Q2 2025

FIRST SIX MONTHS
PRESS RELEASE

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

ZURICH, SWITZERLAND, JULY 17, 2025

Q2 2025 results

Record-high order intake and improved business performance

- Orders $9,785 million, +16%; comparable[1] +14%
- Revenues $8,900 million, +8%; comparable[1] +6%
- Income from operations $1,573 million; margin 17.7%
- Operational EBITA[1] $1,708 million; margin[1] 19.2%
- Basic EPS $0.63; +6%[3]
- Cash flow from operating activities $1,059 million; -1%
- Return on Capital Employed 23.1%

KEY FIGURES

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	**Q2 2025**	**Q2 2024**	**US$**	**Comparable[1]**	**H1 2025**	**H1 2024**	**US$**	**Comparable[1]**
Orders	9,785	8,435	16%	14%	18,998	17,409	9%	9%
Revenues	8,900	8,239	8%	6%	16,835	16,109	5%	5%
Gross Profit[2]	3,574	3,303	8%		6,885	6,367	8%	
as % of revenues[2]	40.2%	40.1%	+0.1 pts		40.9%	39.5%	+1.4 pts	
Income from operations	1,573	1,376	14%		3,140	2,593	21%	
Operational EBITA[1]	1,708	1,564	9%	6%[4]	3,305	2,981	11%	11%[4]
as % of operational revenues[1]	19.2%	19.0%	+0.2 pts		19.7%	18.4%	+1.3 pts	
Income from continuing operations, net of tax	1,188	1,104	8%		2,307	2,018	14%	
Net income attributable to ABB	1,151	1,096	5%		2,253	2,001	13%	
Basic earnings per share ($)	0.63	0.59	6%[3]		1.23	1.09	13%[3]	
Cash flow from operating activities	1,059	1,067	-1%		1,743	1,793	-3%	
Free cash flow[1]	845	918	-8%		1,497	1,469	2%	

1 For a reconciliation of alternative performance measures, see "supplemental reconciliations and definitions" in the attached Q2 2025 Financial Information.
2 Prior period amounts have been restated to reflect a change in accounting policy for IS expenses, see "Note 1 - The Company and Basis of Presentation" in the attached Q2 2025 Financial Information for details.
3 EPS growth rates are computed using unrounded amounts.
4 Constant currency (not adjusted for portfolio changes).

"ABB delivered an all-time-high order intake and improved operational performance. We are on a good path towards a new record year, amidst geopolitical uncertainties."

Morten Wierod, CEO

CEO summary

I am pleased with what we achieved in the second quarter of 2025, and one of the highlights was the record-high order intake of $9.8 billion, up 16% (14% comparable). It was particularly encouraging to see that the positive development was broad-based across all four business areas, a majority of customer segments, all three geographical regions and in both the short-cycle and project-related businesses. In my view, this signals a robust general trading environment. Order growth was especially strong in the Process Automation business area where a large order of approximately $600 million net was booked. Our book-to-bill was strong at 1.10 and notably it was positive also without the specific large order booking which supported comparable order growth by about 7%.

Sequentially, the trading environment remained largely unchanged, with similar uncertainty linked to potential impacts from trade tariffs.

Broadly in line with our expectations, revenues increased by 8% (6% comparable) year-on-year, supported by three out of four business areas. Revenues in Robotics & Discrete Automation was hampered by weakness in the Machine Automation division where last year's comparable was supported by a stronger order backlog.

Operational EBITA was up by 9% and the margin improvement of 20 basis points to 19.2% was even a bit better than originally expected. Margins increased in both the Electrification and Process Automation business areas, and Motion remained virtually stable. This combined operational improvement offset the year-on-year headwind from margin pressure in Robotics & Discrete Automation linked to the Machine Automation division, as well as the year-on-year headwind of 30 basis points from last year's positive non-repeat in Corporate & other.

We continue to achieve high Return on capital employed and at 23.1% we added to our streak of delivering well above our long-term target. Free cash flow of $845 million was slightly softer than last year as increased earnings were more than offset by the impacts from the growth-related buildup of net working capital and the planned increase in capex spend. Our usual pattern suggests a stronger cash delivery in the second half of the year, and we remain confident in our ambition to improve from last year's annual level.

During the quarter we were recognized by TIME Magazine as one of the top 15 most sustainable companies in the world, across all industries. I view it as a testament to the success of our strategic approach of embedding sustainability into our operations, based on accountability and transparency.

Another highlight in the quarter was the launch of three new robot families, aiming to further strengthen our Robotics business' leading position in China. This enables us to support industries and customers to automate with new mid-market value propositions, and it is the result of our full local-for-local value chain. In April, we announced our plans to spin-off our Robotics division as a separately listed company. The carve-out for a distribution as a dividend-in-kind during the second quarter of 2026 is progressing as planned.

Also, I am excited about the Electrification business area launching the next generation of their technology-leading air circuit breaker, the SACE Emax 3. This is the world's first cybersecurity SL2-certified air circuit breaker. As evidence of our strategy of embedded software, the Emax 3 includes sensing, intelligence and advanced algorithms to improve energy security resilience of power systems in critical infrastructure, such as data centers, factories, hospitals and airports.

Morten Wierod
CEO

Outlook

In the **third quarter of 2025**, we anticipate comparable revenue growth to be at least in the mid-single digit range, and the Operational EBITA margin to remain broadly stable year-on-year; however acknowledging the uncertainty for the global business environment.

In full-year 2025, we expect a positive book-to-bill, comparable revenue growth in the mid-single digit range and the Operational EBITA margin to improve year-on-year, however acknowledging the uncertainty for the global business environment.

Orders and revenues

In addition to a generally robust market environment, with a positive development in short-cycle and project-related businesses as well as service, the record-high order intake was supported by the booking of a very large order in the Process Automation business area. This is a multi-year order and contributed approximately $600 million net. For the Group, the positive order development was broad-based, supported by the majority of customer segments and all three regions. In total, orders increased by 16% (14% comparable) to $9,785 million.

In the Americas orders were up by 27% (28% comparable), with the mid-single digit growth in base orders further fuelled by large bookings. Orders in Europe, were up by 12% (6% comparable). Asia, Middle East and Africa improved by 7% (6% comparable) including a positive development of 4% (2% comparable) in China.

In transport & infrastructure, the trading environment was strong in marine and ports. The market remains strong in rail, although quarterly orders declined due to timing of order placements. Land transport infrastructure benefited from upgrades of electrical equipment.

In the industrial areas a particularly strong development was seen in utilities. The general market sentiment in the data center segment was very strong and orders increased by double-digits year-on-year.

Orders in the buildings segment improved as weakness in China was more than offset by favorable developments in other regions driven by the commercial sector, while the residential sector declined with regional variances.

In the robotics-related segments, we saw delays in investment decisions by customers due to tariff-related uncertainty. Orders declined in most customer segments outside of consumer electronics. Orders in the machine builder segment increased sharply from a low level, however the absolute order level remained subdued. We anticipate absolute orders to increase sequentially in both the robotics and the machine builder segments.

Orders improved in the mining segment despite a cautious underlying market. Oil & Gas remained broadly stable while declines were noted in pulp & paper and chemicals.

Revenues improved in three out of four business areas and amounted to $8,900 million, up by 8% (6% comparable). This was supported by backlog execution as well as positive developments in the short-cycle and service businesses. Higher volumes was the main driver of the revenue growth, with some added support from slightly positive pricing.

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	14%	6%
FX	2%	2%
Portfolio changes	0%	0%
Total	**16%**	**8%**

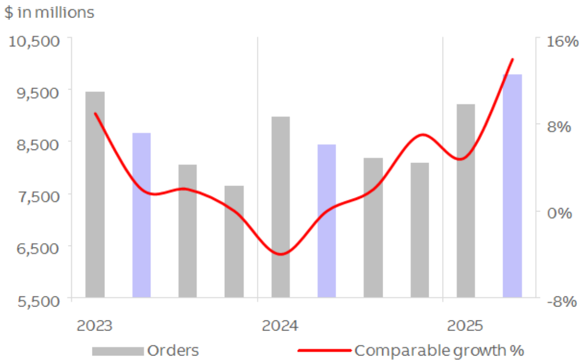
Orders by region

($ in millions, unless otherwise indicated)	Q2 2025	Q2 2024	CHANGE US$	CHANGE Comparable
Europe	3,130	2,786	12%	6%
The Americas	3,843	3,031	27%	28%
Asia, Middle East and Africa	2,812	2,618	7%	6%
ABB Group	**9,785**	**8,435**	**16%**	**14%**

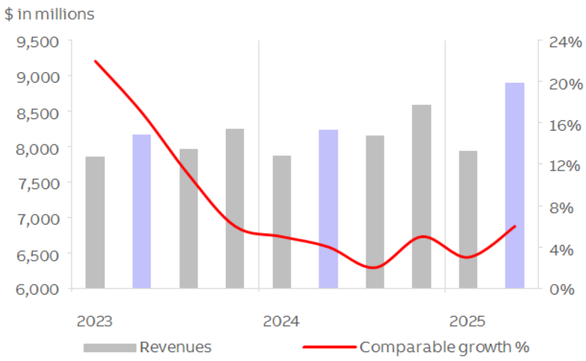
Revenues by region

($ in millions, unless otherwise indicated)	Q2 2025	Q2 2024	CHANGE US$	CHANGE Comparable
Europe	3,016	2,831	7%	0%
The Americas	3,272	2,960	11%	12%
Asia, Middle East and Africa	2,612	2,448	7%	6%
ABB Group	**8,900**	**8,239**	**8%**	**6%**

Orders



Revenues



Earnings

Gross profit
Gross profit increased by 8% (6% constant currency) year-on-year to $3,574 million, reflecting a gross margin of 40.2%, up 10 basis points year-on-year. Gross margin improved in three out of four business areas.

Income from operations
Income from operations amounted to $1,573 million and improved by 14% year-on-year. This improvement was driven mainly by a stronger business performance, lower Restructuring-related expenses and the positive year-on-year impact from Sales of businesses where this year's positive contribution compares to a recorded loss in the previous year. In total, the Income from operations margin was 17.7% and improved by 100 basis points.

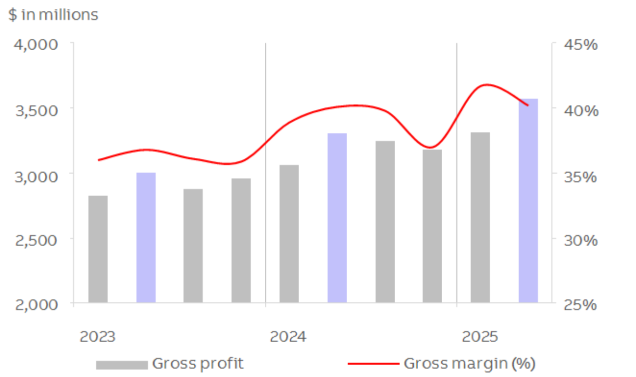
Operational EBITA
Operational EBITA increased by 9% year-on-year to $1,708 million, resulting in a 20 basis points margin improvement to 19.2%. This represents improved business performance supported by higher volumes, slightly positive pricing and improved efficiency. These combined positive impacts offset the higher expenses related to Sales, General & Administrative (SG&A) and headwind of 30 basis points year-on-year from lower positive non-repeats in Corporate & other. Operational EBITA in Corporate and Other amounted to -$96 million. Underlying corporate costs were $54 million while the E-mobility business reported a loss of $42 million as the operational performance was hampered by low volumes.

Finance net
Net finance income contributed to results with a positive $25 million, just below last year's income in the same period of $33 million.

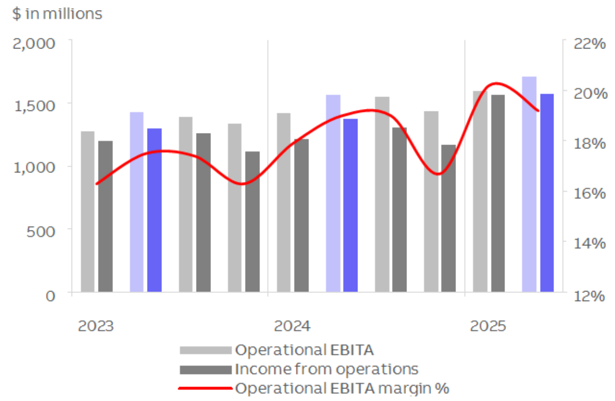
Income tax
Income tax expense was $426 million, and the effective tax rate was 26.4%.

Net income and earnings per share
Net income attributable to ABB was $1,151 million, representing an increase of 5% year-on-year, mainly helped by the impact of improved business performance, partially offset by the higher tax rate year-on-year. Basic earnings per share increased by 6% to $0.63, up from $0.59 in the last year period.

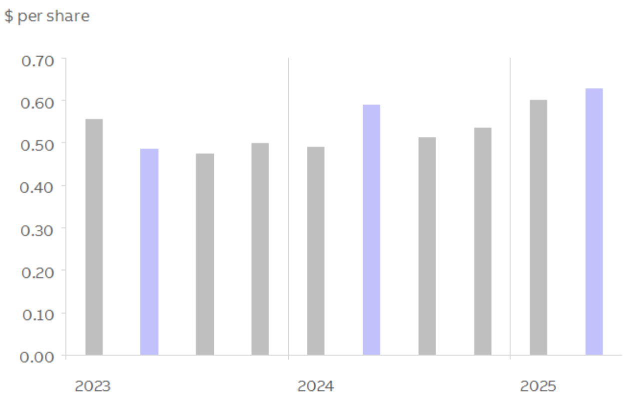
Gross profit & Gross margin



Income from operations & Operational EBITA



Basic EPS



Corporate and Other Operational EBITA

($ in millions)	Q2 2025	Q2 2024
Corporate and Other		
E-mobility	(42)	(87)
Corporate costs, intersegment eliminations and other[1]	(54)	20
Total	**(96)**	**(67)**

1 Majority of which relates to underlying corporate

Balance sheet & Cash flow

Trade net working capital[1]
Trade net working capital amounted to $5,104 million, increasing year-on-year from $4,825 million. The increase was mainly driven by changes in exchange rates with the increase in receivables and a decrease in trade payables being largely offset by reduction of inventory and higher customer advances. The average trade net working capital as a percentage of revenues[1] was 14.1% which declined from 15.6% one year ago.

Capital expenditures
Purchases of property, plant and equipment and intangible assets during the second quarter amounted to $224 million, higher than last year's $185 million.

Net debt
Net debt[1] amounted to $3,701 million at the end of the quarter and increased from $2,480 million year-on-year. The sequential increase from $1,460 million in the first quarter was mainly due to the dividend distribution and share buyback activity as well as foreign currency impacts.

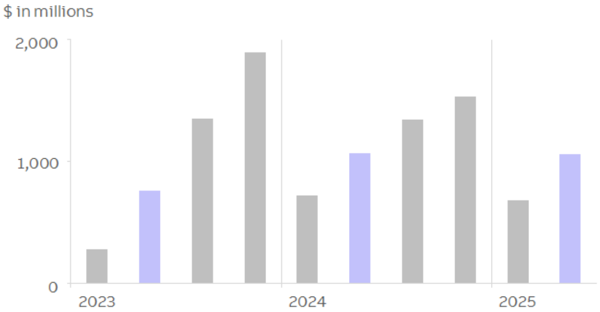
Cash flows
Cash flow from operating activities during the second quarter was $1,059 million, which is broadly in line with last year's $1,067 million as the impact of stronger earnings was offset mainly by growth-related buildup of Net working capital. Free cash flow amounted to $845 million and the decline from last year's $918 million was mainly due to the planned higher capex spend.

Share buyback program
A share buyback program of up to $1.5 billion was launched on February 10, 2025. During the second quarter, ABB repurchased a total of 7,936,678 shares for a total amount of approximately $430 million. ABB's total number of issued shares, including shares held in treasury, amounts to 1,843,899,204.

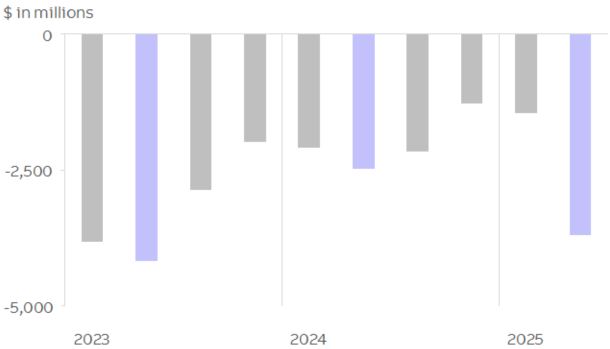
($ in millions, unless otherwise indicated)	Jun. 30 2025	Jun. 30 2024	Dec. 31 2024
Short-term debt and current maturities of long-term debt	558	410	293
Long-term debt	8,255	6,338	6,652
Total debt	**8,813**	**6,748**	**6,945**
Cash & equivalents	3,266	2,979	4,326
Marketable securities and short-term investments	1,846	1,289	1,334
Cash and marketable securities	**5,112**	**4,268**	**5,660**
Net debt (cash)*	**3,701**	**2,480**	**1,285**
Net debt (cash)* to EBITDA ratio	**0.6**	**0.4**	**0.2**
Net debt (cash)* to Equity ratio	**0.25**	**0.18**	**0.09**

* June 30, 2025, June 30, 2024 and Dec. 31, 2024, net debt(cash) excludes net pension (assets)/liabilities of $(340) million, $(241) million and $(227) million, respectively.

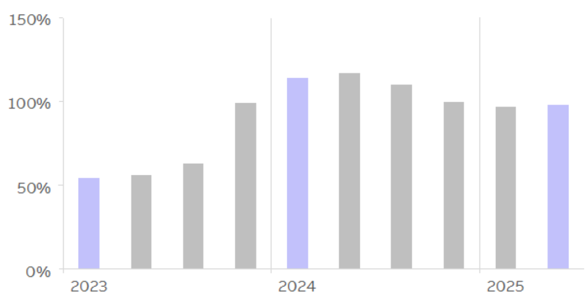
Cash flow from operating activities



Net Cash (Net Debt) position



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



Electrification

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	9%	11%
FX	2%	2%
Portfolio changes	0%	1%
Total	**11%**	**14%**

Orders and revenues

In a robust business environment, new quarterly all-time-highs were achieved for both order intake and revenues. The strong development was supported by improvements across the portfolio in services, short-cycle and systems-related businesses. Book-to-bill was positive at 1.04.

- Order intake increased by 11% (9% comparable) year-on-year, with a positive development in most customer segments. Momentum was particularly strong for both the medium- and low voltage offering linked to the utilities segment, and for the service business as a whole. A positive development was noted also in commercial buildings, while residential declined with regional variances. Orders in the data center segment improved at a double-digit rate. Investments in the areas of electronics, semiconductors and pharmaceutical also supported order growth.
- Orders improved in all three regions. The Americas increased by 9% (10% comparable) with a strong development of 13% (13% comparable) in the United States. Europe was up by 13% (6% comparable) despite a slight decline in the large German market. Asia, Middle East and Africa improved by 13% (11% comparable) with China at 4% (0% comparable) and improvement in several of the mid-sized markets.
- Revenues of $4,331 million increased by 14% (11% comparable), improving in all divisions. Higher volumes was the main driver to comparable growth with solid execution of the order backlog mainly linked to the medium voltage and power protection offering as well as good customer activity in the short-cycle business. Price was slightly positive.

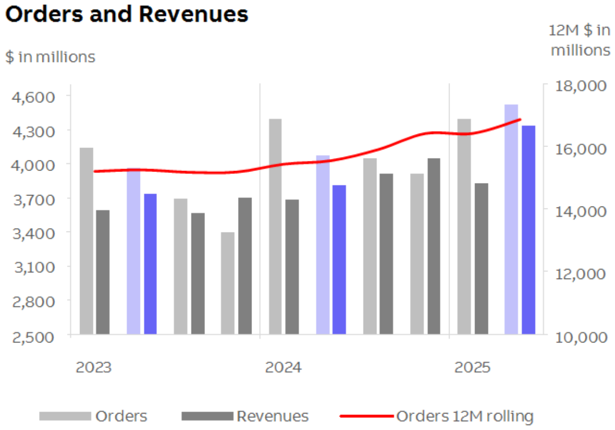
Profit

A historical first was achieved with Operational EBITA above the $1 billion mark, increasing by 16% to $1,033 million, resulting in a margin improvement of 70 basis points to 23.9%.

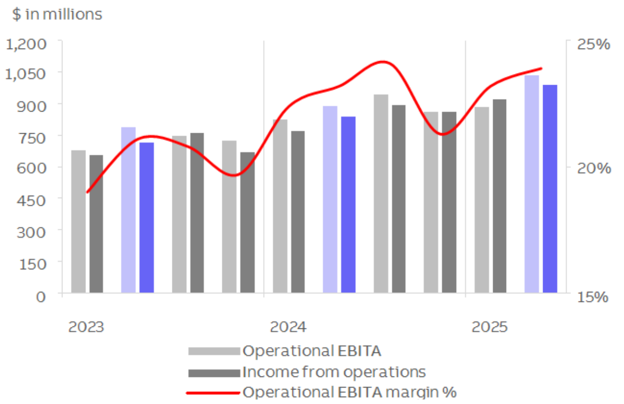
- The margin improvement was primarily supported by operational leverage on higher volumes and improved operational efficiency.

($ millions, unless otherwise indicated)	Q2 2025	Q2 2024	CHANGE US$	CHANGE Comparable	H1 2025	H1 2024	CHANGE US$	CHANGE Comparable
Orders	4,518	4,073	11%	9%	8,912	8,465	5%	5%
Order backlog	8,685	7,548	15%	12%	8,685	7,548	15%	12%
Revenues	4,331	3,809	14%	11%	8,156	7,489	9%	9%
Gross Profit	1,807	1,603	13%		3,445	3,101	11%	
as % of revenues	41.7%	42.1%	-0.4 pts		42.2%	41.4%	+0.8 pts	
Operational EBITA	1,033	887	16%		1,919	1,713	12%	
as % of operational revenues	23.9%	23.2%	+0.7 pts		23.6%	22.8%	+0.8 pts	
Cash flow from operating activities	956	850	12%		1,477	1,397	6%	
No. of employees (FTE equiv.)	52,800	51,100	3%					

Orders and Revenues



Income from operations & Operational EBITA



Motion

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	3%	4%
FX	2%	2%
Portfolio changes	0%	0%
Total	**5%**	**6%**

Orders and revenues

On orders of $2,112 million this was yet another quarter above the $2 billion mark. Growth turned positive year-on-year at 5% (3% comparable) after four quarters in decline, with an increase in the short-cycle businesses more than offsetting the impact from lower large order bookings.

- Orders increased in the segments of HVAC for commercial buildings, water & wastewater, power generation and food & beverage. A stable trend was noted for oil & gas, while weakness was seen in the process related segments of chemicals, pulp & paper and metals. Rail declined, but mainly due to timing of orders.
- Orders improved in the Americas by 14% (14% comparable), with the strong improvement of 27% (26% comparable) in the United States positively impacted by timing of orders booked. Europe was up by 1% (-5% comparable). Timing of large order bookings in the prior year limited regional growth in Asia, Middle East and Africa to 0% (0% comparable), although orders in China increased by 9% (9% comparable).
- Revenues of $2,065 million improved by 6% (4% comparable). Growth was supported by a positive development in the short-cycle businesses as well as order backlog execution. Higher volumes was the main driver to comparable growth, with slightly positive pricing year-on-year.

The creation of the new High Power division, which combines the former Systems Drives and Large Motor & Generator divisions, is effective July 1, 2025. The consolidation targets a more efficient and customer focused organization deploying go-to-market synergies in the medium voltage space.

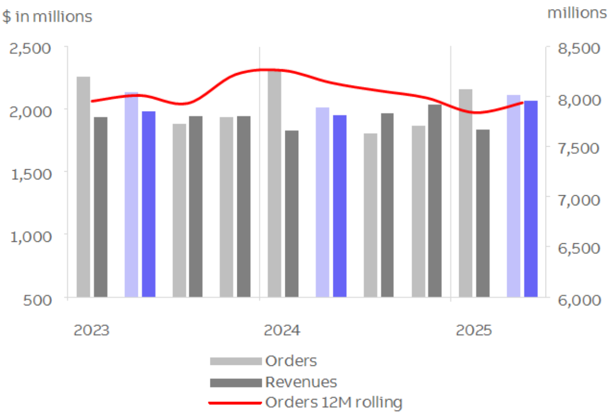
Profit

Operational EBITA increased by 5%, with a slight softening of 10 basis points of the margin to 19.8%.

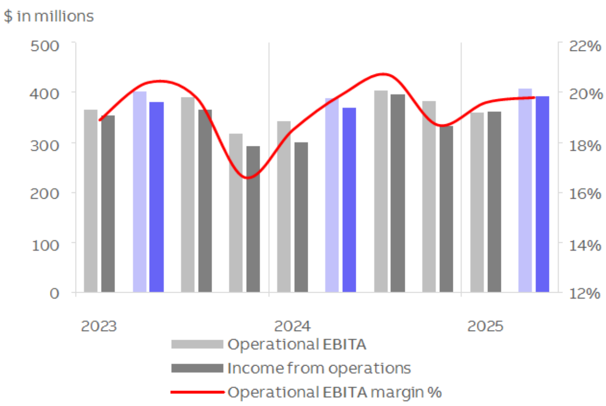
- Earnings were positively impacted by operational leverage on higher volumes, with slightly positive pricing. This was however offset by mainly higher SG&A expenses.

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	Q2 2025	Q2 2024	US$	Comparable	H1 2025	H1 2024	US$	Comparable
Orders	2,112	2,014	5%	3%	4,268	4,317	-1%	-1%
Order backlog	6,102	5,669	8%	1%	6,102	5,669	8%	1%
Revenues	2,065	1,951	6%	4%	3,905	3,780	3%	3%
Gross Profit	788	722	9%		1,521	1,368	11%	
as % of revenues	38.2%	37.0%	+1.2 pts		39.0%	36.2%	+2.8 pts	
Operational EBITA	407	388	5%		767	731	5%	
as % of operational revenues	19.8%	19.9%	-0.1 pts		19.7%	19.2%	+0.5 pts	
Cash flow from operating activities	354	509	-30%		664	861	-23%	
No. of employees (FTE equiv.)	22,600	22,700	0%					

Orders and Revenues



Income from operations & Operational EBITA



Process Automation

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	40%	2%
FX	5%	3%
Portfolio changes	0%	0%
Total	**45%**	**5%**

Orders and revenues

Quarterly order intake of $2,620 million is the highest on record and firmly extends the streak of positive book-to-bill to 19 consecutive quarters. Order intake increased by 45% (40% comparable) and book-to-bill was 1.45.

- The strong order growth was supported by the booking of a large order which contributed approximately $600 million net, with deliveries stretching over a multi-year period. Notably, in a firm market environment, orders increased also when excluding the specific large order booking, which supported comparable order intake by about 32%.
- The market profile was similar to recent quarters, with the strongest customer activity linked to the segments of marine and port automation & electrification, with added support from a positive development in the short-cycle product business – albeit from a low comparable. Orders increased in the mining segment, where the general business environment otherwise remained relatively cautious. Orders in the oil & gas segment increased, while the more muted process industry related areas were pulp & paper and chemicals.
- Revenues were mainly supported by execution of the project order backlog. The volume increase was the key driver to the year-on-year growth of 5% (2% comparable), for total revenues of $1,804 million.

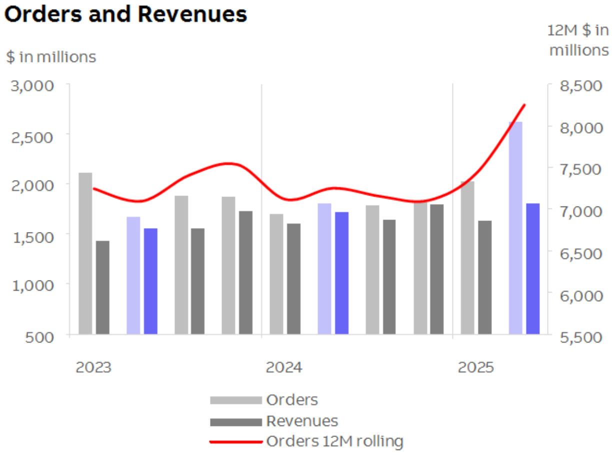
Profit

Operational EBITA of $290 million was up by 10%, representing a 40 basis points improvement in Operational EBITA margin to 15.9%. All divisions delivered at least at the mid-teens margin level.

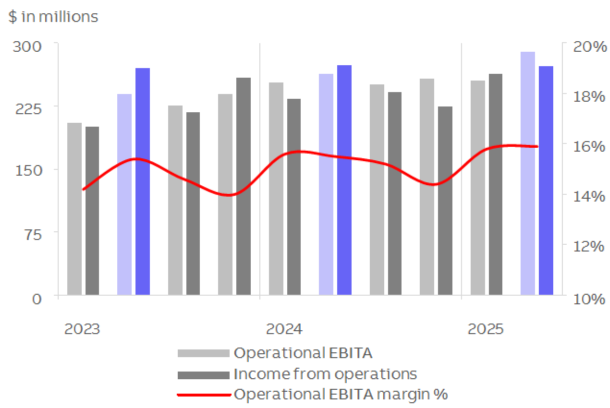
- Operational EBITA margin improved or remained stable in the project- and systems-related businesses which executed the order backlog with high gross margin. This was partially offset by the product business where profitability softened year-on-year due to revenues being hampered by customers' inventory adjustments.

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	Q2 2025	Q2 2024	US$	Comparable	H1 2025	H1 2024	US$	Comparable
Orders	2,620	1,802	45%	40%	4,644	3,499	33%	32%
Order backlog	9,269	7,409	25%	19%	9,269	7,409	25%	19%
Revenues	1,804	1,717	5%	2%	3,437	3,318	4%	4%
Gross Profit	697	642	9%		1,344	1,236	9%	
as % of revenues	38.6%	37.4%	+1.2 pts		39.1%	37.3%	+1.8 pts	
Operational EBITA	290	263	10%		545	516	6%	
as % of operational revenues	15.9%	15.5%	+0.4 pts		15.9%	15.5%	+0.4 pts	
Cash flow from operating activities	252	257	-2%		516	486	6%	
No. of employees (FTE equiv.)	22,700	21,700	5%					

Orders and Revenues



Income from operations & Operational EBITA



Robotics & Discrete Automation

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	4%	-5%
FX	2%	3%
Portfolio changes	0%	0%
Total	**6%**	**-2%**

Orders and revenues

Business area orders improved by 6% (4% comparable) from last year's low level, to $729 million. The slight sequential decline in the second quarter is a recurring order pattern.

- Weaker orders in the **Robotics** division were due to customers applying a wait-and-see stance on the back of continued uncertainties linked to potential tariffs. This hampered order intake in most customer segments, except for a positive development in consumer electronics. We anticipate orders to increase sequentially.
- Orders in the **Machine Automation** division increased sharply from last year's low level. However, the order level remains subdued as customers cautiously balance new ordering with inventory levels. We anticipate absolute orders to increase sequentially.
- As expected, there was a sequential increase in revenues for the business area, but on a year-on-year basis revenues declined by 2% (5% comparable) to $813 million. The two divisions show diverging patterns, with increased volumes in Robotics, while volumes declined sharply in Machine Automation due to less support from the order backlog.

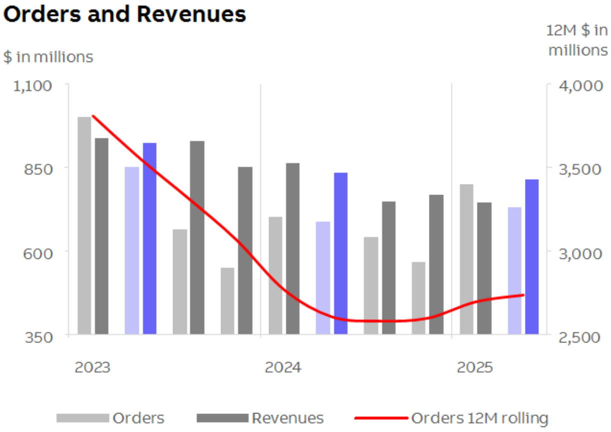
Profit

Impact from operational leverage on significantly lower volumes in the Machine Automation division put pressure on Operational EBITA which declined by 20% to $74 million. The Operational EBITA margin dropped by 200 basis points year-on-year to 9.1%.

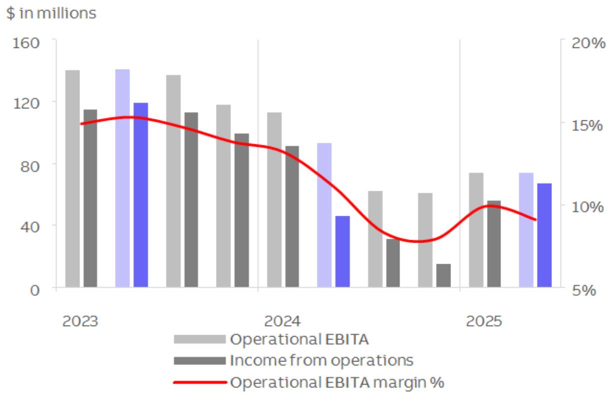
- In Robotics, both earnings and margin improved slightly year-on-year as the division continued to deliver a double-digit profitability level.
- Machine Automation delivered a slight loss as savings from cost measures did not offset the adverse impacts from low utilization rates in production as revenues declined.

($ millions, unless otherwise indicated)	Q2 2025	Q2 2024	CHANGE US$	CHANGE Comparable	H1 2025	H1 2024	CHANGE US$	CHANGE Comparable
Orders	729	688	6%	4%	1,528	1,389	10%	11%
Order backlog	1,489	1,758	-15%	-19%	1,489	1,758	-15%	-19%
Revenues	813	833	-2%	-5%	1,557	1,697	-8%	-8%
Gross Profit	277	277	0%		533	597	-11%	
as % of revenues	34.1%	33.3%	+0.8 pts		34.2%	35.2%	-1 pts	
Operational EBITA	74	93	-20%		148	206	-28%	
as % of operational revenues	9.1%	11.1%	-2 pts		9.5%	12.2%	-2.7 pts	
Cash flow from operating activities	123	98	26%		188	193	-3%	
No. of employees (FTE equiv.)	10,300	11,300	-9%					

Orders and Revenues



Income from operations & Operational EBITA



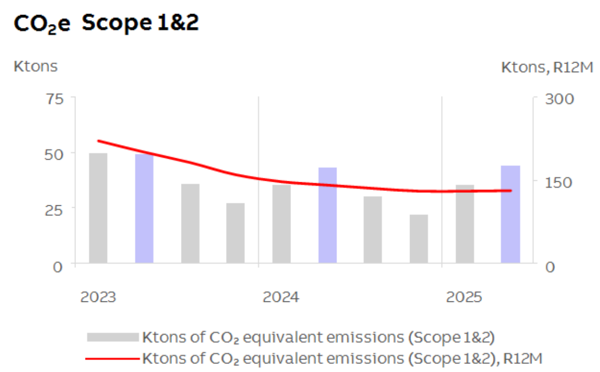
Sustainability

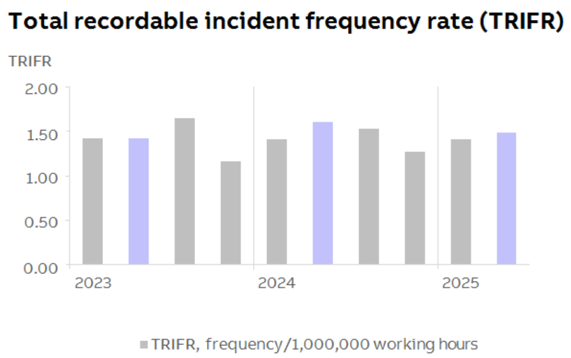
Events from the Quarter

- ABB's new Battery Energy Storage Systems-as-a-Service launched in Q2 offers a zero-Capex model that removes financial and operational barriers to clean energy adoption. By shifting costs to a predictable service fee, businesses can access advanced energy storage without upfront investment. The solution enhances energy efficiency, resilience, and long-term sustainability. ABB manages deployment, maintenance, and optimization, allowing industries to focus on core operations and accelerate their transition to net zero.
- Five startups won ABB's 2025 Startup Challenge by showcasing how their innovative approach could help make energy use smarter in industry, buildings, power grids and utilities. Solutions include real-time emissions tracking, battery optimization, and tools for decarbonizing real estate. ABB experts will work with each winner to develop a Minimum Viable Product (MVP) with the opportunity to launch a global solution for ABB's customers and partners.
- ABB has broken its own world record for energy efficiency in large synchronous electric motors, reaching 99.13% with a new motor for a steel plant in India designed in line with its Top Industrial Efficiency (TIE) initiative. The steel plant will have estimated electricity cost savings of around $6 million through improved energy efficiency over the motor's 25-year lifespan and the investment in energy efficiency will have a projected payback period of just over three months.
- ABB's planned acquisition of France's BrightLoop will strengthen its position in sustainable transportation by expanding electrification capabilities for off-highway vehicles and marine vessels. BrightLoop's compact, high-efficiency power converters reduce fuel consumption, emissions, and maintenance needs in demanding environments. Originally developed for motorsports, the technology is now applied in other segments, supporting the shift to cleaner energy.
- Eni selected ABB as the main automation contractor for HyNet, one of the UK's first industrial carbon capture and storage (CCS) clusters. ABB will provide integrated automation, telecoms, and cybersecurity systems to manage the transport and storage of CO_2e from heavy industry to depleted gas fields. The project aims to remove up to 10 million tons of CO_2e emissions a year by 2030, the equivalent of taking four million cars off the road.
- In June, ABB celebrated Pride month, with over 7,700 employees participating in local events, team huddles, and global conversations, reinforcing the company's commitment to inclusion across offices and shop floors. In addition, awareness webinars on LGBTQ+ inclusion and human rights were held in Q2, strengthening awareness and leadership accountability on inclusion-related risks. Separately, the company was ranked among the top 5 Swiss companies for LGBTQ+ transparency in the "Open for Business" Swiss Market Leaders Index.
- With the 2025 ABB RoboCup, ABB drives to close the education gap in robotics and automation. Students competed in the live finale in Bergamo, Italy, taking on real-world robotics challenges using ABB's advanced technology and tools. Since its launch in 2018, the competition has become a powerful platform for bridging the gap between education and the workplace involving more than 2,800 students in total.

	Q2 2025	Q2 2024	CHANGE	12M ROLLING
CO_2e own operations emissions, Ktons scope 1 and 2[1]	44	43	1%	129
Total recordable incident frequency rate (TRIFR), frequency / 1,000,000 working hours[2]	1.49	1.61	-7%	1.42
Proportion of women in senior management roles in %[3]	23.0	21.6	+1.4 pts	21.9

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 July 8, 2025
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.





Significant events

During Q2 2025

- On April 17, ABB announced that it has launched a process to spin-off of its Robotics division. The intention is for the business to start trading as a separately listed company during the second quarter of 2026.
- On May 30, ABB announced that ABB's Board of Directors approved to cancel 16,715,684 shares of ABB Ltd repurchased under ABB's 2024 share buyback program. The cancellation of shares was published in the commercial register in May.

  The new total number of issued shares and votes of ABB Ltd is 1,843,899,204, compared with 1,860,614,888 before cancellation.

  At the end of May, the company's holding of own shares amounted to 15,199,042, which corresponds to 0.82 percent of the total number of issued shares in the company. This includes 9,304,359 shares purchased for capital reduction.

After Q2 2025

- On July 2, ABB Robotics division announced it has launched three new robot families to strengthen its robotics leadership position in China. The extended customer offering helps new industries and customers automate with new mid-market value propositions as we build on our full local value chain in China of manufacturing, research and development to deliver groundbreaking solutions for our customers in businesses of all sizes.

First six months of 2025

In the first six months of 2025, the overall order intake increased significantly, supported by a large order of approximately $600 million net in the Process Automation business area. A positive development was noted in service and short-cycle as well as project-related businesses. Orders increased in three business areas and remained virtually stable in Motion. Overall, orders in the first six months amounted to $18,998 million and were up 9% (9% comparable), year-on-year.

Revenues were supported by execution of the large order backlog with some additional support from the short-cycle businesses and amounted to $16,835 million, up by 5% (5% comparable), overall implying a book-to-bill of 1.13.

Income from operations in the first half of 2025 amounted to $3,140 million, significantly up 21% year-on-year. This increase was mainly driven by an improved operational business performance with additional support from lower expenses related to restructurings and gains from sale of businesses after a loss was recorded in the prior year.

Operational EBITA increased by 11% year-on-year to $3,305 million, and the Operational EBITA margin improved by 130 basis points to 19.7%. The increase was driven by improvements in the Electrification, Motion and Process Automation business areas, as well as lower losses in the E-mobility business. Moreover, an operational net gain of approximately $140 million relating to a real estate sale in Corporate and Other had a positive impact. This was partially offset by an earnings decline in the Robotics & Discrete Automation business area which continued to be hampered by adverse impacts from still low utilization rates in production in the Machine Automation division. The main drivers of the margin expansion were operating leverage on higher volumes, slightly positive pricing and improved operational efficiency. Expenses in SG&A increased compared to the prior year period. Corporate and Other Operational EBITA amounted to -$74 million. This includes a loss of $89 million that can be attributed to the E-mobility business, which was negatively affected by low volumes and the ongoing reorganization to ensure a more focused portfolio.

Net finance contributed to results with $32 million, below last year's income of $53 million. The lower income year-on-year is due to higher interest charges on income tax contingencies, offset partially by lower interest charges on debt. Income tax expense was $895 million reflecting a tax rate of 28.0%. The increase in tax rate can be attributed to a reduction in certain tax risks which positively impacted the prior year period by 270 basis points.

Net income attributable to ABB was $2,253 million, up from $2,001 million year-on-year. Basic earnings per share was $1.23, representing an increase of 13% compared with the prior year period.

Acquisitions and divestments, last twelve months

Acquisitions	Company/unit	Closing date	Revenues, $ in millions[1]	No. of employees
2025				
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
2024				
Electrification	Solutions Industry & Building (SIB)	2-Dec	~27	100
Process Automation	Dr. Födisch Umweltmesstechnik AG	1-Oct	~53	250
Electrification	SEAM Group	31-Jul	~90	250

Divestments	Company/unit	Closing date	Revenues, $ in millions[1]	No. of employees
2024				
E-mobility	InCharge Energy Inc (share transfer)	30-Nov	~100	n.a.
Electrification	Part of ELIP cable tray business to JV	1-Nov	~65	110
Electrification	Service repair shops in US/CA	30-Aug	~35	115
E-mobility	Numocity	30-Jun	<5	56

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
EBITDA, $ in million	1,418	1,578	1,503	1,374	5,873	1,763	1,786
Return on Capital Employed, %	20.5	21.3	22.0	22.4	22.4	23.0	23.1
Net debt/Equity	0.16	0.18	0.15	0.09	0.09	0.10	0.25
Net debt/ EBITDA 12M rolling	0.4	0.4	0.4	0.2	0.2	0.2	0.6
Net working capital	3,497	3,516	3,512	2,739	2,739	3,371	3,767
Trade net working capital	4,818	4,825	4,931	4,428	4,428	4,664	5,104
Average trade net working capital as a % of revenues	16.1%	15.6%	15.1%	14.6%	14.6%	14.4%	14.1%
Earnings per share, basic, $	0.49	0.59	0.51	0.54	2.13	0.60	0.63
Earnings per share, diluted, $	0.49	0.59	0.51	0.53	2.13	0.60	0.63
Dividend per share, CHF	n.a.	n.a.	n.a.	n.a.	0.90	n.a.	n.a.
Share price at the end of period, CHF	41.89	49.92	48.99	49.07	49.07	45.22	47.31
Number of employees (FTE equivalents)	108,700	109,390	109,970	109,930	109,930	110,970	110,860
No. of shares outstanding at end of period (in millions)	1,851	1,849	1,843	1,838	1,838	1,833	1,826

Additional 2025 guidance

($ in millions, unless otherwise stated)	FY 2025[1]	Q3 2025
Corporate and Other Operational EBITA[2]	~(175) from ~(200)	~(90)
Non-operating items		
Acquisition-related amortization	~(180)	~(50)
Restructuring and related[3]	~(250)	~(100)
ABB Way transformation	~(150)	~(40)

($ in millions, unless otherwise stated)	FY 2025
Finance net	~50 from ~40
Effective tax rate	~25%[4]
Capital Expenditures	~(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.
3 Includes restructuring and restructuring-related as well as separation and integration costs.
4 Excludes the impact of acquisitions or divestments or any significant non-operational items.

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” and “Additional 2025 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.

Q2 results presentation on July 17, 2025

The Q2 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 pre-register for the conference call or 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

2025

October 16	Q3 2025 results
November 18	Capital Markets Day in New Berlin, United States

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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

July 17, 2025

Q2 2025

Financial Information

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FINANCIAL INFORMATION
Contents

Key Figures

($ in millions, unless otherwise indicated)	Q2 2025	Q2 2024	CHANGE US$	CHANGE Comparable[1]
Orders	9,785	8,435	16%	14%
Order backlog (end June)	24,975	22,047	13%	9%
Revenues	8,900	8,239	8%	6%
Gross Profit[2]	3,574	3,303	8%	
as % of revenues[2]	40.2%	40.1%	+0.1 pts	
Income from operations	1,573	1,376	14%	
Operational EBITA[1]	1,708	1,564	9%	6%[3]
as % of operational revenues[1]	19.2%	19.0%	+0.2 pts	
Income from continuing operations, net of tax	1,188	1,104	8%	
Net income attributable to ABB	1,151	1,096	5%	
Basic earnings per share ($)	0.63	0.59	6%[4]	
Cash flow from operating activities	1,059	1,067	-1%	
Free cash flow[1]	845	918	-8%	

($ in millions, unless otherwise indicated)	H1 2025	H1 2024	CHANGE US$	CHANGE Comparable[1]
Orders	18,998	17,409	9%	9%
Revenues	16,835	16,109	5%	5%
Gross Profit[2]	6,885	6,367	8%	
as % of revenues[2]	40.9%	39.5%	+1.4 pts	
Income from operations	3,140	2,593	21%	
Operational EBITA[1]	3,305	2,981	11%	11%[3]
as % of operational revenues[1]	19.7%	18.4%	+1.3 pts	
Income from continuing operations, net of tax	2,307	2,018	14%	
Net income attributable to ABB	2,253	2,001	13%	
Basic earnings per share ($)	1.23	1.09	13%[4]	
Cash flow from operating activities	1,743	1,793	-3%	
Free cash flow[1]	1,497	1,469	2%	

(1) For a reconciliation of alternative performance measures see “Supplemental Reconciliations and Definitions” on page 33.
(2) Prior period amounts have been restated to reflect a change in accounting policy for IS expenses, see “Note 1 - The Company and basis of presentation” for details.
(3) Constant currency (not adjusted for portfolio changes).
(4) EPS growth rates are computed using unrounded amounts.

($ in millions, unless otherwise indicated)		Q2 2025	Q2 2024	CHANGE US$	Local	Comparable
Orders	**ABB Group**	**9,785**	**8,435**	**16%**	**14%**	**14%**
	Electrification	4,518	4,073	11%	9%	9%
	Motion	2,112	2,014	5%	3%	3%
	Process Automation	2,620	1,802	45%	40%	40%
	Robotics & Discrete Automation	729	688	6%	4%	4%
	Corporate and Other	110	112			
	Intersegment eliminations	(304)	(254)			
Order backlog (end June)	**ABB Group**	**24,975**	**22,047**	**13%**	**8%**	**9%**
	Electrification	8,685	7,548	15%	12%	12%
	Motion	6,102	5,669	8%	1%	1%
	Process Automation	9,269	7,409	25%	19%	19%
	Robotics & Discrete Automation	1,489	1,758	-15%	-19%	-19%
	Corporate and Other (incl. intersegment eliminations)	(570)	(337)			
Revenues	**ABB Group**	**8,900**	**8,239**	**8%**	**6%**	**6%**
	Electrification	4,331	3,809	14%	12%	11%
	Motion	2,065	1,951	6%	4%	4%
	Process Automation	1,804	1,717	5%	2%	2%
	Robotics & Discrete Automation	813	833	-2%	-5%	-5%
	Corporate and Other	107	145			
	Intersegment eliminations	(220)	(216)			
Income from operations	**ABB Group**	**1,573**	**1,376**			
	Electrification	990	837			
	Motion	393	369			
	Process Automation	273	274			
	Robotics & Discrete Automation	67	46			
	Corporate and Other (incl. intersegment eliminations)	(150)	(150)			
Income from operations %	**ABB Group**	**17.7%**	**16.7%**			
	Electrification	22.9%	22.0%			
	Motion	19.0%	18.9%			
	Process Automation	15.1%	16.0%			
	Robotics & Discrete Automation	8.2%	5.5%			
Operational EBITA	**ABB Group**	**1,708**	**1,564**	**9%**	**6%**	
	Electrification	1,033	887	16%	14%	
	Motion	407	388	5%	2%	
	Process Automation	290	263	10%	8%	
	Robotics & Discrete Automation	74	93	-20%	-23%	
	Corporate and Other (incl. intersegment eliminations)	(96)	(67)			
Operational EBITA %	**ABB Group**	**19.2%**	**19.0%**			
	Electrification	23.9%	23.2%			
	Motion	19.8%	19.9%			
	Process Automation	15.9%	15.5%			
	Robotics & Discrete Automation	9.1%	11.1%			
Cash flow from operating activities	**ABB Group**	**1,059**	**1,067**			
	Electrification	956	850			
	Motion	354	509			
	Process Automation	252	257			
	Robotics & Discrete Automation	123	98			
	Corporate and Other (incl. intersegment eliminations)	(626)	(647)			

($ in millions, unless otherwise indicated)		H1 2025	H1 2024	CHANGE US$	CHANGE Local	CHANGE Comparable
Orders	**ABB Group**	**18,998**	**17,409**	**9%**	**9%**	**9%**
	Electrification	8,912	8,465	5%	6%	5%
	Motion	4,268	4,317	-1%	-1%	-1%
	Process Automation	4,644	3,499	33%	32%	32%
	Robotics & Discrete Automation	1,528	1,389	10%	11%	11%
	Corporate and Other	238	254			
	Intersegment eliminations	(592)	(515)			
Order backlog (end June)	**ABB Group**	**24,975**	**22,047**	**13%**	**8%**	**9%**
	Electrification	8,685	7,548	15%	12%	12%
	Motion	6,102	5,669	8%	1%	1%
	Process Automation	9,269	7,409	25%	19%	19%
	Robotics & Discrete Automation	1,489	1,758	-15%	-19%	-19%
	Corporate and Other (incl. intersegment eliminations)	(570)	(337)			
Revenues	**ABB Group**	**16,835**	**16,109**	**5%**	**5%**	**5%**
	Electrification	8,156	7,489	9%	9%	9%
	Motion	3,905	3,780	3%	3%	3%
	Process Automation	3,437	3,318	4%	4%	4%
	Robotics & Discrete Automation	1,557	1,697	-8%	-8%	-8%
	Corporate and Other	203	270			
	Intersegment eliminations	(423)	(445)			
Income from operations	**ABB Group**	**3,140**	**2,593**			
	Electrification	1,912	1,606			
	Motion	754	670			
	Process Automation	536	508			
	Robotics & Discrete Automation	123	137			
	Corporate and Other (incl. intersegment eliminations)	(185)	(328)			
Income from operations %	**ABB Group**	**18.7%**	**16.1%**			
	Electrification	23.4%	21.4%			
	Motion	19.3%	17.7%			
	Process Automation	15.6%	15.3%			
	Robotics & Discrete Automation	7.9%	8.1%			
Operational EBITA	**ABB Group**	**3,305**	**2,981**	**11%**	**11%**	
	Electrification	1,919	1,713	12%	13%	
	Motion	767	731	5%	5%	
	Process Automation	545	516	6%	6%	
	Robotics & Discrete Automation	148	206	-28%	-28%	
	Corporate and Other (incl. intersegment eliminations)	(74)	(185)			
Operational EBITA %	**ABB Group**	**19.7%**	**18.4%**			
	Electrification	23.6%	22.8%			
	Motion	19.7%	19.2%			
	Process Automation	15.9%	15.5%			
	Robotics & Discrete Automation	9.5%	12.2%			
Cash flow from operating activities	**ABB Group**	**1,743**	**1,793**			
	Electrification	1,477	1,397			
	Motion	664	861			
	Process Automation	516	486			
	Robotics & Discrete Automation	188	193			
	Corporate and Other (incl. intersegment eliminations)	(1,102)	(1,144)			

Operational EBITA

($ in millions, unless otherwise indicated)	ABB Q2 25	ABB Q2 24	Electrification Q2 25	Electrification Q2 24	Motion Q2 25	Motion Q2 24	Process Automation Q2 25	Process Automation Q2 24	Robotics & Discrete Automation Q2 25	Robotics & Discrete Automation Q2 24
Revenues	**8,900**	**8,239**	**4,331**	**3,809**	**2,065**	**1,951**	**1,804**	**1,717**	**813**	**833**
Foreign exchange/commodity timing differences in total revenues	1	(4)	(8)	10	(8)	–	17	(19)	–	3
Operational revenues	**8,901**	**8,235**	**4,323**	**3,819**	**2,057**	**1,951**	**1,821**	**1,698**	**813**	**836**
Income from operations	**1,573**	**1,376**	**990**	**837**	**393**	**369**	**273**	**274**	**67**	**46**
Acquisition-related amortization	50	57	29	23	9	8	4	2	7	20
Restructuring, related and implementation costs(1)	8	50	4	8	5	14	1	–	2	20
Changes in obligations related to divested businesses	(2)	(11)	–	–	–	–	–	–	–	–
Gains and losses from sale of businesses	(1)	55	(2)	24	–	–	–	–	–	–
Acquisition- and divestment-related expenses and integration costs	22	18	9	19	1	2	4	1	2	5
Certain other non-operational items	35	50	2	(1)	4	–	–	(5)	(1)	(2)
Foreign exchange/commodity timing differences in income from operations	23	(31)	1	(23)	(5)	(5)	8	(9)	(3)	4
Operational EBITA	**1,708**	**1,564**	**1,033**	**887**	**407**	**388**	**290**	**263**	**74**	**93**
Operational EBITA margin (%)	**19.2%**	**19.0%**	**23.9%**	**23.2%**	**19.8%**	**19.9%**	**15.9%**	**15.5%**	**9.1%**	**11.1%**

($ in millions, unless otherwise indicated)	ABB H1 25	ABB H1 24	Electrification H1 25	Electrification H1 24	Motion H1 25	Motion H1 24	Process Automation H1 25	Process Automation H1 24	Robotics & Discrete Automation H1 25	Robotics & Discrete Automation H1 24
Revenues	**16,835**	**16,109**	**8,156**	**7,489**	**3,905**	**3,780**	**3,437**	**3,318**	**1,557**	**1,697**
Foreign exchange/commodity timing differences in total revenues	(20)	61	(13)	23	(11)	29	(2)	6	6	(2)
Operational revenues	**16,815**	**16,170**	**8,143**	**7,512**	**3,894**	**3,809**	**3,435**	**3,324**	**1,563**	**1,695**
Income from operations	**3,140**	**2,593**	**1,912**	**1,606**	**754**	**670**	**536**	**508**	**123**	**137**
Acquisition-related amortization	95	113	55	46	18	17	8	3	14	41
Restructuring, related and implementation costs(1)	24	76	10	18	7	22	3	7	7	20
Changes in obligations related to divested businesses	(3)	(11)	–	–	–	–	–	–	–	–
Gains and losses from sale of businesses	(12)	57	(13)	24	–	–	–	–	–	–
Acquisition- and divestment-related expenses and integration costs	31	37	19	29	2	2	5	1	4	7
Certain other non-operational items	56	113	(29)	2	10	3	(2)	(5)	(1)	(1)
Foreign exchange/commodity timing differences in income from operations	(26)	3	(35)	(12)	(24)	17	(5)	2	1	2
Operational EBITA	**3,305**	**2,981**	**1,919**	**1,713**	**767**	**731**	**545**	**516**	**148**	**206**
Operational EBITA margin (%)	**19.7%**	**18.4%**	**23.6%**	**22.8%**	**19.7%**	**19.2%**	**15.9%**	**15.5%**	**9.5%**	**12.2%**

(1) Includes impairment of certain assets.

Depreciation and Amortization

($ in millions)	ABB		Electrification		Motion		Process Automation		Robotics & Discrete Automation	
	Q2 25	Q2 24	Q2 25	Q2 24	Q2 25	Q2 24	Q2 25	Q2 24	Q2 25	Q2 24
Depreciation	149	135	76	66	32	30	13	11	14	14
Amortization	64	67	36	28	11	10	6	3	8	21
including total acquisition-related amortization of:	50	57	29	23	9	8	4	2	7	20

($ in millions)	ABB		Electrification		Motion		Process Automation		Robotics & Discrete Automation	
	H1 25	H1 24	H1 25	H1 24	H1 25	H1 24	H1 25	H1 24	H1 25	H1 24
Depreciation	288	268	147	132	63	58	25	23	28	29
Amortization	121	135	68	56	22	20	11	5	16	43
including total acquisition-related amortization of:	95	113	55	46	18	17	8	3	14	41

Orders received and revenues by region

($ in millions, unless otherwise indicated)	Orders received		CHANGE			Revenues		CHANGE		
	Q2 25	Q2 24	US$	Local	Com-parable	Q2 25	Q2 24	US$	Local	Com-parable
Europe	3,130	2,786	12%	6%	6%	3,016	2,831	7%	1%	0%
The Americas	3,843	3,031	27%	27%	28%	3,272	2,960	11%	11%	12%
of which United States	3,086	2,241	38%	36%	37%	2,523	2,221	14%	13%	14%
Asia, Middle East and Africa	2,812	2,618	7%	7%	6%	2,612	2,448	7%	6%	6%
of which China	1,104	1,066	4%	3%	2%	1,108	1,134	-2%	-3%	-5%
ABB Group	**9,785**	**8,435**	**16%**	**14%**	**14%**	**8,900**	**8,239**	**8%**	**6%**	**6%**

($ in millions, unless otherwise indicated)	Orders received		CHANGE			Revenues		CHANGE		
	H1 25	H1 24	US$	Local	Com-parable	H1 25	H1 24	US$	Local	Com-parable
Europe	6,364	6,084	5%	3%	3%	5,789	5,579	4%	2%	2%
The Americas	6,982	5,935	18%	19%	19%	6,190	5,749	8%	9%	10%
of which United States	5,406	4,380	23%	23%	23%	4,780	4,331	10%	10%	11%
Asia, Middle East and Africa	5,652	5,390	5%	6%	5%	4,856	4,781	2%	2%	2%
of which China	2,295	2,116	8%	9%	8%	2,066	2,132	-3%	-3%	-5%
ABB Group	**18,998**	**17,409**	**9%**	**9%**	**9%**	**16,835**	**16,109**	**5%**	**5%**	**5%**

Consolidated Financial Information

ABB Ltd Consolidated Income Statements (unaudited)

	Six months ended		Three months ended	
($ in millions, except per share data in $)	Jun. 30, 2025	Jun. 30, 2024	Jun. 30, 2025	Jun. 30, 2024
Sales of products	13,943	13,355	7,376	6,852
Sales of services and other	2,892	2,754	1,524	1,387
Total revenues	**16,835**	**16,109**	**8,900**	**8,239**
Cost of sales of products	(8,396)	(8,204)	(4,513)	(4,163)
Cost of services and other	(1,554)	(1,538)	(813)	(773)
Total cost of sales	**(9,950)**	**(9,742)**	**(5,326)**	**(4,936)**
Gross profit	**6,885**	**6,367**	**3,574**	**3,303**
Selling, general and administrative expenses	(3,352)	(3,101)	(1,748)	(1,573)
Non-order related research and development expenses	(679)	(690)	(350)	(345)
Other income (expense), net	286	17	97	(9)
Income from operations	**3,140**	**2,593**	**1,573**	**1,376**
Interest and dividend income	95	103	41	46
Interest and other finance expense	(63)	(50)	(16)	(13)
Non-operational pension (cost) credit	30	26	16	10
Income from continuing operations before taxes	**3,202**	**2,672**	**1,614**	**1,419**
Income tax expense	(895)	(654)	(426)	(315)
Income from continuing operations, net of tax	**2,307**	**2,018**	**1,188**	**1,104**
Loss from discontinued operations, net of tax	(8)	(3)	(7)	(2)
Net income	**2,299**	**2,015**	**1,181**	**1,102**
Net income attributable to noncontrolling interests and redeemable noncontrolling interests	(46)	(14)	(30)	(6)
Net income attributable to ABB	**2,253**	**2,001**	**1,151**	**1,096**
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	2,261	2,004	1,158	1,098
Loss from discontinued operations, net of tax	(8)	(3)	(7)	(2)
Net income	2,253	2,001	1,151	1,096
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.23	1.09	0.63	0.59
Loss from discontinued operations, net of tax	–	–	–	–
Net income	1.23	1.09	0.63	0.59
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.23	1.08	0.63	0.59
Loss from discontinued operations, net of tax	–	–	–	–
Net income	1.23	1.08	0.63	0.59
Weighted-average number of shares outstanding (in millions) used to compute:				
Basic earnings per share attributable to ABB shareholders	1,833	1,844	1,830	1,849
Diluted earnings per share attributable to ABB shareholders	1,836	1,853	1,832	1,855

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)

	Six months ended		Three months ended	
($ in millions)	Jun. 30, 2025	Jun. 30, 2024	Jun. 30, 2025	Jun. 30, 2024
Total comprehensive income, net of tax	**2,333**	**2,053**	**1,040**	**990**
Total comprehensive (income) loss attributable to noncontrolling interests and redeemable noncontrolling interests, net of tax	(65)	2	(43)	(6)
Total comprehensive income attributable to ABB shareholders, net of tax	**2,268**	**2,055**	**997**	**984**

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)	Jun. 30, 2025	Dec. 31, 2024
Cash and equivalents	3,266	4,326
Marketable securities and short-term investments	1,846	1,334
Receivables, net	7,949	7,388
Contract assets	1,301	1,115
Inventories, net	6,396	5,768
Prepaid expenses	361	287
Other current assets	517	541
Total current assets	**21,636**	**20,759**
Property, plant and equipment, net	4,618	4,177
Operating lease right-of-use assets	849	840
Investments in equity-accounted companies	388	368
Prepaid pension and other employee benefits	834	689
Intangible assets, net	1,192	1,048
Goodwill	11,352	10,555
Deferred taxes	1,392	1,363
Other non-current assets	538	489
Total assets	**42,799**	**40,288**
Accounts payable, trade	5,273	5,036
Contract liabilities	3,354	2,969
Short-term debt and current maturities of long-term debt	558	293
Current operating leases	266	235
Provisions	1,604	1,539
Other current liabilities	4,682	4,582
Total current liabilities	**15,737**	**14,654**
Long-term debt	8,255	6,652
Non-current operating leases	611	631
Pension and other employee benefits	605	569
Deferred taxes	816	675
Other non-current liabilities	2,175	2,116
Total liabilities	**28,199**	**25,297**
Commitments and contingencies		
Stockholders' equity:		
Common stock, CHF 0.12 par value		
(1,844 million and 1,861 million shares issued at June 30, 2025, and December 31, 2024, respectively)	160	162
Additional paid-in capital	15	50
Retained earnings	20,125	20,648
Accumulated other comprehensive loss	(5,335)	(5,350)
Treasury stock, at cost		
(18 million and 22 million shares at June 30, 2025, and December 31, 2024, respectively)	(890)	(1,091)
Total ABB stockholders' equity	**14,075**	**14,419**
Noncontrolling interests	525	572
Total stockholders' equity	**14,600**	**14,991**
Total liabilities and stockholders' equity	**42,799**	**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)

	Six months ended		Three months ended	
($ in millions)	Jun. 30, 2025	Jun. 30, 2024	Jun. 30, 2025	Jun. 30, 2024
Operating activities:				
Net income	2,299	2,015	1,181	1,102
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	409	403	213	202
Changes in fair values of investments	(41)	(20)	(29)	(7)
Pension and other employee benefits	(40)	(35)	(19)	(22)
Deferred taxes	108	22	81	28
Net gain from derivatives and foreign exchange	(89)	(39)	(30)	(31)
Net gain from sale of property, plant and equipment	(184)	(26)	(51)	(21)
Net loss (gain) from sale of businesses	(13)	57	(2)	55
Other	15	73	22	41
Changes in operating assets and liabilities:				
Trade receivables, net	(157)	(179)	(161)	(146)
Contract assets and liabilities	65	162	(76)	124
Inventories, net	(60)	(311)	43	(106)
Accounts payable, trade	(110)	198	2	116
Accrued liabilities	(365)	(424)	146	49
Provisions, net	(64)	(14)	(9)	(51)
Income taxes payable and receivable	183	(6)	(29)	(128)
Other assets and liabilities, net	(213)	(83)	(223)	(138)
Net cash provided by operating activities	**1,743**	**1,793**	**1,059**	**1,067**
Investing activities:				
Purchases of investments	(996)	(916)	(150)	(39)
Purchases of property, plant and equipment and intangible assets	(419)	(366)	(224)	(185)
Acquisition of businesses (net of cash acquired) and increases in cost- and equity-accounted companies	(571)	(134)	(19)	(104)
Proceeds from sales of investments	517	1,584	188	857
Proceeds from sales of property, plant and equipment	173	42	10	36
Proceeds from sales of businesses (net of transaction costs and cash disposed) and cost- and equity-accounted companies	66	(8)	23	–
Net cash from settlement of foreign currency derivatives	(3)	124	(113)	93
Other investing activities	1	(6)	(1)	(7)
Net cash provided by (used in) investing activities	**(1,232)**	**320**	**(286)**	**651**
Financing activities:				
Net changes in debt with original maturities of 90 days or less	139	(7)	(261)	13
Increase in debt	1,090	1,364	795	6
Repayment of debt	(131)	(2,151)	(124)	(1,586)
Delivery of shares	19	390	19	–
Purchase of treasury stock	(783)	(563)	(494)	(272)
Dividends paid	(1,907)	(1,769)	(1,907)	(850)
Dividends paid to noncontrolling shareholders	(105)	(94)	(105)	(94)
Other financing activities	8	(55)	7	(52)
Net cash used in financing activities	**(1,670)**	**(2,885)**	**(2,070)**	**(2,835)**
Effects of exchange rate changes on cash and equivalents	99	(158)	69	(24)
Net change in cash and equivalents	**(1,060)**	**(930)**	**(1,228)**	**(1,141)**
Cash and equivalents, beginning of period	4,326	3,909	4,494	4,120
Cash and equivalents, end of period	**3,266**	**2,979**	**3,266**	**2,979**
Supplementary disclosure of cash flow information:				
Interest paid	184	148	66	54
Income taxes paid	637	643	379	415

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)]			2,001			**2,001**	15	**2,016**
Foreign currency translation adjustments, net of tax of $2				1		**1**	(16)	**(15)**
Effect of change in fair value of available-for-sale securities, net of tax of $0				(1)		**(1)**		**(1)**
Unrecognized income (expense) related to pensions and other postretirement plans, net of tax of $20				50		**50**		**50**
Change in derivative instruments and hedges, net of tax of $0				4		**4**		**4**
Changes in noncontrolling interests		(10)	(62)			**(72)**	44	**(28)**
Dividends to noncontrolling shareholders						**–**	(95)	**(95)**
Dividends to shareholders			(1,804)			**(1,804)**		**(1,804)**
Cancellation of treasury shares	(2)	(2)	(828)		832	**–**		**–**
Share-based payment arrangements		44				**44**	2	**46**
Purchase of treasury stock					(552)	**(552)**		**(552)**
Delivery of shares		(25)	(249)		664	**390**		**390**
Other		(5)				**(5)**	2	**(3)**
Balance at June 30, 2024	**162**	**9**	**18,714**	**(5,016)**	**(469)**	**13,400**	**597**	**13,997**
Balance at January 1, 2025	**162**	**50**	**20,648**	**(5,350)**	**(1,091)**	**14,419**	**572**	**14,991**
Net income			2,253			**2,253**	46	**2,299**
Foreign currency translation adjustments, net of tax of $(3)				91		**91**	19	**110**
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 $(27)				(82)		**(82)**		**(82)**
Change in derivative instruments and hedges, net of tax of $0				3		**3**		**3**
Changes in noncontrolling interests		–				**–**	(8)	**(8)**
Dividends to noncontrolling shareholders						**–**	(105)	**(105)**
Dividends to shareholders			(1,867)			**(1,867)**		**(1,867)**
Cancellation of treasury shares	(2)	(61)	(831)		894	**–**		**–**
Share-based payment arrangements		37				**37**	2	**39**
Purchase of treasury stock					(802)	**(802)**		**(802)**
Delivery of shares		(13)	(77)		109	**19**		**19**
Balance at June 30, 2025	**160**	**15**	**20,125**	**(5,335)**	**(890)**	**14,075**	**525**	**14,600**

(1) Amount attributable to noncontrolling interests for the six months ended June 30, 2024, excludes the net loss of $1 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,
- estimates related to credit losses expected to occur over the remaining life of financial assets such as trade and other receivables, loans and other instruments,
- estimates of loss contingencies associated with litigation or threatened litigation and other claims and inquiries, environmental damages, product warranties, self-insurance reserves, regulatory and other proceedings,
- assumptions and projections, principally related to future material, labor and project-related overhead costs, used in determining the percentage-of-completion on projects where revenue is recognized over time, as well as the amount of variable consideration the Company expects to be entitled to,
- assumptions used in the calculation of pension and postretirement benefits and the fair value of pension plan assets,
- estimates used to record expected costs for employee severance in connection with restructuring programs,
- assumptions used in determining inventory obsolescence and net realizable value,
- growth rates, discount rates and other assumptions used to determine impairment of long-lived assets and in testing goodwill for impairment,
- estimates and assumptions used in determining the fair values of assets and liabilities assumed in business combinations, and
- estimates and assumptions used in determining the initial fair value of retained noncontrolling interests and certain obligations in connection with divestments.

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

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.

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 on January 1, 2023, representing the impact of the policy change on Inventories and the related deferred tax balance. The effect on Net income for the years 2023 and 2024 was not considered significant and therefore no changes have been recorded.

As a result, the Company's Consolidated Balance Sheet amounts at December 31, 2024, for Inventories, Deferred taxes (asset), and Retained earnings have changed from $5,859 million, $1,341 million and $20,717 million, respectively, to $5,768 million, $1,363 million and $20,648 million, respectively.

The following table details the reclassification of information systems expenses within the Consolidated Income Statement:

	Six months ended June 30, 2024		Three months ended June 30, 2024	
($ in millions)	**Before**	**After**	**Before**	**After**
Cost of sales of products	8,415	8,204	4,270	4,163
Cost of services and other	1,585	1,538	795	773
Selling, general and administrative expenses	2,806	3,101	1,425	1,573
Non-order related research and development expenses	727	690	364	345

Warranty provision split

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 ($686 million) and Other non-current liabilities ($562 million). See Note 10 - Commitments and contingencies for additional information.

Adjustment related to prior periods

In the three months ended June 30, 2024, the Company recorded a cumulative correction to certain reserves for self-insurance. The correction in this liability resulted in a $58 million reduction in Total cost of sales in the Interim Consolidated Income Statement for the three months ended June 30, 2024, and is included in Corporate and Other Operational EBITA. The Company evaluated the impact of the correction on both a quantitative and qualitative basis under the guidance of ASC 250, Accounting Changes and Error Corrections, and determined that there were no material impacts on the trend of net income, cash flows or liquidity for previously issued annual financial statements.

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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 Company is currently evaluating the impact of adopting this update prospectively or retrospectively on its consolidated financial statements. Apart from the additional disclosure requirements, 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.

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Note 3
Acquisitions and divestments

Acquisition of controlling interests

Acquisitions of controlling interests were as follows:

	Six months ended June 30,		Three months ended June 30,	
($ in millions, except number of acquired businesses)	**2025**	**2024**	**2025**	**2024**
Purchase price for acquisitions (net of cash acquired)(1)	551	104	10	75
Aggregate excess of purchase price over fair value of net assets acquired(2)	436	89	10	60
Number of acquired businesses	4	3	1	1

(1) Excluding changes in cost- and equity-accounted companies.
(2) Recorded as goodwill.

In the table above, the "Purchase price for acquisitions" and "Aggregate excess of purchase price over fair value of net assets acquired" in the six months ended June 30, 2025, relate primarily to the acquisitions of Sensorfact BV and the Siemens Wiring Accessories Business in China.

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 $380 million (net of cash acquired). This acquisition will broaden the market reach of the Company's Electrification segment and complement the segments' regional customer offering within smart buildings.

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.

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Note 4
Cash and equivalents, marketable securities and short-term investments

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

	June 30, 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	1,516			**1,516**	1,516	
Time deposits	2,222			**2,222**	1,750	472
Equity securities	1,308	46		**1,354**		1,354
	5,046	**46**	**–**	**5,092**	**3,266**	**1,826**
Changes in fair value recorded in other comprehensive income						
Debt securities available-for-sale:						
Other government obligations	20			**20**		20
	20	**–**	**–**	**20**	**–**	**20**
Total	**5,066**	**46**	**–**	**5,112**	**3,266**	**1,846**

	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 5
Derivative financial instruments

The Company is exposed to certain currency, commodity and interest rate risks arising from its global operating, financing and investing activities. The Company uses derivative instruments to reduce and manage the economic impact of these exposures.

Currency risk

Due to the global nature of the Company's operations, many of its subsidiaries are exposed to currency risk in their operating activities from entering into transactions in currencies other than their functional currency. To manage such currency risks, the Company's policies require its subsidiaries to hedge their foreign currency exposures from binding sales and purchase contracts denominated in foreign currencies. For forecasted foreign currency denominated sales of standard products and the related foreign currency denominated purchases, the Company's policy is to hedge up to a maximum of 100 percent of the forecasted foreign currency denominated exposures, depending on the length of the forecasted exposures. Forecasted exposures greater than 12 months are not hedged. Forward foreign exchange contracts are the main instrument used to protect the Company against the volatility of future cash flows (caused by changes in exchange rates) of contracted and forecasted sales and purchases denominated in foreign currencies. In addition, within its treasury operations, the Company primarily uses foreign exchange swaps and forward foreign exchange contracts to manage the currency and timing mismatches arising in its liquidity management activities.

Commodity risk

Various commodity products are used in the Company's manufacturing activities. Consequently, it is exposed to volatility in future cash flows arising from changes in commodity prices. To manage the price risk of commodities, the Company's policies require that its subsidiaries hedge the commodity price risk exposures from binding contracts, as well as at least 50 percent (up to a maximum of 100 percent) of the forecasted commodity exposure over the next 12 months or longer (up to a maximum of 18 months). Primarily swap contracts are used to manage the associated price risks of commodities.

Interest rate risk

The Company has issued bonds at fixed rates. Interest rate swaps and cross-currency interest rate swaps are used to manage the interest rate and foreign currency risk associated with certain debt and generally such swaps are designated as fair value hedges. In addition, from time to time, the Company uses instruments such as interest rate swaps, interest rate futures, bond futures or forward rate agreements to manage interest rate risk arising from the Company's balance sheet structure but does not designate such instruments as hedges.

Volume of derivative activity

In general, while the Company's primary objective in its use of derivatives is to minimize exposures arising from its business, certain derivatives are designated and qualify for hedge accounting treatment while others either are not designated or do not qualify for hedge accounting.

Foreign exchange and interest rate derivatives

The gross notional amounts of outstanding foreign exchange and interest rate derivatives (whether designated as hedges or not) were as follows:

Type of derivative	Total notional amounts at		
($ in millions)	June 30, 2025	December 31, 2024	June 30, 2024
Foreign exchange contracts	17,003	12,800	13,924
Embedded foreign exchange derivatives	1,547	1,159	1,131
Cross-currency interest rate swaps	938	833	857
Interest rate contracts	1,762	1,510	1,071

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		
		June 30, 2025	December 31, 2024	June 30, 2024
Copper swaps	metric tonnes	35,997	40,699	29,453
Silver swaps	ounces	2,430,081	2,648,681	1,754,340
Steel swaps	metric tonnes	18,144	20,185	16,738
Aluminum swaps	metric tonnes	4,700	4,525	5,125

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 six and three months ended June 30, 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:

($ in millions)		Six months ended June 30, 2025	Six months ended June 30, 2024	Three months ended June 30, 2025	Three months ended June 30, 2024
Gains (losses) recognized in Interest and other finance expense:					
Interest rate contracts	Designated as fair value hedges	(1)	10	4	(3)
	Hedged item	1	(10)	(4)	4
Cross-currency interest rate swaps	Designated as fair value hedges	2	(5)	3	(2)
	Hedged item	–	6	(2)	3

Derivatives not designated in hedge relationships

Derivative instruments that are not designated as hedges or do not qualify as either cash flow or fair value hedges are economic hedges used for risk management purposes. Gains and losses from changes in the fair values of such derivatives are recognized in the same line in the income statement as the economically hedged transaction.

Furthermore, under certain circumstances, the Company is required to split and account separately for foreign currency derivatives that are embedded within certain binding sales or purchase contracts denominated in a currency other than the functional currency of the subsidiary and the counterparty.

The gains (losses) recognized in the Consolidated Income Statements on derivatives not designated in hedging relationships were as follows:

Type of derivative not designated as a hedge ($ in millions)	Location	Gains (losses) recognized in income: Six months ended June 30, 2025	Six months ended June 30, 2024	Three months ended June 30, 2025	Three months ended June 30, 2024
Foreign exchange contracts	Total revenues	146	(186)	66	(18)
	Total cost of sales	(23)	52	(6)	5
	SG&A expenses[1]	(53)	21	(34)	8
	Non-order related research and development	–	(1)	–	1
	Interest and other finance expense	(238)	194	(288)	(53)
Embedded foreign exchange contracts	Total revenues	(5)	16	(3)	(2)
	Total cost of sales	9	(4)	6	–
Commodity contracts	Total cost of sales	36	45	(5)	36
Other	Interest and other finance expense	(1)	(2)	(1)	–
Total		**(129)**	**135**	**(265)**	**(23)**

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

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

($ in millions)	June 30, 2025 Derivative assets: Current in “Other current assets”	Derivative assets: Non-current in “Other non-current assets”	Derivative liabilities: Current in “Other current liabilities”	Derivative liabilities: Non-current in “Other non-current liabilities”
Derivatives designated as hedging instruments:				
Foreign exchange contracts	2	–	1	–
Interest rate contracts	–	6	–	–
Cross-currency interest rate swaps	–	–	–	148
Other	3	–	–	–
Total	**5**	**6**	**1**	**148**
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	106	22	242	10
Commodity contracts	19	–	7	–
Embedded foreign exchange derivatives	22	16	24	10
Total	**147**	**38**	**273**	**20**
Total fair value	**152**	**44**	**274**	**168**

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

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 June 30, 2025, and December 31, 2024, have been presented on a gross basis.

The Company’s netting agreements and other similar arrangements allow net settlements under certain conditions. At June 30, 2025, and December 31, 2024, information related to these offsetting arrangements was as follows:

($ in millions)	June 30, 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	158	(81)	–	–	**77**
Total	**158**	**(81)**	**–**	**–**	**77**

($ in millions)	June 30, 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	408	(81)	–	–	**327**
Total	**408**	**(81)**	**–**	**–**	**327**

($ 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	188	(90)	–	–	**98**
Total	**188**	**(90)**	**–**	**–**	**98**

($ 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	403	(90)	–	–	**313**
Total	**403**	**(90)**	**–**	**–**	**313**

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Note 6
Fair values

The Company uses fair value measurement principles to record certain financial assets and liabilities on a recurring basis and, when necessary, to record certain non-financial assets at fair value on a non-recurring basis, as well as to determine fair value disclosures for certain financial instruments carried at amortized cost in the financial statements. Financial assets and liabilities recorded at fair value on a recurring basis include foreign currency, commodity and interest rate derivatives, as well as available-for-sale securities. Non-financial assets recorded at fair value on a non-recurring basis include long-lived assets that are reduced to their estimated fair value due to impairments.

Fair value is the price that would be received when selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various valuation techniques including the market approach (using observable market data for identical or similar assets and liabilities), the income approach (discounted cash flow models) and the cost approach (using costs a market participant would incur to develop a comparable asset). Inputs used to determine the fair value of assets and liabilities are defined by a three-level hierarchy, depending on the nature of those inputs. The Company has categorized its financial assets and liabilities and non-financial assets measured at fair value within this hierarchy based on whether the inputs to the valuation technique are observable or unobservable. An observable input is based on market data obtained from independent sources, while an unobservable input reflects the Company's assumptions about market data.

The levels of the fair value hierarchy are as follows:

Level 1: Valuation inputs consist of quoted prices in an active market for identical assets or liabilities (observable quoted prices). Assets and liabilities valued using Level 1 inputs include exchange-traded equity securities, listed derivatives which are actively traded such as commodity futures, interest rate futures and certain actively traded debt securities.

Level 2: Valuation inputs consist of observable inputs (other than Level 1 inputs) such as actively quoted prices for similar assets, quoted prices in inactive markets and inputs other than quoted prices such as interest rate yield curves, credit spreads, or inputs derived from other observable data by interpolation, correlation, regression or other means. The adjustments applied to quoted prices or the inputs used in valuation models may be both observable and unobservable. In these cases, the fair value measurement is classified as Level 2 unless the unobservable portion of the adjustment or the unobservable input to the valuation model is significant, in which case the fair value measurement would be classified as Level 3. Assets and liabilities valued or disclosed using Level 2 inputs include investments in certain funds, certain debt securities that are not actively traded, interest rate swaps, cross-currency interest rate swaps, commodity swaps, forward foreign exchange contracts, foreign exchange swaps and forward rate agreements, time deposits, as well as financing receivables and debt.

Level 3: Valuation inputs are based on the Company's assumptions of relevant market data (unobservable input).

Whenever quoted prices involve bid-ask spreads, the Company ordinarily determines fair values based on mid-market quotes. When determining fair values based on quoted prices in an active market, the Company considers if the level of transaction activity for the financial instrument has significantly decreased or would not be considered orderly. In such cases, the resulting changes in valuation techniques would be disclosed. If the market is considered disorderly or if quoted prices are not available, the Company is required to use another valuation technique, such as an income approach.

Recurring fair value measures

The fair values of financial assets and liabilities measured at fair value on a recurring basis were as follows:

	June 30, 2025			
($ in millions)	Level 1	Level 2	Level 3	Total fair value
Assets				
Securities in "Marketable securities and short-term investments":				
Equity securities	–	1,354	–	**1,354**
Debt securities—Other government obligations	20	–	–	**20**
Derivative assets—current in "Other current assets"	–	152	–	**152**
Derivative assets—non-current in "Other non-current assets"	–	44	–	**44**
Total	**20**	**1,550**	**–**	**1,570**
Liabilities				
Derivative liabilities—current in "Other current liabilities"	–	274	–	**274**
Derivative liabilities—non-current in "Other non-current liabilities"	–	168	–	**168**
Total	**–**	**442**	**–**	**442**

	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"	–	181	–	**181**
Derivative assets—non-current in "Other non-current assets"	–	35	–	**35**
Total	**–**	**1,030**	**–**	**1,030**
Liabilities				
Derivative liabilities—current in "Other current liabilities"	–	143	–	**143**
Derivative liabilities—non-current in "Other non-current liabilities"	–	276	–	**276**
Total	**–**	**419**	**–**	**419**

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
There were no significant non-recurring fair value measurements during the six and three months ended June 30, 2025 and 2024.

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

	June 30, 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	1,516	1,516	–	–	**1,516**
Time deposits	1,750	–	1,750	–	**1,750**
Marketable securities and short-term investments (excluding securities):					
Time deposits	472	–	472	–	**472**
Liabilities					
Short-term debt and current maturities of long-term debt (excluding finance lease obligations)	533	222	311	–	**533**
Long-term debt (excluding finance lease obligations)	8,079	7,413	739	–	**8,152**

	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).

Note 7
Contract assets and liabilities

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

($ in millions)	June 30, 2025	December 31, 2024	June 30, 2024
Contract assets	1,301	1,115	1,118
Contract liabilities	3,354	2,969	2,973

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:

	Six months ended June 30,			
	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		(1,246)		(1,084)
Additions to Contract liabilities - excluding amounts recognized as revenue during the period		1,415		1,301
Receivables recognized that were included in the Contract assets balance at Jan 1, 2025/2024	(544)		(516)	

The Company considers its order backlog to represent its unsatisfied performance obligations. At June 30, 2025, the Company had unsatisfied performance obligations totaling $24,975 million and, of this amount, the Company expects to fulfill approximately 46 percent of the obligations in 2025, approximately 32 percent of the obligations in 2026 and the balance thereafter.

Note 8
Supplier finance programs

The Company has several supplier finance programs, all with similar characteristics, with various financial institutions acting as paying agent. These programs allow qualifying suppliers access to bank facilities which permit earlier payment at a cost to the supplier. The Company's payment terms related to suppliers' finance programs are not impacted by the suppliers' decisions to sell amounts under the arrangements and are typically consistent with local market practices. Outstanding supplier finance obligations are included in Accounts payable, trade in the Consolidated Balance Sheets and are reported as operating or investing (if capitalized) activities in the Consolidated Statement of Cash Flows when paid. At June 30, 2025, and December 31, 2024, the total obligation outstanding under supplier finance programs amounted to $468 million and $435 million, respectively.

Note 9
Debt

The Company's total debt at June 30, 2025, and December 31, 2024, amounted to $8,813 million and $6,945 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)	June 30, 2025	December 31, 2024
Short-term debt	322	83
Current maturities of long-term debt	236	210
Total	**558**	**293**

Short-term debt primarily represented issued commercial paper and short-term bank borrowings from various banks. At June 30, 2025, $225 million was outstanding under the $2 billion Euro-commercial paper program, no amount was outstanding under this program at December 31, 2024.

Long-term debt

The Company's long-term debt at June 30, 2025, and December 31, 2024, amounted to $8,255 million and $6,652 million, respectively.

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

	June 30, 2025				December 31, 2024			
(in millions)	Nominal outstanding		Carrying value[1]		Nominal outstanding		Carrying value[1]	
2.1% CHF Bonds, due 2025	CHF	150	$	188	CHF	150	$	166
1.965% CHF Bonds, due 2026	CHF	325	$	407	CHF	325	$	359
3.25% EUR Instruments, due 2027	EUR	500	$	584	EUR	500	$	518
0.75% CHF Bonds, due 2027	CHF	425	$	533	CHF	425	$	468
3.8% USD Notes, due 2028[2]	USD	383	$	382	USD	383	$	382
1.9775% CHF Bonds, due 2028	CHF	150	$	188	CHF	150	$	165
3.125% EUR Instruments, due 2029	EUR	500	$	590	EUR	500	$	523
1.0% CHF Bonds, due 2029	CHF	170	$	213	CHF	170	$	188
0% EUR Instruments, due 2030	EUR	800	$	832	EUR	800	$	727
2.375% CHF Bonds, due 2030	CHF	150	$	188	CHF	150	$	165
3.375% EUR Instruments, due 2031	EUR	750	$	868	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	$	438				
2.1125% CHF Bonds, due 2033	CHF	275	$	344	CHF	275	$	303
3.375% EUR Instruments, due 2034	EUR	750	$	877	EUR	750	$	780
1.2762% CHF Bonds, due 2036	CHF	250	$	313				
4.375% USD Notes, due 2042[2]	USD	609	$	592	USD	609	$	591
Total			**$**	**8,076**			**$**	**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).

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Note 10
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 June 30, 2025, and December 31, 2024, the Company had aggregate liabilities of $48 million and $83 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)	June 30, 2025	December 31, 2024
Performance guarantees	2,114	2,299
Financial guarantees	20	22
Total[1]	**2,134**	**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 June 30, 2025, and December 31, 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 2049, 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 June 30, 2025, and December 31, 2024, the maximum potential payable under these guarantees amounts to $845 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 June 30, 2025, and December 31, 2024, have been fully indemnified by Hitachi Ltd. These guarantees, having various maturities up to 2049, 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 June 30, 2025, and December 31, 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 June 30, 2025, and December 31, 2024, the total outstanding performance bonds aggregated to $3.5 billion and $3.2 billion, respectively. There have been no significant amounts reimbursed to financial institutions under these types of arrangements in the six and three months ended June 30, 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,	**1,248**	**1,210**
Claims paid in cash or in kind	(85)	(78)
Net increase in provision for changes in estimates, warranties issued and warranties expired	113	120
Exchange rate differences	96	(40)
Balance at June 30,	**1,372**	**1,212**
Included in:		
”Provisions” — current liabilities	733	638
”Other non-current liabilities” — non-current liabilities	639	574
Provisions for warranties - Total	**1,372**	**1,212**

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Note 11
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 28.0 percent in the six months ended June 30, 2025, was higher than the effective tax rate of 24.5 percent in the six months ended June 30, 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 six months ended June 30, 2024. This resulted in an increase of $0.04 in earnings per share (basic and diluted) for the six and three months ended June 30, 2024.

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Note 12
Employee benefits

The Company operates defined benefit pension plans, defined contribution pension plans, and termination indemnity plans, in accordance with local regulations and practices. At June 30, 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.

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

($ in millions)	Defined pension benefits			
	Switzerland		International	
Six months ended June 30,	**2025**	**2024**	**2025**	**2024**
Operational pension cost:				
Service cost	28	23	12	13
Operational pension cost	**28**	**23**	**12**	**13**
Non-operational pension cost (credit):				
Interest cost	11	17	78	78
Expected return on plan assets	(59)	(62)	(83)	(85)
Amortization of prior service cost (credit)	–	(4)	(2)	(1)
Amortization of net actuarial loss	–	–	25	26
Curtailments, settlements and special termination benefits	–	2	–	4
Non-operational pension cost (credit)[(1)]	**(48)**	**(47)**	**18**	**22**
Net periodic benefit cost (credit)	**(20)**	**(24)**	**30**	**35**

($ in millions)	Defined pension benefits			
	Switzerland		International	
Three months ended June 30,	**2025**	**2024**	**2025**	**2024**
Operational pension cost:				
Service cost	15	12	6	5
Operational pension cost	**15**	**12**	**6**	**5**
Non-operational pension cost (credit):				
Interest cost	6	8	40	39
Expected return on plan assets	(32)	(31)	(42)	(42)
Amortization of prior service cost (credit)	–	(2)	(1)	–
Amortization of net actuarial loss	–	–	13	13
Curtailments, settlements and special termination benefits	–	2	–	4
Non-operational pension cost (credit)[(1)]	**(26)**	**(23)**	**10**	**14**
Net periodic benefit cost (credit)	**(11)**	**(11)**	**16**	**19**

(1) Total Non-operational pension cost (credit) includes additional credits of $0 million and $1 million for the six months ended June 30, 2025 and 2024, respectively, and additional credits of $0 million and $1 million for the three months ended June 30, 2025 and 2024, respectively, related to other postretirement benefits.

The components of net periodic benefit cost other than the service cost component are included in the line Non-operational pension cost (credit) in the Consolidated Income Statements.

Employer contributions were as follows:

($ in millions)	Defined pension benefits			
	Switzerland		International	
Six months ended June 30,	**2025**	**2024**	**2025**	**2024**
Total contributions to defined benefit pension plans	33	28	20	26

($ in millions)	Defined pension benefits			
	Switzerland		International	
Three months ended June 30,	**2025**	**2024**	**2025**	**2024**
Total contributions to defined benefit pension plans	18	15	11	15

The Company expects to make contributions totaling approximately $101 million to its defined benefit pension plans for the full year 2025.

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Note 13
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. Also in February 2025, the Company launched a new share buyback program of up to $1.5 billion, as announced in late January 2025. This program, which is being executed on a second trading line on the SIX Swiss Exchange, is planned to run until January 2026. Under these buyback programs, the Company purchased approximately 14 million shares in the six months ended June 30, 2025, resulting in an increase in Treasury stock of $746 million.

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

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Note 14
Earnings per share

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

Basic earnings per share

	Six months ended June 30,		Three months ended June 30,	
($ in millions, except per share data in $)	2025	2024	2025	2024
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	2,261	2,004	1,158	1,098
Loss from discontinued operations, net of tax	(8)	(3)	(7)	(2)
Net income	**2,253**	**2,001**	**1,151**	**1,096**
Weighted-average number of shares outstanding (in millions)	**1,833**	**1,844**	**1,830**	**1,849**
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.23	1.09	0.63	0.59
Loss from discontinued operations, net of tax	–	–	–	–
Net income	**1.23**	**1.09**	**0.63**	**0.59**

Diluted earnings per share

	Six months ended June 30,		Three months ended June 30,	
($ in millions, except per share data in $)	2025	2024	2025	2024
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	2,261	2,004	1,158	1,098
Loss from discontinued operations, net of tax	(8)	(3)	(7)	(2)
Net income	**2,253**	**2,001**	**1,151**	**1,096**
Weighted-average number of shares outstanding (in millions)	1,833	1,844	1,830	1,849
Effect of dilutive securities:				
Call options and shares	3	9	2	6
Adjusted weighted-average number of shares outstanding (in millions)	**1,836**	**1,853**	**1,832**	**1,855**
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.23	1.08	0.63	0.59
Loss from discontinued operations, net of tax	–	–	–	–
Net income	**1.23**	**1.08**	**0.63**	**0.59**

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Note 15
Reclassifications out of accumulated other comprehensive loss

The following table shows changes in Accumulated other comprehensive loss (OCI) attributable to ABB, by component, net of tax:

($ in millions)	Foreign currency translation adjustments	Unrealized gains (losses) on available-for-sale securities	Pension and other postretirement plan adjustments	Derivative instruments and hedges	Total OCI
Balance at January 1, 2024	**(3,977)**	**(8)**	**(1,075)**	**(10)**	**(5,070)**
Other comprehensive (loss) income:					
Other comprehensive (loss) income before reclassifications	(16)	(1)	31	1	**15**
Amounts reclassified from OCI	–	–	19	3	**22**
Changes attributable to divestments	1	–	–	–	**1**
Total other comprehensive (loss) income	**(15)**	**(1)**	**50**	**4**	**38**
Less:					
Amounts attributable to noncontrolling interests and redeemable noncontrolling interests	(16)	–	–	–	**(16)**
Balance at June 30, 2024	**(3,976)**	**(9)**	**(1,025)**	**(6)**	**(5,016)**

($ 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, 2025	**(4,248)**	**(3)**	**(1,091)**	**(8)**	**(5,350)**
Other comprehensive (loss) income:					
Other comprehensive (loss) income before reclassifications	110	3	(98)	–	**15**
Amounts reclassified from OCI	–	–	16	3	**19**
Total other comprehensive (loss) income	**110**	**3**	**(82)**	**3**	**34**
Less:					
Amounts attributable to noncontrolling interests and redeemable noncontrolling interests	19	–	–	–	**19**
Balance at June 30, 2025	**(4,157)**	**–**	**(1,173)**	**(5)**	**(5,335)**

The amounts reclassified out of OCI for the six and three months ended June 30, 2025 and 2024, were not significant.

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Note 16
Operating segment data

The Chief Operating Decision Maker (CODM) is the Chief Executive Officer. The CODM allocates resources to and assesses the performance of each operating segment using the information outlined below. The Company is organized into the following segments, based on products and services: Electrification, Motion, Process Automation and Robotics & Discrete Automation. The remaining operations of the Company are included in Corporate and Other.

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). The segment information for the six and three months ended June 30, 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. Through June 30, 2025, these products and services are delivered through seven operating Divisions: Large Motors and Generators, IEC LV Motors, NEMA Motors, Drive Products, System Drives, Service and Traction. Effective July 1, 2025, the Large Motors and Generators and System Drives divisions will merge to form the High Power division.

- Process Automation: offers a broad range of industry-specific, integrated automation, electrification and digital solutions, as well as lifecycle services for the process, hybrid and marine industries. The product portfolio includes control technologies, industrial software, advanced analytics, sensing and measurement technology, and marine propulsion systems. In addition, Process Automation offers a comprehensive range of services, from repair to advanced digital capabilities such as remote monitoring, preventive maintenance, asset performance management, emission monitoring and cybersecurity. The products, systems and services are delivered through four operating Divisions: Energy Industries, Process Industries, Marine & Ports and Measurement & Analytics.

- Robotics & Discrete Automation: delivers its products, solutions and services through two operating Divisions. Robotics provides industrial and collaborative robots, autonomous mobile robotics, mapping and navigation solutions, robotic solutions, field services, spare parts and digital services. Machine Automation specializes in automation solutions based on its programmable logic controllers (PLC), industrial PCs (IPC), servo motion, transport systems and machine vision. Both divisions offer software across the entire life cycle, including engineering and simulation software as well as a comprehensive range of digital solutions.

Corporate and Other: Corporate includes headquarter costs, the Company's corporate real estate activities and Corporate Treasury while Other includes the E-mobility operating segment and other non-core operating activities as well as the operating activities of certain divested businesses.

The primary measure of profitability on which the operating segments are evaluated is Operational EBITA, which represents income from operations excluding:

- amortization expense on intangibles arising upon acquisition (acquisition-related amortization),
- restructuring, related and implementation costs,
- changes in the amount recorded for obligations related to divested businesses occurring after the divestment date (changes in obligations related to divested businesses),
- gains and losses from sale of businesses (including fair value adjustment on assets and liabilities held for sale, if any),
- acquisition- and divestment-related expenses and integration costs,
- certain other non-operational items, as well as
- foreign exchange/commodity timing differences in income from operations consisting of: (a) unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives), (b) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, and (c) unrealized foreign exchange movements on receivables/payables (and related assets/liabilities).

Certain other non-operational items generally includes certain regulatory, compliance and legal costs, certain asset write downs/impairments and certain other fair value changes, as well as other items which are determined by management on a case-by-case basis.

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 six and three months ended June 30, 2025 and 2024.

	Six months ended June 30, 2025					
($ in millions)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	Total
Geographical markets						
Europe	2,451	1,159	1,377	719	83	**5,789**
The Americas	3,585	1,314	948	270	73	**6,190**
of which: United States	2,874	1,087	612	163	44	**4,780**
Asia, Middle East and Africa	2,009	1,169	1,092	560	26	**4,856**
of which: China	866	534	286	373	7	**2,066**
	8,045	**3,642**	**3,417**	**1,549**	**182**	**16,835**
Product type						
Products	7,481	3,095	1,957	1,269	141	**13,943**
Services and other	564	547	1,460	280	41	**2,892**
	8,045	**3,642**	**3,417**	**1,549**	**182**	**16,835**
Third-party revenues	8,045	3,642	3,417	1,549	182	**16,835**
Intersegment revenues	111	263	20	8	(402)	**–**
Total revenues[1]	**8,156**	**3,905**	**3,437**	**1,557**	**(220)**	**16,835**
Operational cost of sales	(4,670)	(2,376)	(2,083)	(1,012)		
Operational selling, general and administrative expenses	(1,358)	(603)	(644)	(310)		
Operational non-order related research and development expenses	(223)	(151)	(160)	(92)		
Other segment items	14	(8)	(5)	5		
Operational EBITA	**1,919**	**767**	**545**	**148**		

	Six months ended June 30, 2024					
($ in millions)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	Total
Geographical markets						
Europe	2,296	1,062	1,181	924	116	**5,579**
The Americas	3,172	1,293	920	273	91	**5,749**
of which: United States	2,457	1,056	579	170	69	**4,331**
Asia, Middle East and Africa	1,893	1,142	1,200	495	51	**4,781**
of which: China	871	546	361	343	11	**2,132**
	7,361	**3,497**	**3,301**	**1,692**	**258**	**16,109**
Product type						
Products	6,862	2,926	1,938	1,398	231	**13,355**
Services and other	499	571	1,363	294	27	**2,754**
	7,361	**3,497**	**3,301**	**1,692**	**258**	**16,109**
Third-party revenues	7,361	3,497	3,301	1,692	258	**16,109**
Intersegment revenues	128	283	17	5	(433)	**–**
Total revenues[1]	**7,489**	**3,780**	**3,318**	**1,697**	**(175)**	**16,109**
Operational cost of sales	(4,372)	(2,404)	(2,081)	(1,059)		
Operational selling, general and administrative expenses	(1,216)	(529)	(575)	(328)		
Operational non-order related research and development expenses	(211)	(157)	(148)	(107)		
Other segment items	23	41	2	3		
Operational EBITA	**1,713**	**731**	**516**	**206**		

	Three months ended June 30, 2025					
($ in millions)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	Total
Geographical markets						
Europe	1,297	619	693	363	44	**3,016**
The Americas	1,893	679	511	146	43	**3,272**
of which: United States	1,517	563	328	91	24	**2,523**
Asia, Middle East and Africa	1,074	633	590	301	14	**2,612**
of which: China	458	291	155	201	3	**1,108**
	4,264	**1,931**	**1,794**	**810**	**101**	**8,900**
Product type						
Products	3,959	1,639	1,035	672	71	**7,376**
Services and other	305	292	759	138	30	**1,524**
	4,264	**1,931**	**1,794**	**810**	**101**	**8,900**
Third-party revenues	4,264	1,931	1,794	810	101	**8,900**
Intersegment revenues	67	134	10	3	(214)	**–**
Total revenues[(1)]	**4,331**	**2,065**	**1,804**	**813**	**(113)**	**8,900**
Operational cost of sales	(2,481)	(1,263)	(1,108)	(532)		
Operational selling, general and administrative expenses	(708)	(314)	(338)	(161)		
Operational non-order related research and development expenses	(118)	(78)	(82)	(46)		
Other segment items	9	(3)	14	–		
Operational EBITA	**1,033**	**407**	**290**	**74**		

	Three months ended June 30, 2024					
($ in millions)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	Total
Geographical markets						
Europe	1,142	574	626	434	55	**2,831**
The Americas	1,643	663	473	133	48	**2,960**
of which: United States	1,271	540	294	85	31	**2,221**
Asia, Middle East and Africa	957	584	607	264	36	**2,448**
of which: China	456	290	196	186	6	**1,134**
	3,742	**1,821**	**1,706**	**831**	**139**	**8,239**
Product type						
Products	3,482	1,531	1,027	687	125	**6,852**
Services and other	260	290	679	144	14	**1,387**
	3,742	**1,821**	**1,706**	**831**	**139**	**8,239**
Third-party revenues	3,742	1,821	1,706	831	139	**8,239**
Intersegment revenues	67	130	11	2	(210)	**–**
Total revenues[(1)]	**3,809**	**1,951**	**1,717**	**833**	**(71)**	**8,239**
Operational cost of sales	(2,209)	(1,225)	(1,068)	(532)		
Operational selling, general and administrative expenses	(616)	(266)	(294)	(162)		
Operational non-order related research and development expenses	(105)	(78)	(73)	(51)		
Other segment items	8	6	(19)	5		
Operational EBITA	**887**	**388**	**263**	**93**		

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 six and three months ended June 30, 2025 and 2024, and Total assets at June 30, 2025, and December 31, 2024:

	Six months ended June 30,		Three months ended June 30,	
($ in millions)	2025	2024	2025	2024
Operational EBITA:				
Electrification	1,919	1,713	1,033	887
Motion	767	731	407	388
Process Automation	545	516	290	263
Robotics & Discrete Automation	148	206	74	93
Corporate and Other				
– E-mobility	(89)	(141)	(42)	(87)
– Corporate costs, Intersegment elimination and other	15	(44)	(54)	20
Total	**3,305**	**2,981**	**1,708**	**1,564**
Acquisition-related amortization	(95)	(113)	(50)	(57)
Restructuring, related and implementation costs(1)	(24)	(76)	(8)	(50)
Changes in obligations related to divested businesses	3	11	2	11
Gains and losses from sale of businesses	12	(57)	1	(55)
Acquisition- and divestment-related expenses and integration costs	(31)	(37)	(22)	(18)
Foreign exchange/commodity timing differences in income from operations:				
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	73	(44)	(5)	33
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(1)	(1)	(1)	(2)
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(46)	42	(17)	–
Certain other non-operational items:				
Other income/expense relating to the Power Grids joint venture	6	11	3	3
Business transformation costs(2)	(88)	(101)	(44)	(51)
Certain other fair value changes, including asset impairments	27	(19)	11	(5)
Other non-operational items	(1)	(4)	(5)	3
Income from operations	**3,140**	**2,593**	**1,573**	**1,376**
Interest and dividend income	95	103	41	46
Interest and other finance expense	(63)	(50)	(16)	(13)
Non-operational pension (cost) credit	30	26	16	10
Income from continuing operations before taxes	**3,202**	**2,672**	**1,614**	**1,419**

(1) Includes impairment of certain assets.

(2) Amount includes ABB Way process transformation costs of $86 million and $99 million for the six months ended June 30, 2025 and 2024, respectively, and $43 million and $53 million for the three months ended June 30, 2025 and 2024, respectively.

Depreciation and amortization

	Six months ended June 30,		Three months ended June 30,	
($ in millions)	2025	2024	2025	2024
Electrification	215	188	112	94
Motion	85	78	43	40
Process Automation	36	28	19	14
Robotics & Discrete Automation	44	72	22	35
Corporate and Other	29	37	17	19
Consolidated	**409**	**403**	**213**	**202**

Capital expenditures

	Six months ended June 30,		Three months ended June 30,	
($ in millions)	2025	2024	2025	2024
Electrification	198	171	119	87
Motion	90	96	44	52
Process Automation	30	31	16	16
Robotics & Discrete Automation	54	38	35	17
Corporate and Other	47	30	10	13
Consolidated	**419**	**366**	**224**	**185**

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

	Total assets(1)	
($ in millions)	June 30, 2025	December 31, 2024
Electrification	14,974	13,089
Motion	7,254	6,870
Process Automation	5,582	5,308
Robotics & Discrete Automation	4,955	4,753
Corporate and Other	10,034	10,268
Consolidated	**42,799**	**40,288**

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

Supplemental Reconciliations and Definitions

The following reconciliations and definitions include alternative performance measures which ABB uses to supplement its Consolidated Financial Information (unaudited) which is prepared in accordance with United States generally accepted accounting principles (U.S. GAAP). Certain of these financial measures are not defined under U.S. GAAP.

While ABB's management believes that the measures herein are useful in evaluating ABB's operating results, this information should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with U.S. GAAP. Therefore these measures should not be viewed in isolation but considered together with the Consolidated Financial Information (unaudited) prepared in accordance with U.S. GAAP as of and for the six and three months ended June 30, 2025.

Effective January 1, 2025, ABB changed its accounting policy related to the functional classification of its information system expenses in the income statement. As a result, the consolidated financial statements for 2024 and 2023 have been retroactively restated to reflect this accounting policy change. See Note 1 - The Company and basis of presentation for details.

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

	Q2 2025 compared to Q2 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	11%	-2%	0%	**9%**	14%	-2%	-1%	**11%**
Motion	5%	-2%	0%	**3%**	6%	-2%	0%	**4%**
Process Automation	45%	-5%	0%	**40%**	5%	-3%	0%	**2%**
Robotics & Discrete Automation	6%	-2%	0%	**4%**	-2%	-3%	0%	**-5%**
ABB Group	**16%**	**-2%**	**0%**	**14%**	**8%**	**-2%**	**0%**	**6%**

	H1 2025 compared to H1 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	5%	1%	-1%	**5%**	9%	0%	0%	**9%**
Motion	-1%	0%	0%	**-1%**	3%	0%	0%	**3%**
Process Automation	33%	-1%	0%	**32%**	4%	0%	0%	**4%**
Robotics & Discrete Automation	10%	1%	0%	**11%**	-8%	0%	0%	**-8%**
ABB Group	**9%**	**0%**	**0%**	**9%**	**5%**	**0%**	**0%**	**5%**

Regional comparable growth rate reconciliation

Regional comparable growth rate reconciliation for ABB Group - Quarter

	Q2 2025 compared to Q2 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	12%	-6%	0%	**6%**	7%	-6%	-1%	**0%**
The Americas	27%	0%	1%	**28%**	11%	0%	1%	**12%**
of which: United States	38%	-2%	1%	**37%**	14%	-1%	1%	**14%**
Asia, Middle East and Africa	7%	0%	-1%	**6%**	7%	-1%	0%	**6%**
of which: China	4%	-1%	-1%	**2%**	-2%	-1%	-2%	**-5%**
ABB Group	**16%**	**-2%**	**0%**	**14%**	**8%**	**-2%**	**0%**	**6%**

Regional comparable growth rate reconciliation by Business Area - Quarter

	Q2 2025 compared to Q2 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	13%	-7%	0%	**6%**	14%	-6%	0%	**8%**
The Americas	9%	0%	1%	**10%**	15%	1%	0%	**16%**
of which: United States	13%	0%	0%	**13%**	19%	0%	-1%	**18%**
Asia, Middle East and Africa	13%	-1%	-1%	**11%**	11%	-1%	-3%	**7%**
of which: China	4%	-1%	-3%	**0%**	0%	0%	-7%	**-7%**
Electrification	**11%**	**-2%**	**0%**	**9%**	**14%**	**-2%**	**-1%**	**11%**

	Q2 2025 compared to Q2 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	1%	-6%	0%	**-5%**	7%	-6%	0%	**1%**
The Americas	14%	0%	0%	**14%**	3%	0%	0%	**3%**
of which: United States	27%	-1%	0%	**26%**	5%	-1%	0%	**4%**
Asia, Middle East and Africa	0%	0%	0%	**0%**	7%	0%	0%	**7%**
of which: China	9%	0%	0%	**9%**	1%	-1%	0%	**0%**
Motion	**5%**	**-2%**	**0%**	**3%**	**6%**	**-2%**	**0%**	**4%**

	Q2 2025 compared to Q2 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	20%	-7%	0%	**13%**	11%	-6%	0%	**5%**
The Americas	135%	-4%	0%	**131%**	8%	0%	0%	**8%**
of which: United States	222%	-12%	0%	**210%**	12%	-1%	0%	**11%**
Asia, Middle East and Africa	10%	-2%	0%	**8%**	-3%	-2%	0%	**-5%**
of which: China	-1%	0%	0%	**-1%**	-21%	-1%	0%	**-22%**
Process Automation	**45%**	**-5%**	**0%**	**40%**	**5%**	**-3%**	**0%**	**2%**

	Q2 2025 compared to Q2 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	26%	-7%	0%	**19%**	-16%	-5%	0%	**-21%**
The Americas	-31%	1%	0%	**-30%**	10%	1%	0%	**11%**
of which: United States	-37%	0%	0%	**-37%**	10%	0%	0%	**10%**
Asia, Middle East and Africa	9%	-1%	0%	**8%**	14%	-1%	0%	**13%**
of which: China	3%	0%	0%	**3%**	7%	0%	0%	**7%**
Robotics & Discrete Automation	**6%**	**-2%**	**0%**	**4%**	**-2%**	**-3%**	**0%**	**-5%**

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

	H1 2025 compared to H1 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	5%	-2%	0%	**3%**	4%	-2%	0%	**2%**
The Americas	18%	1%	0%	**19%**	8%	1%	1%	**10%**
of which: United States	23%	0%	0%	**23%**	10%	0%	1%	**11%**
Asia, Middle East and Africa	5%	1%	-1%	**5%**	2%	0%	0%	**2%**
of which: China	8%	1%	-1%	**8%**	-3%	0%	-2%	**-5%**
ABB Group	**9%**	**0%**	**0%**	**9%**	**5%**	**0%**	**0%**	**5%**

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

	H1 2025 compared to H1 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	2%	-1%	0%	**1%**	7%	-2%	0%	**5%**
The Americas	6%	2%	0%	**8%**	13%	1%	1%	**15%**
of which: United States	10%	0%	0%	**10%**	17%	0%	-1%	**16%**
Asia, Middle East and Africa	7%	2%	-1%	**8%**	4%	2%	-2%	**4%**
of which: China	6%	0%	-3%	**3%**	-1%	1%	-5%	**-5%**
Electrification	**5%**	**1%**	**-1%**	**5%**	**9%**	**0%**	**0%**	**9%**

	H1 2025 compared to H1 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	-1%	-1%	0%	**-2%**	8%	-2%	0%	**6%**
The Americas	10%	1%	0%	**11%**	2%	1%	0%	**3%**
of which: United States	18%	-1%	0%	**17%**	3%	0%	0%	**3%**
Asia, Middle East and Africa	-10%	0%	0%	**-10%**	0%	1%	0%	**1%**
of which: China	8%	1%	0%	**9%**	-2%	0%	0%	**-2%**
Motion	**-1%**	**0%**	**0%**	**-1%**	**3%**	**0%**	**0%**	**3%**

	H1 2025 compared to H1 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	13%	-1%	0%	**12%**	17%	-1%	0%	**16%**
The Americas	81%	0%	0%	**81%**	3%	1%	0%	**4%**
of which: United States	127%	-6%	0%	**121%**	6%	0%	0%	**6%**
Asia, Middle East and Africa	22%	-1%	0%	**21%**	-9%	0%	0%	**-9%**
of which: China	28%	0%	0%	**28%**	-21%	0%	0%	**-21%**
Process Automation	**33%**	**-1%**	**0%**	**32%**	**4%**	**0%**	**0%**	**4%**

	H1 2025 compared to H1 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%	-1%	0%	**16%**	-22%	-1%	0%	**-23%**
The Americas	-9%	3%	0%	**-6%**	-1%	3%	0%	**2%**
of which: United States	-22%	0%	0%	**-22%**	-4%	0%	0%	**-4%**
Asia, Middle East and Africa	12%	2%	0%	**14%**	13%	1%	0%	**14%**
of which: China	4%	0%	0%	**4%**	8%	1%	0%	**9%**
Robotics & Discrete Automation	**10%**	**1%**	**0%**	**11%**	**-8%**	**0%**	**0%**	**-8%**

Order backlog growth rate reconciliation

Business Area	June 30, 2025 compared to June 30, 2024 US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Electrification	15%	-3%	0%	**12%**
Motion	8%	-7%	0%	**1%**
Process Automation	25%	-6%	0%	**19%**
Robotics & Discrete Automation	-15%	-4%	0%	**-19%**
ABB Group	**13%**	**-5%**	**1%**	**9%**

Other growth rate reconciliations

	Q2 2025 compared to Q2 2024							
	Service orders growth rate				Services revenues growth rate			
Business Area	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**
Electrification	24%	-2%	-4%	**18%**	17%	-2%	-7%	**8%**
Motion	6%	-2%	0%	**4%**	1%	-2%	0%	**-1%**
Process Automation	83%	-7%	0%	**76%**	12%	-3%	0%	**9%**
Robotics & Discrete Automation	1%	-3%	0%	**-2%**	-4%	-3%	0%	**-7%**
ABB Group	**49%**	**-4%**	**-1%**	**44%**	**10%**	**-3%**	**-1%**	**6%**

	H1 2025 compared to H1 2024							
	Service orders growth rate				Services revenues growth rate			
Business Area	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**
Electrification	21%	1%	-6%	**16%**	13%	0%	-6%	**7%**
Motion	10%	1%	0%	**11%**	-4%	0%	0%	**-4%**
Process Automation	44%	-2%	0%	**42%**	7%	0%	0%	**7%**
Robotics & Discrete Automation	-2%	0%	0%	**-2%**	-5%	0%	0%	**-5%**
ABB Group	**29%**	**-1%**	**-1%**	**27%**	**5%**	**0%**	**-1%**	**4%**

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

	Six months ended June 30,		Three months ended June 30,	
($ in millions)	2025	2024	2025	2024
Operational EBITA	**3,305**	**2,981**	**1,708**	**1,564**
Acquisition-related amortization	(95)	(113)	(50)	(57)
Restructuring, related and implementation costs(1)	(24)	(76)	(8)	(50)
Changes in obligations related to divested businesses	3	11	2	11
Gains and losses from sale of businesses	12	(57)	1	(55)
Acquisition- and divestment-related expenses and integration costs	(31)	(37)	(22)	(18)
Certain other non-operational items	(56)	(113)	(35)	(50)
Foreign exchange/commodity timing differences in income from operations	26	(3)	(23)	31
Income from operations	**3,140**	**2,593**	**1,573**	**1,376**
Interest and dividend income	95	103	41	46
Interest and other finance expense	(63)	(50)	(16)	(13)
Non-operational pension (cost) credit	30	26	16	10
Income from continuing operations before taxes	**3,202**	**2,672**	**1,614**	**1,419**
Income tax expense	(895)	(654)	(426)	(315)
Income from continuing operations, net of tax	**2,307**	**2,018**	**1,188**	**1,104**
Loss from discontinued operations, net of tax	(8)	(3)	(7)	(2)
Net income	**2,299**	**2,015**	**1,181**	**1,102**

(1) Includes impairment of certain assets.

Reconciliation of Operational EBITA margin by business

	Three months ended June 30, 2025					
($ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other and Intersegment elimination	Consolidated
Total revenues	**4,331**	**2,065**	**1,804**	**813**	**(113)**	**8,900**
Foreign exchange/commodity timing differences in total revenues:						
Unrealized gains and losses on derivatives	(19)	(7)	20	1	–	**(5)**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	–	(1)	(1)	2	(1)	**(1)**
Unrealized foreign exchange movements on receivables (and related assets)	11	–	(2)	(3)	1	**7**
Operational revenues	**4,323**	**2,057**	**1,821**	**813**	**(113)**	**8,901**
Income (loss) from operations	**990**	**393**	**273**	**67**	**(150)**	**1,573**
Acquisition-related amortization	29	9	4	7	1	**50**
Restructuring, related and implementation costs(1)	4	5	1	2	(4)	**8**
Changes in obligations related to divested businesses	–	–	–	–	(2)	**(2)**
Gains and losses from sale of businesses	(2)	–	–	–	1	**(1)**
Acquisition- and divestment-related expenses and integration costs	9	1	4	2	6	**22**
Certain other non-operational items	2	4	–	(1)	30	**35**
Foreign exchange/commodity timing differences in income from operations:						
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(7)	(8)	10	(4)	14	**5**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	–	–	–	2	(1)	**1**
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	8	3	(2)	(1)	9	**17**
Operational EBITA	**1,033**	**407**	**290**	**74**	**(96)**	**1,708**
Operational EBITA margin (%)	**23.9%**	**19.8%**	**15.9%**	**9.1%**	**n.a.**	**19.2%**

(1) Includes impairment of certain assets.

In the three months ended June 30, 2025, Certain other non-operational items in the table above includes the following:

	Three months ended June 30, 2025					
($ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	Consolidated
Certain other non-operational items:						
Other income/expense relating to the Power Grids joint venture	–	–	–	–	(3)	**(3)**
Business transformation costs(1)	–	3	–	–	41	**44**
Certain other fair values changes, including asset impairments	–	1	–	(1)	(11)	**(11)**
Other non-operational items	2	–	–	–	3	**5**
Total	**2**	**4**	**–**	**(1)**	**30**	**35**

(1) Amounts include ABB Way process transformation costs of $43 million for the three months ended June 30, 2025.

	Three months ended June 30, 2024					
($ in millions, unless otherwise indicated)	**Electrification**	**Motion**	**Process Automation**	**Robotics & Discrete Automation**	**Corporate and Other and Intersegment elimination**	**Consolidated**
Total revenues	**3,809**	**1,951**	**1,717**	**833**	**(71)**	**8,239**
Foreign exchange/commodity timing differences in total revenues:						
Unrealized gains and losses on derivatives	4	(3)	(21)	–	3	**(17)**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	1	2	(1)	–	2	**4**
Unrealized foreign exchange movements on receivables (and related assets)	5	1	3	3	(3)	**9**
Operational revenues	**3,819**	**1,951**	**1,698**	**836**	**(69)**	**8,235**
Income (loss) from operations	**837**	**369**	**274**	**46**	**(150)**	**1,376**
Acquisition-related amortization	23	8	2	20	4	**57**
Restructuring, related and implementation costs(1)	8	14	–	20	8	**50**
Changes in obligations related to divested businesses	–	–	–	–	(11)	**(11)**
Gains and losses from sale of businesses	24	–	–	–	31	**55**
Acquisition- and divestment-related expenses and integration costs	19	2	1	5	(9)	**18**
Certain other non-operational items	(1)	–	(5)	(2)	58	**50**
Foreign exchange/commodity timing differences in income from operations:						
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(23)	(6)	(12)	2	6	**(33)**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(2)	1	–	–	3	**2**
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	2	–	3	2	(7)	**–**
Operational EBITA	**887**	**388**	**263**	**93**	**(67)**	**1,564**
Operational EBITA margin (%)	**23.2%**	**19.9%**	**15.5%**	**11.1%**	**n.a.**	**19.0%**

(1) Includes impairment of certain assets.

In the three months ended June 30, 2024, Certain other non-operational items in the table above includes the following:

	Three months ended June 30, 2024					
($ in millions, unless otherwise indicated)	**Electrification**	**Motion**	**Process Automation**	**Robotics & Discrete Automation**	**Corporate and Other**	**Consolidated**
Certain other non-operational items:						
Other income/expense relating to the Power Grids joint venture	–	–	–	–	(3)	**(3)**
Business transformation costs(1)	(1)	–	–	(1)	53	**51**
Certain other fair values changes, including asset impairments	(1)	–	(4)	–	10	**5**
Other non-operational items	1	–	(1)	(1)	(2)	**(3)**
Total	**(1)**	**–**	**(5)**	**(2)**	**58**	**50**

(1) Amounts include ABB Way process transformation costs of $53 million for the three months ended June 30, 2024.

($ in millions, unless otherwise indicated)	Six months ended June 30, 2025 Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other and Intersegment elimination	Consolidated
Total revenues	**8,156**	**3,905**	**3,437**	**1,557**	**(220)**	**16,835**
Foreign exchange/commodity timing differences in total revenues:						
Unrealized gains and losses on derivatives	(53)	(16)	(3)	(1)	(3)	**(76)**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(1)	–	(6)	2	(1)	**(6)**
Unrealized foreign exchange movements on receivables (and related assets)	41	5	7	5	4	**62**
Operational revenues	**8,143**	**3,894**	**3,435**	**1,563**	**(220)**	**16,815**
Income (loss) from operations	**1,912**	**754**	**536**	**123**	**(185)**	**3,140**
Acquisition-related amortization	55	18	8	14	–	**95**
Restructuring, related and implementation costs(1)	10	7	3	7	(3)	**24**
Changes in obligations related to divested businesses	–	–	–	–	(3)	**(3)**
Gains and losses from sale of businesses	(13)	–	–	–	1	**(12)**
Acquisition- and divestment-related expenses and integration costs	19	2	5	4	1	**31**
Certain other non-operational items	(29)	10	(2)	(1)	78	**56**
Foreign exchange/commodity timing differences in income from operations:						
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(64)	(31)	(9)	(4)	35	**(73)**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	1	1	(2)	2	(1)	**1**
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	28	6	6	3	3	**46**
Operational EBITA	**1,919**	**767**	**545**	**148**	**(74)**	**3,305**
Operational EBITA margin (%)	**23.6%**	**19.7%**	**15.9%**	**9.5%**	**n.a.**	**19.7%**

(1) Includes impairment of certain assets.

In the six months ended June 30, 2025, Certain other non-operational items in the table above includes the following:

($ in millions, unless otherwise indicated)	Six months ended June 30, 2025 Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	Consolidated
Certain other non-operational items:						
Other income/expense relating to the Power Grids joint venture	–	–	–	–	(6)	**(6)**
Business transformation costs(1)	1	5	–	–	82	**88**
Certain other fair values changes, including asset impairments	(25)	4	(2)	(1)	(3)	**(27)**
Other non-operational items	(5)	1	–	–	5	**1**
Total	**(29)**	**10**	**(2)**	**(1)**	**78**	**56**

(1) Amounts include ABB Way process transformation costs of $86 million for the six months ended June 30, 2025.

($ in millions, unless otherwise indicated)	Six months ended June 30, 2024 Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other and Intersegment elimination	Consolidated
Total revenues	**7,489**	**3,780**	**3,318**	**1,697**	**(175)**	**16,109**
Foreign exchange/commodity timing differences in total revenues:						
Unrealized gains and losses on derivatives	51	43	23	6	8	**131**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(2)	2	1	–	2	**3**
Unrealized foreign exchange movements on receivables (and related assets)	(26)	(16)	(18)	(8)	(5)	**(73)**
Operational revenues	**7,512**	**3,809**	**3,324**	**1,695**	**(170)**	**16,170**
Income (loss) from operations	**1,606**	**670**	**508**	**137**	**(328)**	**2,593**
Acquisition-related amortization	46	17	3	41	6	**113**
Restructuring, related and implementation costs[1]	18	22	7	20	9	**76**
Changes in obligations related to divested businesses	–	–	–	–	(11)	**(11)**
Gains and losses from sale of businesses	24	–	–	–	33	**57**
Acquisition- and divestment-related expenses and integration costs	29	2	1	7	(2)	**37**
Certain other non-operational items	2	3	(5)	(1)	114	**113**
Foreign exchange/commodity timing differences in income from operations:						
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(1)	27	10	6	2	**44**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(3)	1	1	–	2	**1**
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(8)	(11)	(9)	(4)	(10)	**(42)**
Operational EBITA	**1,713**	**731**	**516**	**206**	**(185)**	**2,981**
Operational EBITA margin (%)	**22.8%**	**19.2%**	**15.5%**	**12.2%**	**n.a.**	**18.4%**

(1) Includes impairment of certain assets.

In the six months ended June 30, 2024, certain other non-operational items in the table above includes the following:

($ in millions, unless otherwise indicated)	Six months ended June 30, 2024 Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	Consolidated
Certain other non-operational items:						
Other income/expense related to the Power Grids joint venture	–	–	–	–	(11)	**(11)**
Business transformation costs	1	1	–	–	99	**101**
Certain other fair values changes, including asset impairments	–	2	(4)	–	21	**19**
Other non-operational items	1	–	(1)	(1)	5	**4**
Total	**2**	**3**	**(5)**	**(1)**	**114**	**113**

(1) Amounts include ABB Way process transformation costs of $99 million for the six months ended June 30, 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)	June 30, 2025	December 31, 2024
Short-term debt and current maturities of long-term debt	558	293
Long-term debt	8,255	6,652
Total debt	**8,813**	**6,945**
Cash and equivalents	3,266	4,326
Marketable securities and short-term investments	1,846	1,334
Cash and marketable securities	**5,112**	**5,660**
Net debt	**3,701**	**1,285**

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)	June 30, 2025	December 31, 2024
Total stockholders' equity	14,600	14,991
Net debt (as defined above)	3,701	1,285
Net debt / Equity ratio	**0.25**	**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)	June 30, 2025	June 30, 2024
Income from operations for the three months ended:		
September 30, 2024 / 2023	1,309	1,259
December 31, 2024 / 2023	1,169	1,116
March 31, 2025 / 2024	1,567	1,217
June 30, 2025 / 2024	1,573	1,376
Depreciation and Amortization for the three months ended:		
September 30, 2024 / 2023	194	194
December 31, 2024 / 2023	205	199
March 31, 2025 / 2024	196	201
June 30, 2025 / 2024	213	202
EBITDA	**6,426**	**5,764**
Net debt (as defined above)	**3,701**	**2,480**
Net debt / EBITDA	**0.6**	**0.4**

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

($ in millions, unless otherwise indicated)	June 30, 2025	June 30, 2024
Net working capital:		
Receivables, net	7,949	7,492
Contract assets	1,301	1,118
Inventories, net	6,396	6,166
Prepaid expenses	361	294
Accounts payable, trade	(5,273)	(5,118)
Contract liabilities	(3,354)	(2,973)
Other current liabilities[1]	(3,613)	(3,463)
Net working capital	**3,767**	**3,516**

(1) Amounts exclude $1,069 million and $660 million at June 30, 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 (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)	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Trade net working capital:					
Trade receivables	7,320	6,887	6,816	6,821	6,898
Contract assets	1,301	1,210	1,115	1,236	1,118
Inventories, net	6,396	6,070	5,768	6,465	6,166
Accounts payable, trade	(5,273)	(5,032)	(5,036)	(5,167)	(5,118)
Contract liabilities	(3,354)	(3,248)	(2,969)	(3,081)	(2,973)
Accrued expenses, operating	(1,286)	(1,223)	(1,266)	(1,363)	(1,266)
Trade net working capital in assets and liabilities held for sale	–	–	–	20	–
Trade net working capital	**5,104**	**4,664**	**4,428**	**4,931**	**4,825**
Average of opening and closing Trade net working capital	4,884	4,546	4,680	4,878	
Average trade net working capital	**4,747**				
Total revenues for the three months ended:					
September 30, 2024	8,151				
December 31, 2024	8,590				
March 31, 2025	7,935				
June 30, 2025	8,900				
Total revenues for the trailing twelve months	**33,576**				
Average trade net working capital as a percentage of revenues	**14.1%**				

($ in millions, unless otherwise indicated)	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Trade net working capital:					
Trade receivables	6,898	6,790	6,822	6,863	6,786
Contract assets	1,118	1,135	1,090	1,073	1,010
Inventories, net	6,166	6,079	6,058	6,241	6,357
Accounts payable, trade	(5,118)	(5,018)	(4,847)	(4,777)	(4,881)
Contract liabilities	(2,973)	(2,866)	(2,844)	(2,610)	(2,394)
Accrued expenses, operating	(1,266)	(1,302)	(1,445)	(1,524)	(1,341)
Trade net working capital in assets and liabilities held for sale	–	–	–	–	143
Trade net working capital	**4,825**	**4,818**	**4,834**	**5,266**	**5,680**
Average of opening and closing Trade net working capital	4,822	4,826	5,050	5,473	
Average trade net working capital	**5,043**				
Total revenues for the three months ended:					
September 30, 2023	7,968				
December 31, 2023	8,245				
March 31, 2024	7,870				
June 30, 2024	8,239				
Total revenues for the trailing twelve months	**32,322**				
Average trade net working capital as a percentage of revenues	**15.6%**				

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 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)	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Adjusted total fixed assets:					
Property, plant and equipment, net	4,618	4,301	4,177	4,248	4,095
Goodwill	11,352	11,088	10,555	10,582	10,525
Other intangible assets, net	1,192	1,183	1,048	1,036	1,089
Investments in equity-accounted companies	388	377	368	185	189
Operating lease right-of-use assets	849	861	840	873	861
Fixed assets included in assets held for sale	–	–	–	176	–
Total fixed assets	**18,399**	**17,810**	**16,988**	**17,100**	**16,759**
Less: Deferred taxes recognized in certain acquisitions(1)	(220)	(231)	(242)	(253)	(265)
Adjusted total fixed assets	**18,179**	**17,579**	**16,746**	**16,847**	**16,494**
Net working capital - (as defined above)	**3,767**	**3,371**	**2,739**	**3,512**	**3,516**
Capital employed	**21,946**	**20,950**	**19,485**	**20,359**	**20,010**
Average of opening and closing Capital employed	21,448	20,218	19,922	20,185	
Operational EBITA for the three months ended	1,708	1,597	1,434	1,553	
Operational EBITA for the trailing twelve months	6,292				
Notional tax on Operational EBITA	(1,573)				
Operational EBITA after tax for the trailing twelve months	**4,719**				
Average Capital employed (4 quarters)	**20,443**				
Return on Capital Employed (ROCE)	**23.1%**				

(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)	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Adjusted total fixed assets:					
Property, plant and equipment, net	4,095	4,047	4,142	3,891	3,923
Goodwill	10,525	10,494	10,561	10,356	10,420
Other intangible assets, net	1,089	1,128	1,223	1,181	1,257
Investments in equity-accounted companies	189	178	187	186	154
Operating lease right-of-use assets	861	863	893	850	852
Fixed assets included in assets held for sale	–	–	–	–	293
Total fixed assets	**16,759**	**16,710**	**17,006**	**16,464**	**16,899**
Less: Deferred taxes recognized in certain acquisitions[1]	(265)	(281)	(297)	(312)	(328)
Adjusted total fixed assets	**16,494**	**16,429**	**16,709**	**16,152**	**16,571**
Net working capital - (as defined above)	**3,516**	**3,497**	**3,166**	**3,950**	**4,494**
Capital employed	**20,010**	**19,926**	**19,875**	**20,102**	**21,065**
Average of opening and closing Capital employed	19,968	19,901	19,989	20,584	
Operational EBITA for the three months ended	1,564	1,417	1,333	1,392	
Operational EBITA for the trailing twelve months	5,706				
Notional tax on Operational EBITA	(1,427)				
Operational EBITA after tax for the trailing twelve months	**4,279**				
Average Capital employed (4 quarters)	**20,110**				
Return on Capital Employed (ROCE)	**21.3%**				

(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

($ in millions, unless otherwise indicated)	Six months ended June 30, 2025	Six months ended June 30, 2024	Three months ended June 30, 2025	Three months ended June 30, 2024
Net cash provided by operating activities	**1,743**	**1,793**	**1,059**	**1,067**
Adjusted for the effects of operations:				
Purchases of property, plant and equipment and intangible assets	(419)	(366)	(224)	(185)
Proceeds from sale of property, plant and equipment	173	42	10	36
Free cash flow	**1,497**	**1,469**	**845**	**918**

Free cash flow conversion to net income

Definition

Free cash flow conversion to net income

Free cash flow conversion to net income is calculated as free cash flow divided by Adjusted net income attributable to ABB.

Adjusted net income attributable to ABB

Adjusted net income attributable to ABB is calculated as net income attributable to ABB adjusted for gains or losses arising on sale of certain businesses and certain other significant items within net income which are also excluded / adjusted for when calculating operating cashflows.

Free cash flow for the trailing twelve months

Free cash flow for the trailing twelve months includes free cash flow recorded by ABB in the twelve months preceding the relevant balance sheet date.

Net income for the trailing twelve months

Net income for the trailing twelve months includes net income recorded by ABB (as adjusted) in the twelve months preceding the relevant balance sheet date.

Reconciliation

($ in millions, unless otherwise indicated)	Trailing twelve months to June 30, 2025	Trailing twelve months to December 31, 2024
Net cash provided by operating activities	**4,625**	**4,675**
Adjusted for the effects of operations:		
Purchases of property, plant and equipment and intangible assets	(898)	(845)
Proceeds from sale of property, plant and equipment	238	107
Free cash flow	**3,965**	**3,937**
Adjusted net income attributable to ABB(1)	**4,164**	**3,949**
Free cash flow conversion to net income	**95%**	**100%**

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

Reconciliation of the trailing twelve months to June 30, 2025

($ in millions)	Net cash provided by operating activities	Purchases of property, plant and equipment and intangible assets	Proceeds from sale of property, plant and equipment	Adjusted net income attributable to ABB(1)
Q3 2024	1,345	(196)	24	1,026
Q4 2024	1,537	(283)	41	922
Q1 2025	684	(195)	163	1,065
Q2 2025	1,059	(224)	10	1,151
Total for the trailing twelve months to June 30, 2025	**4,625**	**(898)**	**238**	**4,164**

(1) Adjusted net income attributable to ABB for Q3 2024 is adjusted to exclude the fair value adjustment of $89 million on assets and liabilities held for sale related to In-Charge and adjustments to the gain on sale of Power Grids of $10 million; Q4 2024 is adjusted to exclude the net gain on the sale of a business within the Electrification Business Area of $64 million and a decrease in the fair value adjustment relating to In-Charge of $1 million and Q1 2025 is adjusted to exclude $37 million of gains arising on sale of certain investments and intangibles assets.

Net finance income (expense)

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

Reconciliation

	Six months ended June 30,		Three months ended June 30,	
($ in millions)	2025	2024	2025	2024
Interest and dividend income	95	103	41	46
Interest and other finance expense	(63)	(50)	(16)	(13)
Net finance income (expense)	**32**	**53**	**25**	**33**

Book-to-bill ratio

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

Reconciliation

	Six months ended June 30,					
	2025			2024		
($ in millions, except Book-to-bill presented as a ratio)	Orders	Revenues	Book-to-bill	Orders	Revenues	Book-to-bill
Electrification	8,912	8,156	**1.09**	8,465	7,489	**1.13**
Motion	4,268	3,905	**1.09**	4,317	3,780	**1.14**
Process Automation	4,644	3,437	**1.35**	3,499	3,318	**1.05**
Robotics & Discrete Automation	1,528	1,557	**0.98**	1,389	1,697	**0.82**
Corporate and Other *(incl. intersegment eliminations)*	(354)	(220)	**n.a.**	(261)	(175)	**n.a.**
ABB Group	**18,998**	**16,835**	**1.13**	**17,409**	**16,109**	**1.08**

	Three months ended June 30,					
	2025			2024		
($ in millions, except Book-to-bill presented as a ratio)	Orders	Revenues	Book-to-bill	Orders	Revenues	Book-to-bill
Electrification	4,518	4,331	**1.04**	4,073	3,809	**1.07**
Motion	2,112	2,065	**1.02**	2,014	1,951	**1.03**
Process Automation	2,620	1,804	**1.45**	1,802	1,717	**1.05**
Robotics & Discrete Automation	729	813	**0.90**	688	833	**0.83**
Corporate and Other *(incl. intersegment eliminations)*	(194)	(113)	**n.a.**	(142)	(71)	**n.a.**
ABB Group	**9,785**	**8,900**	**1.10**	**8,435**	**8,239**	**1.02**

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