ZURICH, SWITZERLAND | APRIL 18, 2024 | BJÖRN ROSENGREN, CEO; TIMO IHAMUOTILA, CFO

Q1 2024 results

Positive book-to-bill, record-high margin and strong cash flow

ABB

Important notices

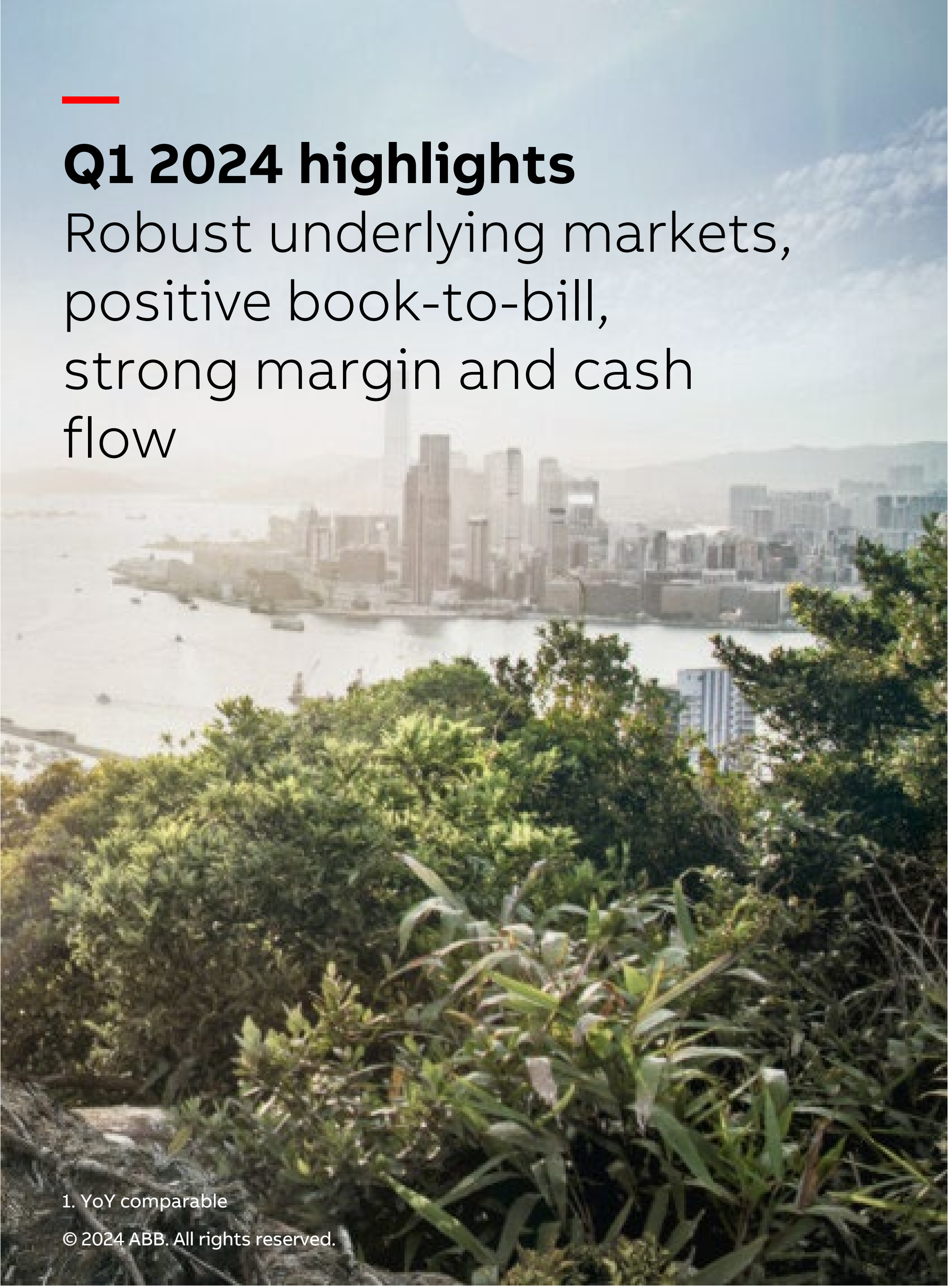
This presentation includes forward-looking information and statements including statements concerning the outlook for our businesses.
These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, 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,” “guidance”, “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 “Q1 2024” on our website at global.abb/group/en/investors/quarterly-results.



Q1 2024 highlights

Robust underlying markets, positive book-to-bill, strong margin and cash flow

01.

Strong start to the year

Orders -4%[1] on strong comparable; Revenue +2%[1] from last year's high level; Op. EBITA +11% year-on-year; Op. EBITA margin 17.9% +160 bps; Free cash flow $551 mn, +$389 mn YoY

02.

Morten Wierod appointed to succeed Björn Rosengren as CEO

Continue to focus on our key priorities while our new financial and sustainability targets remain firmly in place

03.

New buyback program launched of up to $1 bn

Completed buyback program launched in April 2023, repurchasing shares for a total amount of ~$0.83 bn. New program will run until the end of January 2025

04.

Enabled customers to Avoid 74 Mt of GHG emissions with products sold in 2023

74 Mt of GHG emissions avoided over the lifetime of the products sold in 2023 across industry, transport, buildings, data centers and more

05.

Acquisition of SEAM Group to expand electrification service offering

Broadens ABB's Electrification Service portfolio with industrial asset management and advisory services in the US, adding 3,000 additional customer sites

1. YoY comparable

Strong book-to-bill driven by Electrification and Motion

Q1 2024 results

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

Short-cycle
Down low-single digit; strength in Electrification offset by other Business Areas

Utilities & Data centers
Strong growth across all regions

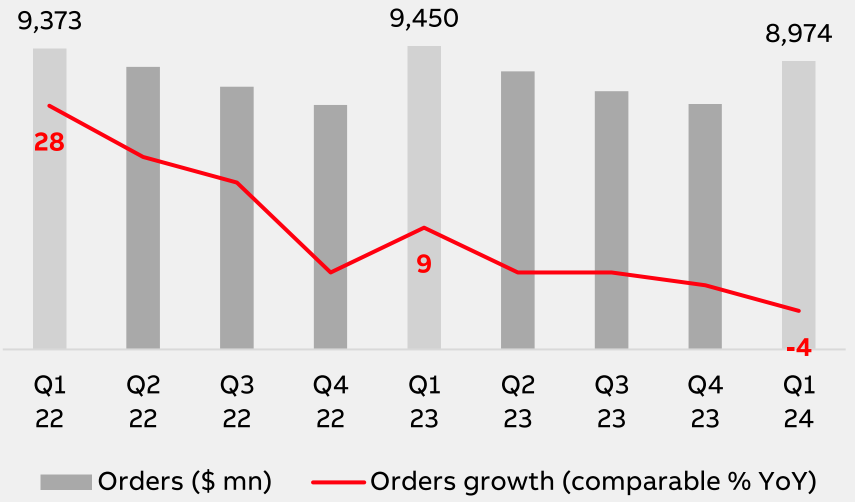
Discrete
Robotics decline in the automotive, general industry and consumer-related segments; machine automation declines as lead-times normalize

Process
Decline on very challenging comparables; underlying momentum robust with continued strength noted in the less sizeable low carbon areas

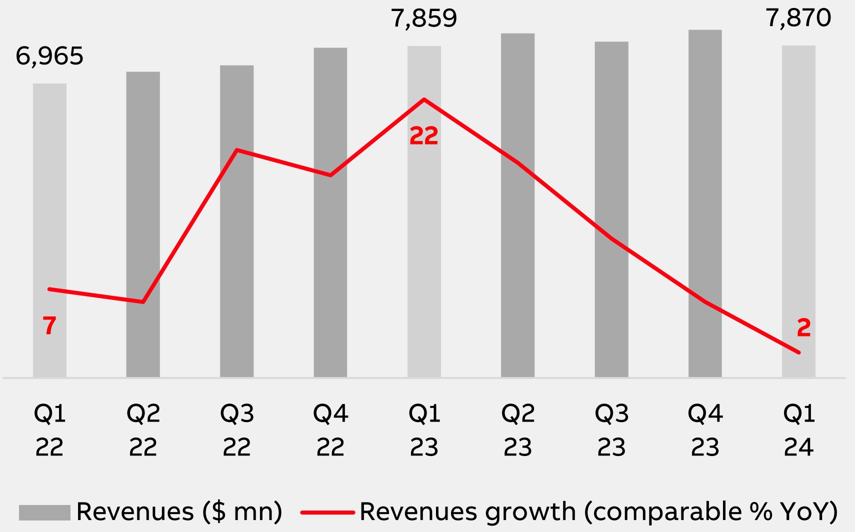
Transport & infrastructure
Positive in marine & ports and rail; commercial buildings solid driven by the US; Residential building slightly down outside US

Order backlog grew +6%[1] to $22 bn

Orders -4%[1]



Revenues +2%[1]



Book-to-bill 1.14

1. YoY comparable.

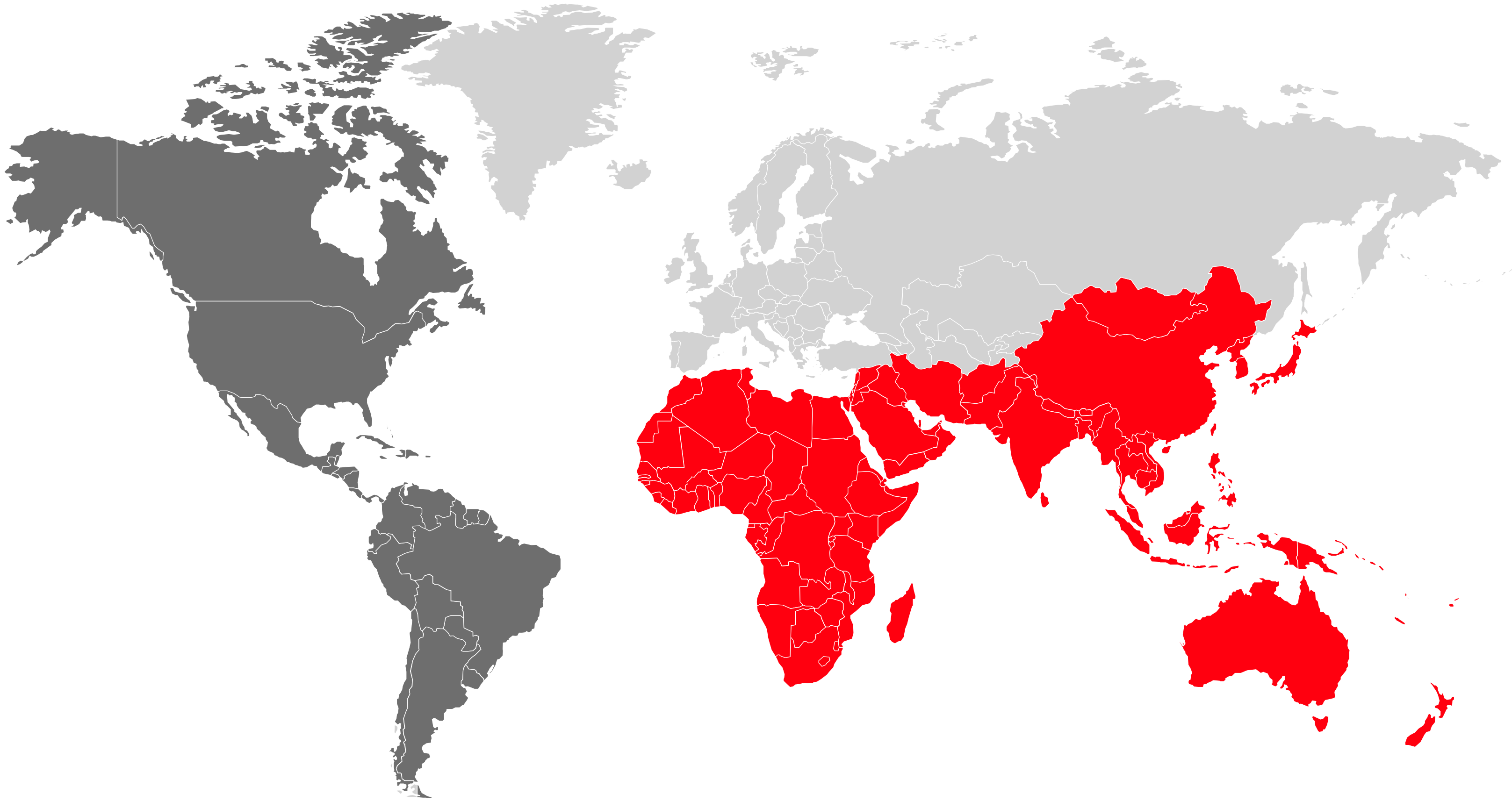
Continued strength in the US and AMEA outside of China

Q1 2024 regional, country orders

The Americas	**-3%**
USA Steep growth in EL; decline in MO; strong decline in PA; Steep decline RA	**+2%**
Canada	**-18%**
Mexico	**-5%**

Europe	**-9%**
Germany Growth in EL; decline in PA; strong decline MO; steep decline in RA	**-9%**
Italy	**-20%**
Netherlands	**+89%**

AMEA	**+0%**
China decline in EL and MO; steep decline in PA and RA	**-18%**
India	**+5%**
Australia	**+186%**



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.

Op. EBITA +11% year-on-year and record high Operational EBITA margin

Profitability drivers

Gross Profit

+9%[1]

Gross profit as a % of revenues increased from 34.6% to 37.3%; expansion in all business areas driven mainly by higher volumes improving cost absorption and efficiency measures

SG&A expenses

+3%[1]

SG&A expense as a % of revenues increased from 17.0% to 17.5%; driven primarily by higher sales expense across most business areas supporting revenue growth

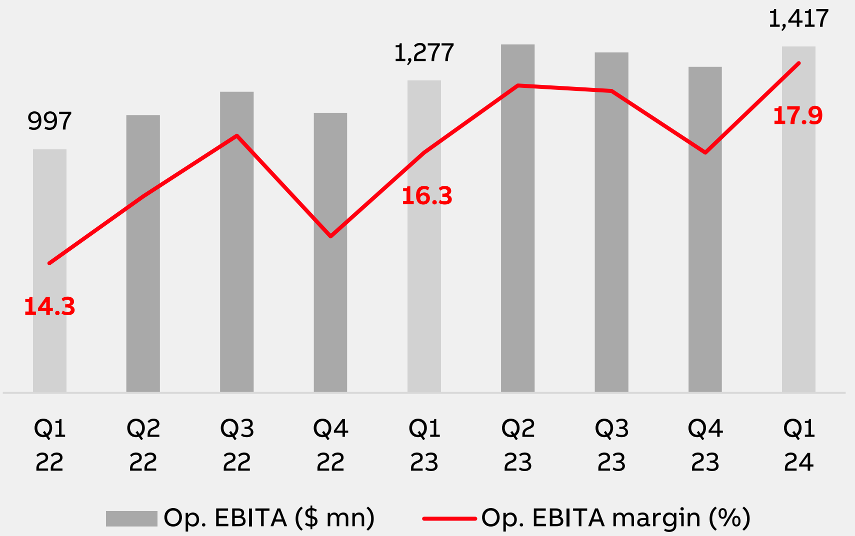
Corporate and Other Operational EBITA

-$118 mn, -$7 mn YoY

of which Corporate costs and Other -$64 mn and E-mobility -$54 mn

Basic EPS	**$0.49** **-$0.07 YoY**	**Cash flow** from operating activities	**+$726 mn** **+$444 mn YoY**

Operational EBITA +11%

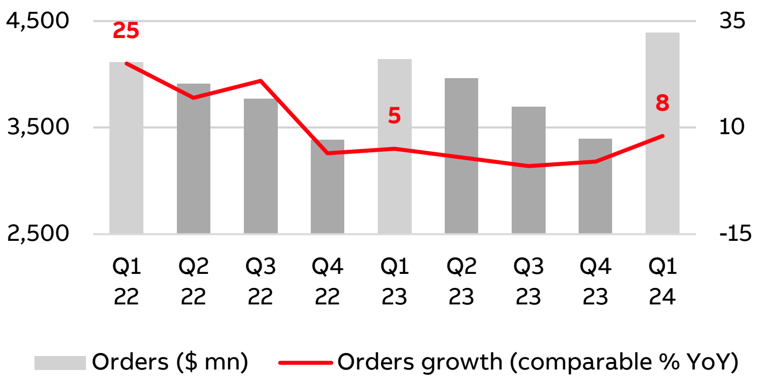


Operational EBITA margin +160 bps

1. Constant currency.

Record high orders and profitability

Q1 2024 Electrification

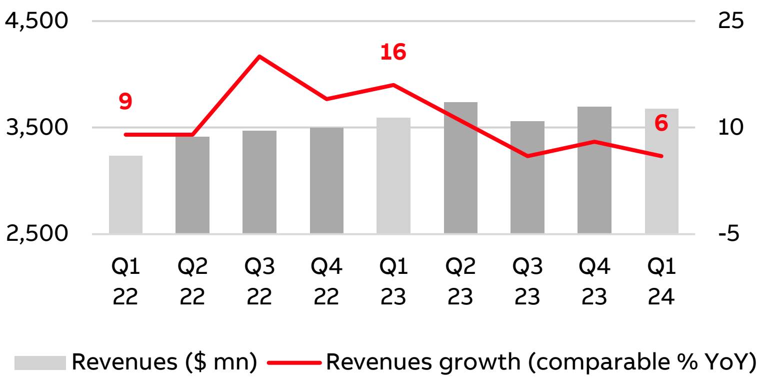


Orders $4,392 mn

Project- and systems-related offering remained robust; added support from strong short-cycle

Strength in utilities and datacenters; Commercial buildings up driven by US; Residential slightly down outside US

Backlog $7.4 bn (prior Q-end $6.8 bn)

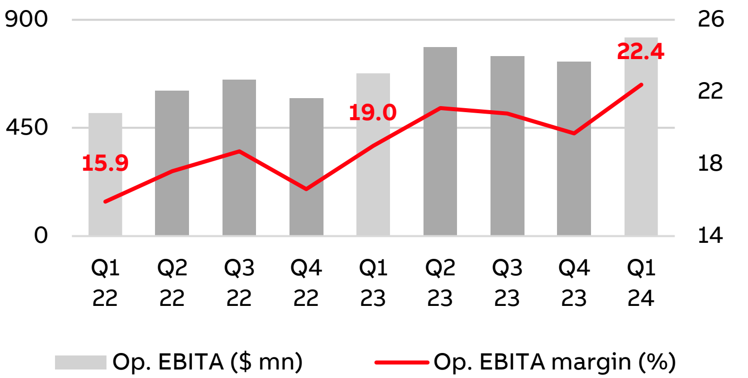


Revenues $3,680 mn

Growth driven mainly by volume with additional support from targeted pricing actions

Execution of the order backlog combined with higher demand in short-cycle resulted in positive revenue growth in most divisions

Book-to-bill 1.19x QTD



Operational EBITA $826 mn, +22% YoY

Margin +340 bps YoY

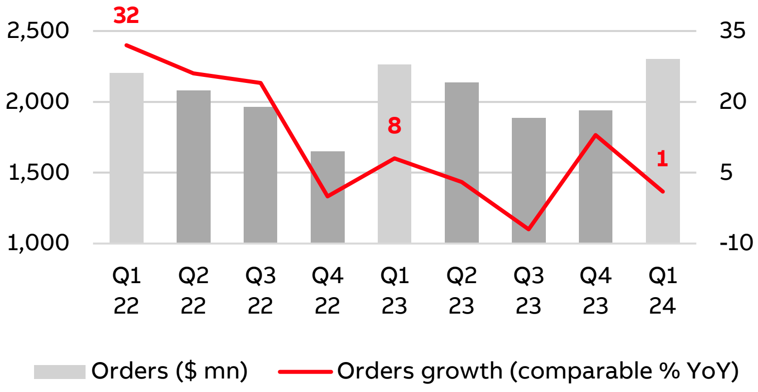
Margin improvement driven by higher volumes improving cost absorption and continuous improvement measures

Positive price more than offset higher salary-related costs, R&D and Selling, General & Administration

Margins improved or remained stable in all divisions

Robust customer activity in project- and systems-related businesses

Q1 2024 Motion



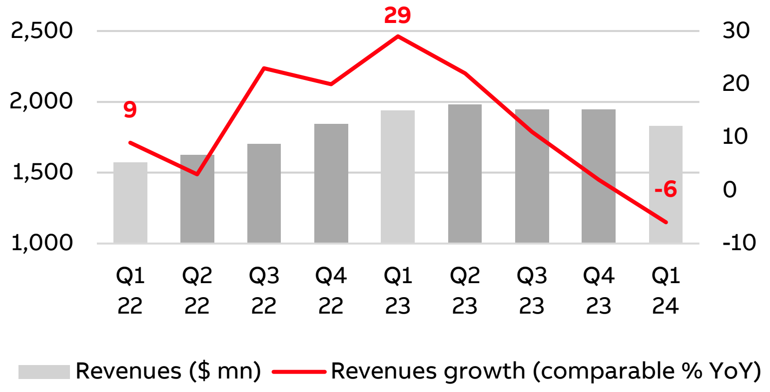
Orders $2,303 mn

Strength in rail, O&G[1] and power generation; some slowness in food & beverage, pulp & paper, metals and chemicals on high comparables; HVAC remains muted

All time high orders with extra support from large traction order ~$150 million

Some sequential improvement in short-cycle

Backlog $5.6 bn (prior Q-end $5.3 bn)

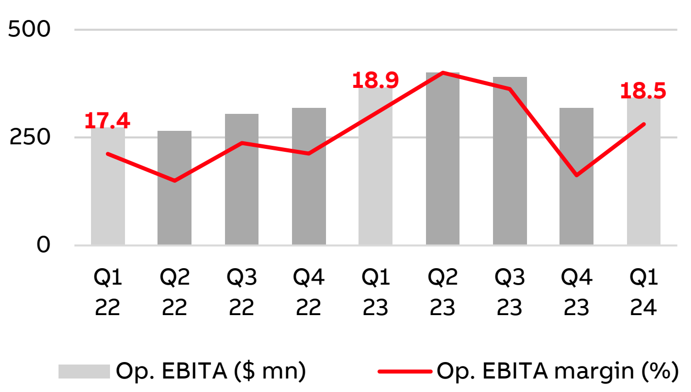


Revenues $1,829 mn

Decline driven by weakness in the short-cycle businesses and execution delays from some parts of the order backlog due to delivery timing changes

Higher pricing was more than offset by weaker volumes

Book-to-bill 1.26x QTD



Operational EBITA $343 mn, -6% YoY

Margin -40 bps YoY

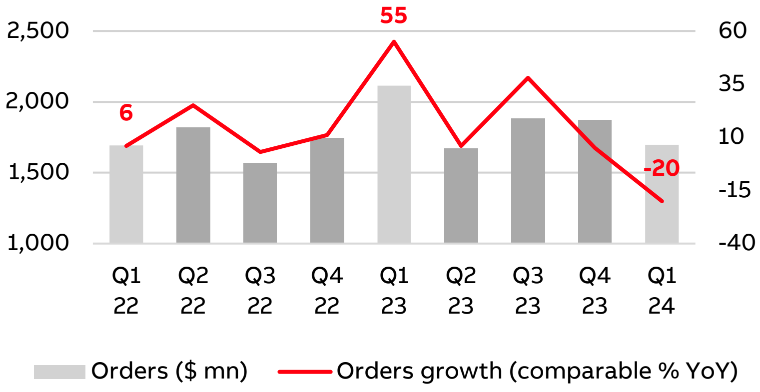
Decrease driven by lower volumes in short-cycle businesses reducing operating leverage

Positive price impact and the stringent cost focus more than offset the adverse impacts from higher expenses related to salaries, R&D and SG&A, year-on-year

1. Oil & Gas

Record profitability with all divisions now in the “teens” range

Q1 2024 Process Automation

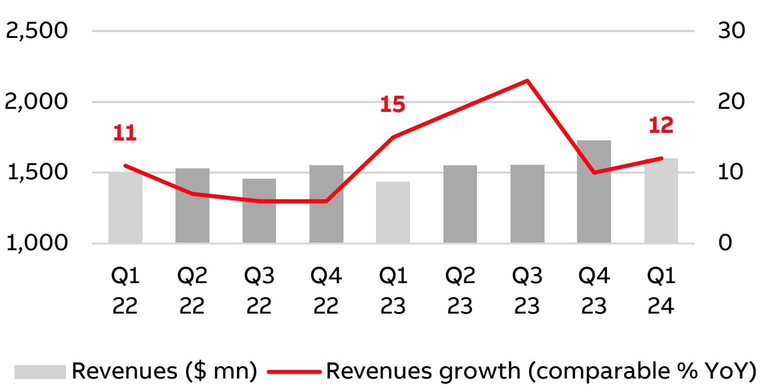


Orders $1,697 mn

Underlying markets remain buoyant; while growth rates impacted by timing of orders in the large process-related industries of oil & gas, pulp & paper and mining

Strength in ports as well as less sizeable low carbon related segments

Backlog $7.3 bn (prior Q-end $7.5 bn)

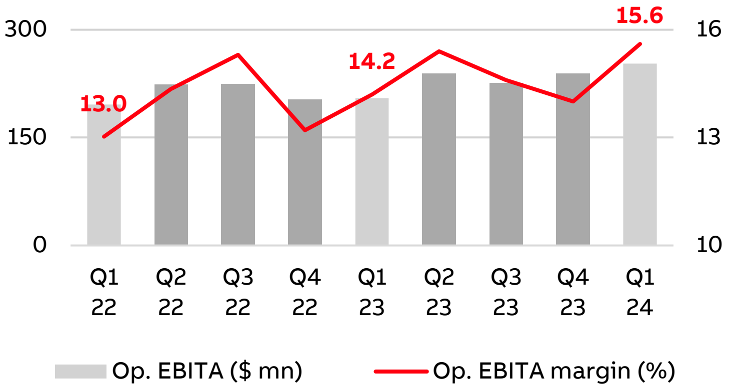


Revenues $1,601 mn

Strong growth driven by execution of the high order backlog

Revenue growth across all divisions and all regions largely driven by service

Book-to-bill 1.06x QTD



Operational EBITA $253 mn, +23% YoY

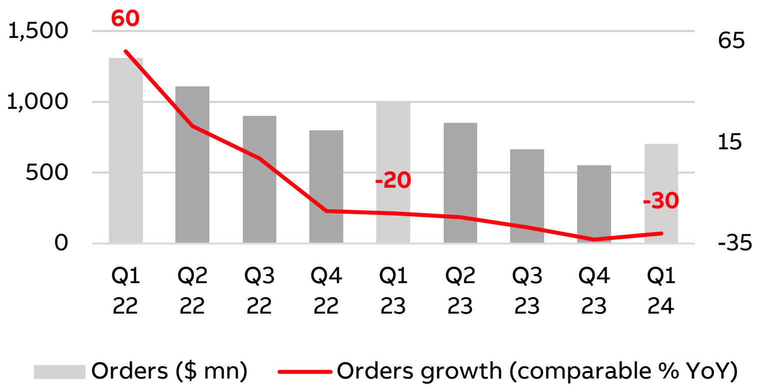
Margin +140 bps YoY

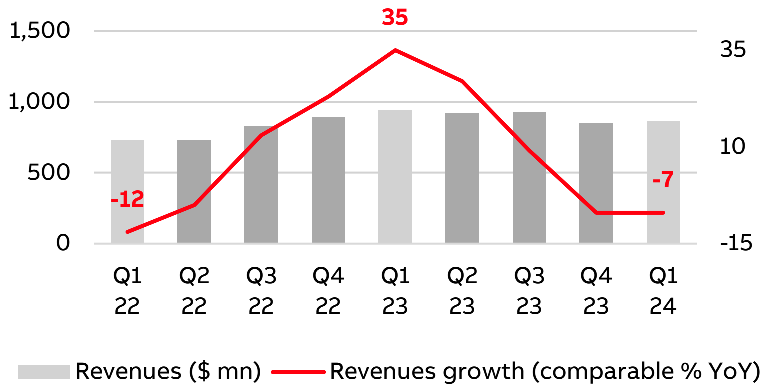
Driven by execution of the order backlog with a higher gross margin, whilst keeping SG&A expenses on a stable percentage of revenues.

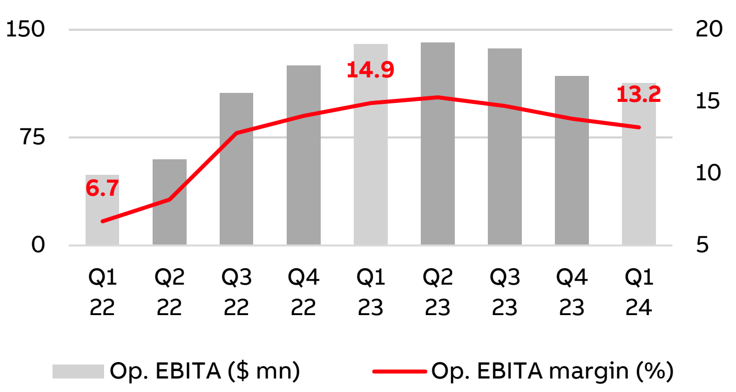
A slight positive price impact offset increased salary-related expenses, year-on-year

Orders improved sequentially; revenues and margin holding

Q1 2024 Robotics & Discrete Automation







Orders $701 mn

Double-digit decline in both divisions on high comparables; more pronounced in RAMA[1]

Robotics demand declined across all segments, but improved sequentially with channel inventory seemingly normalized

Machine builders holding back new orders due to earlier pre-buys; lead times normalized

Backlog $1.9 bn (prior Q-end $2.1 bn)

Revenues $864 mn

Revenue growth in the Machine Automation division offset by lower book-and-bill revenue in the Robotics division

Stable in Europe and the Americas while AMEA declined driven by China

Book-to-bill 0.81x QTD

Operational EBITA $113 mn, -19% YoY

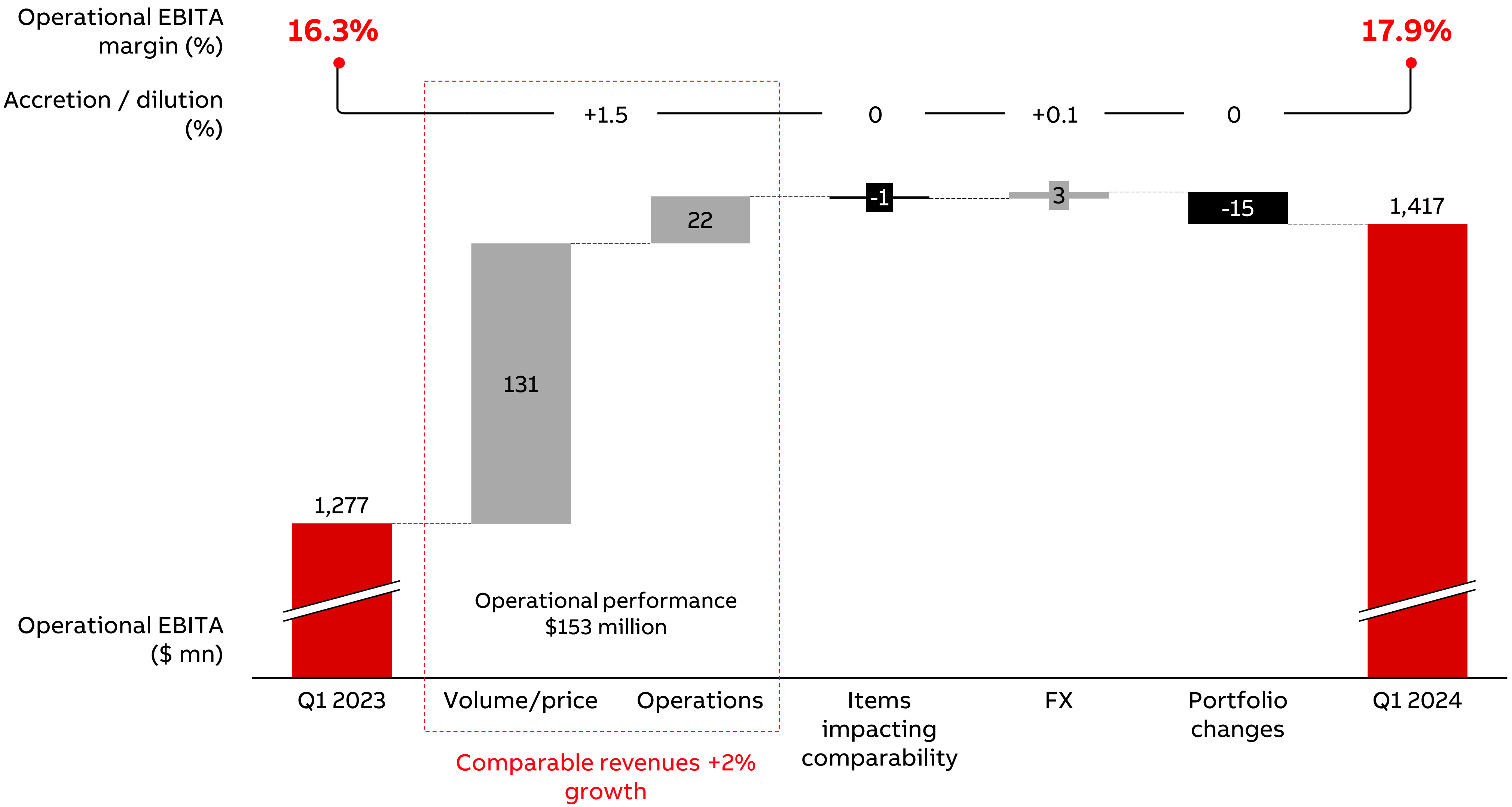
Margin -170 bps YoY

Improvement in Machine Automation driven by both volume and price was offset by the lower production volumes in the Robotics short-cycle business

Pricing carryover from the prior year and cost measures broadly offset increases in labor-related, SG&A and R&D expenses

1. Machine Automation Division

Operational EBITA bridge



Items impacting comparability: Non-core business. Portfolio changes: Acquisition Siemens NEMA motor, Divestment of Power Conversion businesses

Cash generation analysis

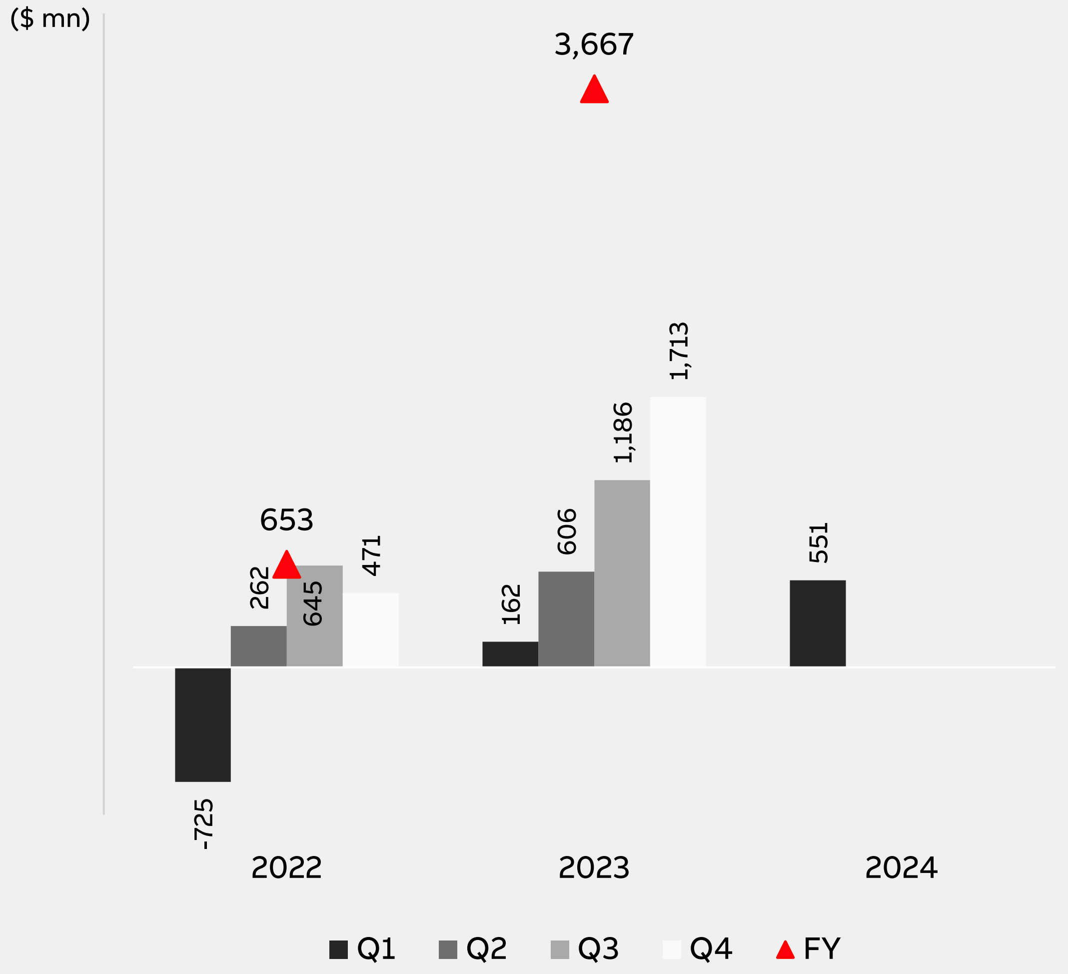
Q1 2024 cash flow drivers

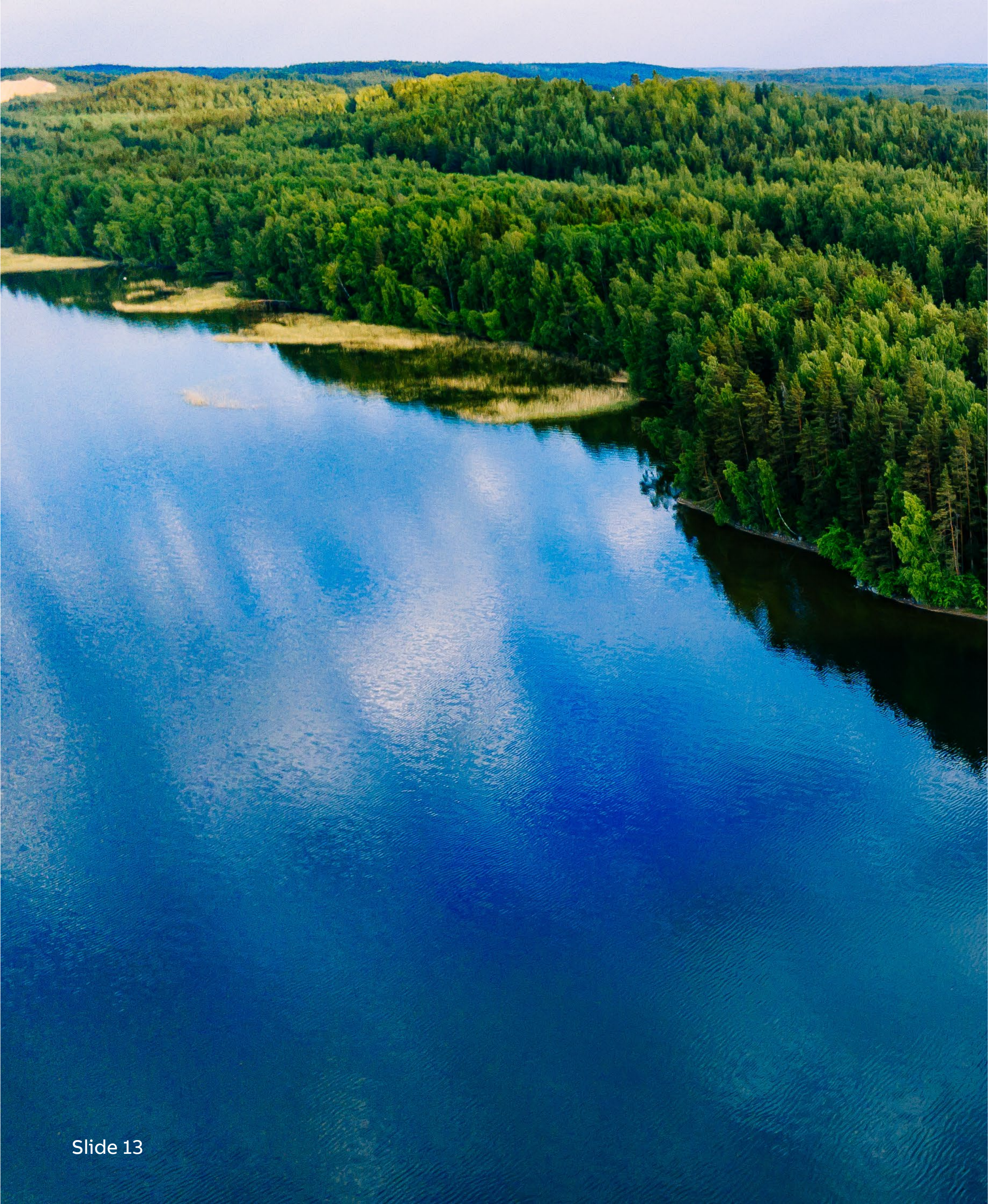
Positive cash flow from operating activities in all business areas with 3 out of 4 business areas improving driven by:

- Better operational performance
- Less build up of Net working capital due to strong collection of receivables and less inventory buildup versus prior year
- Partially offset by higher CAPEX versus prior year

Strong cash delivery expected for 2024

Free cash flow
(+$551 mn, +$389 mn YoY)





Outlook

Q2 2024

Revenues

Mid single-digit comparable revenue growth year-on-year

Operational EBITA %

Operational EBITA margin slightly higher than in the first quarter

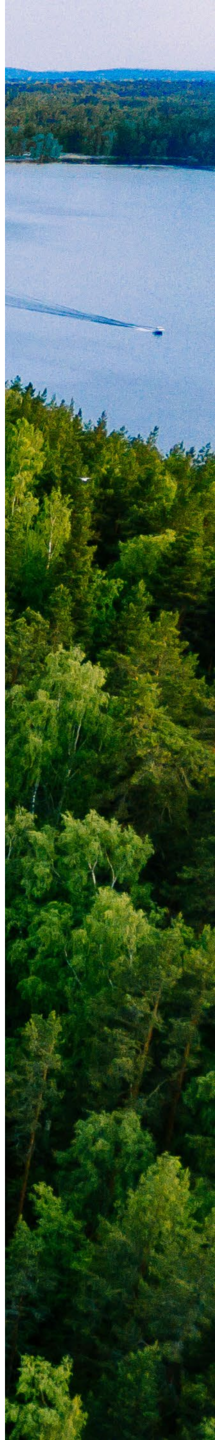
FY 2024

Revenues

Comparable revenue growth to be about 5 percent; Book-to-bill above 1

Operational EBITA %

Operational EBITA margin to be about 18%



Q&A

Appendix

2024 framework

$ mn unless otherwise stated	Q1 24	Q2 24 framework	2024[1] framework
Corporate and Other Operational EBITA[2]	(64)	~(75)	~(300)
Non-operating items:			
PPA-related amortization	(56)	~(60)	~(210)
Restructuring and related[3]	(45)	~(60)	~(200)
ABB Way transformation	(46)	~(50)	↑~(200) from ~(180)

	3M 24	2024 framework
Net finance expenses	20	↓~(50) from ~(120)
Effective tax rate	27%	~25%[4]
Capital expenditure	(181)	~(900)

↑↓ Revised guidance
1. Excludes one project estimated to a total of ~$100 million, that is ongoing in the non-core business. Exact exit timing is difficult to assess due to legal proceedings etc.
2. Excludes Operational EBITA from E-mobility business.
3. Includes restructuring and restructuring-related as well as separation and integration costs.
4. Excludes the impact of acquisitions or divestments or any significant non-operational items.

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