Q4 2025

FULL YEAR
PRESS RELEASE

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

ZURICH, SWITZERLAND, JANUARY 29, 2026

Q4 2025 results

Strong Q4 orders, improved operational performance with good cash flow completes a new record year

Q4 2025

- Orders $10.3 billion, +36%; comparable[1] +32%
- Revenues $9.1 billion, +13%; comparable +9%
- Income from operations $1,505 million; margin 16.6%
- Operational EBITA[1] $1,588 million; margin[1] 17.6%
- Basic EPS $0.70, +30%[2]
- Cash flow from operating activities $1,949 million; +27%

FY 2025

- Orders $36.8 billion, +17%; comparable[1] +15%
- Revenues $33.2 billion, +9%; comparable +7%
- Income from operations $6,047 million; margin 18.2%
- Operational EBITA[1] $6,314 million; margin[1] 19.0%
- Basic EPS $2.59, +21%[2]
- Cash flow from operating activities $5,469 million; +17%
- Return on Capital Employed 25.3%
- Dividend proposal of CHF 0.94 per share

KEY FIGURES

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	Q4 2025	Q4 2024	US$	Comparable[1]	FY 2025	FY 2024	US$	Comparable[1]
Orders	10,316	7,593	36%	32%	36,765	31,482	17%	15%
Revenues	9,052	7,996	13%	9%	33,220	30,583	9%	7%
Gross Profit	3,658	2,982	23%		13,640	12,001	14%	
as % of revenues	40.4%	37.3%	+3.1 pts		41.1%	39.2%	+1.9 pts	
Income from operations	1,505	1,094	38%		6,047	4,735	28%	
Operational EBITA[1]	1,588	1,330	19%	14%[3]	6,314	5,572	13%	11%[3]
as % of operational revenues[1]	17.6%	16.6%	+1 pts		19.0%	18.2%	+0.8 pts	
Income from continuing operations, net of tax	1,274	948	34%		4,649	3,726	25%	
Net income attributable to ABB	1,273	987	29%		4,734	3,935	20%	
Basic earnings per share ($)	0.70	0.54	30%[2]		2.59	2.13	21%[2]	
Cash flow from operating activities	1,949	1,537	27%		5,469	4,675	17%	
Cash flow from operating activities in continuing operations	1,988	1,505	32%		5,250	4,442	18%	
Free cash flow[1]	1,517	1,295	17%		4,566	3,937	16%	

1 For a reconciliation of alternative performance measures, see "supplemental reconciliations and definitions" in the attached Q4 2025 Financial Information.
2 EPS growth rates are computed using unrounded amounts.
3 Constant currency (not adjusted for portfolio changes).

"Q4 was a strong finish to a record year for ABB. We lead in markets with strong secular trends and we will further build on our ABB Way operating model, which gives me confidence in our updated financial targets and that 2026 will be yet another all-time-high result."

Morten Wierod, CEO

CEO summary

We ended the year on a high note and delivered the strongest annual performance yet for ABB. The fourth quarter was a landmark quarter as we for the first time exceeded the $10 billion order level, at $10.3 billion. In addition to a strong development in the base business, orders were positively impacted by timing of large project bookings. Overall, it was reassuring that the strong order development was broad-based with double-digit growth across all three business areas. So, while we delivered the highest quarterly revenues on record, orders were even higher, resulting in a book-to-bill of 1.14.

In my view, we perform well in overall favorable market conditions. In addition to leveraging on strong comparable growth, we generate internal efficiency gains which successfully mitigate for example tariff and rising material inflation. We grew operational EBITA by 19% and expanded margins by 100 basis points.

I was pleased with the strong free cash flow of $1.5 billion in the quarter. This led to us achieving our ambition to improve annual free cash flow, which reached the record level of $4.6 billion. It was also good to see our strong return on capital employed at 25.3%.

In the Electrification business area, demand increased in all customer segments, led by data centers which recorded a very strong double-digit growth. Our medium voltage power technology is at the forefront of the industry. One example of how it puts us in a front-row position for future data center architecture is the extended partnership with Applied Digital where we introduce innovative power designs for large-scale AI-ready data centers. Another future potential demand driver is our cutting-edge direct current (DC) and solid-state electronics technology. This sits at the heart of our collaboration with NVIDIA where ABB will support their 800 VDC architecture to accelerate the development of gigawatt scale next-generation data centers.

In the Motion business area, the strong order growth was supported by continued high demand for rail projects, as well as in the recently formed High Power division, along with positive developments in the short-cycle demand for both low voltage motors and drives. In the Automation business area, we saw persistently strong activity related to marine and ports, and the large Rotterdam port order is yet another proof point of the unique customer value we generate when combining know-how from across our three business areas. Our solution will feature combined shore power systems expected to be the world's largest to date, able to charge up to 32 container ships simultaneously during loading and unloading operations. We also provide a SCADA system to monitor and control the shore power system while tracking energy usage for precise customer billing.

We have also updated our financial targets, aiming for strong growth, a higher profitability range and strong EPS expansion with a good cash conversion. We raised our ROCE ambition even as we pursue a higher pace of acquired growth. In my view, these new targets are both ambitious and realistic.

To achieve these updated long-term targets, we will further enhance our operational accountability and speed as we continue to build on the ABB Way operating model. Couple this with overall strong external markets where we will capitalize on our position within global trends of energy expansion, the need for energy efficiency and the transition to cleaner energy sources. I am confident in our market position, our leading technology and our ability to help customers become more productive and energy efficient. I expect these factors to support our operational performance in 2026 and long-term.

Based on our strong performance, the Board of Directors has decided to propose an ordinary dividend of CHF0.94 per share, up from CHF0.90 in the previous year. We also intend to launch a new share buyback program of up to $2.0 billion, running until January 27, 2027.

Morten Wierod
CEO

Outlook

In the **first quarter of 2026**, we anticipate comparable revenue growth in the 7% - 10% range. The operational EBITA margin should increase year-on-year, excluding the announced real estate gains in the first quarters of 2025 and 2026.

In full-year 2026, we expect a positive book-to-bill, and comparable revenue growth in the range of 6% - 9% year-on-year. The operational EBITA margin should slightly improve year-on-year, even when excluding the announced real estate gain in the first quarter of 2026.

Orders and revenues

Order intake was record-high at $10,316 million, up by 36% (32% comparable). The very strong comparable growth benefited from persistently strong overall market dynamics with the added support from the timing of large project orders. Total growth was additionally supported by changes in foreign exchange rates. All three business areas increased at a comparable double-digit rate, led by exceptional growth of 49% (41% comparable) in Automation and 36% (33% comparable) in Electrification where the timing of several stand-out large orders combined supported order intake by about $600 million in each of the two business areas. In addition to the strong development in the project business, the short-cycle and services businesses both improved at a double-digit rate. The order backlog reached $25,282 million, up by 27% (18% comparable), year-on-year.

Orders in the Americas were up by 44% (43% comparable), up 36% (25% comparable) in Europe and up 24% (23% comparable) in Asia, Middle East and Africa.

Orders increased sharply on continued favourable demand related to the marine, ports and rail segments. Land-based infrastructure demand benefited from upgrades of electrical equipment for such as airports, tunnels etc.

In the industrial space, the utilities segment remains strong. A buoyant data center market supported segment orders to increase at a strong double-digit rate, supported by timing of project orders.

The buildings segment improved, with a stable to positive development in Europe and the United States more than offsetting the general weakness in China.

Orders in the machine builder segment increased sharply from a low comparable, but the absolute level remains subdued in a continued challenging market.

The oil & gas segment remains generally solid, although orders declined in the quarter. There was increased activity among nuclear customers. Mining orders increased in a generally capex-muted market environment.

Quarterly revenues were record-high at $9,052 million and increased by 13%, supported by a strong 9% comparable growth as well as 4% from changes in exchange rates. Comparable growth was primarily due to higher volumes, driven by higher short-cycle and service demand as well as execution of the high order backlog. Additional contribution derived from positive pricing at a low single-digit rate. All three business areas recorded strong revenue growth, with support from virtually all divisions. Revenues increased in all regions, led by Europe at 21% (11% comparable) and the Americas at 11% (10% comparable), with Asia, Middle East and Africa improving by 8% (7% comparable) as a stable comparable trend in China was more than offset by strength in other parts of the region. Quarterly revenues were the highest on record, but orders were even higher, resulting in a book-to-bill of 1.14.

Growth

Change year-on-year	Q4 Orders	Q4 Revenues
Comparable	32%	9%
FX	5%	4%
Portfolio changes	-1%	0%
Total	**36%**	**13%**

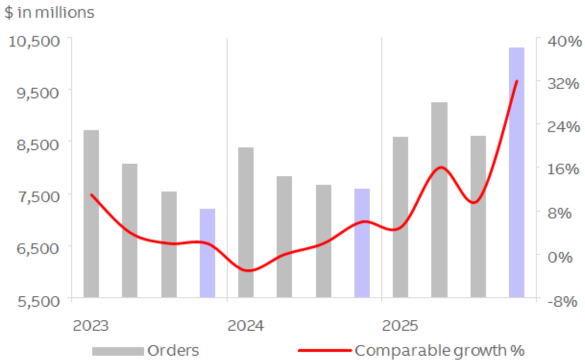
Orders by region

($ in millions, unless otherwise indicated)	Q4 2025	Q4 2024	CHANGE US$	CHANGE Comparable
Europe	3,530	2,598	36%	25%
The Americas	4,281	2,982	44%	43%
Asia, Middle East and Africa	2,505	2,013	24%	23%
ABB Group	**10,316**	**7,593**	**36%**	**32%**

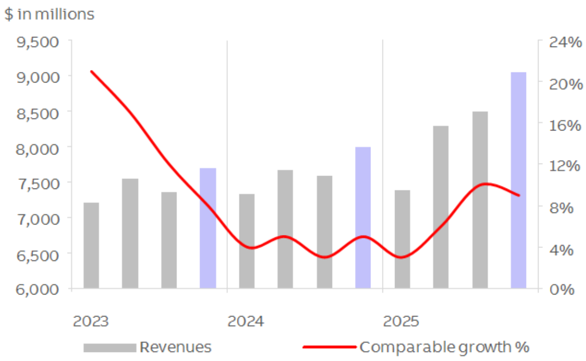
Revenues by region

($ in millions, unless otherwise indicated)	Q4 2025	Q4 2024	CHANGE US$	CHANGE Comparable
Europe	3,175	2,624	21%	11%
The Americas	3,247	2,934	11%	10%
Asia, Middle East and Africa	2,630	2,438	8%	7%
ABB Group	**9,052**	**7,996**	**13%**	**9%**

Orders



Revenues



Earnings

Gross profit
Gross profit increased by 23% (17% constant currency) year-on-year to $3,658 million, reflecting a gross margin of 40.4%, up 310 basis points. Gross margin improved in all business areas.

Income from operations
Income from operations amounted to $1,505 million and increased by 38% year-on-year. The increase was mainly driven by the positive impacts from improved operational business performance and Foreign exchange timing differences, while the prior year was also negatively impacted by fair value adjustments of equity investments. The Income from operations margin was 16.6% and improved by 290 basis points.

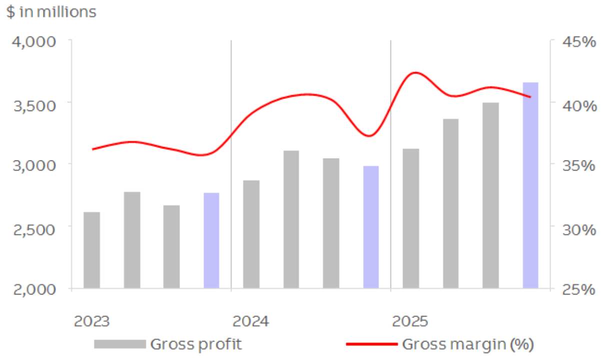
Operational EBITA
Operational EBITA increased by 19% year-on-year to $1,588 million, reflecting a 100 basis points margin improvement to 17.6%. Higher profitability was primarily due to operational leverage on higher volumes. The impacts from positive pricing and improved operational efficiency more than offset the increase in expenses related to commodities and tariffs, Research and Development (R&D), Selling, general & administrative (SG&A) as well as Corporate expenses. SG&A decreased slightly in relation to revenues to 19.5% from last year's 19.6%. Operational EBITA in Corporate and other amounted to -$197 million compared with last year's -$160 million. This is the total of Underlying corporate costs of $164 million which includes Stranded costs of $30 million, and a loss of $33 million in the E-mobility business.

Finance net
Net finance income contributed to results with a positive $48 million, representing a lower income compared with last year's $56 million.

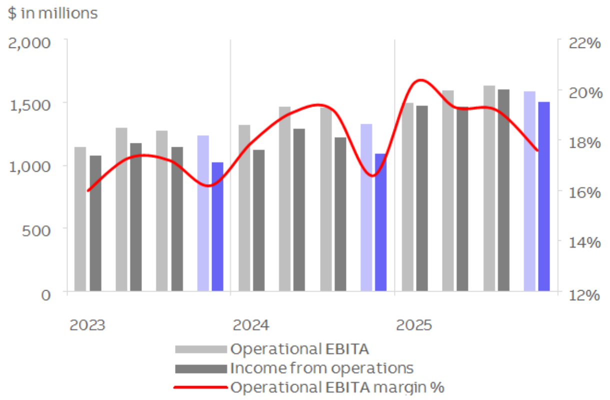
Income tax
Income tax expense was $292 million and the effective tax rate was 18.6%, in line with the historical pattern of a low tax rate in the fourth quarter.

Net income and earnings per share
Net income attributable to ABB was $1,273 million, representing an increase of 29% year-on-year, driven by the impact from improved business performance more than compensating for a slightly lower contribution from net finance and lower net income in discontinued operations. Basic earnings per share increased by 30% to $0.70, up from $0.54 in the previous year period.

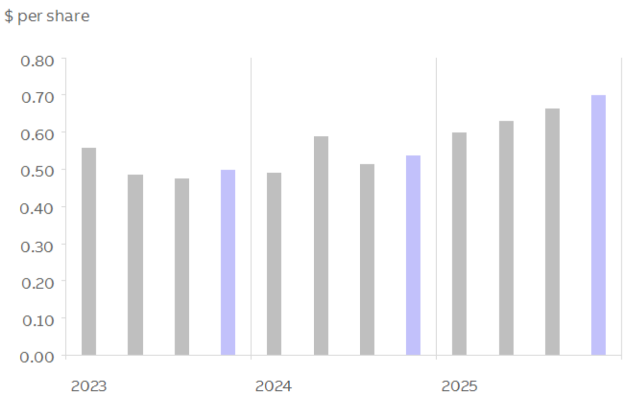
Gross profit & Gross margin



Income from operations & Operational EBITA



Basic EPS



Corporate and Other Operational EBITA

($ in millions)	Q4 2025	Q4 2024
Corporate and Other		
E-mobility	(33)	(72)
Stranded corporate costs	(30)	(31)
Corporate costs, intersegment eliminations and other[1]	(134)	(57)
Total	**(197)**	**(160)**

1 Majority of which relates to underlying corporate

Balance sheet & Cash flow

Trade net working capital[1]

Trade net working capital amounted to $4,059 million, up slightly year-on-year from $3,967 million. The increase was primarily driven by impacts from changes in foreign exchange rates which more than offset the reduction of inventories and higher trade payables, in local currencies. The average trade net working capital as a percentage of revenues[1] was 13.0%, a reduction from 14.3% one year ago.

Capital expenditures

Purchases of property, plant and equipment and intangible assets for continuing operations during the fourth quarter amounted to $409 million, higher than last year's $271 million. For ABB Group, the total cash outflow on a combined basis amounted to $451 million, higher than last year's $283 million.

Net debt

Net debt[1] amounted to $1,683 million at the end of the quarter and increased from $1,280 million, with the year-on-year increase mainly due to impacts of changes in exchange rates. The sequential decrease from $2,690 million in the third quarter was mainly due to the strong cash generation in operations which more than offset the adverse impact from higher spend on acquisitions.

Cash flows

Cash flow from operating activities during the fourth quarter was $1,949 million, an increase of 27% from last year's $1,537 million. Contribution to the strong cash flow derived from stronger earnings as well as a reduction in Net working capital, mainly linked to contribution from inventories and trade payables and timing of accrued expenses. Free cash flow amounted to $1,517 million, and improved from last year's $1,295 million, despite the higher capex spend.

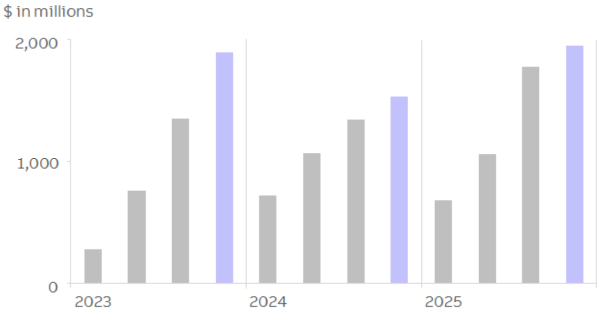
Share buyback program

A share buyback program of up to $1.5 billion was launched on February 10, 2025. During the fourth quarter, ABB repurchased a total of 3,099,590 shares for a total amount of approximately $224 million. At the end of the fourth quarter, ABB's total number of issued shares, including shares held in treasury, amounts to 1,843,899,204.

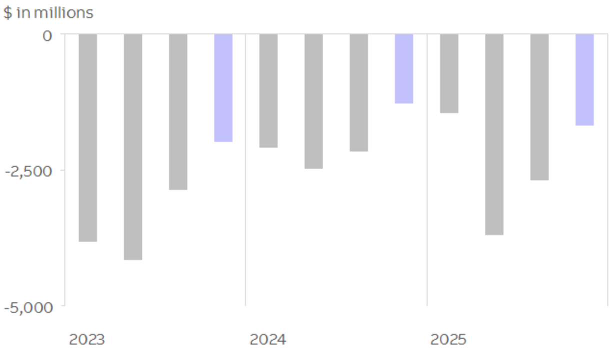
($ in millions, unless otherwise indicated)	Dec. 31 2025	Dec. 31 2024
Short-term debt and current maturities of long-term debt	475	292
Long-term debt	7,829	6,648
Total debt	**8,304**	**6,940**
Cash & equivalents	4,640	4,326
Marketable securities and short-term investments	1,981	1,334
Cash and marketable securities	**6,621**	**5,660**
Net debt (cash)*	**1,683**	**1,280**
Net debt (cash)* to EBITDA ratio	**0.3**	**0.2**
Net debt (cash)* to Equity ratio	**0.10**	**0.09**

* December 31, 2025 and December 31, 2024, net debt(cash) excludes net pension (assets)/liabilities of $(511) million and $(245) million, respectively.

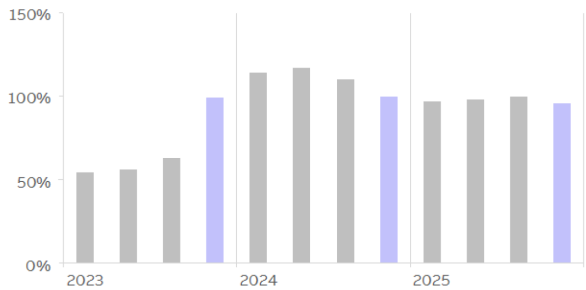
Cash flow from operating activities



Net Cash (Net Debt) position



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



Electrification

Growth

Change year-on-year	Q4 Orders	Q4 Revenues
Comparable	33%	12%
FX	4%	3%
Portfolio changes	-1%	1%
Total	**36%**	**16%**

Orders and revenues

For the first time, quarterly order intake exceeded the $5 billion mark. This was achieved through a strong performance in a buoyant market environment, with additional benefit from timing of large project bookings. In total, orders increased by 36% (33% comparable) to $5,323 million.

- Several large data center project orders, each exceeding the $100 million mark, boosted orders by approximately $600 million combined.
- Double-digit order growth across the project, service and short-cycle businesses. Strong orders outpaced record-high revenues, resulting in a book-to-bill of 1.13, increasing the order backlog by 26% (21% comparable) to $9.4 billion.
- All customer segments improved, led by exceptional growth in data centers. The increase in buildings was driven by the commercial segment where the US improved, Europe remained stable and China declined. Other areas of strength were utilities and land transport infrastructure such as airports, rail, tunnels.
- The Americas increased by 55% (55% comparable) with particular support from the timing of large orders in the United States. Europe was up by 17% (7% comparable). Asia, Middle East and Africa improved by 22% (19% comparable) with improvements in countries like India and Australia more than offsetting weakness in China.
- Revenues exceeded expectations and increased 16% (12% comparable) with a positive development in all divisions. Strong comparable revenues were primarily driven by higher volumes across short-cycle, service, and project businesses. Total growth was further supported by favorable changes in exchange rates of 3%, with a slight added contribution from portfolio changes.

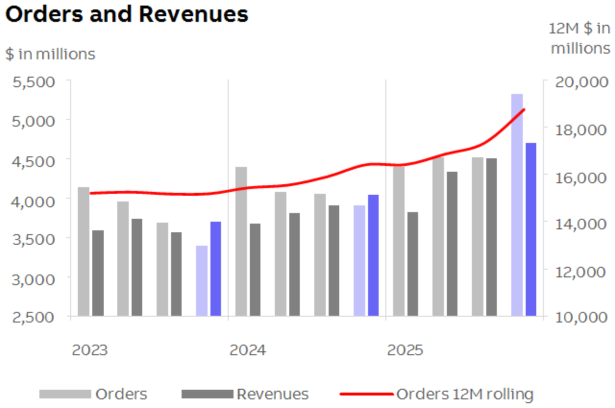
Profit

Operational EBITA reached $1,062 million and increased sharply by 23%, representing a 130 basis points expansion in margin, year-on-year.

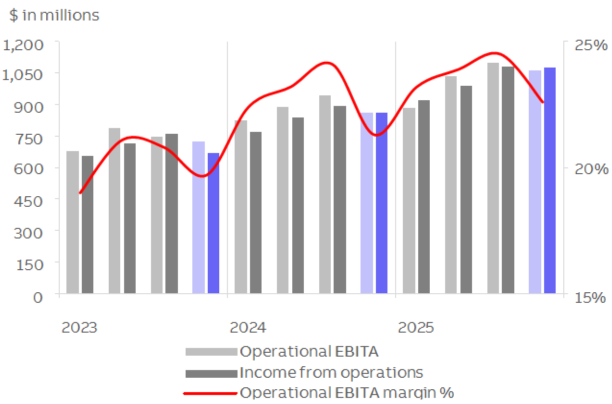
- Profit increased primarily due to operational leverage on higher volumes and improved productivity in operations. These combined benefits more than offset higher spend on raw materials – mainly linked to rising copper and silver prices as well as tariffs, SG&A and higher investments in R&D.

($ millions, unless otherwise indicated)	Q4 2025	Q4 2024	CHANGE US$	CHANGE Comparable	FY 2025	FY 2024	CHANGE US$	CHANGE Comparable
Orders	5,323	3,908	36%	33%	18,757	16,422	14%	13%
Order backlog	9,438	7,506	26%	21%	9,438	7,506	26%	21%
Revenues	4,702	4,046	16%	12%	17,357	15,448	12%	11%
Gross Profit	1,946	1,545	26%		7,300	6,269	16%	
as % of revenues	41.4%	38.2%	+3.2 pts		42.1%	40.6%	+1.5 pts	
Operational EBITA	1,062	863	23%		4,081	3,520	16%	
as % of operational revenues	22.6%	21.3%	+1.3 pts		23.5%	22.7%	+0.8 pts	
Cash flow from operating activities	1,425	1,214	17%		4,242	3,652	16%	
No. of employees (FTE equiv.)	53,400	51,700	3%					

Orders and Revenues



Income from operations & Operational EBITA



Motion

Growth

Change year-on-year	Q4 Orders	Q4 Revenues
Comparable	13%	6%
FX	4%	4%
Portfolio changes	0%	1%
Total	**17%**	**11%**

Orders and revenues

Order intake totaled $2,189 million, up 17% (13% comparable) year-on-year, sustaining the high order levels achieved in recent quarters. Comparable growth was broad-based across all divisions and regions, with additional growth contribution from favourable changes in exchange rates.

- The rail segment showed persistently strong customer activity with increased orders. HVAC linked to commercial buildings also improved. Power generation made strong progress, supported by grid modernization and distributed energy systems. Food & beverage, marine and mining showed positive development. Chemicals contributed positively in the quarter, in an otherwise muted market environment. Oil & gas and pulp & paper weighed on order intake.
- The Americas was up 26% (25% comparable), with strong improvement of 30% (29% comparable) in the United States. Europe increased 16% (6% comparable) and Asia, Middle East and Africa was up by 9% (9% comparable), with China at 16% (14% comparable).
- All-time-high revenues totaled $2,260 million, up by 11% (6% comparable). The main driver to comparable growth was higher volumes, further supported by positive pricing. Additional contribution derived from changes in exchange rates as well as from portfolio changes, including the acquisition of Gamesa Electric in Spain, completed in early December.

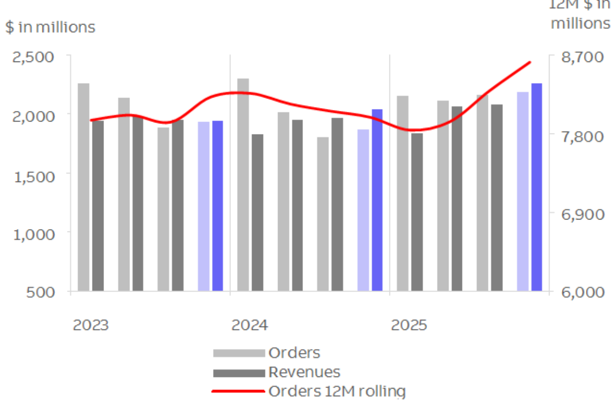
Profit

Operational EBITA improved by 8% to $412 million, however the margin of 18.3% softened by 40 basis points year-on-year, with broadly similar impacts from:

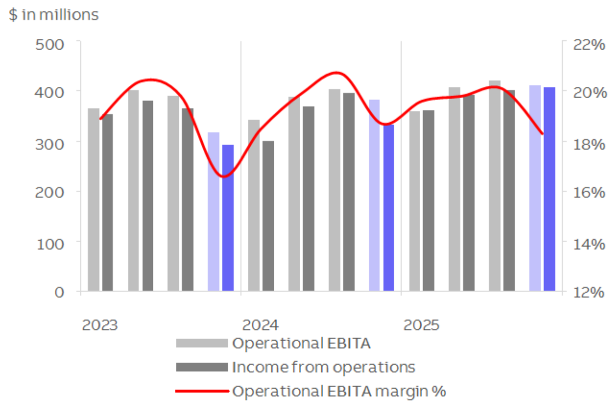
- Lower profitability in the recently formed High Power division where some operational inefficiencies hampered margin.
- The acquired business Gamesa Electric is currently making a slight loss and diluted the Motion Operational EBITA margin by approximately 20 basis points, with one month included in results. It is expected to be dilutive for the full year 2026.

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	**Q4 2025**	**Q4 2024**	**US$**	**Comparable**	**FY 2025**	**FY 2024**	**US$**	**Comparable**
Orders	2,189	1,866	17%	13%	8,619	7,989	8%	6%
Order backlog	6,285	5,239	20%	8%	6,285	5,239	20%	8%
Revenues	2,260	2,038	11%	6%	8,247	7,787	6%	4%
Gross Profit	835	701	19%		3,152	2,804	12%	
as % of revenues	36.9%	34.4%	+2.5 pts		38.2%	36.0%	+2.2 pts	
Operational EBITA	412	383	8%		1,600	1,518	5%	
as % of operational revenues	18.3%	18.7%	-0.4 pts		19.4%	19.4%	0 pts	
Cash flow from operating activities	493	518	-5%		1,621	1,776	-9%	
No. of employees (FTE equiv.)	22,900	22,400	2%					

Orders and Revenues



Income from operations & Operational EBITA



Automation

Growth

Change year-on-year	Q4 Orders	Q4 Revenues
Comparable	41%	9%
FX	8%	5%
Portfolio changes	0%	0%
Total	**49%**	**14%**

Orders and revenues

Strong comparable order growth was driven by an overall robust market environment outside of the discrete segment, with the added contribution from timing of project orders. Total growth was further supported by favorable changes in exchange rates and increased by 49% (41% comparable) to the new record order level of $2,817 million.

- Several large project orders linked to the marine and ports segment, each valued at the $100+ million mark, boosted orders by close to $600 million combined. On a strong book-to-bill of 1.26, the order backlog reached $10.1 billion, up by 33% (23% comparable).
- Persistently high customer activity was linked to marine and port automation and electrification. Orders from machine builders also increased sharply from a very low comparable, albeit the absolute level remains subdued. Customer activity in the oil & gas segment is solid, although quarterly orders declined. Mining orders increased in an otherwise capex muted market environment. Activity among nuclear customers increased.
- The strong revenue growth of 14% was generated by a positive year-on-year development across divisions. Comparable growth of 9% was mainly due to higher volumes with added support from changes in exchanges rates, as well as a favorable price impact. The volume increase derived from execution of the strong order backlog and a positive development in both the service and the short-cycle product businesses.

As earlier announced, this was the first quarter the financial results of the Machine Automation division were presented as part of the Automation business area.

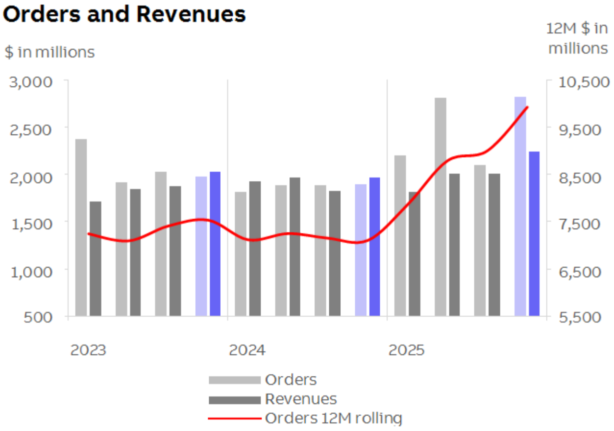
Profit

Strong gross margin improvement with added support from stringent SG&A cost management drove Operational EBITA margin up by 150 basis points to 13.9%. This represents an earnings increase of 27% to $311 million.

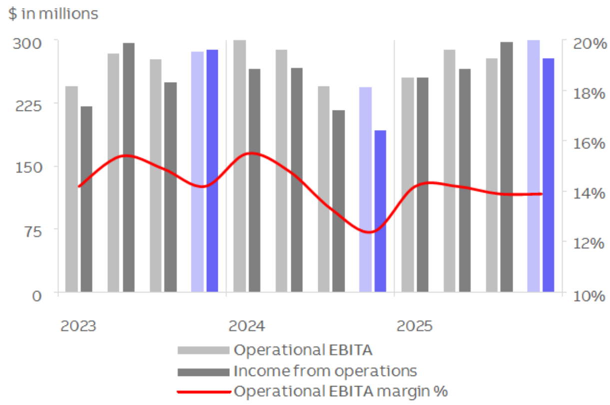
- Key levers to the gross margin increase of 140 basis points were operational benefits from higher volumes with some positive pricing, as well as productivity enhancements.

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	**Q4 2025**	**Q4 2024**	**US$**	**Comparable**	**FY 2025**	**FY 2024**	**US$**	**Comparable**
Orders	2,817	1,893	49%	41%	9,928	7,485	33%	30%
Order backlog	10,133	7,631	33%	23%	10,133	7,631	33%	23%
Revenues	2,243	1,967	14%	9%	8,084	7,692	5%	3%
Gross Profit	830	701	18%		3,084	2,823	9%	
as % of revenues	37.0%	35.6%	+1.4 pts		38.1%	36.7%	+1.4 pts	
Operational EBITA	311	244	27%		1,132	1,080	5%	
as % of operational revenues	13.9%	12.4%	+1.5 pts		14.0%	14.0%	0 pts	
Cash flow from operating activities	488	346	41%		1,528	1,231	24%	
No. of employees (FTE equiv.)	26,300	25,800	2%					

Orders and Revenues



Income from operations & Operational EBITA



Sustainability

Events from the Quarter

- ABB has achieved A scores for climate and water in non-profit organization CDP's 2025 rankings, earning a place on the annual A List for both climate change and for the first time, water stewardship. ABB joins the top 1 percent of the 20,000 companies scored that achieved a double A rating. Achieving an A rating for Water for the first time is testament to the company's focus on water-related risks exposure, water stewardship, governance, as well as its enhanced supplier engagement on the topic of water risk. ABB improved its water security score from a B in 2023, to an A- in 2024 and now an A in 2025.

- ABB launched ABB Ability™ BuildingPro, a cybersecure integration platform designed to connect, manage, and optimize building operations. Available across more than 40 countries worldwide, the solution supports key sectors including commercial real estate, education, healthcare, hospitality, and government – helping organizations accelerate decarbonization and digital transformation. Acting as a central intelligence hub, it unifies data from building systems to improve performance, reduce energy use, and enhance occupant experience.

- With a strategic investment in OctaiPipe, a UK-based innovator in AI-driven software for optimizing data center cooling systems, ABB will partner to equip data center operators with intelligent tools to achieve substantial energy savings, strengthen operational resilience, and meet the growing demands for sustainability and transparency. The transaction consists of ABB taking a minority stake in OctaiPipe and will bring a major advancement: an on-premises AI solution that enables up to 30 percent energy savings in cooling, with very short payback periods and rapid deployment - without the need for new hardware.

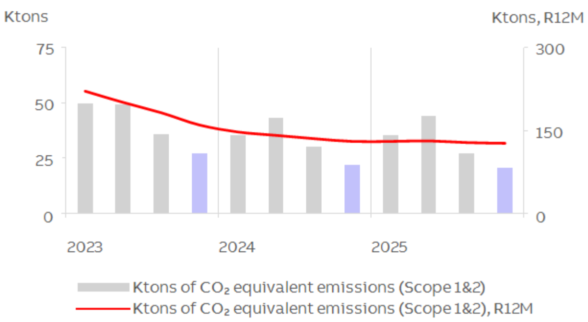
- The Canadian Space Agency awarded ABB a contract to carry out the conceptual development for a component of the High-altitude Aerosols, Water Vapour and Clouds (HAWC) satellite mission – a Canadian-led initiative focused on advancing climate science and environmental monitoring. In addition, ABB will support further technology development activities to be defined over the course of the project. Through its role, ABB helps to refine global climate monitoring capabilities. The HAWC mission aims to deliver essential data to enhance forecasting of severe and extreme weather events, improve climate modeling, support air quality assessments, and aid in tracking natural disasters such as wildfires, volcanic eruptions and intense rainfall.

- ABB celebrated Abilities, which highlights both visible and invisible disabilities and promotes practical inclusion through webinars, workshops, and panel discussions. From its award-winning Rehab on Wheels initiative – India's first mobile rehabilitation unit developed with the Association of People with Disability – to "Senti come mi sento" ("Feel How I Feel") in Italy, activities focus on breaking down barriers to access and understanding. By bringing rehabilitation to underserved communities and immersing teams in the lived experience of multiple sclerosis, the programs foster empathy, awareness, and a more inclusive culture grounded in real human experience.

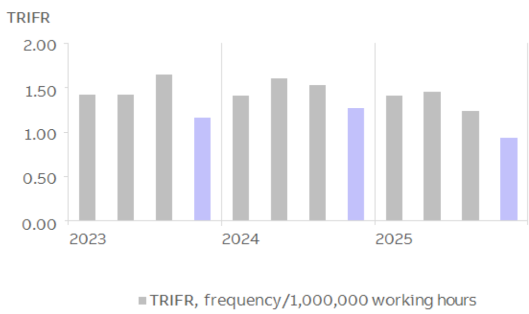
	Q4 2025	Q4 2024	CHANGE	12M ROLLING
CO_2e own operations emissions, Ktons scope 1 and 2[1]	21	22	-6%	126
Total recordable incident frequency rate (TRIFR), frequency / 1,000,000 working hours[2]	0.94	1.26	-25%	1.25
Proportion of women in senior management roles in %[3]	22.6	21.3	+1.3 pts	22.3

1 CO_2 equivalent emissions from site, energy use, SF_6 and fleet, previous quarter
2 To align with CSRD reporting requirements, we have replaced our primary safety KPI, Lost Time Injury Frequency Rate (LTIFR), with Total Recordable Incident Frequency Rate (TRIFR). This new measure includes all incidents and injuries except first aid cases and near misses, promoting improved system learning, enhanced transparency, and greater openness in reporting. Current quarter Includes all incidents reported by January 11, 2026
3 The above disclosure relates to countries where policies legally permit and to the extent that it does not conflict with any applicable local laws, where ABB operates

CO_2e Scope 1&2



Total recordable incident frequency rate (TRIFR)



Significant events

During Q4 2025

- On October 8, 2025, ABB announced it had signed an agreement to divest its Robotics division to SoftBank Group for an enterprise value of $5.375 billion, and therefore was not pursuing its earlier intention to spin-off the business as a separately listed company. The transaction is subject to regulatory approvals and further customary closing conditions and is expected to close in mid-to-late 2026.
- On October 8, 2025, ABB announced that Sami Atiya, President Robotics & Discrete Automation business area and Member of the Executive Committee, will step down from the Executive Committee at the end of 2025 and leave ABB by the end of 2026 in line with the announced divestment of the Robotics division.
- On October 16, 2025, ABB announced that CFO, Timo Ihamuotila, will step down from the Executive Committee effective February 1, 2026, and leave ABB at the end of 2026. Timo will be succeeded by the internal candidate Christian Nilsson who joined ABB in 2017 as CFO of the Electrification business area.
- On November 19, 2025 ABB announced updated financial targets at the Capital Markets Day. This included upgrading Operational EBITA margin target to 18-22 percent with newly introduced targets per business area; ROCE target raised to >20 percent. Organic and acquired revenue growth targets confirmed; Earnings Per Share target confirmed and free cash flow conversion to net income target updated to >95 percent to reflect expected strong growth.

After Q4 2025

- On January 28, 2026, ABB announced that it has completed the sale of a commercial property in Zurich, Switzerland. Consequently, a pre-tax operational gain of ~CHF290 million will be recorded in the first quarter of 2026.

Full year 2025

2025 was a new record year for ABB, with strong orders, increases across most lines of the income statement and all-time-high cash delivery.

Order intake increased 17% (15% comparable) year-on-year to $36,765 million, supported by all three business areas. There was a positive development across most customer segments, led by particular strength in data centers, marine, ports, utilities and land-based infrastructure such as tunnels and airports, which benefited from electrical upgrades. On the muted side, there were the process industry-related areas such as pulp & paper, chemicals and mining.

Revenues improved by 9% (7% comparable) to $33,220 million supported by a positive development across the project, service and short-cycle businesses. Revenues were at an all-time-high, but orders were even higher, resulting in a book-to-bill 1.11. The order backlog amounted to $25.3 billion, up by 27% (18% comparable), year-on-year.

Income from operations amounted to $6,047 million, significantly up 28% year-on-year, resulting in a margin of 18.2%. The increase was mainly driven by the positive impacts from improved operational business performance, with further support from foreign exchange timing differences, while the prior year was also negatively impacted by fair value adjustments of assets and liabilities held for sale and equity investments.

Operational EBITA increased by 13% to $6,314 million. The higher result was due to the improved business performance more than offsetting higher expenses linked to Corporate & other. Moreover, an operational net gain of approximately $140 million relating to a real estate sale in Corporate and Other had a positive impact.

The Operational EBITA margin improved by 80 basis points to 19.0% with the main drivers being operating leverage on higher volumes, positive pricing and improved operational efficiency. Corporate and other Operational EBITA amounted to -$499 million. This includes a loss of $148 million attributed to the E-mobility business and Stranded costs of $123 million linked to the ongoing divestment of the Robotics business.

Net finance contributed to results with $117 million, below last year's income of $132 million. Income tax expense was $1,570 million reflecting a tax rate of 25.2%.

Net income attributable to ABB was $4,734 million, up from $3,935 million in the prior year period. Basic earnings per share was $2.59, representing an increase of 21%.

Key acquisitions and divestments, last twelve months

Acquisitions	Company/unit	Closing date	Revenues, $ in millions[1]	No. of employees
2025				
Motion	Gamesa Electric power electronics (Spain)	1-Dec	~170	400
Motion	Brightloop S.A.S.	1-Oct	~18	80
Electrification	Produits BEL Inc.	2-Jun	~11	65
Electrification	Siemens Wiring Accessories	3-Mar	~150	360
Electrification	Sensorfact	3-Feb	~15	260
Electrification	Coulomb Inc.	13-Jan	<5	30

Divestments	Company/unit	Closing date	Revenues, $ in millions[1]	No. of employees
2025				
E-mobility	ChargeDot, 60% sale	1-Dec	~60 total Co.	320 total Co.

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

1 Represents the estimated revenues for the last fiscal year prior to the announcement of the respective acquisition/divestment unless otherwise stated.

Additional figures

ABB Group	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025
EBITDA, $ in million	1,315	1,484	1,409	1,288	5,496	1,660	1,668	1,806	1,726	6,860
Return on Capital Employed, %	21.5	22.5	23.4	23.8	23.8	24.4	24.5	24.8	25.3	25.3
Net debt/Equity	0.16	0.18	0.15	0.09	0.09	0.10	0.25	0.17	0.10	0.10
Net debt/ EBITDA 12M rolling	0.4	0.5	0.4	0.2	0.2	0.3	0.6	0.4	0.3	0.3
Net working capital	3,159	3,213	3,231	2,403	2,403	3,037	3,423	2,993	2,372	2,372
Trade net working capital	4,390	4,423	4,527	3,967	3,967	4,222	4,646	4,433	4,059	4,059
Average trade net working capital as a % of revenues	15.9%	15.3%	14.7%	14.3%	14.3%	14.1%	13.8%	13.5%	13.0%	13.0%
Earnings per share, basic, $	0.49	0.59	0.51	0.54	2.13	0.60	0.63	0.66	0.70	2.59
Earnings per share, diluted, $	0.49	0.59	0.51	0.53	2.13	0.60	0.63	0.66	0.70	2.59
Dividend per share, CHF	n.a.	n.a.	n.a.	n.a.	0.90	n.a.	n.a.	n.a.	n.a.	0.94 *
Share price at the end of period, CHF	41.89	49.92	48.99	49.07	49.07	45.22	47.31	57.32	59.22	59.22
Number of employees (FTE equivalents)	108,700	109,390	109,970	109,930	109,930	110,970	110,860	110,740	111,890	111,890
No. of shares outstanding at end of period (in millions)	1,851	1,849	1,843	1,838	1,838	1,833	1,826	1,822	1,818	1,818

* Dividend proposal subject to shareholder approval at the 2026 Annual General Meeting

Additional 2026 guidance

ABB based on discontinued operations structure

($ in millions, unless otherwise stated)	FY 2026[1]	Q1 2026
Corporate and Other Operational EBITA[2]	~(125)	~230
of which stranded costs[4]	~(125)	~(30)
Non-operating items		
Acquisition-related amortization	~(195)	~(50)
Separation and integration	~(60)	~(20)
Restructuring and related and Business transformation	~(180)	~(45)

($ in millions, unless otherwise stated)	FY 2026
Finance net	~150
Effective tax rate	~25% [3]
Capital Expenditure	~(900)

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; and includes the real estate gain in first quarter, 2026
3 Excludes the impact of acquisitions or divestments or any significant non-operational items
4 Framework assumes stranded cost for the full year. Closing of Robotics divestment expected in the second half of the year, as earlier announced

Important notice about forward-looking information

This press release includes forward-looking information and statements as well as other statements concerning the outlook for our business, including those in the sections of this release titled “CEO summary,” “Outlook,” “Sustainability” “Significant events” and “Additional 2026 guidance”. 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. These expectations, estimates and projections are generally identifiable by statements containing words such as “anticipates,” “expects,” “estimates,” “intends,” “plans,” “targets,” “guidance,” or similar expressions. However, there are many risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this press release and which could affect our ability to achieve any or all of our stated targets. These include, among others, business risks associated with the volatile global economic environment and political conditions, market acceptance of new products and services, changes in governmental regulations and currency exchange rates. Although ABB Ltd believes that its expectations reflected in any such forward looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

Q4 results presentation on January 29, 2026

The Q4 2025 results press release and presentation slides are available on the ABB News Center at www.abb.com/news and on the Investor Relations homepage at www.abb.com/investorrelations.

A conference call and webcast for analysts and investors is scheduled to begin at 10:00 a.m. CET. To join the webcast, please refer to the ABB website: www.abb.com/investorrelations.

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

Financial calendar

2026	
February 19	Planned publication of Annual Reporting Suite
March 19	Annual General Meeting
April 22	Q1 2026 results
July 16	Q2 2026 results
October 20	Q3 2026 results

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ABB is 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. At ABB, we call this ‘Engineered to Outrun’. The company has over 140 years of history and around 110,000 employees worldwide. ABB’s shares are listed on the SIX Swiss Exchange (ABBN) and Nasdaq Stockholm (ABB). www.abb.com

January 29, 2026

Q4 2025

Financial Information

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FINANCIAL INFORMATION
Contents

Key Figures

($ in millions, unless otherwise indicated)	Q4 2025	Q4 2024	CHANGE US$	CHANGE Comparable[1]
Orders	10,316	7,593	36%	32%
Order backlog (end December)	25,282	19,975	27%	18%
Revenues	9,052	7,996	13%	9%
Gross Profit	3,658	2,982	23%	
as % of revenues	40.4%	37.3%	+3.1 pts	
Income from operations	1,505	1,094	38%	
Operational EBITA[1]	1,588	1,330	19%	14%[2]
as % of operational revenues[1]	17.6%	16.6%	+1 pts	
Income from continuing operations, net of tax	1,274	948	34%	
Net income attributable to ABB	1,273	987	29%	
Basic earnings per share ($)	0.70	0.54	30%[3]	
Cash flow from operating activities	1,949	1,537	27%	
Free cash flow[1]	1,517	1,295	17%	

($ in millions, unless otherwise indicated)	FY 2025	FY 2024	CHANGE US$	CHANGE Comparable[1]
Orders	36,765	31,482	17%	15%
Revenues	33,220	30,583	9%	7%
Gross Profit	13,640	12,001	14%	
as % of revenues	41.1%	39.2%	+1.9 pts	
Income from operations	6,047	4,735	28%	
Operational EBITA[1]	6,314	5,572	13%	11%[2]
as % of operational revenues[1]	19.0%	18.2%	+0.8 pts	
Income from continuing operations, net of tax	4,649	3,726	25%	
Net income attributable to ABB	4,734	3,935	20%	
Basic earnings per share ($)	2.59	2.13	21%[3]	
Cash flow from operating activities	5,469	4,675	17%	
Free cash flow[1]	4,566	3,937	16%	

(1) For a reconciliation of alternative performance measures see “Supplemental Reconciliations and Definitions” on page 36.
(2) Constant currency (not adjusted for portfolio changes).
(3) EPS growth rates are computed using unrounded amounts.

($ in millions, unless otherwise indicated)		Q4 2025	Q4 2024	CHANGE US$	Local	Comparable
Orders	**ABB Group**	**10,316**	**7,593**	**36%**	**31%**	**32%**
	Electrification	5,323	3,908	36%	32%	33%
	Motion	2,189	1,866	17%	13%	13%
	Automation	2,817	1,893	49%	41%	41%
	Corporate and Other	202	117			
	Intersegment eliminations	(215)	(191)			
Order backlog (end December)	**ABB Group**	**25,282**	**19,975**	**27%**	**19%**	**18%**
	Electrification	9,438	7,506	26%	21%	21%
	Motion	6,285	5,239	20%	10%	8%
	Automation	10,133	7,631	33%	23%	23%
	Corporate and Other (incl. intersegment eliminations)	(574)	(401)			
Revenues	**ABB Group**	**9,052**	**7,996**	**13%**	**9%**	**9%**
	Electrification	4,702	4,046	16%	13%	12%
	Motion	2,260	2,038	11%	7%	6%
	Automation	2,243	1,967	14%	9%	9%
	Corporate and Other	135	181			
	Intersegment eliminations	(288)	(236)			
Income from operations	**ABB Group**	**1,505**	**1,094**			
	Electrification	1,074	863			
	Motion	408	333			
	Automation	278	193			
	Corporate and Other (incl. intersegment eliminations)	(255)	(295)			
Income from operations %	**ABB Group**	**16.6%**	**13.7%**			
	Electrification	22.8%	21.3%			
	Motion	18.1%	16.3%			
	Automation	12.4%	9.8%			
Operational EBITA	**ABB Group**	**1,588**	**1,330**	**19%**	**14%**	
	Electrification	1,062	863	23%	18%	
	Motion	412	383	8%	2%	
	Automation	311	244	27%	22%	
	Corporate and Other[1] *(incl. intersegment eliminations)*	(197)	(160)			
Operational EBITA %	**ABB Group**	**17.6%**	**16.6%**			
	Electrification	22.6%	21.3%			
	Motion	18.3%	18.7%			
	Automation	13.9%	12.4%			
Cash flow from operating activities	**ABB Group**	**1,949**	**1,537**			
	Electrification	1,425	1,214			
	Motion	493	518			
	Automation	488	346			
	Corporate and Other (incl. intersegment eliminations)	(418)	(573)			
	Discontinued operations	(39)	32			

(1) Corporate and Other at Q4 2025 and Q4 2024 includes Stranded corporate costs of $30 million and $31 million, respectively.

($ in millions, unless otherwise indicated)		FY 2025	FY 2024	CHANGE US$	Local	Comparable
Orders	**ABB Group**	**36,765**	**31,482**	**17%**	**15%**	**15%**
	Electrification	18,757	16,422	14%	13%	13%
	Motion	8,619	7,989	8%	6%	6%
	Automation	9,928	7,485	33%	30%	30%
	Corporate and Other	522	503			
	Intersegment eliminations	(1,061)	(917)			
Order backlog (end December)	**ABB Group**	**25,282**	**19,975**	**27%**	**19%**	**18%**
	Electrification	9,438	7,506	26%	21%	21%
	Motion	6,285	5,239	20%	10%	8%
	Automation	10,133	7,631	33%	23%	23%
	Corporate and Other (incl. intersegment eliminations)	(574)	(401)			
Revenues	**ABB Group**	**33,220**	**30,583**	**9%**	**7%**	**7%**
	Electrification	17,357	15,448	12%	11%	11%
	Motion	8,247	7,787	6%	4%	4%
	Automation	8,084	7,692	5%	3%	3%
	Corporate and Other	462	558			
	Intersegment eliminations	(930)	(902)			
Income from operations	**ABB Group**	**6,047**	**4,735**			
	Electrification	4,065	3,362			
	Motion	1,564	1,400			
	Automation	1,097	942			
	Corporate and Other (incl. intersegment eliminations)	(679)	(969)			
Income from operations %	**ABB Group**	**18.2%**	**15.5%**			
	Electrification	23.4%	21.8%			
	Motion	19.0%	18.0%			
	Automation	13.6%	12.2%			
Operational EBITA	**ABB Group**	**6,314**	**5,572**	**13%**	**11%**	
	Electrification	4,081	3,520	16%	14%	
	Motion	1,600	1,518	5%	3%	
	Automation	1,132	1,080	5%	3%	
	Corporate and Other[1] *(incl. intersegment eliminations)*	(499)	(546)			
Operational EBITA %	**ABB Group**	**19.0%**	**18.2%**			
	Electrification	23.5%	22.7%			
	Motion	19.4%	19.4%			
	Automation	14.0%	14.0%			
Cash flow from operating activities	**ABB Group**	**5,469**	**4,675**			
	Electrification	4,242	3,652			
	Motion	1,621	1,776			
	Automation	1,528	1,231			
	Corporate and Other (incl. intersegment eliminations)	(2,141)	(2,217)			
	Discontinued operations	219	233			

(1) Corporate and Other at FY 2025 and FY 2024 includes Stranded corporate costs of $123 million and $123 million, respectively.

Operational EBITA

($ in millions, unless otherwise indicated)	ABB		Electrification		Motion		Automation	
	Q4 25	**Q4 24**	**Q4 25**	**Q4 24**	**Q4 25**	**Q4 24**	**Q4 25**	**Q4 24**
Revenues	**9,052**	**7,996**	**4,702**	**4,046**	**2,260**	**2,038**	**2,243**	**1,967**
Foreign exchange/commodity timing differences in total revenues	(16)	13	1	6	(4)	11	(13)	2
Operational revenues	**9,036**	**8,009**	**4,703**	**4,052**	**2,256**	**2,049**	**2,230**	**1,969**
Income from operations	**1,505**	**1,094**	**1,074**	**863**	**408**	**333**	**278**	**193**
Acquisition-related amortization	46	43	26	25	11	9	10	10
Restructuring, related and implementation costs(1)	53	75	10	7	9	15	16	36
Changes in obligations related to divested businesses	–	1	–	–	–	–	–	–
Gains and losses from sale of businesses	3	(70)	–	(71)	–	–	–	–
Fair value adjustment on assets and liabilities held for sale	–	(19)	–	–	–	–	–	–
Acquisition- and divestment-related expenses and integration costs	18	15	11	5	5	2	4	3
Certain other non-operational items	74	145	5	4	3	2	5	1
Foreign exchange/commodity timing differences in income from operations	(111)	46	(64)	30	(24)	22	(2)	1
Operational EBITA	**1,588**	**1,330**	**1,062**	**863**	**412**	**383**	**311**	**244**
Operational EBITA margin (%)	**17.6%**	**16.6%**	**22.6%**	**21.3%**	**18.3%**	**18.7%**	**13.9%**	**12.4%**

($ in millions, unless otherwise indicated)	ABB		Electrification		Motion		Automation	
	FY 25	**FY 24**	**FY 25**	**FY 24**	**FY 25**	**FY 24**	**FY 25**	**FY 24**
Revenues	**33,220**	**30,583**	**17,357**	**15,448**	**8,247**	**7,787**	**8,084**	**7,692**
Foreign exchange/commodity timing differences in total revenues	(47)	82	(15)	38	(6)	27	(24)	17
Operational revenues	**33,173**	**30,665**	**17,342**	**15,486**	**8,241**	**7,814**	**8,060**	**7,709**
Income from operations	**6,047**	**4,735**	**4,065**	**3,362**	**1,564**	**1,400**	**1,097**	**942**
Acquisition-related amortization	185	194	108	94	37	35	38	56
Restructuring, related and implementation costs(1)	92	160	26	27	26	39	20	70
Changes in obligations related to divested businesses	(3)	(10)	–	–	–	–	–	–
Gains and losses from sale of businesses	3	(57)	(5)	(73)	–	–	–	–
Fair value adjustment on assets and liabilities held for sale	–	113	–	25	–	–	–	–
Acquisition- and divestment-related expenses and integration costs	55	57	35	38	8	5	11	6
Certain other non-operational items	132	313	(23)	7	16	7	(17)	(1)
Foreign exchange/commodity timing differences in income from operations	(197)	67	(125)	40	(51)	32	(17)	7
Operational EBITA	**6,314**	**5,572**	**4,081**	**3,520**	**1,600**	**1,518**	**1,132**	**1,080**
Operational EBITA margin (%)	**19.0%**	**18.2%**	**23.5%**	**22.7%**	**19.4%**	**19.4%**	**14.0%**	**14.0%**

(1) Includes impairment of certain assets.

Depreciation and Amortization

($ in millions)	ABB		Electrification		Motion		Automation	
	Q4 25	Q4 24	Q4 25	Q4 24	Q4 25	Q4 24	Q4 25	Q4 24
Depreciation	164	136	84	74	33	31	23	18
Amortization	57	58	32	35	13	11	10	11
including total acquisition-related amortization of:	46	43	26	25	11	9	10	10

($ in millions)	ABB		Electrification		Motion		Automation	
	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24
Depreciation	581	520	312	275	129	119	78	71
Amortization	232	241	133	120	47	42	41	60
including total acquisition-related amortization of:	185	194	108	94	37	35	38	56

Orders received and revenues by region

($ in millions, unless otherwise indicated)	Orders received		CHANGE			Revenues		CHANGE		
	Q4 25	Q4 24	US$	Local	Com-parable	Q4 25	Q4 24	US$	Local	Com-parable
Europe	3,530	2,598	36%	25%	25%	3,175	2,624	21%	11%	11%
The Americas	4,281	2,982	44%	42%	43%	3,247	2,934	11%	9%	10%
of which United States	3,467	2,206	57%	57%	57%	2,511	2,222	13%	13%	13%
Asia, Middle East and Africa	2,505	2,013	24%	23%	23%	2,630	2,438	8%	7%	7%
of which China	903	703	28%	26%	25%	955	921	4%	2%	0%
ABB Group	**10,316**	**7,593**	**36%**	**31%**	**32%**	**9,052**	**7,996**	**13%**	**9%**	**9%**

($ in millions, unless otherwise indicated)	Orders received		CHANGE			Revenues		CHANGE		
	FY 25	FY 24	US$	Local	Com-parable	FY 25	FY 24	US$	Local	Com-parable
Europe	12,169	10,518	16%	11%	11%	11,407	10,138	13%	7%	7%
The Americas	14,537	11,575	26%	26%	26%	12,424	11,370	9%	10%	10%
of which United States	11,591	8,648	34%	33%	34%	9,660	8,623	12%	12%	12%
Asia, Middle East and Africa	10,059	9,389	7%	7%	7%	9,389	9,075	3%	4%	3%
of which China	3,805	3,480	9%	9%	8%	3,650	3,705	-1%	-2%	-4%
ABB Group	**36,765**	**31,482**	**17%**	**15%**	**15%**	**33,220**	**30,583**	**9%**	**7%**	**7%**

Consolidated Financial Information

ABB Ltd Consolidated Income Statements (unaudited)

	Year ended		Three months ended	
($ in millions, except per share data in $)	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Sales of products	27,669	25,531	7,484	6,634
Sales of services and other	5,551	5,052	1,568	1,362
Total revenues	**33,220**	**30,583**	**9,052**	**7,996**
Cost of sales of products	(16,581)	(15,740)	(4,524)	(4,230)
Cost of services and other	(2,999)	(2,842)	(870)	(784)
Total cost of sales	**(19,580)**	**(18,582)**	**(5,394)**	**(5,014)**
Gross profit	**13,640**	**12,001**	**3,658**	**2,982**
Selling, general and administrative expenses	(6,593)	(5,980)	(1,769)	(1,565)
Non-order related research and development expenses	(1,318)	(1,268)	(369)	(358)
Other income (expense), net	318	(18)	(15)	35
Income from operations	**6,047**	**4,735**	**1,505**	**1,094**
Interest and dividend income	203	206	61	60
Interest and other finance expense	(86)	(74)	(13)	(4)
Non-operational pension (cost) credit	55	56	13	15
Income from continuing operations before taxes	**6,219**	**4,923**	**1,566**	**1,165**
Income tax expense	(1,570)	(1,197)	(292)	(217)
Income from continuing operations, net of tax	**4,649**	**3,726**	**1,274**	**948**
Income from discontinued operations, net of tax	174	226	6	47
Net income	**4,823**	**3,952**	**1,280**	**995**
Net income attributable to noncontrolling interests and redeemable noncontrolling interests	(89)	(17)	(7)	(8)
Net income attributable to ABB	**4,734**	**3,935**	**1,273**	**987**
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	4,561	3,709	1,267	940
Income from discontinued operations, net of tax	173	226	6	47
Net income	4,734	3,935	1,273	987
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	2.50	2.01	0.70	0.51
Income from discontinued operations, net of tax	0.09	0.12	–	0.03
Net income	2.59	2.13	0.70	0.54
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	2.49	2.00	0.70	0.51
Income from discontinued operations, net of tax	0.09	0.12	–	0.03
Net income	2.59	2.13	0.70	0.53
Weighted-average number of shares outstanding (in millions) used to compute:				
Basic earnings per share attributable to ABB shareholders	1,827	1,844	1,820	1,841
Diluted earnings per share attributable to ABB shareholders	1,831	1,851	1,823	1,846

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)

	Year ended		Three months ended	
($ in millions)	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Total comprehensive income, net of tax	**4,933**	**3,647**	**1,367**	**695**
Total comprehensive (income) loss attributable to noncontrolling interests and redeemable noncontrolling interests, net of tax	(102)	8	(8)	14
Total comprehensive income attributable to ABB shareholders, net of tax	**4,831**	**3,655**	**1,359**	**709**

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, 2025	Dec. 31, 2024
Cash and equivalents	4,640	4,326
Marketable securities and short-term investments	1,981	1,334
Receivables, net	7,535	6,843
Contract assets	1,090	889
Inventories, net	5,862	5,420
Prepaid expenses	281	282
Other current assets	627	511
Current assets held for sale and in discontinued operations	3,562	1,154
Total current assets	**25,578**	**20,759**
Property, plant and equipment, net	4,692	3,986
Operating lease right-of-use assets	765	752
Investments in equity-accounted companies	349	351
Prepaid pension and other employee benefits	937	688
Intangible assets, net	1,119	999
Goodwill	9,637	8,801
Deferred taxes	1,248	1,299
Other non-current assets	560	484
Non-current assets held for sale and in discontinued operations	–	2,169
Total assets	**44,885**	**40,288**
Accounts payable, trade	5,210	4,681
Contract liabilities	3,221	2,704
Short-term debt and current maturities of long-term debt	475	292
Current operating leases	253	225
Provisions	1,477	1,462
Other current liabilities	4,677	4,375
Current liabilities held for sale and in discontinued operations	1,108	915
Total current liabilities	**16,421**	**14,654**
Long-term debt	7,829	6,648
Non-current operating leases	533	543
Pension and other employee benefits	550	541
Deferred taxes	792	651
Other non-current liabilities	2,101	2,066
Non-current liabilities held for sale and in discontinued operations	13	194
Total liabilities	**28,239**	**25,297**
Commitments and contingencies		
Stockholders' equity:		
Common stock, CHF 0.12 par value (1,844 million and 1,861 million shares issued at December 31, 2025 and 2024, respectively)	160	162
Additional paid-in capital	64	50
Retained earnings	22,606	20,648
Accumulated other comprehensive loss	(5,253)	(5,350)
Treasury stock, at cost (26 million and 22 million shares at December 31, 2025 and 2024, respectively)	(1,490)	(1,091)
Total ABB stockholders' equity	**16,087**	**14,419**
Noncontrolling interests	559	572
Total stockholders' equity	**16,646**	**14,991**
Total liabilities and stockholders' equity	**44,885**	**40,288**

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 Dec. 31, 2025	Year ended Dec. 31, 2024	Three months ended Dec. 31, 2025	Three months ended Dec. 31, 2024
Operating activities:				
Net income	4,823	3,952	1,280	995
Income from discontinued operations, net of tax	(174)	(226)	(6)	(47)
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	813	761	221	194
Changes in fair values of investments	(21)	62	59	83
Pension and other employee benefits	(48)	(93)	8	(41)
Deferred taxes	108	1	(20)	90
Net loss (gain) from derivatives and foreign exchange	(311)	(47)	(145)	17
Net gain from sale of property, plant and equipment	(198)	(60)	(11)	(18)
Net loss (gain) from sale of businesses	3	(57)	3	(70)
Fair value adjustment on assets and liabilities held for sale	–	113	–	(19)
Other	58	155	26	45
Changes in operating assets and liabilities:				
Trade receivables, net	(222)	(147)	15	(127)
Contract assets and liabilities	151	247	(42)	63
Inventories, net	132	(133)	250	331
Accounts payable, trade	147	180	198	73
Accrued liabilities	119	(4)	192	171
Provisions, net	(8)	(41)	15	7
Income taxes payable and receivable	(53)	(123)	(125)	(316)
Other assets and liabilities, net	(69)	(98)	70	74
Net cash provided by operating activities – continuing operations	5,250	4,442	1,988	1,505
Net cash provided by (used in) operating activities – discontinued operations	219	233	(39)	32
Net cash provided by operating activities	**5,469**	**4,675**	**1,949**	**1,537**
Investing activities:				
Purchases of investments	(1,218)	(1,563)	(171)	(361)
Purchases of property, plant and equipment and intangible assets	(1,001)	(799)	(409)	(271)
Acquisition of businesses (net of cash acquired) and increases in cost- and equity-accounted companies	(752)	(617)	(175)	(322)
Proceeds from sales of investments	589	2,170	72	332
Proceeds from sales of property, plant and equipment	194	107	18	41
Proceeds from sales of businesses (net of transaction costs and cash disposed) and cost- and equity-accounted companies	59	(33)	(15)	(29)
Net cash from settlement of foreign currency derivatives	(129)	87	(14)	96
Other investing activities	(10)	(13)	(5)	(1)
Net cash used in investing activities – continuing operations	(2,268)	(661)	(699)	(515)
Net cash used in investing activities – discontinued operations	(121)	(64)	(52)	(19)
Net cash used in investing activities	**(2,389)**	**(725)**	**(751)**	**(534)**
Financing activities:				
Net changes in debt with original maturities of 90 days or less	(85)	(15)	(19)	(8)
Increase in debt	1,083	1,914	(3)	550
Repayment of debt	(433)	(2,485)	(214)	(1)
Delivery of shares	99	451	66	47
Purchase of treasury stock	(1,499)	(1,247)	(350)	(404)
Dividends paid	(1,907)	(1,769)	–	–
Dividends paid to noncontrolling shareholders	(114)	(103)	–	–
Other financing activities	(22)	(69)	(14)	(43)
Net cash provided by (used in) financing activities – continuing operations	(2,878)	(3,323)	(534)	141
Net cash provided by (used in) financing activities – discontinued operations	1	(3)	2	–
Net cash provided by (used in) financing activities	**(2,877)**	**(3,326)**	**(532)**	**141**
Effects of exchange rate changes on cash and equivalents	111	(207)	16	(101)
Adjustment for the net change in cash and equivalents in Assets held for sale	–	–	21	–
Net change in cash and equivalents	**314**	**417**	**703**	**1,043**
Cash and equivalents, beginning of period	4,326	3,909	3,937	3,283
Cash and equivalents, end of period	**4,640**	**4,326**	**4,640**	**4,326**
Supplementary disclosure of cash flow information:				
Interest paid	290	241	62	40
Income taxes paid	1,627	1,382	463	430

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, 2024	**163**	**7**	**19,655**	**(5,070)**	**(1,414)**	**13,341**	**647**	**13,988**
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**	**20,648**	**(5,350)**	**(1,091)**	**14,419**	**572**	**14,991**
Balance at January 1, 2025	**162**	**50**	**20,648**	**(5,350)**	**(1,091)**	**14,419**	**572**	**14,991**
Net income			4,734			**4,734**	89	**4,823**
Foreign currency translation adjustments, net of tax of $(5)				72		**72**	13	**85**
Effect of change in fair value of available-for-sale securities, net of tax of $0				3		**3**		**3**
Unrecognized income (expense) related to pensions and other postretirement plans, net of tax of $6				18		**18**		**18**
Change in derivative instruments and hedges, net of tax of $0				4		**4**		**4**
Changes in noncontrolling interests						**–**	(3)	**(3)**
Dividends to noncontrolling shareholders						**–**	(114)	**(114)**
Dividends to shareholders			(1,867)			**(1,867)**		**(1,867)**
Cancellation of treasury shares	(2)	(61)	(831)		894	**–**		**–**
Share-based payment arrangements		89				**89**	4	**93**
Purchase of treasury stock					(1,485)	**(1,485)**		**(1,485)**
Delivery of shares		(15)	(77)		191	**99**		**99**
Balance at December 31, 2025	**160**	**64**	**22,606**	**(5,253)**	**(1,490)**	**16,087**	**559**	**16,646**

(1) Amount attributable to noncontrolling interests for the year ended December 31, 2024, excludes a net loss of $2 million, related to redeemable noncontrolling interests.

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

See Notes to the Consolidated Financial Information

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 Financial Report for the year ended December 31, 2024.

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,
- assumptions used in the determination of corporate costs directly attributable to discontinued operations,
- 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, and
- estimates and assumptions used in determining the fair values of assets and liabilities assumed in business combinations.

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

For classification of certain current assets and liabilities, the Company has elected to use the duration of individual contracts as its operating cycle. Accordingly, there are contract assets and liabilities, accounts receivable, inventories and provisions related to these contracts which will not be realized within one year that have been classified as current. Long-term system integration activities comprise the majority of the Company's activities which have an operating cycle in excess of 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, as mentioned below in this Note.

Discontinued operations
In October 2025, the Company entered into an agreement to divest its Robotics division to SoftBank Group Corp. The divestment is expected to be completed in the second half of 2026, subject to regulatory approvals and customary closing conditions. As this divestment represents a strategic shift that will have a major effect on the operations and financial results of the Company, the results of operations for this business have been presented as discontinued operations for all periods presented (see Note 3 for details). Financial information and disclosures for prior periods have been retroactively recast to give effect to the discontinued operations presentation. Unless otherwise indicated, all amounts and disclosures in the notes to the consolidated financial statements relate to the continuing operations of the Company.

Change in accounting policy
Effective January 1, 2025, the Company changed its accounting policy related to the functional classification of information system expenses in the income statement. Previously, the Company allocated information system expenses in the income statement to the functional area based on a headcount approach while, in connection with this change, information systems expenses are allocated to the relevant income statement caption based on the nature of the underlying system.

The Company's consolidated financial statements have been retroactively restated to reflect this accounting policy change. In connection with this change, the Company recorded a cumulative-effect reduction of $69 million to the balance of Retained earnings, representing the impact of the policy change on Inventories and the related deferred tax balance. The effect on Net income for 2024 was not considered significant and therefore no changes have been recorded.

The following tables detail the impact of the change in accounting policy within the Consolidated Income Statements for the year and three months ended December 31, 2024, and the Consolidated Balance Sheet at December 31, 2024:

($ in millions)	Year ended December 31, 2024	Three months ended December 31, 2024
Consolidated Income Statement:		
Cost of sales of products	(385)	(96)
Cost of services and other	(86)	(22)
Selling, general and administrative expenses	537	134
Non-order related research and development expenses	(66)	(16)

($ in millions)	December 31, 2024
Consolidated Balance Sheet:	
Inventories	(82)
Current assets held for sale and in discontinued operations	(9)
Deferred taxes (asset)	22
Retained earnings	(69)

Reclassifications and presentation changes

In 2025, the Company split the amount previously reported in Provision for warranties into current and non-current components and retroactively recast the amounts for all periods presented. The balance at December 31, 2024, which was previously recorded on a combined basis, of $1,248 million has been reclassified into Provisions ($651 million), Other non-current liabilities ($551 million) and in Assets held for sale and in discontinued operations, current ($35 million) and non-current ($11 million). See Note 11 - Commitments and contingencies for additional information.

In addition, in 2025, the Company reorganized its operating segments and reclassified the prior period to conform to the current year's presentation. See Note 17 - Operating segment data for details.

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Note 2
Recent accounting pronouncements

Applicable for current periods

Improvements to Income tax disclosures

In January 2025, the Company adopted an accounting standard update 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. The update will be applied retrospectively for all periods presented in the Company's 2025 annual consolidated financial statements. Apart from the additional disclosure requirements, this update does not have a significant impact on the Company's consolidated financial statements.

Measurement of credit losses for accounts receivable and contract assets

In July 2025, an accounting standard update was issued which provides a practical expedient related to the estimation of expected credit losses on current accounts receivable and contract assets arising from revenues generated from contracts with customers. The Company early adopted this accounting standard update in October 2025. This update does not have a significant impact on the Company's consolidated financial statements.

Applicable for future periods

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.

Targeted Improvements to the Accounting for Internal-Use Software

In September 2025, an accounting standard update was issued related to accounting for internal-use software costs. This update modernizes the guidance for accounting for software costs, aligning the accounting model with how software is developed today, by removing all references to project stages and clarifying the threshold entities apply to begin capitalizing costs. This update is effective for the Company for annual and interim periods beginning January 1, 2028, and may be applied (i) prospectively, (ii) retrospectively, or (iii) utilizing a modified transition approach. Early adoption is permitted as of the beginning of an annual reporting period. The Company is currently evaluating the impact of adopting this update on its consolidated financial statements.

Note 3
Discontinued operations

In October 2025, the Company entered into an agreement to divest its Robotics division to SoftBank Group Corp., valuing the business at approximately $5.4 billion. The business also includes certain investments and real estate properties which were previously reported within Corporate and Other. The divestment is expected to be completed in the second half of 2026, subject to regulatory approvals and customary closing conditions, as well as the completion of certain legal entity reorganizations expected to be finalized before the sale.

As this planned divestment represents a strategic shift that will have a major effect on the Company's operations and financial results, the results of operations for this business have been presented as discontinued operations and the assets and liabilities, along with the related investments and real estate assets previously included in Corporate and Other, are reflected as held-for-sale for all periods presented.

In addition, amounts relating to stranded corporate costs have been separately disclosed as a component of Corporate and Other (see Note 17). Stranded costs represent allocated overhead and other management costs which were previously included in the measure of segment profit (Operational EBITA) for the Robotics division within the former Robotics & Discrete Automation operating segment but are not directly attributable to the discontinued operation and thus do not qualify to be recorded as part of income from discontinued operations.

Operating results of the discontinued operations are summarized as follows:

	Year ended		Three months ended	
($ in millions)	**Dec. 31, 2025**	**Dec. 31, 2024**	**Dec. 31, 2025**	**Dec. 31, 2024**
Total revenues	2,331	2,267	581	594
Total cost of sales	(1,527)	(1,497)	(369)	(405)
Gross profit	**804**	**770**	**212**	**189**
Expenses	(510)	(439)	(175)	(118)
Income from operations	**294**	**331**	**37**	**71**
Net interest and other finance expense	(36)	(25)	(13)	(4)
Non-operational pension (cost) credit	(1)	(2)	(1)	(1)
Income from discontinued operations before taxes	**257**	**304**	**23**	**66**
Income tax expense	(83)	(78)	(17)	(19)
Income from discontinued operations, net of tax	**174**	**226**	**6**	**47**

Of the total Income from discontinued operations before taxes in the table above, $173 million and $226 million in the year ended December 31, 2025 and 2024, respectively, and $6 million and $47 million in the three months ended December 31, 2025 and 2024, respectively, are attributable to the Company, while the remainder is attributable to noncontrolling interests.

Income from discontinued operations before taxes excluded stranded costs which were previously allocated to the Robotics division. As a result, in the year ended December 31, 2025 and 2024, $123 million and $123 million, respectively, and for the three months ended December 31, 2025 and 2024, $30 million and $31 million, respectively, of allocated overhead and other management costs which were previously included in the measure of segment profit for the Robotics division are now reported as part of Corporate and Other. In the table above, Net interest and other finance expense in the year ended December 31, 2025 and 2024, includes $29 million and $30 million, respectively, and in the three months ended December 31, 2025 and 2024, includes $7 million and $6 million, respectively, of interest expense which has been recorded on an allocated basis in accordance with the Company's accounting policy. In addition, as required by U.S. GAAP, subsequent to October 5, 2025, (the date of approval by the Board of Directors authorizing the sale of the Robotics division) the Company has not recorded depreciation or amortization on the property, plant and equipment and intangible assets reported as discontinued operations.

The Company also has retained obligations (primarily for environmental and taxes) related to other businesses disposed or otherwise exited that qualified as discontinued operations. Changes to these retained obligations are also included in Income from discontinued operations, net of tax.

The major components of assets and liabilities held for sale and in discontinued operations in the Company's Consolidated Balance Sheets are summarized as follows:

($ in millions)	Dec. 31, 2025[1]	Dec. 31, 2024[1]
Receivables, net	489	571
Contract assets	217	225
Inventories, net	372	349
Property, plant and equipment, net	290	–
Operating lease right-of-use assets	84	–
Goodwill	1,847	–
Deferred taxes	123	–
Other assets	140	9
Current assets held for sale and in discontinued operations	**3,562**	**1,154**
Property, plant and equipment, net	–	190
Operating lease right-of-use assets	–	88
Goodwill	–	1,754
Deferred taxes	–	64
Other non-current assets	–	73
Non-current assets held for sale and in discontinued operations	**–**	**2,169**
Accounts payable, trade	317	367
Contract liabilities	250	264
Operating leases	87	–
Other liabilities	454	284
Current liabilities held for sale and in discontinued operations	**1,108**	**915**
Non-current operating leases	–	87
Deferred taxes	–	24
Other non-current liabilities	13	83
Non-current liabilities held for sale and in discontinued operations	**13**	**194**

(1) At December 31, 2025 and 2024, the balances reported as held for sale and in discontinued operations also include amounts pertaining to Power Grids activities and other obligations which will remain with the Company until such time as the obligations are settled or the activities are fully wound down.

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Note 4
Acquisitions and divestments

Acquisition of controlling interests

Acquisitions of controlling interests were as follows:

	Year ended December 31,		Three months ended December 31,	
($ in millions, except number of acquired businesses)[1]	2025	2024	2025	2024
Purchase price for acquisitions (net of cash acquired)[2]	723	581	170	317
Aggregate excess of purchase price over fair value of net assets acquired[3]	569	428	116	208
Number of acquired businesses	6	7	2	3

(1) Amounts include adjustments arising during the measurement period of acquisitions.
(2) Excluding changes in cost- and equity-accounted companies.
(3) 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" in the year ended December 31, 2025, relate primarily to the acquisitions of Sensorfact BV, the Siemens Wiring Accessories Business in China and the power electronics business of Gamesa Electric in Spain, while 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 February 3, 2025, the Company acquired all of the shares of Sensorfact BV. Sensorfact BV, headquartered in Utrecht, Netherlands, offers a scalable software as a service (SaaS) solution that helps small and medium sized enterprises use AI in their operations and energy management to lower costs and increase efficiency. The cash outflows to complete the transaction amounted to $148 million (net of cash acquired). This acquisition will expand the Company's portfolio of energy management solutions that use big data and AI within its Electrification segment.

On March 3, 2025, the Company acquired, through numerous share and asset purchases, all of the assets, liabilities and business activities of the Siemens Wiring Accessories Business in China. The Siemens Wiring Accessories Business offering, which distributes throughout China, includes wiring accessories, smart home systems, smart door locks and further peripheral home automation products. The cash outflows to complete the transaction amounted to $386 million (net of cash acquired). This acquisition will broaden the market reach of the Company's Electrification segment and complement the segment's regional customer offering within smart buildings.

On December 1, 2025, the Company acquired, through numerous share and asset purchases, all of the assets, liabilities and business activities of the power electronics business of Gamesa Electric in Spain. Gamesa's power electronics business focuses on electrical products for power conversion, including Doubly-fed induction generator (DFIG) wind converters, industrial battery energy storage systems (BESS) and utility-scale solar power inverters. The cash outflows to complete the transaction amounted to $81 million (net of cash acquired). This acquisition will expand the existing power conversion product and service offering within the Company's Motion segment.

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 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.

The aggregate allocation of the purchase consideration for business acquisitions in the year ended December 31, 2025, was as follows:

	2025		2024	
($ in millions)	**Allocated amounts**	**Weighted-average useful life**	**Allocated amounts**	**Weighted-average useful life**
Technology	82	6 years	34	6 years
Customer relationships	108	10 years	107	11 years
Other intangibles	34	8 years	11	7 years
Intangible assets	224		152	
Property, plant and equipment	19		35	
Deferred tax liabilities	(43)		(29)	
Inventories	42		36	
Other assets and liabilities, net	(88)		(41)	
Goodwill	569		428	
Total consideration (net of cash acquired)	**723**		**581**	

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.

Investments in equity-accounted companies

In connection with the establishment of the Joint Venture with the Niedax 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 had 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 Niedax 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 5
Cash and equivalents, marketable securities and short-term investments

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

	December 31, 2025					
($ in millions)	Cost basis	Gross unrealized gains	Gross unrealized losses	Fair value	Cash and equivalents	Marketable securities and short-term investments
Changes in fair value recorded in net income						
Cash	1,398			**1,398**	1,398	
Time deposits	3,804			**3,804**	3,242	562
Equity securities	1,348	57		**1,405**		1,405
	6,550	**57**	**–**	**6,607**	**4,640**	**1,967**
Changes in fair value recorded in other comprehensive income						
Debt securities available-for-sale:						
Other government obligations	14			**14**		14
	14	**–**	**–**	**14**	**–**	**14**
Total	**6,564**	**57**	**–**	**6,621**	**4,640**	**1,981**

	December 31, 2024					
($ in millions)	Cost basis	Gross unrealized gains	Gross unrealized losses	Fair value	Cash and equivalents	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**

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Note 6
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 operates programs to hedge the foreign currency exposures from forecasted cash flows, committed orders and project-related exposures. 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 operates programs to hedge the forecasted commodity exposure and project-related exposures. 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	Total notional amounts at	
($ in millions)	December 31, 2025	December 31, 2024
Foreign exchange contracts	14,743	12,657
Embedded foreign exchange derivatives	1,640	1,153
Cross-currency interest rate swaps	940	833
Interest rate contracts	1,644	1,510

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, 2025	December 31, 2024
Copper swaps	metric tonnes	33,912	40,699
Silver swaps	ounces	2,059,055	2,648,681
Steel swaps	metric tonnes	14,198	20,185
Aluminum swaps	metric tonnes	3,850	4,525

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, 2025 and 2024, 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:

		Year ended December 31,		Three months ended December 31,	
($ in millions)		2025	2024	2025	2024
Gains (losses) recognized in Interest and other finance expense:					
Interest rate contracts	Designated as fair value hedges	(10)	28	(5)	–
	Hedged item	10	(29)	5	–
Cross-currency interest rate swaps	Designated as fair value hedges	5	33	2	13
	Hedged item	(2)	(30)	(1)	(12)

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		Gains (losses) recognized in income			
		Year ended December 31,		Three months ended December 31,	
($ in millions)	**Location**	**2025**	**2024**	**2025**	**2024**
Foreign exchange contracts	Total revenues	165	(242)	26	(132)
	Total cost of sales	(31)	75	(6)	40
	SG&A expenses[1]	(38)	35	3	11
	Non-order related research and development	–	–	–	–
	Interest and other finance expense	(178)	282	13	192
Embedded foreign exchange contracts	Total revenues	(2)	26	(8)	32
	Total cost of sales	6	(6)	–	(6)
Commodity contracts	Total cost of sales	176	14	107	(35)
Other	Interest and other finance expense	1	(1)	–	–
Total		**99**	**183**	**135**	**102**

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

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

	December 31, 2025			
	Derivative assets		Derivative liabilities	
($ in millions)	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	–	–	6	–
Interest rate contracts	–	2	–	4
Cross-currency interest rate swaps	–	–	–	142
Total	**–**	**2**	**6**	**146**
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	101	23	50	5
Commodity contracts	129	–	5	–
Embedded foreign exchange derivatives	20	14	29	4
Total	**250**	**37**	**84**	**9**
Total fair value	**250**	**39**	**90**	**155**

($ 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	150	17	108	15
Commodity contracts	4	–	20	–
Embedded foreign exchange derivatives	22	6	11	5
Other	–	5	–	–
Total	**176**	**28**	**139**	**20**
Total fair value	**180**	**35**	**140**	**276**

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, 2025 and 2024, 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, 2025 and 2024, information related to these offsetting arrangements was as follows:

($ in millions)	December 31, 2025				
Type of agreement or similar arrangement	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	255	(56)	–	–	**199**
Total	**255**	**(56)**	**–**	**–**	**199**

($ in millions)	December 31, 2025				
Type of agreement or similar arrangement	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	212	(56)	–	–	**156**
Total	**212**	**(56)**	**–**	**–**	**156**

($ in millions)	December 31, 2024				
Type of agreement or similar arrangement	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	187	(90)	–	–	**97**
Total	**187**	**(90)**	**–**	**–**	**97**

($ in millions)	December 31, 2024				
Type of agreement or similar arrangement	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	400	(90)	–	–	**310**
Total	**400**	**(90)**	**–**	**–**	**310**

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Note 7
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 which require significant judgement or estimation (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:

	December 31, 2025			
($ in millions)	Level 1	Level 2	Level 3	Total fair value
Assets				
Securities in "Marketable securities and short-term investments":				
Equity securities		1,405		**1,405**
Debt securities—Other government obligations	14			**14**
Derivative assets—current in "Other current assets"		250		**250**
Derivative assets—non-current in "Other non-current assets"		39		**39**
Total	**14**	**1,694**	**–**	**1,708**
Liabilities				
Derivative liabilities—current in "Other current liabilities"		90		**90**
Derivative liabilities—non-current in "Other non-current liabilities"		155		**155**
Total	**–**	**245**	**–**	**245**

	December 31, 2024			
($ in millions)	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"		180		**180**
Derivative assets—non-current in "Other non-current assets"		35		**35**
Total	**–**	**1,029**	**–**	**1,029**
Liabilities				
Derivative liabilities—current in "Other current liabilities"		140		**140**
Derivative liabilities—non-current in "Other non-current liabilities"		276		**276**
Total	**–**	**416**	**–**	**416**

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, 2025, there were no significant non-recurring fair value measurements. 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 the Company's 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 4). There were no other significant non-recurring fair value measurements during the year and three months ended December 31, 2024.

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

		December 31, 2025			
($ in millions)	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	1,398	1,398			**1,398**
Time deposits	3,242		3,242		**3,242**
Marketable securities and short-term investments (excluding securities):					
Time deposits	562		562		**562**
Liabilities					
Short-term debt and current maturities of long-term debt (excluding finance lease obligations)	448	416	32		**448**
Long-term debt (excluding finance lease obligations)	7,681	7,013	733		**7,746**

		December 31, 2024			
($ in millions)	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	1,328	1,328			**1,328**
Time deposits	2,998		2,998		**2,998**
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**

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) 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).

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Note 8

Contract assets and liabilities

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

($ in millions)	December 31, 2025	December 31, 2024	December 31, 2023
Contract assets	1,090	889	885
Contract liabilities	3,221	2,704	2,559

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:

	Year ended December 31,			
	2025		2024	
($ in millions)	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Revenue recognized, which was included in the Contract liabilities balance at Jan 1, 2025/2024		(1,599)		(1,361)
Additions to Contract liabilities - excluding amounts recognized as revenue during the period		1,895		1,651
Receivables recognized that were included in the Contract assets balance at Jan 1, 2025/2024	(582)		(456)	

The Company considers its order backlog to represent its unsatisfied performance obligations. At December 31, 2025, the Company had unsatisfied performance obligations totaling $25,282 million and, of this amount, the Company expects to fulfill approximately 65 percent of the obligations in 2026, approximately 16 percent of the obligations in 2027 and the balance thereafter.

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Note 9

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, 2025 and 2024, the total obligation outstanding under supplier finance programs amounted to $482 million and $403 million, respectively.

Note 10
Debt

The Company's total debt at December 31, 2025 and 2024, amounted to $8,304 million and $6,940 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, 2025	December 31, 2024
Short-term debt	26	83
Current maturities of long-term debt	449	209
Total	**475**	**292**

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

In October 2025, the Company repaid at maturity its CHF 150 million 2.1% CHF Bonds, equivalent to $188 million on date of repayment.

Long-term debt

The Company's Long-term debt at December 31, 2025 and 2024, amounted to $7,829 million and $6,648 million, respectively.

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

	December 31, 2025				December 31, 2024			
(in millions)	Nominal outstanding		Carrying value(1)		Nominal outstanding		Carrying value(1)	
2.1% CHF Bonds, due 2025					CHF	150	$	166
1.965% CHF Bonds, due 2026	CHF	325	$	410	CHF	325	$	359
3.25% EUR Instruments, due 2027	EUR	500	$	586	EUR	500	$	518
0.75% CHF Bonds, due 2027	CHF	425	$	535	CHF	425	$	468
3.8% USD Notes, due 2028(2)	USD	383	$	382	USD	383	$	382
1.9775% CHF Bonds, due 2028	CHF	150	$	189	CHF	150	$	165
3.125% EUR Instruments, due 2029	EUR	500	$	588	EUR	500	$	523
1.0% CHF Bonds, due 2029	CHF	170	$	214	CHF	170	$	188
0% EUR Instruments, due 2030	EUR	800	$	838	EUR	800	$	727
2.375% CHF Bonds, due 2030	CHF	150	$	189	CHF	150	$	165
3.375% EUR Instruments, due 2031	EUR	750	$	871	EUR	750	$	770
Floating rate EIB R&D Loan, due 2031	USD	539	$	539	USD	539	$	539
0.8725% CHF Bonds, due 2032	CHF	350	$	440				
2.1125% CHF Bonds, due 2033	CHF	275	$	346	CHF	275	$	303
3.375% EUR Instruments, due 2034	EUR	750	$	872	EUR	750	$	780
1.2762% CHF Bonds, due 2036	CHF	250	$	314				
4.375% USD Notes, due 2042(2)	USD	609	$	592	USD	609	$	591
Total			**$**	**7,905**			**$**	**6,644**

(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 June 2025, the Company issued the following CHF bonds: (i) CHF 350 million 0.8725% Bonds, due 2032, and (ii) CHF 250 million 1.2762% Bonds, due 2036, both paying interest annually in arrears. The aggregate net proceeds of these CHF Bonds, after fees, amounted to CHF 598 million (equivalent to approximately $731 million on date of issuance).

Note 11
Commitments and contingencies

Contingencies—Regulatory, Compliance and Legal

General

The Company is subject to proceedings, litigation or threatened litigation and other claims and inquiries related to various regulatory, commercial and other matters. The Company assesses the likelihood of any adverse judgments or outcomes to these matters, as well as potential ranges of probable losses. A determination of the provision required, if any, for these contingencies is made after analysis of each individual issue, with assistance, when necessary, from internal and external legal counsel and technical experts.

At December 31, 2025 and 2024, the Company had aggregate liabilities of $25 million and $72 million, respectively, included in Provisions and Other non-current liabilities, for the 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, 2025	December 31, 2024
Performance guarantees	1,926	2,299
Financial guarantees	18	22
Total(1)	**1,944**	**2,321**

(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, 2025 and 2024, 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 2032, 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, 2025 and 2024, the maximum potential payable under these guarantees amounts to $681 million and $747 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, 2025 and 2024, have been fully indemnified by Hitachi Ltd. These guarantees, having various maturities up to 2032, 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, 2025 and 2024, is approximately $0.9 billion and $1.1 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, 2025 and 2024, the total outstanding performance bonds aggregated to $3.6 billion and $3.2 billion, respectively, of which $0.1 billion and $0.1 billion, respectively, relate to discontinued operations. There have been no significant amounts reimbursed to financial institutions under these types of arrangements in the year and three months ended December 31, 2025 and 2024.

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)	2025	2024
Balance at January 1,	**1,202**	**1,163**
Net change in warranties due to acquisitions and divestments	–	2
Claims paid in cash or in kind	(150)	(141)
Net increase in provision for changes in estimates, warranties issued and warranties expired	230	240
Exchange rate differences	104	(62)
Balance at December 31,	**1,386**	**1,202**
Included in:		
"Provisions" — current liabilities	683	651
"Other non-current liabilities" — non-current liabilities	703	551
Provisions for warranties - Total	**1,386**	**1,202**

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Note 12
Income taxes

In calculating income tax expense, the Company uses an estimate of the annual effective tax rate based upon the facts and circumstances known at each interim period. On a quarterly basis, the actual effective tax rate is adjusted, as appropriate, based upon changed facts and circumstances, if any, as compared to those forecasted at the beginning of the year and each interim period thereafter.

The effective tax rate of 25.2 percent in the year ended December 31, 2025, was higher than the effective tax rate of 24.3 percent in the year ended December 31, 2024, primarily due to 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. This resulted in an increase of $0.04 in earnings per share (basic and diluted) for the year ended December 31, 2024.

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Note 13
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, 2025, 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.

In August 2025, the Trustees of the U.K. pension plan entered into two buy-in agreements with a third-party insurance company. The buy-in arrangements are insurance contracts providing substantially all future benefit plan payments to the U.K. pension plan participants. However, the primary benefit obligation remains with the Company. As part of the buy-in agreements, U.K. pension plan assets were transferred to the insurer in exchange for the insurance contracts at the effective dates of the buy-in agreements. The insurance contracts remain assets of the U.K. pension plan and are considered Level 3 investments. No cash contribution was required to be made by the Company for the insurance contracts. The buy-in arrangements also allow for the possible future conversion into buy-out arrangements where the insurance company would assume full responsibility for the U.K. pension plan pension obligations, at which time the Company would derecognize the assets and liabilities of the pension plan and realize a settlement loss or gain as a component of the net periodic benefit cost.

The following tables include amounts relating to defined benefit pension plans for both continuing and discontinued operations.

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

($ in millions)	Defined pension benefits			
	Switzerland		International	
Year ended December 31,	**2025**	**2024**	**2025**	**2024**
Operational pension cost:				
Service cost	56	46	26	28
Operational pension cost	**56**	**46**	**26**	**28**
Non-operational pension cost (credit):				
Interest cost	22	35	154	156
Expected return on plan assets	(118)	(126)	(167)	(168)
Amortization of prior service cost (credit)	–	(8)	(2)	(2)
Amortization of net actuarial loss	1	–	54	52
Curtailments, settlements and special termination benefits	3	5	(1)	3
Non-operational pension cost (credit)	**(92)**	**(94)**	**38**	**41**
Net periodic benefit cost (credit)	**(36)**	**(48)**	**64**	**69**

($ in millions)	Defined pension benefits			
	Switzerland		International	
Three months ended December 31,	**2025**	**2024**	**2025**	**2024**
Operational pension cost:				
Service cost	14	11	8	8
Operational pension cost	**14**	**11**	**8**	**8**
Non-operational pension cost (credit):				
Interest cost	6	8	39	37
Expected return on plan assets	(29)	(28)	(41)	(42)
Amortization of prior service cost (credit)	–	(3)	–	(1)
Amortization of net actuarial loss	–	–	12	12
Curtailments, settlements and special termination benefits	3	2	(2)	(1)
Non-operational pension cost (credit)	**(20)**	**(21)**	**8**	**5**
Net periodic benefit cost (credit)	**(6)**	**(10)**	**16**	**13**

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. Net periodic benefit cost (credit) related to discontinued operations for the year and three months ended December 31, 2025 and 2024, is not significant.

Employer contributions were as follows:

($ in millions)	Defined pension benefits			
	Switzerland		International	
Year ended December 31,	**2025**	**2024**	**2025**	**2024**
Total contributions to defined benefit pension plans	63	45	37	77
Three months ended December 31,	**2025**	**2024**	**2025**	**2024**
Total contributions to defined benefit pension plans	13	1	12	47

The Company expects to make contributions totaling approximately $100 million to its defined benefit pension plans for the full year 2026.

Note 14
Stockholders' equity

At the Annual General Meeting of Shareholders on March 27, 2025, shareholders approved the proposal of the Board of Directors to distribute 0.90 Swiss francs per share to shareholders. The declared dividend amounted to $1,867 million, and was paid in the second quarter of 2025.

In February 2025, the Company announced the completion of its $1 billion share buyback program that was launched in April 2024. This program was executed on a second trading line on the SIX Swiss Exchange. In February 2025, the Company launched a new share buyback program of up to $1.5 billion, as announced in late January 2025, also executed on a second trading line on the SIX Swiss Exchange. Under these buyback programs, the Company purchased approximately 22 million shares in the year ended December 31, 2025, resulting in an increase in Treasury stock of $1,314 million.

In the second quarter of 2025, the Company cancelled approximately 17 million shares which had been purchased under its share buyback programs. This resulted in a decrease in Treasury stock of $894 million and a corresponding combined decrease in Capital stock, Additional paid-in capital and Retained earnings.

Note 15
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

	Year ended December 31,		Three months ended December 31,	
($ in millions, except per share data in $)	**2025**	**2024**	**2025**	**2024**
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	4,561	3,709	1,267	940
Income from discontinued operations, net of tax	173	226	6	47
Net income	**4,734**	**3,935**	**1,273**	**987**
Weighted-average number of shares outstanding (in millions)	**1,827**	**1,844**	**1,820**	**1,841**
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	2.50	2.01	0.70	0.51
Income from discontinued operations, net of tax	0.09	0.12	–	0.03
Net income	**2.59**	**2.13**	**0.70**	**0.54**

Diluted earnings per share

	Year ended December 31,		Three months ended December 31,	
($ in millions, except per share data in $)	**2025**	**2024**	**2025**	**2024**
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	4,561	3,709	1,267	940
Income from discontinued operations, net of tax	173	226	6	47
Net income	**4,734**	**3,935**	**1,273**	**987**
Weighted-average number of shares outstanding (in millions)	1,827	1,844	1,820	1,841
Effect of dilutive securities:				
Call options and shares	4	7	3	5
Adjusted weighted-average number of shares outstanding (in millions)	**1,831**	**1,851**	**1,823**	**1,846**
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	2.49	2.00	0.70	0.51
Income from discontinued operations, net of tax	0.09	0.12	–	0.03
Net income	**2.59**	**2.13**	**0.70**	**0.53**

Note 16

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, 2024	**(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)**
Other comprehensive (loss) income:					
Other comprehensive (loss) income before reclassifications	93	3	(32)	(3)	**61**
Amounts reclassified from OCI	(8)	–	50	7	**49**
Total other comprehensive (loss) income	**85**	**3**	**18**	**4**	**110**
Less:					
Amounts attributable to noncontrolling interests	13	–	–	–	**13**
Balance at December 31, 2025	**(4,176)**	**–**	**(1,073)**	**(4)**	**(5,253)**

The amounts reclassified out of OCI for the year and three months ended December 31, 2025 and 2024, were not significant.

Note 17

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 and Automation. The remaining operations of the Company are included in Corporate and Other.

Effective January 1, 2025, the Company changed its accounting policy related to the functional classification of information system expenses in the income statement. Under the new policy, information systems expenses are now allocated to the relevant income statement caption based on the nature of the underlying system and the Total segment assets of each individual operating segment have been retroactively restated for the impact of the policy change on Inventories and the related deferred tax balance (see Note 1).

On October 8, 2025, the Company entered into an agreement to divest its Robotics division. As a result of the planned divestment, the Company announced a reorganization of its operating segments into three business areas. Following the announcement to divest its Robotics division, the Company reclassified the results of operations for this division, formerly part of the Robotics & Discrete Automation segment, and certain related amounts previously included in Corporate and Other to discontinued operations (see Note 3). The Process Automation segment, renamed the Automation segment, remains unchanged except that it now includes the Machine Automation division from the former Robotics & Discrete Automation segment. The segment information for the year and three months ended December 31, 2024, and at December 31, 2024, has been recast to reflect this change.

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 the 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 delivered through five operating divisions: Distribution Solutions, Smart Power, Smart Buildings, Installation Products, and Service.

- 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 six operating divisions: IEC LV Motors, NEMA Motors, Drive Products, High Power, Service, and Traction.

- 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; process, machine and factory automation; industrial software; advanced analytics; sensing and measurement technology; and marine propulsion systems. In addition, 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 currently delivered through five operating divisions: Energy Industries, Process Industries, Marine & Ports, Measurement & Analytics and Machine Automation.

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 and other non-core operating activities as well as the operating activities of certain divested businesses and stranded corporate costs related to the planned divestment of the Robotics division.

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.

For all operating segments, the primary performance measure the CODM uses to allocate resources (including capital expenditure and financial resources) and assess performance as part of the monthly business review process is Operational EBITA. As part of this review process, current year-to-date budget-to-actual variances are provided (inclusive of key deviations) along with forecasted annual expectations and plans to address any negative variances. Operational EBITA is also used to assess segment performance against targets set in the annual incentive plans as part of the compensation of the Company's employees.

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.

For a category of expense to be classified as a significant segment expense, it must be significant to the segment, regularly provided to or easily computed from information regularly provided to the CODM and included in the primary measure of profitability. Significant segment expenses include Operational cost of sales, Operational selling, general and administrative expenses, and Operational non-order related research and development costs, which respectively are comprised of Cost of sales, Selling, general and administrative expenses (excluding bad debt expense), and Non-order related research and development costs, with each of these expense categories being adjusted to exclude any costs incurred on behalf of other segments and any relevant non-operational items (as defined above).

Other segment items represent Other income (expense) excluding its respective components of non-operational items (as defined above), bad debt expense, and foreign exchange/commodity timing differences in total revenues.

The following tables present disaggregated segment revenues from contracts with customers, significant segment expenses, and Operational EBITA for the year and three months ended December 31, 2025 and 2024.

	Year ended December 31, 2025				
($ in millions)	Electrification	Motion	Automation	Corporate and Other	Total
Geographical markets					
Europe	5,150	2,610	3,438	209	**11,407**
The Americas	7,589	2,663	2,024	148	**12,424**
of which: United States	6,082	2,185	1,306	87	**9,660**
Asia, Middle East and Africa	4,348	2,407	2,569	65	**9,389**
of which: China	1,793	1,098	742	17	**3,650**
	17,087	**7,680**	**8,031**	**422**	**33,220**
Product type					
Products	15,838	6,495	5,013	323	**27,669**
Services and other	1,249	1,185	3,018	99	**5,551**
	17,087	**7,680**	**8,031**	**422**	**33,220**
Third-party revenues	17,087	7,680	8,031	422	**33,220**
Intersegment revenues	270	567	53	(890)	**–**
Total revenues	**17,357**	**8,247**	**8,084**	**(468)**	**33,220**
Operational cost of sales	(10,054)	(5,096)	(4,946)		
Operational selling, general and administrative expenses	(2,793)	(1,240)	(1,561)		
Operational non-order related research and development expenses	(487)	(319)	(414)		
Other segment items	58	8	(31)		
Operational EBITA	**4,081**	**1,600**	**1,132**		

	Year ended December 31, 2024				
($ in millions)	Electrification	Motion	Automation	Corporate and Other	Total
Geographical markets					
Europe	4,566	2,241	3,110	221	**10,138**
The Americas	6,577	2,618	1,970	205	**11,370**
of which: United States	5,128	2,122	1,232	141	**8,623**
Asia, Middle East and Africa	4,047	2,353	2,577	98	**9,075**
of which: China	1,777	1,098	808	22	**3,705**
	15,190	**7,212**	**7,657**	**524**	**30,583**
Product type					
Products	14,129	6,060	4,865	477	**25,531**
Services and other	1,061	1,152	2,792	47	**5,052**
	15,190	**7,212**	**7,657**	**524**	**30,583**
Third-party revenues	15,190	7,212	7,657	524	**30,583**
Intersegment revenues	258	575	35	(868)	**–**
Total revenues	**15,448**	**7,787**	**7,692**	**(344)**	**30,583**
Operational cost of sales	(9,078)	(4,924)	(4,803)		
Operational selling, general and administrative expenses	(2,462)	(1,087)	(1,418)		
Operational non-order related research and development expenses	(436)	(310)	(400)		
Other segment items	48	52	9		
Operational EBITA	**3,520**	**1,518**	**1,080**		

($ in millions)	Electrification	Motion	Automation	Corporate and Other	Total
	Three months ended December 31, 2025				
Geographical markets					
Europe	1,389	782	937	67	**3,175**
The Americas	2,001	665	547	34	**3,247**
of which: United States	1,610	534	350	17	**2,511**
Asia, Middle East and Africa	1,220	646	740	24	**2,630**
of which: China	449	288	213	5	**955**
	4,610	**2,093**	**2,224**	**125**	**9,052**
Product type					
Products	4,238	1,761	1,391	94	**7,484**
Services and other	372	332	833	31	**1,568**
	4,610	**2,093**	**2,224**	**125**	**9,052**
Third-party revenues	4,610	2,093	2,224	125	**9,052**
Intersegment revenues	92	167	19	(278)	**–**
Total revenues	**4,702**	**2,260**	**2,243**	**(153)**	**9,052**
Operational cost of sales	(2,797)	(1,433)	(1,387)		
Operational selling, general and administrative expenses	(740)	(324)	(414)		
Operational non-order related research and development expenses	(143)	(89)	(113)		
Other segment items	40	(2)	(18)		
Operational EBITA	**1,062**	**412**	**311**		

($ in millions)	Electrification	Motion	Automation	Corporate and Other	Total
	Three months ended December 31, 2024				
Geographical markets					
Europe	1,175	620	767	62	**2,624**
The Americas	1,691	670	505	68	**2,934**
of which: United States	1,325	542	315	40	**2,222**
Asia, Middle East and Africa	1,117	604	681	36	**2,438**
of which: China	440	271	202	8	**921**
	3,983	**1,894**	**1,953**	**166**	**7,996**
Product type					
Products	3,685	1,605	1,188	156	**6,634**
Services and other	298	289	765	10	**1,362**
	3,983	**1,894**	**1,953**	**166**	**7,996**
Third-party revenues	3,983	1,894	1,953	166	**7,996**
Intersegment revenues	63	144	14	(221)	**–**
Total revenues	**4,046**	**2,038**	**1,967**	**(55)**	**7,996**
Operational cost of sales	(2,444)	(1,302)	(1,237)		
Operational selling, general and administrative expenses	(631)	(288)	(372)		
Operational non-order related research and development expenses	(124)	(84)	(115)		
Other segment items	16	19	1		
Operational EBITA	**863**	**383**	**244**		

The following tables present Operational EBITA, the reconciliations of consolidated Operational EBITA to Income from continuing operations before taxes, as well as Depreciation and amortization, and Capital expenditures for the year and three months ended December 31, 2025 and 2024, and Total assets at December 31, 2025 and 2024:

	Year ended December 31,		Three months ended December 31,	
($ in millions)	**2025**	**2024**	**2025**	**2024**
Operational EBITA:				
Electrification	4,081	3,520	1,062	863
Motion	1,600	1,518	412	383
Automation	1,132	1,080	311	244
Corporate and Other				
– E-mobility	(148)	(273)	(33)	(72)
– Stranded corporate costs	(123)	(123)	(30)	(31)
– Corporate costs, Intersegment elimination and other	(228)	(150)	(134)	(57)
Total	**6,314**	**5,572**	**1,588**	**1,330**
Acquisition-related amortization	(185)	(194)	(46)	(43)
Restructuring, related and implementation costs(1)	(92)	(160)	(53)	(75)
Changes in obligations related to divested businesses	3	10	–	(1)
Gains and losses from sale of businesses	(3)	57	(3)	70
Fair value adjustment on assets and liabilities held for sale	–	(113)	–	19
Acquisition- and divestment-related expenses and integration costs	(55)	(57)	(18)	(15)
Foreign exchange/commodity timing differences in income from operations:				
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	210	(109)	104	(73)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	3	3	6	(4)
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(16)	39	1	31
Certain other non-operational items:				
Other income/expense relating to the Power Grids joint venture	6	16	–	2
Regulatory, compliance and legal costs	29	2	30	1
Business transformation costs(2)	(166)	(204)	(33)	(56)
Certain other fair value changes, including asset impairments	5	(107)	(67)	(76)
Other non-operational items	(6)	(20)	(4)	(16)
Income from operations	**6,047**	**4,735**	**1,505**	**1,094**
Interest and dividend income	203	206	61	60
Interest and other finance expense	(86)	(74)	(13)	(4)
Non-operational pension (cost) credit	55	56	13	15
Income from continuing operations before taxes	**6,219**	**4,923**	**1,566**	**1,165**

(1) Includes impairment of certain assets.
(2) Amount includes ABB Way process transformation costs of $144 million and $199 million for the year ended December 31, 2025 and 2024, respectively, and $23 million and $54 million for the three months ended December 31, 2025 and 2024, respectively.

Depreciation and amortization

	Year ended December 31,		Three months ended December 31,	
($ in millions)	**2025**	**2024**	**2025**	**2024**
Electrification	445	395	116	109
Motion	176	161	46	42
Automation	119	131	33	29
Corporate and Other	73	74	26	14
Consolidated	**813**	**761**	**221**	**194**

Capital expenditures

	Year ended December 31,		Three months ended December 31,	
($ in millions)	**2025**	**2024**	**2025**	**2024**
Electrification	636	473	308	194
Motion	203	191	63	51
Automation	80	81	26	18
Corporate and Other	82	54	12	8
Consolidated(1)	**1,001**	**799**	**409**	**271**

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

($ in millions)	Total assets[1]	
	December 31, 2025	December 31, 2024
Electrification	15,088	13,089
Motion	7,648	6,870
Automation	7,070	6,647
Corporate and Other[2]	15,079	13,682
Consolidated	**44,885**	**40,288**

(1) Total assets are after intersegment eliminations and therefore reflect third-party assets only.
(2) At December 31, 2025 and 2024, respectively, Corporate and Other includes $3,562 million and $3,323 million of assets reported in discontinued operations (see Note 3).

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Note 18
Subsequent events

On January 27, 2026, the Company completed the sale of a commercial property located in Zurich, Switzerland, for proceeds of approximately CHF 330 million, resulting in an estimated gain of CHF 290 million before tax. The Company has evaluated this subsequent event and determined that it does not require adjustment to the financial statements for the year and three months ended December 31, 2025.

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, 2025.

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

	Q4 2025 compared to Q4 2024							
	Order growth rate				Revenue growth rate			
Business Area	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**
Electrification	36%	-4%	1%	**33%**	16%	-3%	-1%	**12%**
Motion	17%	-4%	0%	**13%**	11%	-4%	-1%	**6%**
Automation	49%	-8%	0%	**41%**	14%	-5%	0%	**9%**
ABB Group	**36%**	**-5%**	**1%**	**32%**	**13%**	**-4%**	**0%**	**9%**

	FY 2025 compared to FY 2024							
	Order growth rate				Revenue growth rate			
Business Area	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**
Electrification	14%	-1%	0%	**13%**	12%	-1%	0%	**11%**
Motion	8%	-2%	0%	**6%**	6%	-2%	0%	**4%**
Automation	33%	-3%	0%	**30%**	5%	-2%	0%	**3%**
ABB Group	**17%**	**-2%**	**0%**	**15%**	**9%**	**-2%**	**0%**	**7%**

Regional comparable growth rate reconciliation

Regional comparable growth rate reconciliation for ABB Group - Quarter

	Q4 2025 compared to Q4 2024							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	36%	-11%	0%	**25%**	21%	-10%	0%	**11%**
The Americas	44%	-2%	1%	**43%**	11%	-2%	1%	**10%**
of which: United States	57%	0%	0%	**57%**	13%	0%	0%	**13%**
Asia, Middle East and Africa	24%	-1%	0%	**23%**	8%	-1%	0%	**7%**
of which: China	28%	-2%	-1%	**25%**	4%	-2%	-2%	**0%**
ABB Group	**36%**	**-5%**	**1%**	**32%**	**13%**	**-4%**	**0%**	**9%**

Regional comparable growth rate reconciliation by Business Area - Quarter

	Q4 2025 compared to Q4 2024							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	17%	-10%	0%	**7%**	19%	-10%	0%	**9%**
The Americas	55%	0%	0%	**55%**	19%	-1%	0%	**18%**
of which: United States	68%	0%	0%	**68%**	22%	0%	0%	**22%**
Asia, Middle East and Africa	22%	-2%	-1%	**19%**	10%	-1%	-2%	**7%**
of which: China	-5%	-2%	-3%	**-10%**	2%	-2%	-3%	**-3%**
Electrification	**36%**	**-4%**	**1%**	**33%**	**16%**	**-3%**	**-1%**	**12%**

	Q4 2025 compared to Q4 2024							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	16%	-9%	-1%	**6%**	23%	-10%	-1%	**12%**
The Americas	26%	-1%	0%	**25%**	0%	-2%	0%	**-2%**
of which: United States	30%	-1%	0%	**29%**	-1%	-1%	0%	**-2%**
Asia, Middle East and Africa	9%	0%	0%	**9%**	10%	-1%	-1%	**8%**
of which: China	16%	-2%	0%	**14%**	10%	-3%	0%	**7%**
Motion	**17%**	**-4%**	**0%**	**13%**	**11%**	**-4%**	**-1%**	**6%**

	Q4 2025 compared to Q4 2024							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	73%	-15%	0%	**58%**	22%	-10%	0%	**12%**
The Americas	15%	-2%	0%	**13%**	8%	-2%	0%	**6%**
of which: United States	32%	-2%	0%	**30%**	12%	-1%	0%	**11%**
Asia, Middle East and Africa	43%	-2%	0%	**41%**	9%	-2%	0%	**7%**
of which: China	188%	-7%	0%	**181%**	5%	-2%	0%	**3%**
Automation	**49%**	**-8%**	**0%**	**41%**	**14%**	**-5%**	**0%**	**9%**

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

	FY 2025 compared to FY 2024							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	16%	-5%	0%	**11%**	13%	-6%	0%	**7%**
The Americas	26%	0%	0%	**26%**	9%	1%	0%	**10%**
of which: United States	34%	-1%	1%	**34%**	12%	0%	0%	**12%**
Asia, Middle East and Africa	7%	0%	0%	**7%**	3%	1%	-1%	**3%**
of which: China	9%	0%	-1%	**8%**	-1%	-1%	-2%	**-4%**
ABB Group	**17%**	**-2%**	**0%**	**15%**	**9%**	**-2%**	**0%**	**7%**

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

	FY 2025 compared to FY 2024							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	10%	-5%	0%	**5%**	13%	-5%	0%	**8%**
The Americas	22%	0%	1%	**23%**	15%	1%	0%	**16%**
of which: United States	29%	0%	-1%	**28%**	19%	0%	-1%	**18%**
Asia, Middle East and Africa	7%	0%	-1%	**6%**	7%	0%	-2%	**5%**
of which: China	-1%	0%	-3%	**-4%**	1%	0%	-4%	**-3%**
Electrification	**14%**	**-1%**	**0%**	**13%**	**12%**	**-1%**	**0%**	**11%**

	FY 2025 compared to FY 2024							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	7%	-5%	0%	**2%**	14%	-5%	-1%	**8%**
The Americas	20%	0%	0%	**20%**	2%	0%	0%	**2%**
of which: United States	27%	-1%	0%	**26%**	3%	0%	0%	**3%**
Asia, Middle East and Africa	-2%	0%	0%	**-2%**	2%	0%	0%	**2%**
of which: China	8%	0%	0%	**8%**	1%	-1%	0%	**0%**
Motion	**8%**	**-2%**	**0%**	**6%**	**6%**	**-2%**	**0%**	**4%**

	FY 2025 compared to FY 2024							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	33%	-5%	0%	**28%**	11%	-5%	0%	**6%**
The Americas	46%	-1%	0%	**45%**	3%	0%	0%	**3%**
of which: United States	73%	-4%	0%	**69%**	6%	0%	0%	**6%**
Asia, Middle East and Africa	21%	-1%	0%	**20%**	0%	-1%	0%	**-1%**
of which: China	40%	-1%	0%	**39%**	-8%	-1%	0%	**-9%**
Automation	**33%**	**-3%**	**0%**	**30%**	**5%**	**-2%**	**0%**	**3%**

Order backlog growth rate reconciliation

Business Area	December 31, 2025 compared to December 31, 2024			
	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Electrification	26%	-5%	0%	**21%**
Motion	20%	-10%	-2%	**8%**
Automation	33%	-10%	0%	**23%**
ABB Group	**27%**	**-8%**	**-1%**	**18%**

Other growth rate reconciliations

Business Area	Q4 2025 compared to Q4 2024							
	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	23%	-4%	0%	**19%**	25%	-5%	0%	**20%**
Motion	22%	-6%	0%	**16%**	15%	-5%	0%	**10%**
Automation	22%	-6%	0%	**16%**	9%	-5%	0%	**4%**
ABB Group	**24%**	**-6%**	**0%**	**18%**	**15%**	**-5%**	**0%**	**10%**

Business Area	FY 2025 compared to FY 2024							
	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	21%	-2%	-3%	**16%**	18%	-2%	-4%	**12%**
Motion	11%	-1%	0%	**10%**	3%	-2%	0%	**1%**
Automation	31%	-3%	0%	**28%**	8%	-2%	0%	**6%**
ABB Group	**25%**	**-2%**	**-1%**	**22%**	**10%**	**-2%**	**-1%**	**7%**

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

	Year ended December 31,		Three months ended December 31,	
($ in millions)	2025	2024	2025	2024
Operational EBITA	**6,314**	**5,572**	**1,588**	**1,330**
Acquisition-related amortization	(185)	(194)	(46)	(43)
Restructuring, related and implementation costs[1]	(92)	(160)	(53)	(75)
Changes in obligations related to divested businesses	3	10	–	(1)
Gains and losses from sale of businesses	(3)	57	(3)	70
Fair value adjustment on assets and liabilities held for sale	–	(113)	–	19
Acquisition- and divestment-related expenses and integration costs	(55)	(57)	(18)	(15)
Certain other non-operational items	(132)	(313)	(74)	(145)
Foreign exchange/commodity timing differences in income from operations	197	(67)	111	(46)
Income from operations	**6,047**	**4,735**	**1,505**	**1,094**
Interest and dividend income	203	206	61	60
Interest and other finance expense	(86)	(74)	(13)	(4)
Non-operational pension (cost) credit	55	56	13	15
Income from continuing operations before taxes	**6,219**	**4,923**	**1,566**	**1,165**
Income tax expense	(1,570)	(1,197)	(292)	(217)
Income from continuing operations, net of tax	**4,649**	**3,726**	**1,274**	**948**
Income from discontinued operations, net of tax	174	226	6	47
Net income	**4,823**	**3,952**	**1,280**	**995**

(1) Includes impairment of certain assets.

Reconciliation of Operational EBITA margin by business

	Three months ended December 31, 2025				
($ in millions, unless otherwise indicated)	Electrification	Motion	Automation	Corporate and Other and Intersegment elimination	Consolidated
Total revenues	**4,702**	**2,260**	**2,243**	**(153)**	**9,052**
Foreign exchange/commodity timing differences in total revenues:					
Unrealized gains and losses on derivatives	6	(6)	(13)	1	**(12)**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(1)	–	(4)	(2)	**(7)**
Unrealized foreign exchange movements on receivables (and related assets)	(4)	2	4	1	**3**
Operational revenues	**4,703**	**2,256**	**2,230**	**(153)**	**9,036**
Income (loss) from operations	**1,074**	**408**	**278**	**(255)**	**1,505**
Acquisition-related amortization	26	11	10	(1)	**46**
Restructuring, related and implementation costs(1)	10	9	16	18	**53**
Gains and losses from sale of businesses	–	–	–	3	**3**
Acquisition- and divestment-related expenses and integration costs	11	5	4	(2)	**18**
Certain other non-operational items	5	3	5	61	**74**
Foreign exchange/commodity timing differences in income from operations:					
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(63)	(23)	2	(20)	**(104)**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(1)	–	(7)	2	**(6)**
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	–	(1)	3	(3)	**(1)**
Operational EBITA	**1,062**	**412**	**311**	**(197)**	**1,588**
Operational EBITA margin (%)	**22.6%**	**18.3%**	**13.9%**	**n.a.**	**17.6%**

(1) Includes impairment of certain assets.

In the three months ended December 31, 2025, Certain other non-operational items in the table above includes the following:

	Three months ended December 31, 2025				
($ in millions, unless otherwise indicated)	Electrification	Motion	Automation	Corporate and Other	Consolidated
Certain other non-operational items:					
Regulatory, compliance and legal costs	–	–	–	(30)	**(30)**
Business transformation costs(1)	–	2	–	31	**33**
Certain other fair values changes, including asset impairments	4	2	6	55	**67**
Other non-operational items	1	(1)	(1)	5	**4**
Total	**5**	**3**	**5**	**61**	**74**

(1) Amounts include ABB Way process transformation costs of $23 million for the three months ended December 31, 2025.

($ in millions, unless otherwise indicated)	Three months ended December 31, 2024 Electrification	Motion	Automation	Corporate and Other and Intersegment elimination	Consolidated
Total revenues	**4,046**	**2,038**	**1,967**	**(55)**	**7,996**
Foreign exchange/commodity timing differences in total revenues:					
Unrealized gains and losses on derivatives	23	18	15	(1)	**55**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	1	3	4	(1)	**7**
Unrealized foreign exchange movements on receivables (and related assets)	(18)	(10)	(17)	(4)	**(49)**
Operational revenues	**4,052**	**2,049**	**1,969**	**(61)**	**8,009**
Income (loss) from operations	**863**	**333**	**193**	**(295)**	**1,094**
Acquisition-related amortization	25	9	10	(1)	**43**
Restructuring, related and implementation costs[(1)]	7	15	36	17	**75**
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	3	5	**15**
Certain other non-operational items	4	2	1	138	**145**
Foreign exchange/commodity timing differences in income from operations:					
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	44	26	9	(6)	**73**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	–	1	1	2	**4**
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(14)	(5)	(9)	(3)	**(31)**
Operational EBITA	**863**	**383**	**244**	**(160)**	**1,330**
Operational EBITA margin (%)	**21.3%**	**18.7%**	**12.4%**	**n.a.**	**16.6%**

(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 Electrification	Motion	Automation	Corporate and Other	Consolidated
Certain other non-operational items:					
Other income/expense relating to the Power Grids joint venture	–	–	–	(2)	**(2)**
Regulatory, compliance and legal costs	–	–	–	(1)	**(1)**
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	–	15	**16**
Total	**4**	**2**	**1**	**138**	**145**

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

($ in millions, unless otherwise indicated)	Year ended December 31, 2025 Electrification	Motion	Automation	Corporate and Other and Intersegment elimination	Consolidated
Total revenues	**17,357**	**8,247**	**8,084**	**(468)**	**33,220**
Foreign exchange/commodity timing differences in total revenues:					
Unrealized gains and losses on derivatives	(38)	(11)	(23)	1	**(71)**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(1)	–	(9)	(3)	**(13)**
Unrealized foreign exchange movements on receivables (and related assets)	24	5	8	–	**37**
Operational revenues	**17,342**	**8,241**	**8,060**	**(470)**	**33,173**
Income (loss) from operations	**4,065**	**1,564**	**1,097**	**(679)**	**6,047**
Acquisition-related amortization	108	37	38	2	**185**
Restructuring, related and implementation costs(1)	26	26	20	20	**92**
Changes in obligations related to divested businesses	–	–	–	(3)	**(3)**
Gains and losses from sale of businesses	(5)	–	–	8	**3**
Acquisition- and divestment-related expenses and integration costs	35	8	11	1	**55**
Certain other non-operational items	(23)	16	(17)	156	**132**
Foreign exchange/commodity timing differences in income from operations:					
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(143)	(55)	(12)	–	**(210)**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	2	1	(7)	1	**(3)**
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	16	3	2	(5)	**16**
Operational EBITA	**4,081**	**1,600**	**1,132**	**(499)**	**6,314**
Operational EBITA margin (%)	**23.5%**	**19.4%**	**14.0%**	**n.a.**	**19.0%**

(1) Includes impairment of certain assets.

In the year ended December 31, 2025, Certain other non-operational items in the table above includes the following:

($ in millions, unless otherwise indicated)	Year ended December 31, 2025 Electrification	Motion	Automation	Corporate and Other	Consolidated
Certain other non-operational items:					
Other income/expense relating to the Power Grids joint venture	–	–	–	(6)	**(6)**
Regulatory, compliance and legal costs	–	–	–	(29)	**(29)**
Business transformation costs(1)	1	9	–	156	**166**
Certain other fair values changes, including asset impairments	(19)	7	(17)	24	**(5)**
Other non-operational items	(5)	–	–	11	**6**
Total	**(23)**	**16**	**(17)**	**156**	**132**

(1) Amounts include ABB Way process transformation costs of $144 million for the year ended December 31, 2025.

($ in millions, unless otherwise indicated)	Year ended December 31, 2024 Electrification	Motion	Automation	Corporate and Other and Intersegment elimination	Consolidated
Total revenues	**15,448**	**7,787**	**7,692**	**(344)**	**30,583**
Foreign exchange/commodity timing differences in total revenues:					
Unrealized gains and losses on derivatives	68	47	35	1	**151**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(1)	3	8	(2)	**8**
Unrealized foreign exchange movements on receivables (and related assets)	(29)	(23)	(26)	1	**(77)**
Operational revenues	**15,486**	**7,814**	**7,709**	**(344)**	**30,665**
Income (loss) from operations	**3,362**	**1,400**	**942**	**(969)**	**4,735**
Acquisition-related amortization	94	35	56	9	**194**
Restructuring, related and implementation costs(1)	27	39	70	24	**160**
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	6	8	**57**
Certain other non-operational items	7	7	(1)	300	**313**
Foreign exchange/commodity timing differences in income from operations:					
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	56	41	15	(3)	**109**
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)	(7)	**(39)**
Operational EBITA	**3,520**	**1,518**	**1,080**	**(546)**	**5,572**
Operational EBITA margin (%)	**22.7%**	**19.4%**	**14.0%**	**n.a.**	**18.2%**

(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:

($ in millions, unless otherwise indicated)	Year ended December 31, 2024 Electrification	Motion	Automation	Corporate and Other	Consolidated
Certain other non-operational items:					
Other income/expense related to the Power Grids joint venture	–	–	–	(16)	**(16)**
Regulatory, compliance and legal costs	–	–	–	(2)	**(2)**
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	–	20	**20**
Total	**7**	**7**	**(1)**	**300**	**313**

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

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 and Marketable securities and short-term investments.

Reconciliation

($ in millions)	December 31, 2025	December 31, 2024
Short-term debt and current maturities of long-term debt	475	292
Long-term debt	7,829	6,648
Total debt	**8,304**	**6,940**
Cash and equivalents	4,640	4,326
Marketable securities and short-term investments	1,981	1,334
Cash and marketable securities	**6,621**	**5,660**
Net debt	**1,683**	**1,280**

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, 2025	December 31, 2024
Total stockholders' equity	16,646	14,991
Net debt (as defined above)	1,683	1,280
Net debt / Equity ratio	**0.10**	**0.09**

Net debt/EBITDA ratio

Definition

Net debt/EBITDA ratio

Net debt/EBITDA ratio 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, 2025	December 31, 2024
Income from operations for the year ended	6,047	4,735
Depreciation and Amortization for the year ended	813	761
EBITDA	**6,860**	**5,496**
Net debt (as defined above)	**1,683**	**1,280**
Net debt / EBITDA ratio	**0.25**	**0.23**

Net working capital

Definition

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.

Reconciliation

	December 31,	
($ in millions, unless otherwise indicated)	**2025**	**2024**
Net working capital:		
Receivables, net	7,535	6,843
Contract assets	1,090	889
Inventories, net	5,862	5,420
Prepaid expenses	281	282
Accounts payable, trade	(5,210)	(4,681)
Contract liabilities	(3,221)	(2,704)
Other current liabilities(1)	(3,965)	(3,646)
Net working capital	**2,372**	**2,403**

(1) Amounts exclude $712 million and $729 million at December 31, 2025 and 2024, 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 certain restructuring-related activities.

Average trade net working capital as a percentage of revenues

Definition

Average trade net working capital as a percentage of revenues

Average trade net working capital as a percentage of revenues is calculated as Average trade net working capital divided by Total revenues for the trailing twelve months (being the total revenues recorded by ABB in the twelve months preceding the relevant balance sheet date).

Average trade net working capital

Average trade net working capital is calculated as the average of the opening and closing Trade net working capital for each of the four quarters during the trailing twelve-month period (4-quarter average).

Trade net working capital

Trade net working capital is the sum of (i) trade receivables, net (comprised of trade accounts receivable net of related allowance, presented within Receivables, net, on the Consolidated Balance Sheets), (ii) contract assets, and (iii) inventories, net; less (iv) accounts payable, trade, (v) contract liabilities and (vi) accrued expenses, operating (comprised of accruals related to customer rebates, unpaid interest and other general operating expenses; all of which are presented within Other current liabilities on the Consolidated Balance Sheets); and including the amounts related to these accounts which have been presented as either assets or liabilities held for sale.

Reconciliation

($ in millions, unless otherwise indicated)	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Trade net working capital:					
Trade receivables, net	6,884	6,838	6,837	6,401	6,277
Contract assets	1,090	1,062	1,083	992	889
Inventories, net	5,862	6,051	6,007	5,680	5,420
Accounts payable, trade	(5,210)	(4,936)	(4,918)	(4,676)	(4,681)
Contract liabilities	(3,221)	(3,204)	(3,109)	(2,986)	(2,704)
Accrued expenses, operating	(1,346)	(1,370)	(1,254)	(1,189)	(1,234)
Trade net working capital in assets and liabilities held for sale	–	(8)	–	–	–
Trade net working capital	**4,059**	**4,433**	**4,646**	**4,222**	**3,967**
Average of opening and closing Trade net working capital	4,246	4,540	4,434	4,095	
Average trade net working capital	**4,329**				
Total revenues for the year ended	**33,220**				
Average trade net working capital as a percentage of revenues	**13.0%**				

($ in millions, unless otherwise indicated)	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Trade net working capital:					
Trade receivables, net	6,277	6,360	6,415	6,329	6,321
Contract assets	889	967	868	889	885
Inventories, net	5,420	6,100	5,809	5,687	5,645
Accounts payable, trade	(4,681)	(4,798)	(4,759)	(4,673)	(4,497)
Contract liabilities	(2,704)	(2,795)	(2,682)	(2,577)	(2,559)
Accrued expenses, operating	(1,234)	(1,327)	(1,228)	(1,265)	(1,402)
Trade net working capital in assets and liabilities held for sale	–	20	–	–	–
Trade net working capital	**3,967**	**4,527**	**4,423**	**4,390**	**4,393**
Average of opening and closing Trade net working capital	4,247	4,475	4,407	4,392	
Average trade net working capital	**4,380**				
Total revenues for the year ended	**30,583**				
Average trade net working capital as a percentage of revenues	**14.3%**				

Return on Capital employed (ROCE)

In the first quarter of 2025, the Company modified its definition of Return on Capital employed (ROCE) to utilize a four-quarter average of Capital employed in place of a simple average of the annual period's opening and closing Capital employed. The change to an averaging method allows for a comparable ratio that can be presented quarterly compared to our previous annual disclosure. In addition, a fixed notional tax rate (subject to review for significant changes) is used. The new definition is provided below.

Definition

Return on Capital employed (ROCE)

Return on Capital employed (ROCE) is calculated as Operational EBITA after tax for the trailing twelve months divided by the unrounded average of the opening and closing Capital employed for each of the four quarters during the trailing twelve-month period (4-quarter average).

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, (v) operating lease right-of-use assets, and (vi) fixed assets included in assets held for sale, less (vii) deferred tax liabilities recognized in certain acquisitions.

Notional tax on Operational EBITA

The Notional tax on Operational EBITA is computed using a consistent notional tax rate, approximately representative of the Company's weighted-average global tax rate, multiplied by Operational EBITA. The notional tax rate is subject to adjustment for significant changes in the Company's weighted-average global tax rate.

Reconciliation

($ in millions, unless otherwise indicated)	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Adjusted total fixed assets:					
Property, plant and equipment, net	4,692	4,443	4,396	4,099	3,986
Goodwill	9,637	9,522	9,507	9,305	8,801
Other intangible assets, net	1,119	1,096	1,140	1,134	999
Investments in equity-accounted companies	349	381	369	361	351
Operating lease right-of-use assets	765	754	761	765	752
Fixed assets included in assets held for sale	–	9	–	–	–
Total fixed assets	**16,562**	**16,205**	**16,173**	**15,664**	**14,889**
Less: Deferred taxes recognized in certain acquisitions(1)	(199)	(210)	(220)	(231)	(242)
Adjusted total fixed assets	**16,363**	**15,995**	**15,953**	**15,433**	**14,647**
Net working capital - (as defined above)	**2,372**	**2,993**	**3,423**	**3,037**	**2,403**
Capital employed	**18,735**	**18,988**	**19,376**	**18,470**	**17,050**
Average of opening and closing Capital employed	18,862	19,182	18,923	17,760	
Operational EBITA for the year ended	6,314				
Notional tax on Operational EBITA	(1,579)				
Operational EBITA after tax for the year ended	**4,735**				
Average Capital employed (4 quarters)	**18,682**				
Return on Capital Employed (ROCE)	**25.3%**				

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

($ in millions, unless otherwise indicated)	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Adjusted total fixed assets:					
Property, plant and equipment, net	3,986	4,050	3,911	3,864	3,958
Goodwill	8,801	8,774	8,752	8,716	8,760
Other intangible assets, net	999	981	1,034	1,073	1,162
Investments in equity-accounted companies	351	172	173	162	172
Operating lease right-of-use assets	752	779	772	772	798
Fixed assets included in assets held for sale	–	176	–	–	–
Total fixed assets	**14,889**	**14,932**	**14,642**	**14,587**	**14,850**
Less: Deferred taxes recognized in certain acquisitions[(1)]	(242)	(253)	(265)	(281)	(297)
Adjusted total fixed assets	**14,647**	**14,679**	**14,377**	**14,306**	**14,553**
Net working capital - (as defined above)	**2,403**	**3,231**	**3,213**	**3,159**	**2,835**
Capital employed	**17,050**	**17,910**	**17,590**	**17,465**	**17,388**

Average of opening and closing Capital employed	17,480	17,750	17,528	17,427

Operational EBITA for the year ended	5,572
Notional tax on Operational EBITA	(1,393)
Operational EBITA after tax for the year ended	**4,179**

Average Capital employed (4 quarters)	**17,546**

Return on Capital Employed (ROCE)	**23.8%**

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

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.

Reconciliation

	Year ended December 31,		Three months ended December 31,	
($ in millions, unless otherwise indicated)	2025	2024	2025	2024
Net cash provided by operating activities – continuing operations	**5,250**	**4,442**	**1,988**	**1,505**
Adjusted for the effects of continuing operations:				
Purchases of property, plant and equipment and intangible assets	(1,001)	(799)	(409)	(271)
Proceeds from sale of property, plant and equipment	194	107	18	41
Free cash flow – continuing operations	**4,443**	**3,750**	**1,597**	**1,275**
Net cash provided by operating activities – discontinued operations	**219**	**233**	**(39)**	**32**
Adjusted for the effects of discontinued operations:				
Purchases of property, plant and equipment and intangible assets	(98)	(46)	(42)	(12)
Proceeds from sale of property, plant and equipment	2	–	1	–
Free cash flow – discontinued operations	**123**	**187**	**(80)**	**20**
Free cash flow	**4,566**	**3,937**	**1,517**	**1,295**

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.

Adjusted net income

Adjusted net income is calculated as Net income 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

	Year ended December 31,	
($ in millions, unless otherwise indicated)	2025	2024
Free cash flow (as defined above)	**4,566**	**3,937**
Adjusted net income(1)	**4,757**	**3,966**
Free cash flow conversion to net income	**96%**	**99%**

(1) Adjusted net income for the year ended December 31, 2025, is adjusted to exclude $53 million of gains arising on sale of certain investments and intangibles assets, and adjustments to the gain on sale of Power Grids of $13 million. Adjusted net income 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.

Net finance income (expense)

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

Reconciliation

	Year ended December 31,		Three months ended December 31,	
($ in millions)	2025	2024	2025	2024
Interest and dividend income	203	206	61	60
Interest and other finance expense	(86)	(74)	(13)	(4)
Net finance income	**117**	**132**	**48**	**56**

Book-to-bill ratio

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

Reconciliation

	Year ended December 31,					
	2025			2024		
($ in millions, except Book-to-bill presented as a ratio)	Orders	Revenues	Book-to-bill	Orders	Revenues	Book-to-bill
Electrification	18,757	17,357	**1.08**	16,422	15,448	**1.06**
Motion	8,619	8,247	**1.05**	7,989	7,787	**1.03**
Automation	9,928	8,084	**1.23**	7,485	7,692	**0.97**
Corporate and Other *(incl. intersegment eliminations)*	(539)	(468)	**n.a.**	(414)	(344)	**n.a.**
ABB Group	**36,765**	**33,220**	**1.11**	**31,482**	**30,583**	**1.03**

	Three months ended December 31,					
	2025			2024		
($ in millions, except Book-to-bill presented as a ratio)	Orders	Revenues	Book-to-bill	Orders	Revenues	Book-to-bill
Electrification	5,323	4,702	**1.13**	3,908	4,046	**0.97**
Motion	2,189	2,260	**0.97**	1,866	2,038	**0.92**
Automation	2,817	2,243	**1.26**	1,893	1,967	**0.96**
Corporate and Other *(incl. intersegment eliminations)*	(13)	(153)	**n.a.**	(74)	(55)	**n.a.**
ABB Group	**10,316**	**9,052**	**1.14**	**7,593**	**7,996**	**0.95**

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