Q1 2025

FIRST THREE MONTHS
PRESS RELEASE

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

ZURICH, SWITZERLAND, APRIL 17, 2025

Q1 2025 results

Strong start to the year; optimizing value creation with portfolio management

- Orders $9,213 million, +3%; comparable[1] +5%
- Revenues $7,935 million, +1%; comparable[1] +3%
- Income from operations $1,567 million; margin 19.7%
- Operational EBITA[1] $1,597 million; margin[1] 20.2%
- Basic EPS $0.60; +22%[3]
- Cash flow from operating activities $684 million; -6%

KEY FIGURES

($ millions, unless otherwise indicated)	Q1 2025	Q1 2024	CHANGE US$	CHANGE Comparable[1]
Orders	9,213	8,974	3%	5%
Revenues	7,935	7,870	1%	3%
Gross Profit[2]	3,311	3,064	8%	
as % of revenues[2]	41.7%	38.9%	+2.8 pts	
Income from operations	1,567	1,217	29%	
Operational EBITA[1]	1,597	1,417	13%	16%[4]
as % of operational revenues[1]	20.2%	17.9%	+2.3 pts	
Income from continuing operations, net of tax	1,119	914	22%	
Net income attributable to ABB	1,102	905	22%	
Basic earnings per share ($)	0.60	0.49	22%[3]	
Cash flow from operating activities	684	726	-6%	
Free cash flow[1]	652	551	18%	

1 For a reconciliation of alternative performance measures, see "supplemental reconciliations and definitions" in the attached Q1 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 Q1 2025 Financial
3 EPS growth rates are computed using unrounded amounts.
4 Constant currency (not adjusted for portfolio changes).

"ABB had a strong start to the year with progress on most lines of the income statement and solid cash flow. We confirm our 2025 outlook, but acknowledge that uncertainty for the business environment has increased. At the same time, we expect to create further value by actively managing our portfolio and spinning off our Robotics business."

Morten Wierod, CEO

CEO summary

A robust business environment in the first quarter of 2025 supported the order increase of 3% (5% comparable). Despite the slightly slower than expected revenue growth of 1% (3% comparable) we delivered an Operational EBITA margin of 20.2%. All our business areas outpaced our original expectations with a strong finish in the quarter. Additional margin support stemmed from a capital gain linked to a real estate sale which lifted profitability by approximately 170 basis points. Free cash flow[1] of $652 million is a good start to us improving our full year 2025 free cash flow from last year's $3.9 billion. Overall, I am pleased with the outcome.

We built order backlog as we again achieved another quarter with a positive book-to-bill, reaching 1.16. Order intake increased in three out of four business areas, with only Motion declining from last year's record high level. Customer inventories in the Machine Automation division are seemingly approaching normalized levels, with some final adjustments spilling over into the second quarter. Sequentially, the general business activity remained largely stable, but with some signs of longer investment decision lead times towards the end of the quarter, linked to unclarity regarding trade tariffs.

As part of the annual reporting suite, we published our annual sustainability statement, and I am pleased about the progress we have made. Some highlights include that we are already close to fulfilling our 2030 target of 80% CO_2e emissions reduction as we ended 2024 at 78% below the 2019 base level. It makes me proud to see that our leading technology helped customers avoid another 66 megatons of emissions throughout the lifetime of products sold, and importantly our diligent focus on zero harm to our people resulted in another low score for Lost Time Injury Frequency Rate (LTIFR) of 0.15.

We acknowledge the increased uncertainty for the global business environment on the back of trade tariffs. We focus on what we can control and take action to defend our market position and profitability. Our legacy of a local-for-local footprint serves us well and in the United States we cover as much as 75%-80% of our sales with domestic production, with additional support from certain tariff exemptions. In Europe and China we have reached an even higher local footprint. The energy transition and expansion means increasing demand for advanced electrification technologies and we incrementally invest in the United States to support the anticipated long-term market development. We announced investments of $120 million in two of our manufacturing sites to expand local production of low voltage electrification products. This is in addition to the more than $500 million of US investments over the past three years.

We continue to be active with portfolio management and the Smart Building division completed the acquisition of Siemens' Wiring Accessories business in China. This adds a comprehensive product portfolio and a robust distribution network across 230 cities. It generated more than $150 million in revenues in 2024 and will be margin accretive.

We have also decided to initiate the preparations to spin off our Robotics division as a separately listed pure play robotics company, planned for the second quarter of 2026. ABB Robotics holds a global number two market position with revenues of $2.3 billion in 2024 and as a strong performer in its industry it would benefit from being measured more directly against its peers. In addition, there are limited synergies between the ABB Robotics business and the remainder of the ABB divisions with different demand and market characteristics. We believe this change will support value creation in both units and now is a good time for both ABB and for the Robotics business. When it comes to ABB, the period of major operational change is behind us as we are on the final stretch of pushing the ABB Way operating model further down in the organization. For the Robotics business, it has proven its double-digit margin resilience and solid cash flow profile over the past few years in our decentralized operating model. It is well invested in their state-of-the-art main hubs in China and US and are just now starting the construction work for a major upgrade of the European hub in Sweden. It has the broadest customer offering and R&D efforts resulted in the unique Omnicore platform being launched last year. They have also made important acquisitions adding Autonomous Mobile Robots (AMRs) and Visual Simultaneous Localization and Mapping (VSLAM) technology. It is our view that a spin-off will optimize both companies' abilities to create customer value, grow and attract talent and both will benefit from a more focused governance and capital allocation.

Upon completion of the spin-off ABB will consist of three business areas with clear sales and technology synergies. The Machine Automation division, which together with Robotics currently forms the Robotics & Discrete Automation business area, will become part of the Process Automation business area where customer value creation will benefit from synergies for software and control technologies, for example towards hybrid industries.

As part of our capital allocation strategy we launched a share buy-back program of up to $1.5 billion, which is in addition to the dividend of CHF 0.90 per share approved by shareholders at the annual general meeting.

Morten Wierod
CEO

Outlook

In the **second quarter of 2025**, we anticipate comparable revenue growth in the mid-single digit range, and the Operational EBITA margin to remain broadly stable with last year's 19.0%; however acknowledging the increased uncertainty for the global business environment. We expect improved business results in 2025 to offset the year-on-year headwind from favorable net non-repeats of 30 basis points in Corporate & Other in the second quarter of 2024.

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 increased uncertainty for the global business environment.

Orders and revenues

Orders increased by 3% (5% comparable) to $9,213 million, supporting the book-to-bill of 1.16. There was positive momentum for both short-cycle and project and systems orders in three out of four business areas. Short-cycle orders improved also in Motion, however total orders declined from last year's record-high level due mainly to lower project orders in the Traction division. Order backlog at the end of the first quarter reached $23 billion.

Comparable orders increased in all geographical regions. The market environment in the Americas was strong and orders were up by 8% (11% comparable), supported by the United States which improved by 9% (9% comparable). In Europe, the positive comparable development was more than offset by the impact of changes in exchange rates, resulting in total orders declining by 2% (up 1% comparable). Asia, Middle East and Africa improved by 2% (4% comparable) mainly driven by strong growth in China which was up by 13% (13% comparable).

In transport & infrastructure, the trading environment was strong in marine and ports as well as in rail, for which however quarterly orders declined from last year's challenging comparable, which included some larger orders. Land transport infrastructure benefited from upgrades of electrical equipment.

In the industrial areas a particularly strong development was seen in utilities. The general sentiment in the data center segment remains very strong, although quarterly orders declined slightly.

Orders in the buildings segment improved as weakness in China was more than offset by favorable developments in other regions driven by commercial areas while the residential segment remained overall stable.

In the robotics-related segments, the general trading environment in the automotive segment remains challenging, but orders increased on the back of certain customers broadening their geographical exposure, similar to the consumer electronics segment. Orders increased in food & beverage and the general industry segment benefited from increased orders related to industrial machinery and the fashion industry. Orders in the machine builder segment increased sharply from a low level.

In the process-related areas, orders were stable or improved in most customer segments, with a muted environment mainly in chemicals and pulp & paper.

Revenues improved by 1% (3% comparable) to $7,935 million, with the increase on a comparable basis offset mainly by the adverse impacts from changes in exchange rates. The higher revenues year-on-year was supported by execution of the order backlog and an increase in service. Higher volumes was the main driver to the revenue growth, with some added support from slightly positive pricing.

Growth

Change year-on-year	Q1 Orders	Q1 Revenues
Comparable	5%	3%
FX	-2%	-2%
Portfolio changes	0%	0%
Total	**3%**	**1%**

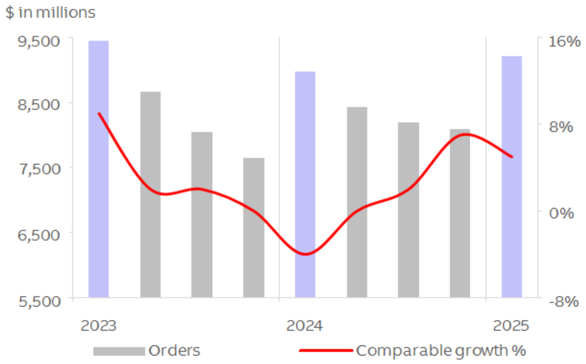
Orders by region

($ in millions, unless otherwise indicated)	Q1 2025	Q1 2024	CHANGE US$	CHANGE Comparable
Europe	3,234	3,298	-2%	1%
The Americas	3,139	2,904	8%	11%
Asia, Middle East and Africa	2,840	2,772	2%	4%
ABB Group	**9,213**	**8,974**	**3%**	**5%**

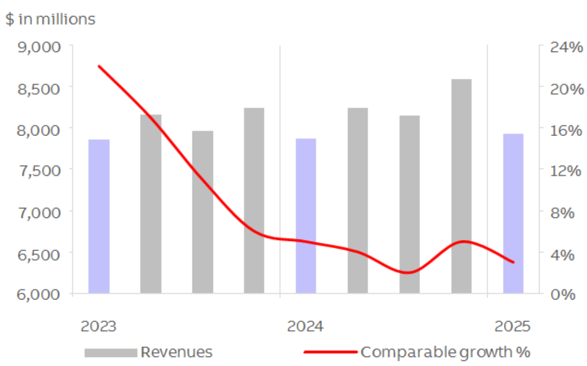
Revenues by region

($ in millions, unless otherwise indicated)	Q1 2025	Q1 2024	CHANGE US$	CHANGE Comparable
Europe	2,773	2,748	1%	4%
The Americas	2,918	2,789	5%	8%
Asia, Middle East and Africa	2,244	2,333	-4%	-2%
ABB Group	**7,935**	**7,870**	**1%**	**3%**

Orders



Revenues



Earnings

Gross profit
Gross profit increased by 8% (11% constant currency) year-on-year to $3,311 million, reflecting a gross margin of 41.7%, up 280 basis points year-on-year, with approximately 110 basis points support from foreign exchange/commodity timing differences. Gross margin improved in three out of four business areas.

Income from operations
Income from operations amounted to $1,567 million and improved by 29% year-on-year. This improvement was driven mainly by a stronger business performance, an operational capital gain linked to a real estate sale, favorable impacts from exchange rate and commodity timing differences. In total, the Income from operations margin was 19.7%, up by 420 basis points.

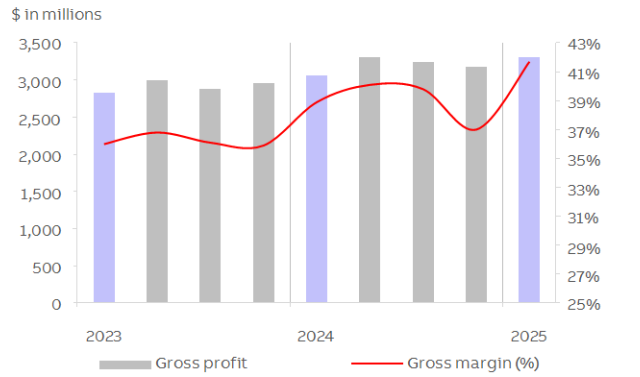
Operational EBITA
Operational EBITA improved by 13% year-on-year to $1,597 million and the margin increased by 230 basis points to 20.2%. The increases were supported both by improved operational results driven by leverage on higher volumes as well as slightly positive pricing. In addition, the net gain of approximately $140 million related to a real estate sale had positive margin impact of around 170 basis points. These combined benefits more than offset the higher expenses related to Sales, General & Administrative. Earnings improved in three business areas reflecting the higher margin run rate compared with last year. This more than offset a significant decline in Robotics & Discrete Automation which was impacted by lower revenues in a weak, but sequentially stabilizing, market environment. Operational EBITA in Corporate and Other amounted to $22 million including the impact of the real estate capital gain. Underlying corporate costs were $68 million while the E-mobility business reported a loss of $47 million as the operational performance was hampered by low volumes and the ongoing reorganization to ensure a more focused portfolio.

Finance net
Net finance income contributed to results with a positive $7 million, lower than last year's income of $20 million. The change was due to higher interest charges on income tax contingencies offset partially by lower interest charges on debt.

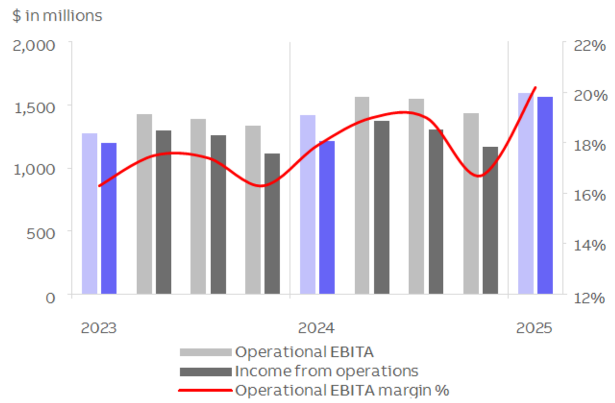
Income tax
Income tax expense was $469 million, and the effective tax rate was 29.5%.

Net income and earnings per share
Net income attributable to ABB was $1,102 million, representing an increase of 22% from last year, mainly helped by the impacts of improved business performance and the gain, net of tax for a real estate divestment, which more than offset the adverse impact from higher tax rate year-on-year. This resulted in an increase of 22% in basic earnings per share to $0.60, up from $0.49 in the last year period.

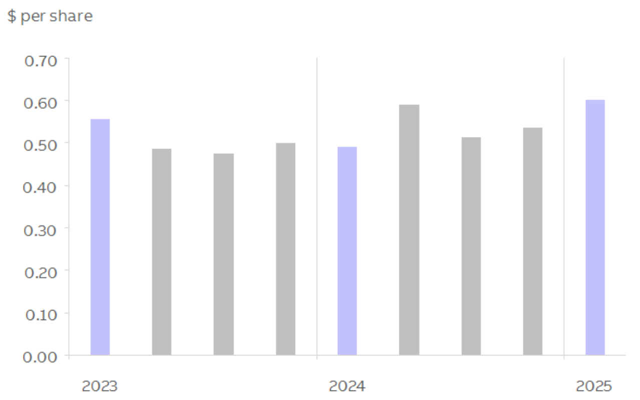
Gross profit & Gross margin



Income from operations & Operational EBITA



Basic EPS



Corporate and Other Operational EBITA

($ in millions)	Q1 2025	Q1 2024
Corporate and Other		
E-mobility	(47)	(54)
Corporate costs, intersegment eliminations and other[1]	69	(64)
Total	**22**	**(118)**

1 Majority of which relates to underlying corporate

Balance sheet & Cash flow

Trade net working capital[1]

Trade net working capital amounted to $4,664 million, decreasing year-on-year from $4,818 million as an increase in trade receivables and contract assets were more than offset by higher customer advances. The average trade net working capital as a percentage of revenues[1] was 14.4% which declined from 16.1% one year ago.

Capital expenditures

Purchases of property, plant and equipment and intangible assets amounted to $195 million.

Net debt

Net debt[1] amounted to $1,460 million at the end of the quarter and decreased from $2,086 million year-on-year. The sequential increase from $1,285 million in the fourth quarter was mainly due to share buyback activity and the completed acquisitions of businesses, which was partly offset by a solid free cash flow during the quarter.

Cash flows

Cash flow from operating activities was $684 million, representing a decline from last year's $726 million as the impact of stronger earnings was offset by higher taxes and interest, while the buildup of Net working capital was broadly stable. Free cash flow amounted to $652 million and improved from last year's $551 million mainly supported by the proceeds from the real estate sale with a cash impact of about $100 million.

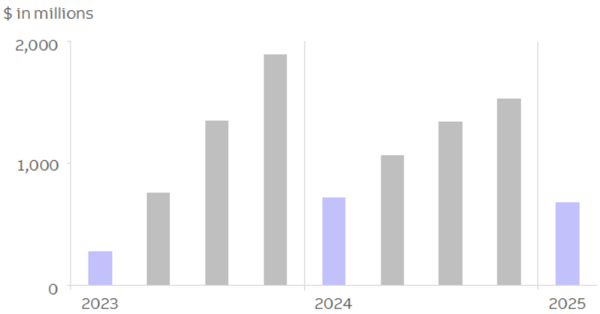
Share buyback program

A share buyback program of up to $1.5 billion was launched on February 10, 2025, after the previous program of up to $1 billion as completed on January 31, 2025. During the first quarter, under the new program ABB repurchased a total of 3,886,309 shares for a total amount of approximately $216 million. As of March 31, 2025, ABB's total number of issued shares, including shares held in treasury, amounts to 1,860,614,888.

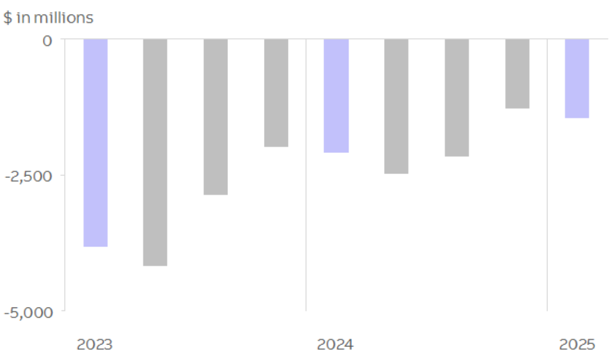
($ in millions, unless otherwise indicated)	Mar. 31 2025	Mar. 31 2024	Dec. 31 2024
Short-term debt and current maturities of long-term debt	805	1,957	293
Long-term debt	7,015	6,346	6,652
Total debt	**7,820**	**8,303**	**6,945**
Cash & equivalents	4,494	4,120	4,326
Marketable securities and short-term investments	1,866	2,097	1,334
Cash and marketable securities	**6,360**	**6,217**	**5,660**
Net debt (cash)*	**1,460**	**2,086**	**1,285**
Net debt (cash)* to EBITDA ratio	**0.2**	**0.4**	**0.2**
Net debt (cash)* to Equity ratio	**0.10**	**0.16**	**0.09**

* March 31, 2025, March, 31, 2024 and Dec. 31, 2024, net debt(cash) excludes net pension (assets)/liabilities of $(266) million, $(189) million and $(227) million, respectively.

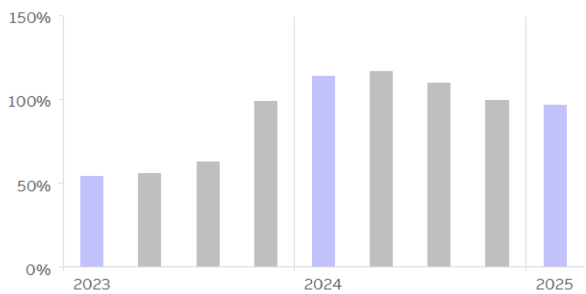
Cash flow from operating activities



Net Cash (Net Debt) position



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



Electrification

Growth

Change year-on-year	Q1 Orders	Q1 Revenues
Comparable	2%	6%
FX	-3%	-2%
Portfolio changes	1%	0%
Total	**0%**	**4%**

Orders and revenues

The overall business environment was healthy in the first quarter and total order intake remained on par with last year's record level. Orders increased in most customer segments, however the comparable positive development was offset by the impact from changes in exchange rates. In total, orders amounted to $4,394 million, stable year-on-year (up 2% comparable). Book-to-bill was strong at 1.15, and the order backlog increased to all-time-high level of $8.2 billion.

- Customer activity was stable to positive in most of the customer segments, including the two largest of utilities as well as buildings where commercial demand improved and residential remained overall stable. The general sentiment in the data center segment remains very strong, although quarterly orders declined slightly due to slower activity noted for a specific customer within the hyperscale field.
- Orders improved in two out of three regions, from last year's record order level. The Americas increased by 4% (6% comparable) supported by the United States at 7% (6% comparable). Europe declined by 7% (4% comparable) with a mixed picture between the largest countries. Asia, Middle East and Africa improved by 3% (4% comparable) driven by China which was up by 8% (6% comparable).
- Revenues of $3,825 million increased by 4% (6% comparable) from last year, improving in virtually 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 businesses as well as good customer activity in the short-cycle business.

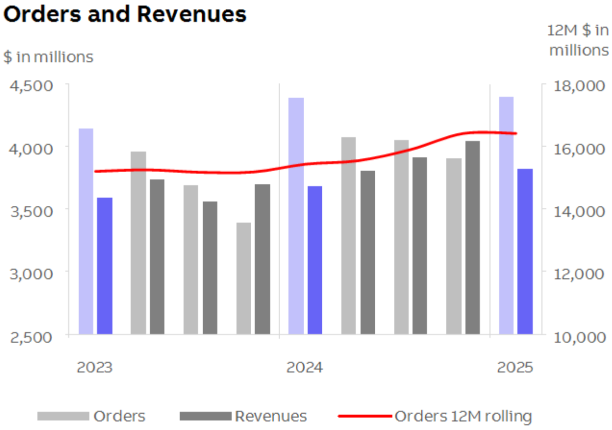
Profit

Operational EBITA increased by 7% year-on-year to $886 million, resulting in a margin improvement of 80 basis points to 23.2%.

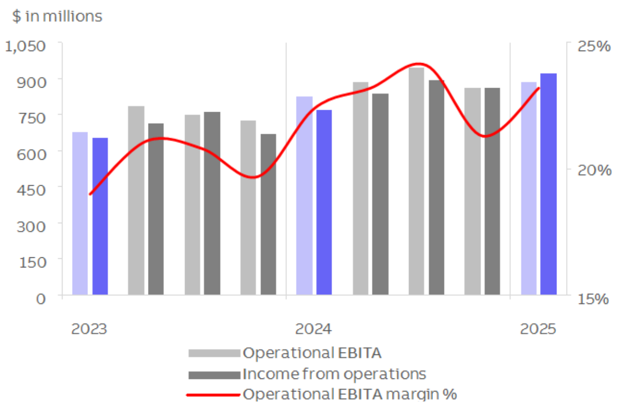
- A strong improvement in gross margin was the main driver to the profitability increase, supported primarily by operational leverage on higher volumes and improved operational efficiency which combined more than offset a slight increase in SG&A expenses.

($ millions, unless otherwise indicated)	Q1 2025	Q1 2024	CHANGE US$	CHANGE Comparable
Orders	4,394	4,392	0%	2%
Order backlog	8,173	7,389	11%	11%
Revenues	3,825	3,680	4%	6%
Gross Profit	1,638	1,498	9%	
as % of revenues	42.8%	40.7%	+2.1 pts	
Operational EBITA	886	826	7%	
as % of operational revenues	23.2%	22.4%	+0.8 pts	
Cash flow from operating activities	521	547	-5%	
No. of employees (FTE equiv.)	53,100	50,700		

Orders and Revenues



Income from operations & Operational EBITA



Motion

Growth

Change year-on-year	Q1 Orders	Q1 Revenues
Comparable	-4%	3%
FX	-2%	-2%
Portfolio changes	0%	0%
Total	**-6%**	**1%**

Orders and revenues

Book-to-bill was strong at 1.17 as Motion delivered yet another quarter with order intake at the +$2 billion level. The decline from last year's all-time-high by 6% (4% comparable) to $2,156 million was mainly due to the high large order comparable.

- Strong growth was recorded in the service business, and short-cycle orders were up slightly. This was however offset by lower large order bookings as last year's high level included one specific order of $150 million in the Traction division.
- A stable to favorable order development was recorded in the segments of HVAC for commercial buildings, water & wastewater and power generation. Orders declined in the process related areas of oil & gas, chemicals and food & beverage; but also in rail due to the challenging large order comparable.
- Orders improved in the Americas by 6% (8% comparable), supported by a strong improvement of 9% (10% comparable) in the United States. Comparable orders were stable in Europe while the total declined by 3% (0% comparable) primarily reflecting changes in exchange rates. Asia, Middle East and Africa declined sharply by 19% (18% comparable) impacted by the large order comparable although orders in China increased by 7% (9% comparable).
- Revenues of $1,840 million improved by 1% (3% comparable). Strong growth in the long-cycle divisions through backlog execution was partially offset by declines in service, while short-cycle was broadly stable. Further support was derived from a positive price component.

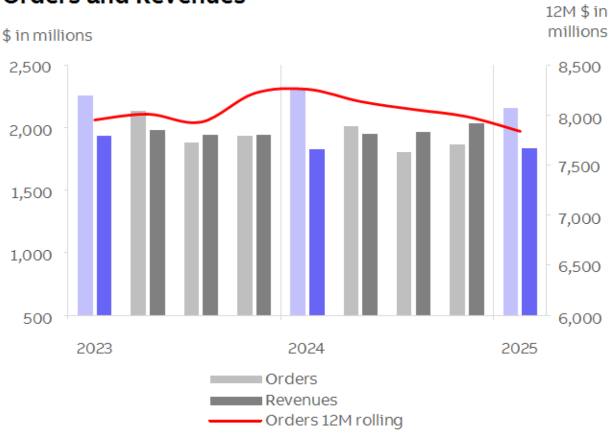
Profit

Operational EBITA increased by 5% from last year, representing a 110 basis point improvement in the Operational EBITA margin.

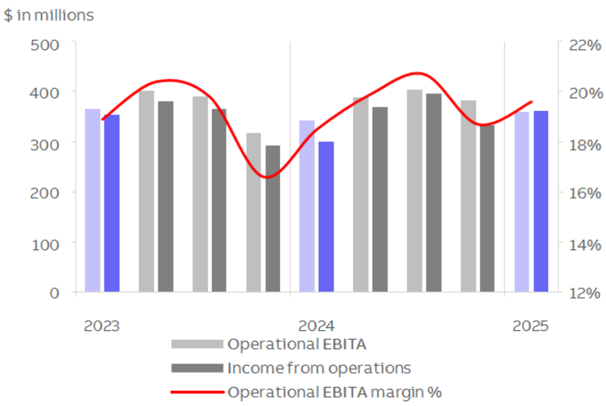
- The largest driver for the higher profitability level was the increase in gross margin. This was mainly supported by the impact from positive pricing as well as improved operational efficiency.

($ millions, unless otherwise indicated)	Q1 2025	Q1 2024	CHANGE US$	CHANGE Comparable
Orders	2,156	2,303	-6%	-4%
Order backlog	5,716	5,612	2%	2%
Revenues	1,840	1,829	1%	3%
Gross Profit	733	646	13%	
as % of revenues	39.8%	35.3%	+4.5 pts	
Operational EBITA	360	343	5%	
as % of operational revenues	19.6%	18.5%	+1.1 pts	
Cash flow from operating activities	310	352	-12%	
No. of employees (FTE equiv.)	22,330	22,380		

Orders and Revenues



Income from operations & Operational EBITA



Process Automation

Growth

Change year-on-year	Q1 Orders	Q1 Revenues
Comparable	23%	5%
FX	-4%	-3%
Portfolio changes	0%	0%
Total	**19%**	**2%**

Orders and revenues

Orders exceeding $2 billion signal a healthy business environment. Order intake increased by 19% (23% comparable) and amounted to $2,024 million with a positive development across the divisions. Book-to-bill was strong at 1.24, making it another quarter adding to the order backlog which amounted to $8.1 billion, up by 10% from last year.

- Customer activity remained very strong in the marine and ports segment, where the main exposure is passenger and specialized vessels, as well as port automation. A stable to positive order development was noted in most of the energy and process industry-related segments.
- Towards the end of the quarter there were some emerging signs of delayed investment decisions linked to uncertainty surrounding tariff impacts. On the other hand, customer activity remains strong for security of energy supply and geopolitical self-sufficiency.
- 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 2% (5% comparable) with some additional support from positive pricing, for total revenues of $1,633 million.

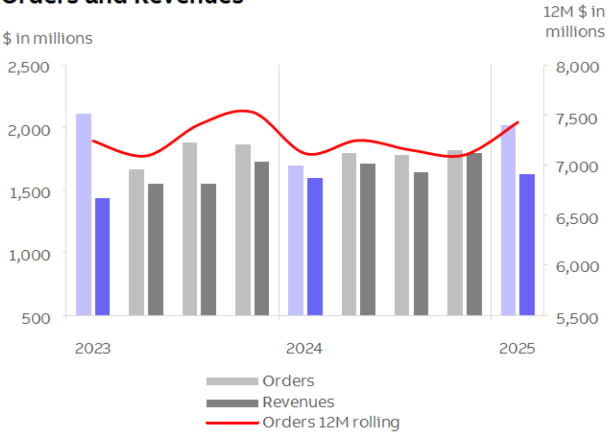
Profit

Operational EBITA of $255 million was up by 1% representing an Operational EBITA margin of 15.8%.

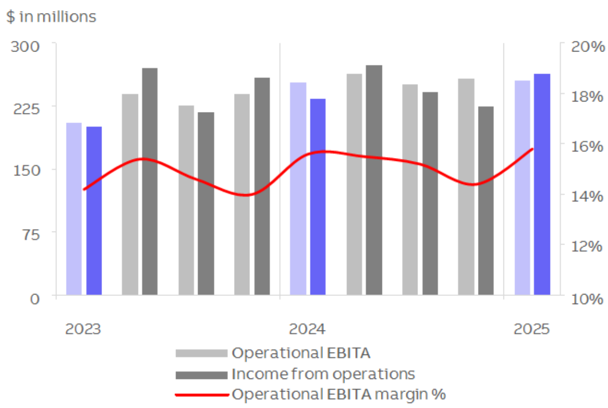
- Operational EBITA margin improved in the project and systems related divisions which executed the order backlog with high gross margin. This was partially offset by the product division where weaker revenues weighed on profitability year-on-year.

($ millions, unless otherwise indicated)	Q1 2025	Q1 2024	CHANGE US$	CHANGE Comparable
Orders	2,024	1,697	19%	23%
Order backlog	8,076	7,343	10%	10%
Revenues	1,633	1,601	2%	5%
Gross Profit	647	594	9%	
as % of revenues	39.6%	37.1%	+2.5 pts	
Operational EBITA	255	253	1%	
as % of operational revenues	15.8%	15.6%	+0.2 pts	
Cash flow from operating activities	264	229	15%	
No. of employees (FTE equiv.)	22,760	21,340		

Orders and Revenues



Income from operations & Operational EBITA



Robotics & Discrete Automation

Growth

Change year-on-year	Q1 Orders	Q1 Revenues
Comparable	17%	-11%
FX	-3%	-3%
Portfolio changes	0%	0%
Total	**14%**	**-14%**

Orders and revenues

The business area turned a corner in the first quarter with both divisions recording strong order growth year-on-year, and improving also sequentially. Order intake was up by 14% (17% comparable) to $799 million and book-to-bill was positive at 1.07.

- Orders in the **Robotics** division improved from last year at a double-digit pace. The general trading environment in the automotive segment remains challenging, but orders increased as certain customers stick with our leading technology, particularly for paint solutions, as they expand their geographical exposure. A similar pattern supported orders also in the consumer electronics segment. Other positive drivers were food & beverage, the fashion industry and industrial machinery. Orders increased sharply in the Americas and the Asia, Middle East & Africa regions, while a low single digit decline was recorded in Europe.
- Orders in the **Machine Automation** division increased sharply from last year's low level and customers' inventory levels are seemingly approaching normalized inventory levels, with some final adjustments spilling over into the second quarter. We expect a slight sequential improvement in absolute order intake also going into the second quarter of 2025.
- Revenues for the business area declined sharply by 14% (11% comparable) to $744 million. The two divisions show diverging patterns, with increased volumes in Robotics, while it declined sharply in Machine Automation.

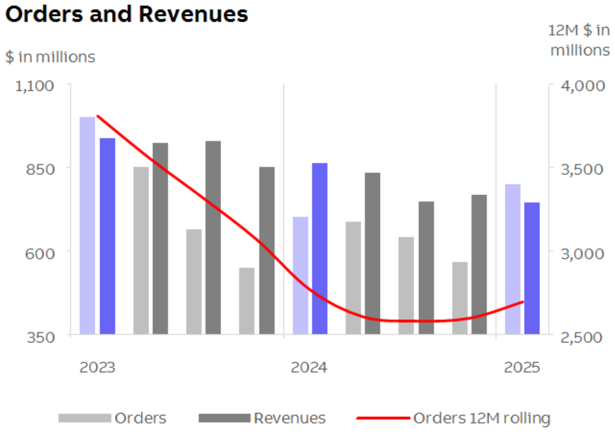
Profit

Sequentially the Operational EBITA margin improved more than expected. However, year-on-year the impact from operational leverage on significantly lower volumes in the Machine Automation division put pressure on the Operational EBITA which declined by 35% to $74 million. The Operational EBITA margin dropped by 330 basis points year-on-year to 9.9%.

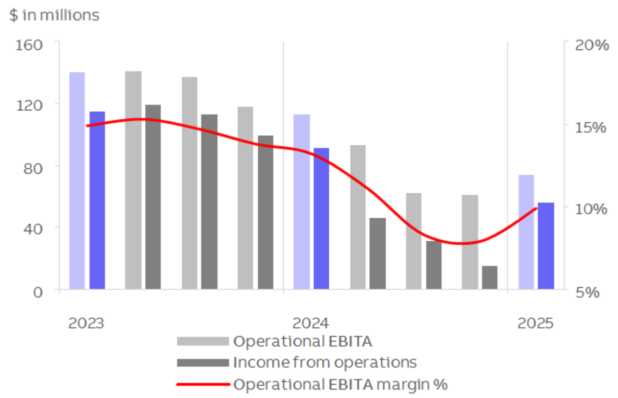
- The Robotics division continued to deliver a double-digit profitability level.
- Machine Automation improved to a break-even level as savings from cost measures were increasingly realized to offset the adverse impacts from still low utilization rates in production.

			CHANGE	
($ millions, unless otherwise indicated)	**Q1 2025**	**Q1 2024**	**US$**	**Comparable**
Orders	799	701	14%	17%
Order backlog	1,518	1,918	-21%	-21%
Revenues	744	864	-14%	-11%
Gross Profit	256	320	-20%	
as % of revenues	34.4%	37.0%	-2.6 pts	
Operational EBITA	74	113	-35%	
as % of operational revenues	9.9%	13.2%	-3.3 pts	
Cash flow from operating activities	65	95	-32%	
No. of employees (FTE equiv.)	10,280	11,380		

Orders and Revenues



Income from operations & Operational EBITA



Sustainability

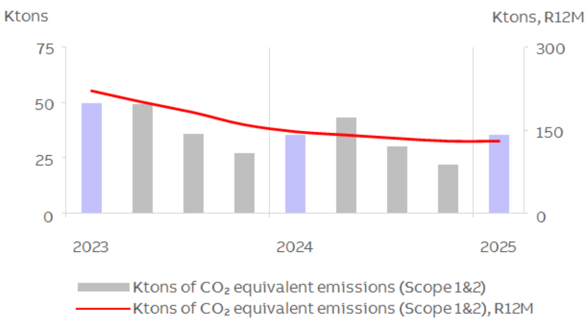
Events from the Quarter

- ABB has launched an innovative collaboration with Stena Recycling AB, to streamline and improve the recycling of wood waste from its robotics factory in Västerås, Sweden. Stena Recycling processes the waste into wood chips that will eventually be utilized to produce particle boards for new furniture production. This partnership has contributed to ABB Robotics increasing its material recycling rate in our factory in Västerås, Sweden, from 36 percent to over 90 percent annually.
- ABB has been selected by GreenIron, an innovative Swedish company working in the mining and metals industries with its patented materials reduction technology, to provide automation and control system solutions for a first commercial facility in Sweden. GreenIron is a pioneer for fossil-free metal production and has chosen ABB's distributed control system to manage and automate its process supporting its ambition of leading the industries' transformation to a circular economy and reducing CO_2 emissions. The latest version of ABB technology will create optimizations and efficiencies and is key to GreenIron's scale up and commercialization.
- ABB's high-efficiency motors and drives have enabled Aurubis, Europe's leading copper producer, to save 25 GWh of electricity annually at its Pirdop plant in Bulgaria. The upgrade involved replacing 460 outdated motors with IE4 and IE5 models, significantly reducing energy consumption and carbon emissions. The upgrade is expected to save so much energy that the project will pay for itself in only 3.5 years. Other benefits include reduced carbon emissions, increased process flexibility and improved performance.
- ABB invested in two energy efficiency start-ups in North America to accelerate innovation and sustainability for its Electrification business. In March, ABB has acquired a minority stake in US company DG Matrix to support the commercialization of solid-state power electronics for generative AI data centers and renewable microgrids. The company's Power Router platform replaces conventional systems with an all-in-one solution that is up to five times smaller and has best-in-class energy efficiency of 98 percent. In January, ABB also invested in Edgecom Energy, a Canadian energy management startup. The company's unique energy management platform uses artificial intelligence to help industrial and commercial users manage and reduce peaks in their power demand.
- One of ABB's largest sites in the United States, in South Carolina, has launched a major sustainability initiative aimed at reducing its environmental impact and boosting energy efficiency. Key upgrades include transitioning to LED lighting, implementing water-saving measures, and deploying advanced energy monitoring software. The site is also planning to install a solar farm and battery energy storage system, supporting its goal of energy self-sufficiency. These efforts are expected to significantly cut carbon emissions and save over $150,000 in annual energy costs.

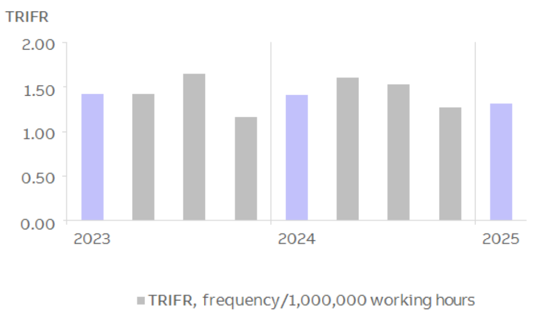
	Q1 2025	Q1 2024	CHANGE	12M ROLLING
CO_2e own operations emissions, Ktons scope 1 and 2[1]	35	35	0%	129
Total recordable incident frequency rate (TRIFR), frequency / 1,000,000 working hours[2]	1.31	1.44	-9%	1.43
Proportion of women in senior management roles in %	21.8	21.5	+0.3 pts	21.5

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 April 7, 2025

CO_2e Scope 1&2



Total recordable incident frequency rate (TRIFR)



Significant events

During Q1 2025

- On February 10, ABB launched its previously announced new share buyback program of up to $1.5 billion. Based on the ABB share price at that time this represents a maximum of approximately 27.6 million shares. The maximum number of shares that may be repurchased under this new program on any given trading day is 663,417. The new share buyback program is for capital reduction purposes and will be executed on a second trading line on the SIX Swiss Exchange. It is planned to run from February 10, 2025, until January 28, 2026.

  The total number of ABB's issued shares is 1,860,614,888. This includes 16,715,684 shares that were repurchased under the 2024 share buyback program and are expected to be cancelled in Q2 2025. ABB will use the capital band authorized at its Annual General Meeting 2023 for cancellation of these shares. On 7 February, 2025, ABB owned approximately 24 million treasury shares.
- On March 27, ABB held its Annual General Meeting in Zurich, Switzerland where shareholders approved all proposals. This included the dividend of CHF 0.90 and the election of Claudia Nemat as a new Board Director, replacing Lars Förberg who did not stand for re-election.
- On March 3, ABB announced the completion of the acquisition of Siemens' Wiring Accessories business in China which generated over $150 million in revenue in 2024. The acquisition enhances ABB's portfolio to address the growing demand for safe, reliable and energy-efficient building solutions as it provides access to expansive distributor network, extending ABB's reach across China and Southeast Asia, and further into the retail market.

After Q1 2025

- On April 17, ABB announced that it will launch a process to propose to its Annual General Meeting 2026 to decide on a 100 percent 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.

Acquisitions and divestments, last twelve months

Acquisitions	Company/unit	Closing date	Revenues, $ in millions[1]	No. of employees
2025				
Electrification	Siemens Wiring Accessories	3-Mar	~150	360
Electrification	Sensorfact	3-Feb	~15	260
Electrification	Coulomb Inc.	13-Jan	~2	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
Process Automation	DTN Europe	3-Jun	~14	84

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

Additional 2025 guidance

($ in millions, unless otherwise	FY 2025[1]	Q2 2025
Corporate and Other Operational EBITA[2]	~(200) from ~(300)	~(75)
Non-operating items		
Acquisition-related amortization	~(180)	~(55)
Restructuring and related[3]	~(250)	~(60)
ABB Way transformation	~(150)	~(50)

($ in millions, unless otherwise stated)	FY 2025
Finance net	~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.

Q1 results presentation on April 17, 2025

The Q1 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.

Media will be able to join a conference call at 9:00 a.m. CET. 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	
July 17	Q2 2025 results
October 16	Q3 2025 results
November 18	Capital Markets Day in New Berlin, United States

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

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April 17, 2025

Q1 2025

Financial Information

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FINANCIAL INFORMATION
Contents

Key Figures

($ in millions, unless otherwise indicated)	Q1 2025	Q1 2024	CHANGE US$	CHANGE Comparable[(1)]
Orders	9,213	8,974	3%	5%
Order backlog (end March)	23,036	22,015	5%	5%
Revenues	7,935	7,870	1%	3%
Gross Profit[(2)]	3,311	3,064	8%	
as % of revenues[(2)]	41.7%	38.9%	+2.8 pts	
Income from operations	1,567	1,217	29%	
Operational EBITA[(1)]	1,597	1,417	13%	16%[(3)]
as % of operational revenues[(1)]	20.2%	17.9%	+2.3 pts	
Income from continuing operations, net of tax	1,119	914	22%	
Net income attributable to ABB	1,102	905	22%	
Basic earnings per share ($)	0.60	0.49	22%[(4)]	
Cash flow from operating activities	684	726	-6%	
Free cash flow[(1)]	652	551	18%	

(1) For a reconciliation of alternative performance measures see “Supplemental Reconciliations and Definitions” on page 28.
(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)		Q1 2025	Q1 2024	CHANGE US$	CHANGE Local	CHANGE Comparable
Orders	**ABB Group**	**9,213**	**8,974**	**3%**	**5%**	**5%**
	Electrification	4,394	4,392	0%	3%	2%
	Motion	2,156	2,303	-6%	-4%	-4%
	Process Automation	2,024	1,697	19%	23%	23%
	Robotics & Discrete Automation	799	701	14%	17%	17%
	Corporate and Other	128	142			
	Intersegment eliminations	(288)	(261)			
Order backlog (end March)	**ABB Group**	**23,036**	**22,015**	**5%**	**5%**	**5%**
	Electrification	8,173	7,389	11%	11%	11%
	Motion	5,716	5,612	2%	2%	2%
	Process Automation	8,076	7,343	10%	10%	10%
	Robotics & Discrete Automation	1,518	1,918	-21%	-21%	-21%
	Corporate and Other (incl. intersegment eliminations)	(447)	(247)			
Revenues	**ABB Group**	**7,935**	**7,870**	**1%**	**3%**	**3%**
	Electrification	3,825	3,680	4%	6%	6%
	Motion	1,840	1,829	1%	3%	3%
	Process Automation	1,633	1,601	2%	5%	5%
	Robotics & Discrete Automation	744	864	-14%	-11%	-11%
	Corporate and Other	96	125			
	Intersegment eliminations	(203)	(229)			
Income from operations	**ABB Group**	**1,567**	**1,217**			
	Electrification	922	769			
	Motion	361	301			
	Process Automation	263	234			
	Robotics & Discrete Automation	56	91			
	Corporate and Other (incl. intersegment eliminations)	(35)	(178)			
Income from operations %	**ABB Group**	**19.7%**	**15.5%**			
	Electrification	24.1%	20.9%			
	Motion	19.6%	16.5%			
	Process Automation	16.1%	14.6%			
	Robotics & Discrete Automation	7.5%	10.5%			
Operational EBITA	**ABB Group**	**1,597**	**1,417**	**13%**	**16%**	
	Electrification	886	826	7%	11%	
	Motion	360	343	5%	8%	
	Process Automation	255	253	1%	5%	
	Robotics & Discrete Automation	74	113	-35%	-32%	
	Corporate and Other (incl. intersegment eliminations)	22	(118)			
Operational EBITA %	**ABB Group**	**20.2%**	**17.9%**			
	Electrification	23.2%	22.4%			
	Motion	19.6%	18.5%			
	Process Automation	15.8%	15.6%			
	Robotics & Discrete Automation	9.9%	13.2%			
Cash flow from operating activities	**ABB Group**	**684**	**726**			
	Electrification	521	547			
	Motion	310	352			
	Process Automation	264	229			
	Robotics & Discrete Automation	65	95			
	Corporate and Other (incl. intersegment eliminations)	(476)	(497)			

Operational EBITA

($ in millions, unless otherwise indicated)	ABB		Electrification		Motion		Process Automation		Robotics & Discrete Automation	
	Q1 25	Q1 24	Q1 25	Q1 24	Q1 25	Q1 24	Q1 25	Q1 24	Q1 25	Q1 24
Revenues	**7,935**	**7,870**	**3,825**	**3,680**	**1,840**	**1,829**	**1,633**	**1,601**	**744**	**864**
Foreign exchange/commodity timing differences in total revenues	(21)	65	(5)	13	(3)	29	(19)	25	6	(5)
Operational revenues	**7,914**	**7,935**	**3,820**	**3,693**	**1,837**	**1,858**	**1,614**	**1,626**	**750**	**859**
Income from operations	**1,567**	**1,217**	**922**	**769**	**361**	**301**	**263**	**234**	**56**	**91**
Acquisition-related amortization	45	56	26	23	9	9	4	1	7	21
Restructuring, related and implementation costs(1)	16	26	6	10	2	8	2	7	5	–
Changes in obligations related to divested businesses	(1)	–	–	–	–	–	–	–	–	–
Gains and losses from sale of businesses	(11)	2	(11)	–	–	–	–	–	–	–
Acquisition- and divestment-related expenses and integration costs	9	19	10	10	1	–	1	–	2	2
Certain other non-operational items	21	63	(31)	3	6	3	(2)	–	–	1
Foreign exchange/commodity timing differences in income from operations	(49)	34	(36)	11	(19)	22	(13)	11	4	(2)
Operational EBITA	**1,597**	**1,417**	**886**	**826**	**360**	**343**	**255**	**253**	**74**	**113**
Operational EBITA margin (%)	**20.2%**	**17.9%**	**23.2%**	**22.4%**	**19.6%**	**18.5%**	**15.8%**	**15.6%**	**9.9%**	**13.2%**

(1) Includes impairment of certain assets.

Depreciation and Amortization

($ in millions)	ABB		Electrification		Motion		Process Automation		Robotics & Discrete Automation	
	Q1 25	Q1 24	Q1 25	Q1 24	Q1 25	Q1 24	Q1 25	Q1 24	Q1 25	Q1 24
Depreciation	139	133	71	66	31	28	12	12	14	15
Amortization	57	68	32	28	11	10	5	2	8	22
including total acquisition-related amortization of:	45	56	26	23	9	9	4	1	7	21

Orders received and revenues by region

($ in millions, unless otherwise indicated)	Orders received		CHANGE			Revenues		CHANGE		
	Q1 25	Q1 24	US$	Local	Com-parable	Q1 25	Q1 24	US$	Local	Com-parable
Europe	3,234	3,298	-2%	1%	1%	2,773	2,748	1%	4%	4%
The Americas	3,139	2,904	8%	10%	11%	2,918	2,789	5%	7%	8%
of which United States	2,321	2,139	9%	9%	9%	2,257	2,110	7%	7%	8%
Asia, Middle East and Africa	2,840	2,772	2%	5%	4%	2,244	2,333	-4%	-1%	-2%
of which China	1,191	1,050	13%	15%	13%	958	998	-4%	-3%	-4%
ABB Group	**9,213**	**8,974**	**3%**	**5%**	**5%**	**7,935**	**7,870**	**1%**	**3%**	**3%**

Consolidated Financial Information

ABB Ltd Consolidated Income Statements (unaudited)

	Three months ended	
($ in millions, except per share data in $)	Mar. 31, 2025	Mar. 31, 2024
Sales of products	6,567	6,503
Sales of services and other	1,368	1,367
Total revenues	**7,935**	**7,870**
Cost of sales of products	(3,883)	(4,041)
Cost of services and other	(741)	(765)
Total cost of sales	**(4,624)**	**(4,806)**
Gross profit	**3,311**	**3,064**
Selling, general and administrative expenses	(1,604)	(1,528)
Non-order related research and development expenses	(329)	(345)
Other income (expense), net	189	26
Income from operations	**1,567**	**1,217**
Interest and dividend income	54	57
Interest and other finance expense	(47)	(37)
Non-operational pension (cost) credit	14	16
Income from continuing operations before taxes	**1,588**	**1,253**
Income tax expense	(469)	(339)
Income from continuing operations, net of tax	**1,119**	**914**
Loss from discontinued operations, net of tax	(1)	(1)
Net income	**1,118**	**913**
Net income attributable to noncontrolling interests and redeemable noncontrolling interests	(16)	(8)
Net income attributable to ABB	**1,102**	**905**
Amounts attributable to ABB shareholders:		
Income from continuing operations, net of tax	1,103	906
Loss from discontinued operations, net of tax	(1)	(1)
Net income	1,102	905
Basic earnings per share attributable to ABB shareholders:		
Income from continuing operations, net of tax	0.60	0.49
Loss from discontinued operations, net of tax	–	–
Net income	0.60	0.49
Diluted earnings per share attributable to ABB shareholders:		
Income from continuing operations, net of tax	0.60	0.49
Loss from discontinued operations, net of tax	–	–
Net income	0.60	0.49
Weighted-average number of shares outstanding (in millions) used to compute:		
Basic earnings per share attributable to ABB shareholders	1,836	1,839
Diluted earnings per share attributable to ABB shareholders	1,841	1,852

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)

($ in millions)	Three months ended Mar. 31, 2025	Mar. 31, 2024
Total comprehensive income, net of tax	**1,293**	**1,063**
Total comprehensive (income) loss attributable to noncontrolling interests and redeemable noncontrolling interests, net of tax	(22)	8
Total comprehensive income attributable to ABB shareholders, net of tax	**1,271**	**1,071**

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)	Mar. 31, 2025	Dec. 31, 2024
Cash and equivalents	4,494	4,326
Marketable securities and short-term investments	1,866	1,334
Receivables, net	7,560	7,388
Contract assets	1,210	1,115
Inventories, net	6,070	5,768
Prepaid expenses	354	287
Other current assets	521	541
Total current assets	**22,075**	**20,759**
Property, plant and equipment, net	4,301	4,177
Operating lease right-of-use assets	861	840
Investments in equity-accounted companies	377	368
Prepaid pension and other employee benefits	735	689
Intangible assets, net	1,183	1,048
Goodwill	11,088	10,555
Deferred taxes	1,364	1,363
Other non-current assets	480	489
Total assets	**42,464**	**40,288**
Accounts payable, trade	5,032	5,036
Contract liabilities	3,248	2,969
Short-term debt and current maturities of long-term debt	805	293
Current operating leases	260	235
Provisions	1,536	1,539
Dividends payable to shareholders	1,872	–
Other current liabilities	4,495	4,582
Total current liabilities	**17,248**	**14,654**
Long-term debt	7,015	6,652
Non-current operating leases	625	631
Pension and other employee benefits	579	569
Deferred taxes	727	675
Other non-current liabilities	2,159	2,116
Total liabilities	**28,353**	**25,297**
Commitments and contingencies		
Stockholders' equity:		
Common stock, CHF 0.12 par value (1,861 million shares issued at March 31, 2025, and December 31, 2024)	162	162
Additional paid-in capital	38	50
Retained earnings	19,883	20,648
Accumulated other comprehensive loss	(5,181)	(5,350)
Treasury stock, at cost (28 million and 22 million shares at March 31, 2025, and December 31, 2024, respectively)	(1,387)	(1,091)
Total ABB stockholders' equity	**13,515**	**14,419**
Noncontrolling interests	596	572
Total stockholders' equity	**14,111**	**14,991**
Total liabilities and stockholders' equity	**42,464**	**40,288**

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

See Notes to the Consolidated Financial Information

ABB Ltd Consolidated Statements of Cash Flows (unaudited)

($ in millions)	Three months ended Mar. 31, 2025	Mar. 31, 2024
Operating activities:		
Net income	1,118	913
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	196	201
Changes in fair values of investments	(12)	(13)
Pension and other employee benefits	(21)	(13)
Deferred taxes	27	(6)
Net gain from derivatives and foreign exchange	(59)	(8)
Net gain from sale of property, plant and equipment	(133)	(5)
Net loss (gain) from sale of businesses	(11)	2
Other	(7)	32
Changes in operating assets and liabilities:		
Trade receivables, net	4	(33)
Contract assets and liabilities	141	38
Inventories, net	(103)	(205)
Accounts payable, trade	(112)	82
Accrued liabilities	(511)	(473)
Provisions, net	(55)	37
Income taxes payable and receivable	212	122
Other assets and liabilities, net	10	55
Net cash provided by operating activities	**684**	**726**
Investing activities:		
Purchases of investments	(846)	(877)
Purchases of property, plant and equipment and intangible assets	(195)	(181)
Acquisition of businesses (net of cash acquired) and increases in cost- and equity-accounted companies	(552)	(30)
Proceeds from sales of investments	329	727
Proceeds from sales of property, plant and equipment	163	6
Proceeds from sales of businesses (net of transaction costs and cash disposed) and cost- and equity-accounted companies	43	(8)
Net cash from settlement of foreign currency derivatives	110	31
Other investing activities	2	1
Net cash used in investing activities	**(946)**	**(331)**
Financing activities:		
Net changes in debt with original maturities of 90 days or less	400	(20)
Increase in debt	295	1,358
Repayment of debt	(7)	(565)
Delivery of shares	–	390
Purchase of treasury stock	(289)	(291)
Dividends paid	–	(919)
Other financing activities	1	(3)
Net cash provided by (used in) financing activities	**400**	**(50)**
Effects of exchange rate changes on cash and equivalents	30	(134)
Net change in cash and equivalents	**168**	**211**
Cash and equivalents, beginning of period	4,326	3,909
Cash and equivalents, end of period	**4,494**	**4,120**
Supplementary disclosure of cash flow information:		
Interest paid	118	94
Income taxes paid	258	228

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)]			905			**905**	9	**914**
Foreign currency translation adjustments, net of tax of $3				131		**131**	(16)	**115**
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 $16				33		**33**		**33**
Change in derivative instruments and hedges, net of tax of $0				3		**3**		**3**
Changes in noncontrolling interests		(1)	(30)			**(31)**	1	**(30)**
Dividends to noncontrolling shareholders						**–**	(1)	**(1)**
Dividends to shareholders			(1,804)			**(1,804)**		**(1,804)**
Share-based payment arrangements		20				**20**	1	**21**
Purchase of treasury stock					(314)	**(314)**		**(314)**
Delivery of shares		(14)	(174)		578	**390**		**390**
Other		(3)				**(3)**	2	**(1)**
Balance at March 31, 2024	**163**	**9**	**18,553**	**(4,904)**	**(1,150)**	**12,671**	**642**	**13,313**
Balance at January 1, 2025	**162**	**50**	**20,648**	**(5,350)**	**(1,091)**	**14,419**	**572**	**14,991**
Net income			1,102			**1,102**	16	**1,118**
Foreign currency translation adjustments, net of tax of $0				182		**182**	6	**188**
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 $(8)				(18)		**(18)**		**(18)**
Change in derivative instruments and hedges, net of tax of $0				2		**2**		**2**
Changes in noncontrolling interests						**–**	1	**1**
Dividends to shareholders			(1,867)			**(1,867)**		**(1,867)**
Share-based payment arrangements		17				**17**	1	**18**
Purchase of treasury stock					(326)	**(326)**		**(326)**
Delivery of shares		(31)			31	**–**		**–**
Balance at March 31, 2025	**162**	**38**	**19,883**	**(5,181)**	**(1,387)**	**13,515**	**596**	**14,111**

(1) Amount attributable to noncontrolling interests for the three months ended March 31, 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 Annual 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:

	Three months ended March 31, 2024	
($ in millions)	**Before**	**After**
Cost of sales of products	4,145	4,041
Cost of services and other	790	765
Selling, general and administrative expenses	1,381	1,528
Non-order related research and development expenses	363	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.

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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:

	Three months ended March 31,	
($ in millions, except number of acquired businesses)	**2025**	**2024**
Purchase price for acquisitions (net of cash acquired)(1)	546	29
Aggregate excess of purchase price over fair value of net assets acquired(2)	426	29
Number of acquired businesses	3	2

(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 three months ended March 31, 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:

	March 31, 2025					
($ in millions)	Cost basis	Gross unrealized gains	Gross unrealized losses	Fair value	Cash and equivalents	Marketable securities and short-term investments
Changes in fair value recorded in net income						
Cash	1,329			**1,329**	1,329	
Time deposits	3,686			**3,686**	3,165	521
Equity securities	1,300	34	(1)	**1,333**		1,333
	6,315	**34**	**(1)**	**6,348**	**4,494**	**1,854**
Changes in fair value recorded in other comprehensive income						
Debt securities available-for-sale:						
Other government obligations	12			**12**		12
	12	**–**	**–**	**12**	**–**	**12**
Total	**6,327**	**34**	**(1)**	**6,360**	**4,494**	**1,866**

	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)	March 31, 2025	December 31, 2024	March 31, 2024
Foreign exchange contracts	14,970	12,800	14,331
Embedded foreign exchange derivatives	1,409	1,159	1,106
Cross-currency interest rate swaps	865	833	863
Interest rate contracts	1,625	1,510	3,075

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		
		March 31, 2025	December 31, 2024	March 31, 2024
Copper swaps	metric tonnes	37,364	40,699	38,116
Silver swaps	ounces	2,138,318	2,648,681	2,689,981
Steel swaps	metric tonnes	18,144	20,185	10,251
Aluminum swaps	metric tonnes	4,300	4,525	5,875

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 three months ended March 31, 2025 and 2024, there were no significant amounts recorded for cash flow hedge accounting activities.

Fair value hedges

To reduce its interest rate exposure arising primarily from its debt issuance activities, the Company uses interest rate swaps and cross-currency interest rate swaps. Where such instruments are designated as fair value hedges, the changes in the fair value of these instruments, as well as the changes in the fair value of the risk component of the underlying debt being hedged, are recorded as offsetting gains and losses in Interest and other finance expense.

The effect of derivative instruments, designated and qualifying as fair value hedges, on the Consolidated Income Statements was as follows:

($ in millions)		Three months ended March 31, 2025	2024
Gains (losses) recognized in Interest and other finance expense:			
Interest rate contracts	Designated as fair value hedges	(5)	13
	Hedged item	5	(14)
Cross-currency interest rate swaps	Designated as fair value hedges	(1)	(3)
	Hedged item	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)	Gains (losses) recognized in income Location	Three months ended March 31, 2025	2024
Foreign exchange contracts	Total revenues	80	(168)
	Total cost of sales	(17)	47
	SG&A expenses[(1)]	(19)	13
	Non-order related research and development	–	(2)
	Interest and other finance expense	50	247
Embedded foreign exchange contracts	Total revenues	(2)	18
	Total cost of sales	3	(4)
Commodity contracts	Total cost of sales	41	9
Other	Interest and other finance expense	–	(2)
Total		**136**	**158**

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

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

March 31, 2025 ($ in millions)	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	–	–	–	–
Interest rate contracts	–	3	–	–
Cross-currency interest rate swaps	–	–	–	223
Other	3	–	–	–
Total	**3**	**3**	**–**	**223**
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	102	19	103	8
Commodity contracts	25	–	3	–
Embedded foreign exchange derivatives	18	7	12	3
Other	1	1	1	–
Total	**146**	**27**	**119**	**11**
Total fair value	**149**	**30**	**119**	**234**

($ in millions)	December 31, 2024			
	Derivative assets		Derivative liabilities	
	Current in "Other current assets"	Non-current in "Other non-current assets"	Current in "Other current liabilities"	Non-current in "Other non-current liabilities"
Derivatives designated as hedging instruments:				
Foreign exchange contracts	–	–	1	–
Interest rate contracts	–	7	–	–
Cross-currency interest rate swaps	–	–	–	256
Other	4	–	–	–
Total	**4**	**7**	**1**	**256**
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	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 March 31, 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 March 31, 2025, and December 31, 2024, information related to these offsetting arrangements was as follows:

($ in millions)	March 31, 2025				
Type of agreement or similar arrangement	**Gross amount of recognized assets**	**Derivative liabilities eligible for set-off in case of default**	**Cash collateral received**	**Non-cash collateral received**	**Net asset exposure**
Derivatives	154	(80)	–	–	**74**
Total	**154**	**(80)**	**–**	**–**	**74**

($ in millions)	March 31, 2025				
Type of agreement or similar arrangement	**Gross amount of recognized liabilities**	**Derivative liabilities eligible for set-off in case of default**	**Cash collateral pledged**	**Non-cash collateral pledged**	**Net liability exposure**
Derivatives	338	(80)	–	–	**258**
Total	**338**	**(80)**	**–**	**–**	**258**

($ 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:

	March 31, 2025			
($ in millions)	Level 1	Level 2	Level 3	Total fair value
Assets				
Securities in "Marketable securities and short-term investments":				
Equity securities	–	1,333	–	**1,333**
Debt securities—Other government obligations	12	–	–	**12**
Derivative assets—current in "Other current assets"	–	149	–	**149**
Derivative assets—non-current in "Other non-current assets"	–	30	–	**30**
Total	**12**	**1,512**	**–**	**1,524**
Liabilities				
Derivative liabilities—current in "Other current liabilities"	–	119	–	**119**
Derivative liabilities—non-current in "Other non-current liabilities"	–	234	–	**234**
Total	**–**	**353**	**–**	**353**

	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 three months ended March 31, 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:

	March 31, 2025				
($ in millions)	Carrying value	Level 1	Level 2	Level 3	Total fair value
Assets					
Cash and equivalents (excluding securities with original maturities up to 3 months):					
Cash	1,329	1,329	–	–	**1,329**
Time deposits	3,165	–	3,165	–	**3,165**
Marketable securities and short-term investments (excluding securities):					
Time deposits	521	–	521	–	**521**
Liabilities					
Short-term debt and current maturities of long-term debt (excluding finance lease obligations)	780	199	581	–	**780**
Long-term debt (excluding finance lease obligations)	6,843	6,155	734	–	**6,889**

	December 31, 2024				
($ in millions)	Carrying value	Level 1	Level 2	Level 3	Total fair value
Assets					
Cash and equivalents (excluding securities with original maturities up to 3 months):					
Cash	1,328	1,328	–	–	**1,328**
Time deposits	2,998	–	2,998	–	**2,998**
Marketable securities and short-term investments (excluding securities):					
Time deposits	520	–	520	–	**520**
Liabilities					
Short-term debt and current maturities of long-term debt (excluding finance lease obligations)	265	188	77	–	**265**
Long-term debt (excluding finance lease obligations)	6,486	6,012	551	–	**6,563**

The Company uses the following methods and assumptions in estimating fair values of financial instruments carried on a cost basis:

- Cash and equivalents (excluding securities with original maturities up to 3 months) and Marketable securities and short-term investments (excluding securities): The carrying amounts approximate the fair values as the items are short-term in nature or, for cash held in banks, are equal to the deposit amount.
- Short-term debt and current maturities of long-term debt (excluding finance lease obligations): Short-term debt includes commercial paper, bank borrowings and overdrafts. The carrying amounts of short-term debt and current maturities of long-term debt, excluding finance lease obligations, approximate their fair values.
- Long-term debt (excluding finance lease obligations): Fair values of bonds are determined using quoted market prices (Level 1 inputs), if available. For bonds without available quoted market prices and other long-term debt, the fair values are determined using a discounted cash flow methodology based upon borrowing rates of similar debt instruments and reflecting appropriate adjustments for non-performance risk (Level 2 inputs).

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Note 7

Contract assets and liabilities

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

($ in millions)	March 31, 2025	December 31, 2024	March 31, 2024
Contract assets	1,210	1,115	1,135
Contract liabilities	3,248	2,969	2,866

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:

	Three months ended March 31,			
	2025		2024	
($ in millions)	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Revenue recognized, which was included in the Contract liabilities balance at Jan 1, 2025/2024		(673)		(724)
Additions to Contract liabilities - excluding amounts recognized as revenue during the period		877		819
Receivables recognized that were included in the Contract assets balance at Jan 1, 2025/2024	(392)		(408)	

The Company considers its order backlog to represent its unsatisfied performance obligations. At March 31, 2025, the Company had unsatisfied performance obligations totaling $23,036 million and, of this amount, the Company expects to fulfill approximately 60 percent of the obligations in 2025, approximately 24 percent of the obligations in 2026 and the balance thereafter.

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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 March 31, 2025, and December 31, 2024, the total obligation outstanding under supplier finance programs amounted to $439 million and $435 million, respectively.

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Note 9

Debt

The Company's total debt at March 31, 2025, and December 31, 2024, amounted to $7,820 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)	March 31, 2025	December 31, 2024
Short-term debt	588	83
Current maturities of long-term debt	217	210
Total	**805**	**293**

Short-term debt primarily represented issued commercial paper and short-term bank borrowings from various banks. At March 31, 2025, $508 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 March 31, 2025, and December 31, 2024, amounted to $7,015 million and $6,652 million, respectively.

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

	March 31, 2025				December 31, 2024			
(in millions)	Nominal outstanding		Carrying value[1]		Nominal outstanding		Carrying value[1]	
Bonds:								
2.1% CHF Bonds, due 2025	CHF	150	$	170	CHF	150	$	166
1.965% CHF Bonds, due 2026	CHF	325	$	368	CHF	325	$	359
3.25% EUR Instruments, due 2027	EUR	500	$	539	EUR	500	$	518
0.75% CHF Bonds, due 2027	CHF	425	$	481	CHF	425	$	468
3.8% USD Notes, due 2028[2]	USD	383	$	382	USD	383	$	382
1.9775% CHF Bonds, due 2028	CHF	150	$	170	CHF	150	$	165
3.125% EUR Instruments, due 2029	EUR	500	$	543	EUR	500	$	523
1.0% CHF Bonds, due 2029	CHF	170	$	192	CHF	170	$	188
0% EUR Instruments, due 2030	EUR	800	$	759	EUR	800	$	727
2.375% CHF Bonds, due 2030	CHF	150	$	170	CHF	150	$	165
3.375% EUR Instruments, due 2031	EUR	750	$	801	EUR	750	$	770
Floating rate EIB R&D Loan, due 2031	USD	539	$	539	USD	539	$	539
2.1125% CHF Bonds, due 2033	CHF	275	$	311	CHF	275	$	303
3.375% EUR Instruments, due 2034	EUR	750	$	807	EUR	750	$	780
4.375% USD Notes, due 2042[2]	USD	609	$	591	USD	609	$	591
Total			**$**	**6,823**			**$**	**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.

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 March 31, 2025, and December 31, 2024, the Company had aggregate liabilities of $45 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)	March 31, 2025	December 31, 2024
Performance guarantees	2,043	2,299
Financial guarantees	20	22
Total[1]	**2,063**	**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 March 31, 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 2034, 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 March 31, 2025, and December 31, 2024, the maximum potential payable under these guarantees amounts to $784 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 March 31, 2025, and December 31, 2024, have been fully indemnified by Hitachi Ltd. These guarantees, having various maturities up to 2034, 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 March 31, 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 March 31, 2025, and December 31, 2024, the total outstanding performance bonds aggregated to $3.3 billion and $3.2 billion, respectively. There have been no significant amounts reimbursed to financial institutions under these types of arrangements in the three months ended March 31, 2025 and 2024.

Product and order-related contingencies

The Company calculates its provision for product warranties based on historical claims experience and specific review of certain contracts. The reconciliation of the Provisions for warranties, including guarantees of product performance, was as follows:

($ in millions)	2025	2024
Balance at January 1,	**1,248**	**1,210**
Claims paid in cash or in kind	(43)	(37)
Net increase in provision for changes in estimates, warranties issued and warranties expired	59	55
Exchange rate differences	29	(37)
Balance at March 31,	**1,293**	**1,191**
Included in:		
”Provisions” — current liabilities	693	621
”Other non-current liabilities” — non-current liabilities	600	570
Provisions for warranties - Total	**1,293**	**1,191**

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Note 11
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 March 31, 2025, the Company’s most significant defined benefit pension plans are in Switzerland as well as in Germany, the United Kingdom, and the United States. These plans cover a large portion of the Company’s employees and provide benefits to employees in the event of death, disability, retirement, or termination of employment. Certain of these plans are multi-employer plans. The Company also operates other postretirement benefit plans including postretirement health care benefits and other employee-related benefits for active employees including long-service award plans. The postretirement benefit plans are not significant. The measurement date used for the Company’s employee benefit plans is December 31. The funding policies of the Company’s plans are consistent with the local government and tax requirements.

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

($ in millions)	Defined pension benefits			
	Switzerland		International	
Three months ended March 31,	**2025**	**2024**	**2025**	**2024**
Operational pension cost:				
Service cost	13	11	6	8
Operational pension cost	**13**	**11**	**6**	**8**
Non-operational pension cost (credit):				
Interest cost	5	9	38	39
Expected return on plan assets	(27)	(31)	(41)	(43)
Amortization of prior service cost (credit)	–	(2)	(1)	(1)
Amortization of net actuarial loss	–	–	12	13
Non-operational pension cost (credit)	**(22)**	**(24)**	**8**	**8**
Net periodic benefit cost (credit)	**(9)**	**(13)**	**14**	**16**

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	
Three months ended March 31,	**2025**	**2024**	**2025**	**2024**
Total contributions to defined benefit pension plans	15	13	9	11

The Company expects to make contributions totaling approximately $87 million to its defined benefit pension plans for the full year 2025.

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Note 12
Stockholder's 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, scheduled for payment in the second quarter of 2025, amounted to $1,867 million.

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 6 million shares in the three months ended March 31, 2025, resulting in an increase in Treasury stock of $314 million.

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Note 13
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

($ in millions, except per share data in $)	Three months ended March 31, 2025	2024
Amounts attributable to ABB shareholders:		
Income from continuing operations, net of tax	1,103	906
Loss from discontinued operations, net of tax	(1)	(1)
Net income	**1,102**	**905**
Weighted-average number of shares outstanding (in millions)	**1,836**	**1,839**
Basic earnings per share attributable to ABB shareholders:		
Income from continuing operations, net of tax	0.60	0.49
Loss from discontinued operations, net of tax	–	–
Net income	**0.60**	**0.49**

Diluted earnings per share

($ in millions, except per share data in $)	Three months ended March 31, 2025	2024
Amounts attributable to ABB shareholders:		
Income from continuing operations, net of tax	1,103	906
Loss from discontinued operations, net of tax	(1)	(1)
Net income	**1,102**	**905**
Weighted-average number of shares outstanding (in millions)	1,836	1,839
Effect of dilutive securities:		
Call options and shares	5	13
Adjusted weighted-average number of shares outstanding (in millions)	**1,841**	**1,852**
Diluted earnings per share attributable to ABB shareholders:		
Income from continuing operations, net of tax	0.60	0.49
Loss from discontinued operations, net of tax	–	–
Net income	**0.60**	**0.49**

Note 14

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	115	(1)	27	–	**141**
Amounts reclassified from OCI	–	–	6	3	**9**
Total other comprehensive (loss) income	**115**	**(1)**	**33**	**3**	**150**
Less:					
Amounts attributable to noncontrolling interests and redeemable noncontrolling interests	(16)	–	–	–	**(16)**
Balance at March 31, 2024	**(3,846)**	**(9)**	**(1,042)**	**(7)**	**(4,904)**

($ 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	188	3	(26)	(1)	**164**
Amounts reclassified from OCI	–	–	8	3	**11**
Total other comprehensive (loss) income	**188**	**3**	**(18)**	**2**	**175**
Less:					
Amounts attributable to noncontrolling interests and redeemable noncontrolling interests	6	–	–	–	**6**
Balance at March 31, 2025	**(4,066)**	**–**	**(1,109)**	**(6)**	**(5,181)**

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

Note 15

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 three months ended March 31, 2024, and at December 31, 2024, has been recast to reflect this change.

A description of the types of products and services provided by each reportable segment is as follows:

- Electrification: manufactures and sells electrical products and solutions which are designed to provide the efficient and reliable distribution of electricity from source to socket. The portfolio of increasingly digital and connected solutions includes renewable power solutions, modular substation packages, distribution automation products, switchboards and panelboards, switchgear, UPS solutions, circuit breakers, measuring and sensing devices, control products, wiring accessories, enclosures and cabling systems and intelligent home and building solutions, designed to integrate and automate lighting, heating, ventilation, security and data communication networks. The products and services are delivered through five operating Divisions: Distribution Solutions, Smart Power, Smart Buildings, Installation Products and Service.

- Motion: designs, manufactures, and sells drives, motors, generators and traction converters that are driving the low-carbon future for industries, cities, infrastructure and transportation. These products, digital technology and related services enable industrial customers to increase energy efficiency, improve safety and reliability, and achieve precise control of their processes. Building on over 140 years of cumulative experience in electric powertrains, Motion combines domain expertise and technology to deliver the optimum solution for a wide range of applications in all industrial segments. In addition, Motion, along with its partners, has a leading global service presence. These products and services are delivered through seven operating Divisions: Large Motors and Generators, IEC LV Motors, NEMA Motors, Drive Products, System Drives, Service and Traction.

- 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 three months ended March 31, 2025 and 2024.

	Three months ended March 31, 2025					
($ in millions)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	Total
Geographical markets						
Europe	1,154	540	684	356	39	**2,773**
The Americas	1,692	635	437	124	30	**2,918**
of which: United States	1,357	524	284	72	20	**2,257**
Asia, Middle East and Africa	935	536	502	259	12	**2,244**
of which: China	408	243	131	172	4	**958**
	3,781	**1,711**	**1,623**	**739**	**81**	**7,935**
Product type						
Products	3,522	1,456	922	597	70	**6,567**
Services and other	259	255	701	142	11	**1,368**
	3,781	**1,711**	**1,623**	**739**	**81**	**7,935**
Third-party revenues	3,781	1,711	1,623	739	81	**7,935**
Intersegment revenues	44	129	10	5	(188)	**–**
Total revenues[1]	**3,825**	**1,840**	**1,633**	**744**	**(107)**	**7,935**
Operational cost of sales	(2,189)	(1,113)	(975)	(480)		
Operational selling, general and administrative expenses	(650)	(289)	(306)	(149)		
Operational non-order related research and development expenses	(105)	(73)	(78)	(46)		
Other segment items	5	(5)	(19)	5		
Operational EBITA	**886**	**360**	**255**	**74**		

	Three months ended March 31, 2024					
($ in millions)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	Total
Geographical markets						
Europe	1,154	488	555	490	61	**2,748**
The Americas	1,529	630	447	140	43	**2,789**
of which: United States	1,186	516	285	85	38	**2,110**
Asia, Middle East and Africa	936	558	593	231	15	**2,333**
of which: China	415	256	165	157	5	**998**
	3,619	**1,676**	**1,595**	**861**	**119**	**7,870**
Product type						
Products	3,380	1,395	911	711	106	**6,503**
Services and other	239	281	684	150	13	**1,367**
	3,619	**1,676**	**1,595**	**861**	**119**	**7,870**
Third-party revenues	3,619	1,676	1,595	861	119	**7,870**
Intersegment revenues	61	153	6	3	(223)	**–**
Total revenues[1]	**3,680**	**1,829**	**1,601**	**864**	**(104)**	**7,870**
Operational cost of sales	(2,163)	(1,179)	(1,013)	(527)		
Operational selling, general and administrative expenses	(600)	(263)	(281)	(166)		
Operational non-order related research and development expenses	(106)	(79)	(75)	(56)		
Other segment items	15	35	21	(2)		
Operational EBITA	**826**	**343**	**253**	**113**		

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 three months ended March 31, 2025 and 2024, and Total assets at March 31, 2025, and December 31, 2024:

	Three months ended March 31,	
($ in millions)	**2025**	**2024**
Operational EBITA:		
Electrification	886	826
Motion	360	343
Process Automation	255	253
Robotics & Discrete Automation	74	113
Corporate and Other		
– E-mobility	(47)	(54)
– Corporate costs, intersegment eliminations and other	69	(64)
Total	**1,597**	**1,417**
Acquisition-related amortization	(45)	(56)
Restructuring, related and implementation costs[(1)]	(16)	(26)
Changes in obligations related to divested businesses	1	–
Gains and losses from sale of businesses	11	(2)
Acquisition- and divestment-related expenses and integration costs	(9)	(19)
Foreign exchange/commodity timing differences in income from operations:		
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	78	(77)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	–	1
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(29)	42
Certain other non-operational items:		
Other income/expense relating to the Power Grids joint venture	3	8
Business transformation costs[(2)]	(44)	(50)
Certain other fair value changes, including asset impairments	16	(14)
Other non-operational items	4	(7)
Income from operations	**1,567**	**1,217**
Interest and dividend income	54	57
Interest and other finance expense	(47)	(37)
Non-operational pension (cost) credit	14	16
Income from continuing operations before taxes	**1,588**	**1,253**

(1) Includes impairment of certain assets.
(2) Amount includes ABB Way process transformation costs of $43 million and $46 million for the three months ended March 31, 2025 and 2024, respectively.

($ in millions)	Depreciation and amortization		Capital expenditures[(1)]	
Three months ended March 31,	**2025**	**2024**	**2025**	**2024**
Electrification	103	94	79	84
Motion	42	38	46	44
Process Automation	17	14	14	15
Robotics & Discrete Automation	22	37	19	21
Corporate and Other	12	18	37	17
Consolidated	**196**	**201**	**195**	**181**

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

	Total assets[(1)]	
($ in millions)	**March 31, 2025**	**December 31, 2024**
Electrification	14,387	13,089
Motion	6,960	6,870
Process Automation	5,383	5,308
Robotics & Discrete Automation	4,777	4,753
Corporate and Other	10,957	10,268
Consolidated	**42,464**	**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 three months ended March 31, 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

	Q1 2025 compared to Q1 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	0%	3%	-1%	**2%**	4%	2%	0%	**6%**
Motion	-6%	2%	0%	**-4%**	1%	2%	0%	**3%**
Process Automation	19%	4%	0%	**23%**	2%	3%	0%	**5%**
Robotics & Discrete Automation	14%	3%	0%	**17%**	-14%	3%	0%	**-11%**
ABB Group	**3%**	**2%**	**0%**	**5%**	**1%**	**2%**	**0%**	**3%**

Regional comparable growth rate reconciliation

Regional comparable growth rate reconciliation for ABB Group - Quarter

	Q1 2025 compared to Q1 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%	3%	0%	**1%**	1%	3%	0%	**4%**
The Americas	8%	2%	1%	**11%**	5%	2%	1%	**8%**
of which: United States	9%	0%	0%	**9%**	7%	0%	1%	**8%**
Asia, Middle East and Africa	2%	3%	-1%	**4%**	-4%	3%	-1%	**-2%**
of which: China	13%	2%	-2%	**13%**	-4%	1%	-1%	**-4%**
ABB Group	**3%**	**2%**	**0%**	**5%**	**1%**	**2%**	**0%**	**3%**

Regional comparable growth rate reconciliation by Business Area - Quarter

	Q1 2025 compared to Q1 2024							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	-7%	3%	0%	**-4%**	0%	3%	0%	**3%**
The Americas	4%	2%	0%	**6%**	11%	2%	0%	**13%**
of which: United States	7%	1%	-2%	**6%**	14%	1%	-1%	**14%**
Asia, Middle East and Africa	3%	2%	-1%	**4%**	-2%	3%	-1%	**0%**
of which: China	8%	1%	-3%	**6%**	-2%	1%	-2%	**-3%**
Electrification	**0%**	**3%**	**-1%**	**2%**	**4%**	**2%**	**0%**	**6%**

	Q1 2025 compared to Q1 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	-3%	3%	0%	**0%**	9%	3%	0%	**12%**
The Americas	6%	2%	0%	**8%**	0%	2%	0%	**2%**
of which: United States	9%	1%	0%	**10%**	1%	0%	0%	**1%**
Asia, Middle East and Africa	-19%	1%	0%	**-18%**	-7%	3%	0%	**-4%**
of which: China	7%	2%	0%	**9%**	-6%	2%	0%	**-4%**
Motion	**-6%**	**2%**	**0%**	**-4%**	**1%**	**2%**	**0%**	**3%**

	Q1 2025 compared to Q1 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	6%	4%	0%	**10%**	24%	4%	0%	**28%**
The Americas	22%	5%	0%	**27%**	-2%	2%	0%	**0%**
of which: United States	14%	0%	0%	**14%**	-1%	1%	0%	**0%**
Asia, Middle East and Africa	36%	2%	0%	**38%**	-16%	2%	0%	**-14%**
of which: China	56%	0%	0%	**56%**	-20%	0%	0%	**-20%**
Process Automation	**19%**	**4%**	**0%**	**23%**	**2%**	**3%**	**0%**	**5%**

	Q1 2025 compared to Q1 2024							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	10%	3%	0%	**13%**	-27%	3%	0%	**-24%**
The Americas	21%	7%	0%	**28%**	-11%	4%	0%	**-7%**
of which: United States	1%	0%	0%	**1%**	-15%	0%	0%	**-15%**
Asia, Middle East and Africa	16%	3%	0%	**19%**	12%	2%	0%	**14%**
of which: China	4%	2%	0%	**6%**	10%	1%	0%	**11%**
Robotics & Discrete Automation	**14%**	**3%**	**0%**	**17%**	**-14%**	**3%**	**0%**	**-11%**

Order backlog growth rate reconciliation

Business Area	March 31, 2025 compared to March 31, 2024			
	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Electrification	11%	0%	0%	**11%**
Motion	2%	0%	0%	**2%**
Process Automation	10%	0%	0%	**10%**
Robotics & Discrete Automation	-21%	0%	0%	**-21%**
ABB Group	**5%**	**0%**	**0%**	**5%**

Other growth rate reconciliations

Business Area	Q1 2025 compared to Q1 2024							
	Service orders growth rate				Services revenues growth rate			
	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Electrification	19%	3%	-8%	**14%**	8%	3%	-6%	**5%**
Motion	13%	4%	0%	**17%**	-9%	3%	0%	**-6%**
Process Automation	5%	3%	0%	**8%**	3%	2%	0%	**5%**
Robotics & Discrete Automation	-5%	3%	0%	**-2%**	-5%	2%	0%	**-3%**
ABB Group	**9%**	**4%**	**-2%**	**11%**	**0%**	**3%**	**-1%**	**2%**

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

	Three months ended March 31,	
($ in millions)	**2025**	**2024**
Operational EBITA	**1,597**	**1,417**
Acquisition-related amortization	(45)	(56)
Restructuring, related and implementation costs(1)	(16)	(26)
Changes in obligations related to divested businesses	1	–
Gains and losses from sale of businesses	11	(2)
Acquisition- and divestment-related expenses and integration costs	(9)	(19)
Certain other non-operational items	(21)	(63)
Foreign exchange/commodity timing differences in income from operations	49	(34)
Income from operations	**1,567**	**1,217**
Interest and dividend income	54	57
Interest and other finance expense	(47)	(37)
Non-operational pension (cost) credit	14	16
Income from continuing operations before taxes	**1,588**	**1,253**
Income tax expense	(469)	(339)
Income from continuing operations, net of tax	**1,119**	**914**
Loss from discontinued operations, net of tax	(1)	(1)
Net income	**1,118**	**913**

(1) Includes impairment of certain assets.

Reconciliation of Operational EBITA margin by business

($ in millions, unless otherwise indicated)	Three months ended March 31, 2025 Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other and Intersegment elimination	Consolidated
Total revenues	**3,825**	**1,840**	**1,633**	**744**	**(107)**	**7,935**
Foreign exchange/commodity timing differences in total revenues:						
Unrealized gains and losses on derivatives	(34)	(9)	(23)	(2)	(3)	**(71)**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(1)	1	(5)	–	–	**(5)**
Unrealized foreign exchange movements on receivables (and related assets)	30	5	9	8	3	**55**
Operational revenues	**3,820**	**1,837**	**1,614**	**750**	**(107)**	**7,914**
Income (loss) from operations	**922**	**361**	**263**	**56**	**(35)**	**1,567**
Acquisition-related amortization	26	9	4	7	(1)	**45**
Restructuring, related and implementation costs(1)	6	2	2	5	1	**16**
Changes in obligations related to divested businesses	–	–	–	–	(1)	**(1)**
Gains and losses from sale of businesses	(11)	–	–	–	–	**(11)**
Acquisition- and divestment-related expenses and integration costs	10	1	1	2	(5)	**9**
Certain other non-operational items	(31)	6	(2)	–	48	**21**
Foreign exchange/commodity timing differences in income from operations:						
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(57)	(23)	(19)	–	21	**(78)**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	1	1	(2)	–	–	**–**
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	20	3	8	4	(6)	**29**
Operational EBITA	**886**	**360**	**255**	**74**	**22**	**1,597**
Operational EBITA margin (%)	**23.2%**	**19.6%**	**15.8%**	**9.9%**	**n.a.**	**20.2%**

(1) Includes impairment of certain assets.

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

($ in millions, unless otherwise indicated)	Three months ended March 31, 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	–	–	–	–	(3)	**(3)**
Business transformation costs(1)	1	2	–	–	41	**44**
Certain other fair values changes, including asset impairments	(25)	3	(2)	–	8	**(16)**
Other non-operational items	(7)	1	–	–	2	**(4)**
Total	**(31)**	**6**	**(2)**	**–**	**48**	**21**

(1) Amounts include ABB Way process transformation costs of $43 million for the three months ended March 31, 2025.

($ in millions, unless otherwise indicated)	Three months ended March 31, 2024 Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other and Intersegment elimination	Consolidated
Total revenues	**3,680**	**1,829**	**1,601**	**864**	**(104)**	**7,870**
Foreign exchange/commodity timing differences in total revenues:						
Unrealized gains and losses on derivatives	47	46	44	6	5	**148**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(3)	–	2	–	–	**(1)**
Unrealized foreign exchange movements on receivables (and related assets)	(31)	(17)	(21)	(11)	(2)	**(82)**
Operational revenues	**3,693**	**1,858**	**1,626**	**859**	**(101)**	**7,935**
Income (loss) from operations	**769**	**301**	**234**	**91**	**(178)**	**1,217**
Acquisition-related amortization	23	9	1	21	2	**56**
Restructuring, related and implementation costs[1]	10	8	7	–	1	**26**
Gains and losses from sale of businesses	–	–	–	–	2	**2**
Acquisition- and divestment-related expenses and integration costs	10	–	–	2	7	**19**
Certain other non-operational items	3	3	–	1	56	**63**
Foreign exchange/commodity timing differences in income from operations:						
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	22	33	22	4	(4)	**77**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(1)	–	1	–	(1)	**(1)**
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(10)	(11)	(12)	(6)	(3)	**(42)**
Operational EBITA	**826**	**343**	**253**	**113**	**(118)**	**1,417**
Operational EBITA margin (%)	**22.4%**	**18.5%**	**15.6%**	**13.2%**	**n.a.**	**17.9%**

(1) Includes impairment of certain assets.

In the three months ended March 31, 2024, Certain other non-operational items in the table above includes the following:

($ in millions, unless otherwise indicated)	Three months ended March 31, 2024 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	–	–	–	–	(8)	**(8)**
Business transformation costs[1]	2	1	–	1	46	**50**
Certain other fair values changes, including asset impairments	1	2	–	–	11	**14**
Other non-operational items	–	–	–	–	7	**7**
Total	**3**	**3**	**–**	**1**	**56**	**63**

(1) Amounts include ABB Way process transformation costs of $46 million for the three months ended March 31, 2024.

Net debt

Definition

Net debt

Net debt is defined as Total debt less Cash and marketable securities.

Total debt

Total debt is the sum of Short-term debt and current maturities of long-term debt, and Long-term debt.

Cash and marketable securities

Cash and marketable securities is the sum of Cash and equivalents and Marketable securities and short-term investments.

Reconciliation

($ in millions)	March 31, 2025	December 31, 2024
Short-term debt and current maturities of long-term debt	805	293
Long-term debt	7,015	6,652
Total debt	**7,820**	**6,945**
Cash and equivalents	4,494	4,326
Marketable securities and short-term investments	1,866	1,334
Cash and marketable securities	**6,360**	**5,660**
Net debt	**1,460**	**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)	March 31, 2025	December 31, 2024
Total stockholders' equity	14,111	15,060
Net debt (as defined above)	1,460	1,285
Net debt / Equity ratio	**0.10**	**0.09**

Net debt/EBITDA ratio

Definition

Net debt/EBITDA ratio

Net debt/EBITDA ratio is defined as Net debt divided by EBITDA.

EBITDA

EBITDA is defined as Income from operations for the trailing twelve months preceding the balance sheet date before depreciation and amortization for the same trailing twelve-month period.

Reconciliation

($ in millions, unless otherwise indicated)	March 31, 2025	March 31, 2024
Income from operations for the three months ended:		
June 30, 2024 / 2023	1,376	1,298
September 30, 2024 / 2023	1,309	1,259
December 31, 2024 / 2023	1,169	1,116
March 31, 2025 / 2024	1,567	1,217
Depreciation and Amortization for the three months ended:		
June 30, 2024 / 2023	202	196
September 30, 2024 / 2023	194	194
December 31, 2024 / 2023	205	199
March 31, 2025 / 2024	196	201
EBITDA	**6,218**	**5,680**
Net debt (as defined above)	**1,460**	**2,086**
Net debt / EBITDA	**0.2**	**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)	March 31, 2025	March 31, 2024
Net working capital:		
Receivables, net	7,560	7,385
Contract assets	1,210	1,135
Inventories, net	6,070	6,079
Prepaid expenses	354	314
Accounts payable, trade	(5,032)	(5,018)
Contract liabilities	(3,248)	(2,866)
Other current liabilities[1]	(3,543)	(3,532)
Net working capital	**3,371**	**3,497**

(1) Amounts exclude $952 million and $1,063 million at March 31, 2025 and 2024, respectively, related primarily to (a) income taxes payable, (b) current derivative liabilities, (c) pension and other employee benefits, (d) payables under the share buyback program and (e) liabilities related to certain restructuring-related activities.

Average trade net working capital as a percentage of revenues

Definition

Average trade net working capital as a percentage of revenues

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

Average trade net working capital

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

Trade net working capital

Trade net working capital is the sum of (i) trade receivables (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)	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Trade net working capital:					
Trade receivables	6,887	6,816	6,821	6,898	6,790
Contract assets	1,210	1,115	1,236	1,118	1,135
Inventories, net	6,070	5,768	6,465	6,166	6,079
Accounts payable, trade	(5,032)	(5,036)	(5,167)	(5,118)	(5,018)
Contract liabilities	(3,248)	(2,969)	(3,081)	(2,973)	(2,866)
Accrued expenses, operating	(1,223)	(1,266)	(1,363)	(1,266)	(1,302)
Trade net working capital in assets and liabilities held for sale	–	–	20	–	–
Trade net working capital	**4,664**	**4,428**	**4,931**	**4,825**	**4,818**
Average of opening and closing Trade net working capital	4,546	4,680	4,878	4,822	
Average trade net working capital	**4,732**				
Total revenues for the three months ended:					
June 30, 2024	8,239				
September 30, 2024	8,151				
December 31, 2024	8,590				
March 31, 2025	7,935				
Total revenues for the trailing twelve months	**32,915**				
Average trade net working capital as a percentage of revenues	**14.4%**				

($ in millions, unless otherwise indicated)	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Trade net working capital:					
Trade receivables	6,790	6,822	6,863	6,786	6,532
Contract assets	1,135	1,090	1,073	1,010	1,009
Inventories, net	6,079	6,058	6,241	6,357	6,178
Accounts payable, trade	(5,018)	(4,847)	(4,777)	(4,881)	(4,945)
Contract liabilities	(2,866)	(2,844)	(2,610)	(2,394)	(2,339)
Accrued expenses, operating	(1,302)	(1,445)	(1,524)	(1,341)	(1,354)
Trade net working capital in assets and liabilities held for sale	–	–	–	143	138
Trade net working capital	**4,818**	**4,834**	**5,266**	**5,680**	**5,219**
Average of opening and closing Trade net working capital	4,826	5,050	5,473	5,450	
Average trade net working capital	**5,200**				
Total revenues for the three months ended:					
June 30, 2023	8,163				
September 30, 2023	7,968				
December 31, 2023	8,245				
March 31, 2024	7,870				
Total revenues for the trailing twelve months	**32,246**				
Average trade net working capital as a percentage of revenues	**16.1%**				

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 in averaging method allows 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)	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Adjusted total fixed assets:					
Property, plant and equipment, net	4,301	4,177	4,248	4,095	4,047
Goodwill	11,088	10,555	10,582	10,525	10,494
Other intangible assets, net	1,183	1,048	1,036	1,089	1,128
Investments in equity-accounted companies	377	368	185	189	178
Operating lease right-of-use assets	861	840	873	861	863
Fixed assets included in assets held for sale	–	–	176	–	–
Total fixed assets	**17,810**	**16,988**	**17,100**	**16,759**	**16,710**
Less: Deferred taxes recognized in certain acquisitions(1)	(231)	(242)	(253)	(265)	(281)
Adjusted total fixed assets	**17,579**	**16,746**	**16,847**	**16,494**	**16,429**
Net working capital - (as defined above)	**3,371**	**2,739**	**3,512**	**3,516**	**3,497**
Capital employed	**20,950**	**19,485**	**20,359**	**20,010**	**19,926**
Average of opening and closing Capital employed	20,218	19,922	20,185	19,968	
Operational EBITA for the three months ended	1,597	1,434	1,553	1,564	
Operational EBITA for the trailing twelve months	6,148				
Notional tax on Operational EBITA	(1,537)				
Operational EBITA after tax for the trailing twelve months	**4,611**				
Average Capital employed (4 quarters)	**20,073**				
Return on Capital Employed (ROCE)	**23.0%**				

(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)	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Adjusted total fixed assets:					
Property, plant and equipment, net	4,047	4,142	3,891	3,923	3,888
Goodwill	10,494	10,561	10,356	10,420	10,381
Other intangible assets, net	1,128	1,223	1,181	1,257	1,285
Investments in equity-accounted companies	178	187	186	154	153
Operating lease right-of-use assets	863	893	850	852	870
Fixed assets included in assets held for sale	–	–	–	293	290
Total fixed assets	**16,710**	**17,006**	**16,464**	**16,899**	**16,867**
Less: Deferred taxes recognized in certain acquisitions(1)	(281)	(297)	(312)	(328)	(343)
Adjusted total fixed assets	**16,429**	**16,709**	**16,152**	**16,571**	**16,524**
Net working capital - (as defined above)	**3,497**	**3,166**	**3,950**	**4,494**	**4,073**
Capital employed	**19,926**	**19,875**	**20,102**	**21,065**	**20,597**

Average of opening and closing Capital employed	19,901	19,989	20,584	20,831
Operational EBITA for the three months ended	1,417	1,333	1,392	1,425

Operational EBITA for the trailing twelve months	5,567
Notional tax on Operational EBITA	(1,392)
Operational EBITA after tax for the trailing twelve months	**4,175**
Average Capital employed (4 quarters)	**20,326**
Return on Capital Employed (ROCE)	**20.5%**

(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)	Three months ended March 31, 2025	2024
Net cash provided by operating activities	**684**	**726**
Adjusted for the effects of operations:		
Purchases of property, plant and equipment and intangible assets	(195)	(181)
Proceeds from sale of property, plant and equipment	163	6
Free cash flow	**652**	**551**

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 March 31, 2025	December 31, 2024
Net cash provided by operating activities	**4,633**	**4,675**
Adjusted for the effects of operations:		
Purchases of property, plant and equipment and intangible assets	(859)	(845)
Proceeds from sale of property, plant and equipment	264	107
Free cash flow	**4,038**	**3,937**
Adjusted net income attributable to ABB(1)	**4,109**	**3,949**
Free cash flow conversion to net income	**98%**	**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 March 31, 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)
Q2 2024	1,067	(185)	36	1,096
Q3 2024	1,345	(196)	24	1,026
Q4 2024	1,537	(283)	41	922
Q1 2025	684	(195)	163	1,065
Total for the trailing twelve months to March 31, 2025	**4,633**	**(859)**	**264**	**4,109**

(1) Adjusted net income attributable to ABB for Q4 2024 is adjusted to exclude an increase in the gain on sale of the Power Conversion Division of $6 million; 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; and Q1 2025 is adjusted to exclude $37 million of gains arising on sale of certain investments and intangibles assets.

Free cash flow margin

Definition

Free cash flow margin

Free cash flow margin is calculated as Free cash flow divided by total revenues.

Reconciliation

	Three months ended March 31,	
($ in millions, unless otherwise indicated)	**2025**	**2024**
Free cash flow (as defined above)	**652**	**551**
Total revenues	7,935	7,870
Free cash flow margin	**8.2%**	**7.0%**

Net finance income (expense)

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

Reconciliation

	Three months ended March 31,	
($ in millions)	**2025**	**2024**
Interest and dividend income	54	57
Interest and other finance expense	(47)	(37)
Net finance income (expense)	**7**	**20**

Book-to-bill ratio

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

Reconciliation

	Three months ended March 31,					
	2025			2024		
($ in millions, except Book-to-bill presented as a ratio)	**Orders**	**Revenues**	**Book-to-bill**	**Orders**	**Revenues**	**Book-to-bill**
Electrification	4,394	3,825	**1.15**	4,392	3,680	**1.19**
Motion	2,156	1,840	**1.17**	2,303	1,829	**1.26**
Process Automation	2,024	1,633	**1.24**	1,697	1,601	**1.06**
Robotics & Discrete Automation	799	744	**1.07**	701	864	**0.81**
Corporate and Other *(incl. intersegment eliminations)*	(160)	(107)	**n.a.**	(119)	(104)	**n.a.**
ABB Group	**9,213**	**7,935**	**1.16**	**8,974**	**7,870**	**1.14**

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