also in the coming quarter

Book-to-bill 1.10x



Operational EBITA $511 mn, +4% YoY

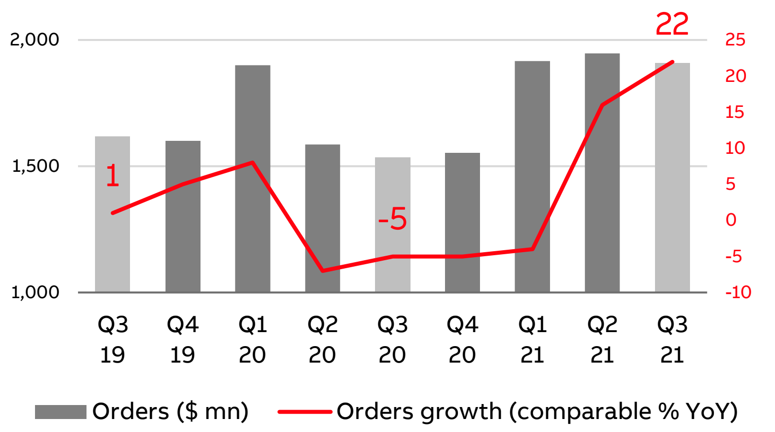
Margin -40 bps YoY; approximately +60 bps YoY excluding non-repeating positive impacts in Q3 20

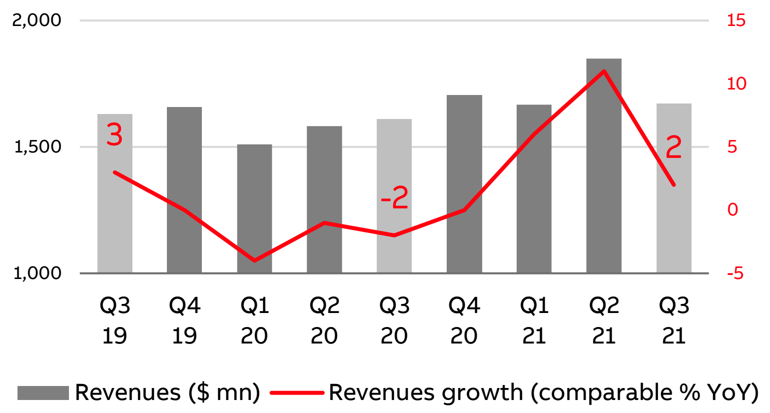
Underlying operational margin improvement supported by slightly higher volumes and efficiency measures

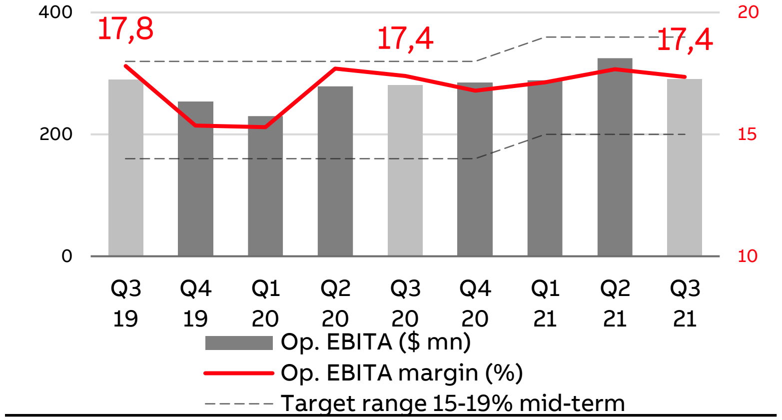
Gross margin impacted by raw material and general cost inflation, offsetting active price management

Stable margin despite cost inflation

Q3 2021 Motion







Orders $1,909 mn

Strong demand across divisions and segments, including strong growth in food & beverage, metals and rail

Continue to work closely with channel partners to allocate demand

Backlog $3.7 bn (prior Q-end $3.6 bn)

Revenues $1,673 mn

Most divisions saw revenues growing year-on-year

Ability to deliver partially impacted by component shortages as well as labor availability in the US

Book-to-bill 1.14x

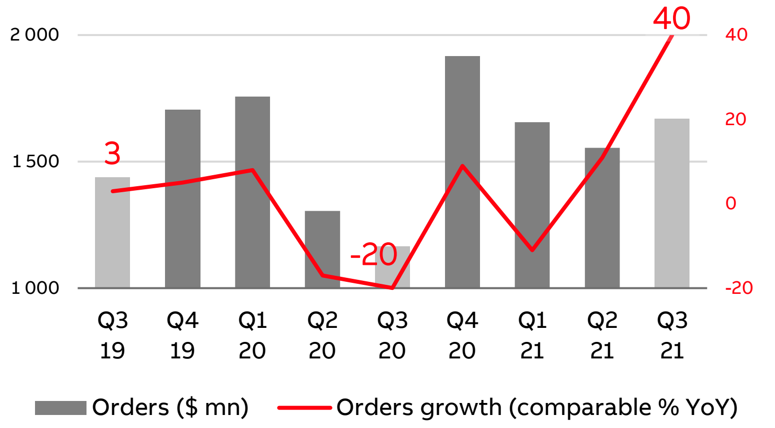
Operational EBITA $291 mn, +4% YoY

Margin stable YoY

Margins supported by favorable mix as well as small volume impact

Price increases not able to fully offset raw material and other cost inflation during the quarter

Strong profitability improvement
Q3 2021 Process Automation

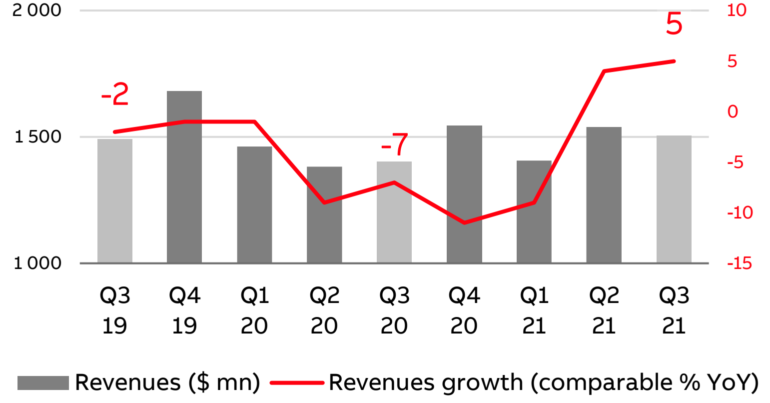


Orders $1,670 mn

Strong year-on-year improvement in all geographies

Broad-based recovery across segments, including improved demand in oil & gas

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

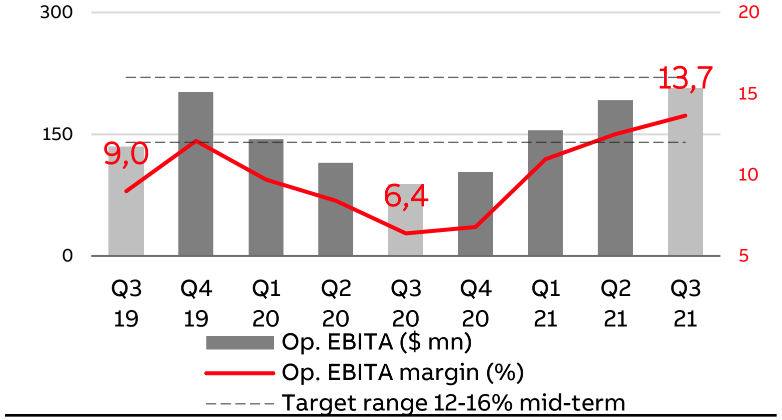


Revenues $1,507 mn

Revenues lagging orders intake due to long backlog phasing

Limited direct impact of material shortages on revenues

Book-to-bill 1.11x



Operational EBITA $207 mn, +133% YoY

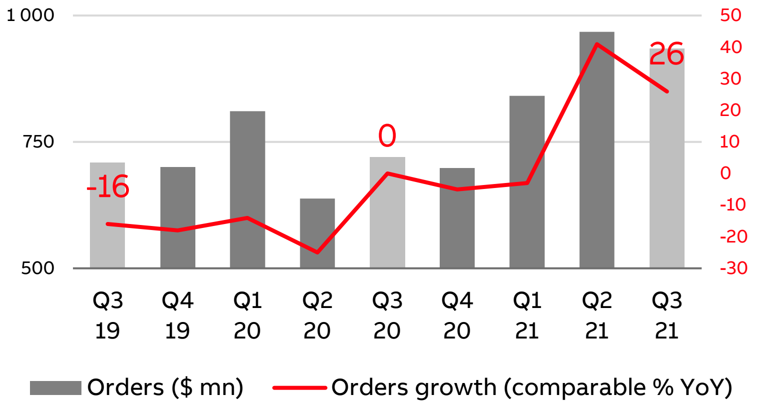
Margin +730 bps YoY; approximately +330 bps YoY excluding Kusile project impact in Q3 20

Volume, business mix and strong project execution supportive

Continued benefit from initiated cost measures

Strong orders, but component shortages weigh on top-line

Q3 2021 Robotics & Discrete Automation

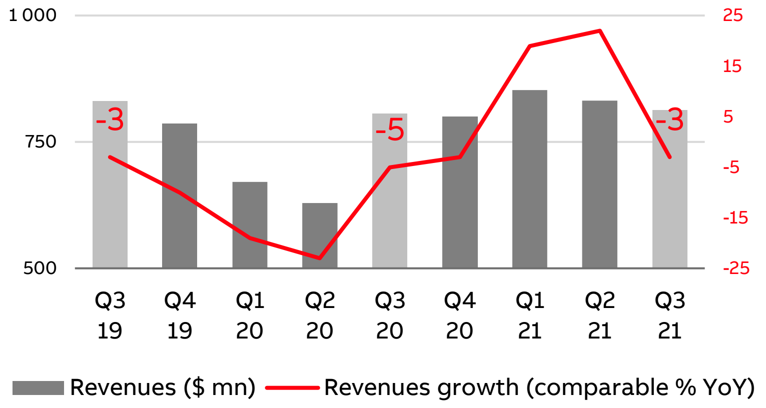


Orders $935 mn

Customer activity increased in all segments, with the strongest order increase in General Industry, Consumer Segments and Service Robotics and Machine Automation

Machine Automation has been tightly managing order intake to ensure ability to deliver

Backlog $1.6 bn (prior Q-end $1.5 bn)

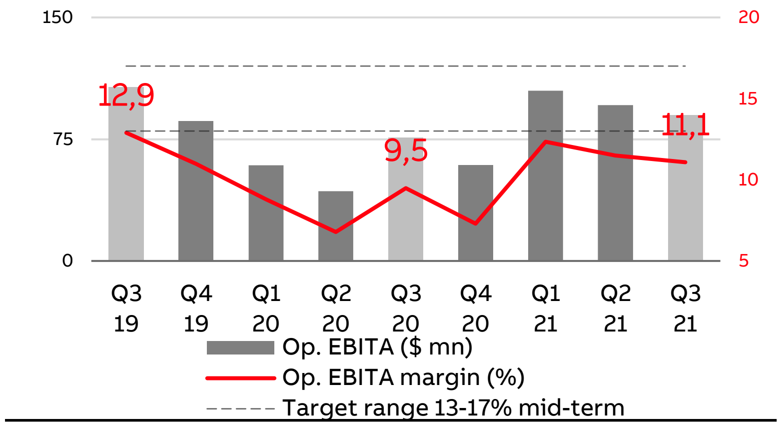


Revenues $813 mn

Growth in non-auto revenues, while in automotive growth was impacted by the earlier conscious efforts to reduce exposure to system orders

Semiconductor shortages impact ability to deliver in Machine Automation

Book-to-bill 1.15x



Operational EBITA $90 mn, +18% YoY

Margin +160 bps YoY

Year-over-year margin improvement driven by a better mix within Robotics and from a higher share of product and service business

Sequential volume impact from supply chain shortages expected to continue

Revenues and Operational EBITA bridge

($ million, unless otherwise indicated)	Q3 2020	Δ Comparable (core)	Δ Non-core business	Δ Acquisitions /divestments	Δ FX	Q3 2021
Revenues	**6,582**	289	24	6	127	**7,028**
Operational EBITA	**787**	179	79	-1	18	**1,062**
Op. EBITA margin (%)	**12.0**					**15.1**
Margin accretion/ dilution (%)		+2.0[1]	1.1	0.0	0.0	

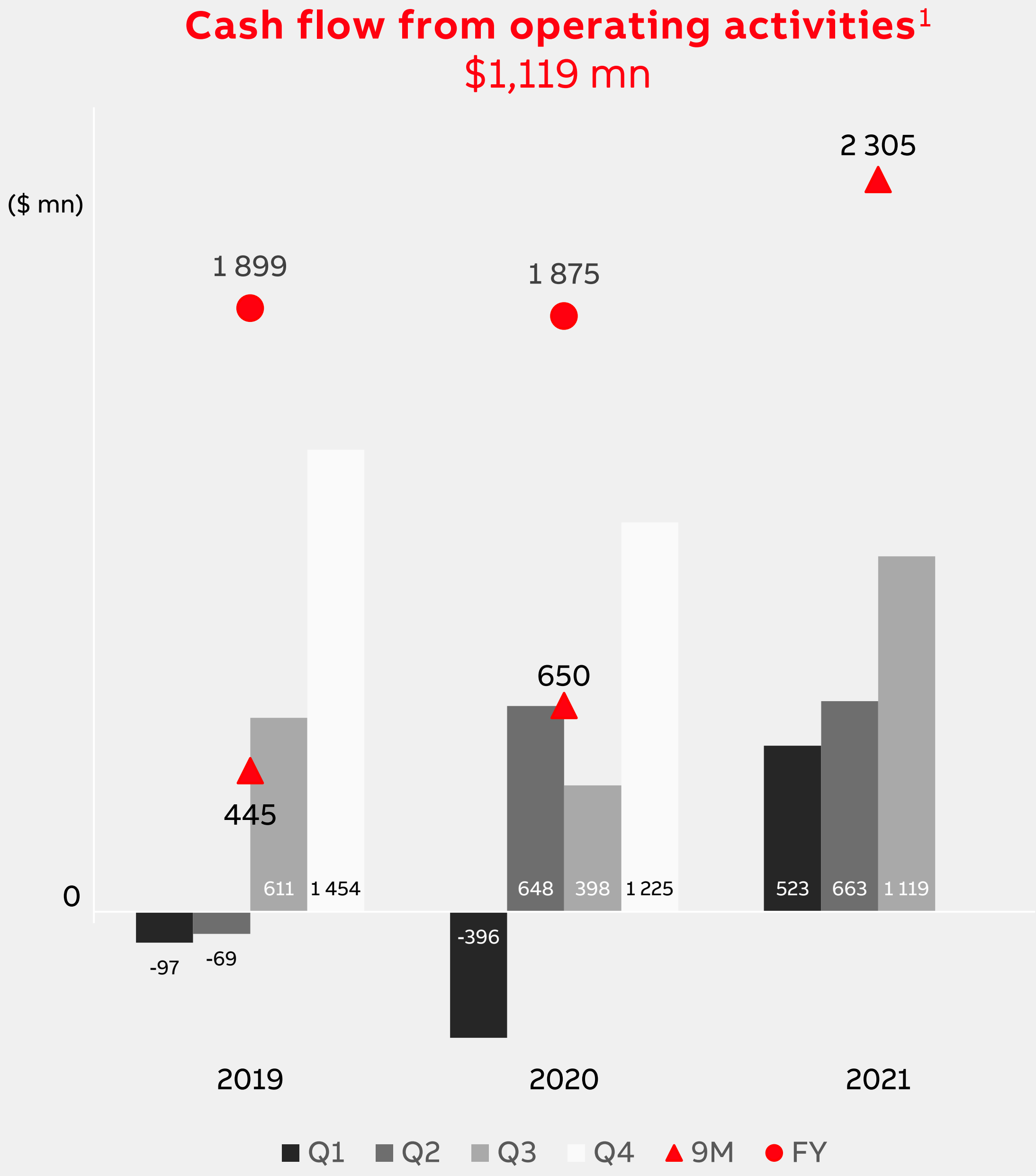
1. Incl. 0.8% margin accretion from the absence of the Kusile project.

Cash generation analysis
Q3 2021 cash flow drivers

Cash flow from operating activities[1]
$1,119 mn, +$721 mn YoY

- Stronger operational performance from all business areas
- Less negative transformation and pension impacts

Cash generation in 9M 2021 already above FY 2020

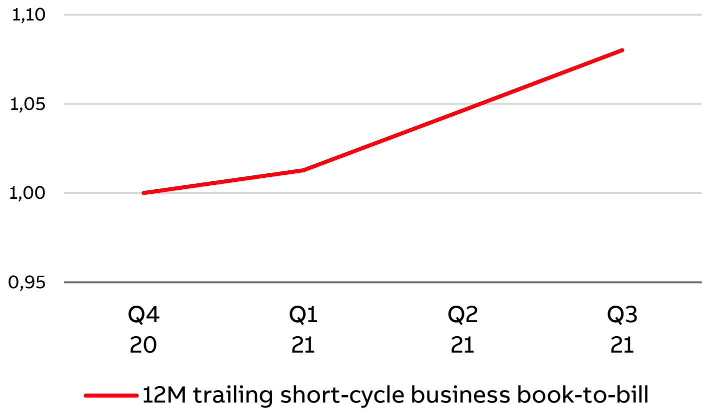


1. Continuing operations only.

We will continue to manage near-term challenges

Ability to deliver and cost inflation

Ability to deliver impacted by supply chain constraints

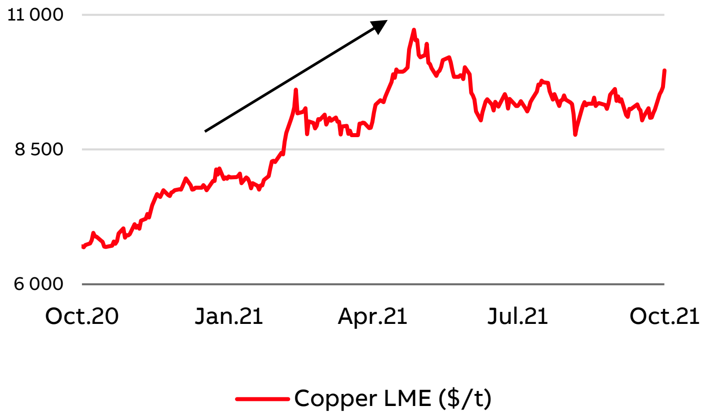


Working on redesigns using components that are in higher supply where possible

New supplier validations

Build inventory for critical components where possible

Higher costs for raw materials and components



Further price increases to offset raw material costs

Continued headwind expected for Q4

Ambition for price vs. commodity to be at least neutral from 2022

Other cost inflation such as costs for logistics

Relying on long-term contracts

Offsetting cost pressures through continuous improvement driven by divisions

Outlook

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

FY21

Revenues
comparable growth of 6% – 8%, hampered by supply constraints

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

Basic EPS
strong accretion YoY[1]

Cash flows
solid delivery for the year

Q4

Orders and revenues
comparable revenue growth is estimated to be broadly similar to the third quarter

Operational EBITA %
expected to decline sequentially, in line with recent historical pattern

UNDERLYING MARKET

	% of 2020 revenues[2]	Previous outlook Q3, YoY	Outlook Q4, YoY		% of 2020 revenues[2]	Previous outlook Q3, YoY	Outlook Q4, YoY
Oil & gas, chemicals	~12%	●●	●●●	**Food & beverage**	~6%	●●●	●●●
Non-resi buildings	~11%	●●●	●●●	**Power distribution utilities**	~6%	●●	●●
Mining & metals	~8%	●●	●●●	**Conv. power generation**	~6%	●●	●
Residential buildings	~7%	●●●	●●●	**Automotive**	~5%	●●●	●●●
Marine & ports	~6%	●●●	●●●	**Renewables**	~3%	●●●	●●●

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

Q&A

Appendix

2021 framework

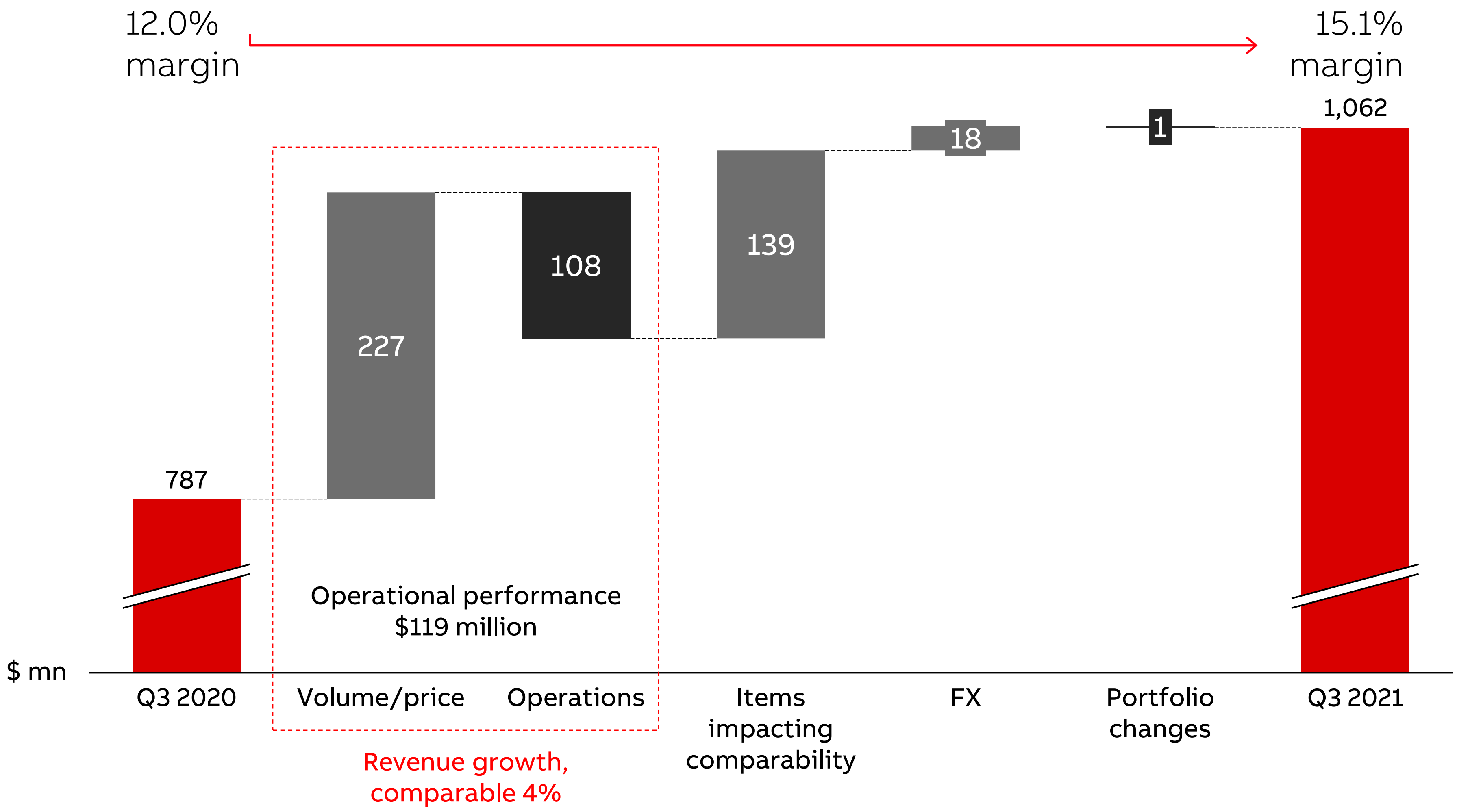
$ mn unless otherwise stated	Q3 21	Q4 21 framework	2021 framework
Corporate and Other Operational EBITA	(37)	~(110)	↓~(340)[1] from ~(400)
Non-operating items			
Restructuring and restructuring-related	(28)	~(70)	~(150)
GEIS integration costs	(8)	~(5)	↑ ~(25) from ~(20)
Separation costs[2]	(34)	~(80)	~(130)
PPA-related amortization	(62)	~(65)	~(255)
Certain other income and expenses related to PG divestment[3]	(17)	~(10)	~(40)

	Q3 21	Q4 21 framework	2021 framework
Net finance expenses	(6)	~(30)	↓ ~(100) from ~(130)
Non-operational pension (cost) / credit	42	~50	~180
Effective tax rate[4]	22.6%	<20%	~26%
Capital expenditure	(166)	~(250)	↓ ~(700) from ~(750)

↑↓ Revised guidance

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

Operational EBITA bridge



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