



Q4 2024

Full year
Press Release

ENGINEERED
TO OUTFIT

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

ZURICH, SWITZERLAND, JANUARY 30, 2025

Q4 2024 results

ENDING RECORD-HIGH 2024 WITH STRONG ORDER GROWTH AND POSITIVE 2025 OUTLOOK

Q4 2024

- Orders \$8.1 billion, +6%; comparable¹ +7%
- Revenues \$8.6 billion, +4%; comparable +5%
- Income from operations \$1,169 million; margin 13.6%
- Operational EBITA¹ \$1,434 million; margin¹ 16.7%
- Basic EPS \$0.54, +7%²
- Cash flow from operating activities \$1,537 million; -19%

FY 2024

- Orders \$33.7 billion, 0%; comparable¹ +1%
- Revenues \$32.9 billion, +2%; comparable +3%
- Income from operations \$5,071 million; margin 15.4%
- Operational EBITA¹ \$5,968 million; margin¹ 18.1%
- Basic EPS \$2.13, +6%²
- Cash flow from operating activities \$4,675 million; +9%
- Return on Capital Employed 22.9%
- Dividend proposal of CHF0.90 per share

KEY FIGURES

| (\$ millions, unless otherwise indicated) | CHANGE | | | | CHANGE | | | |
|---|---------|---------|-----------------|-------------------------|---------|---------|-----------------|-------------------------|
| | Q4 2024 | Q4 2023 | US\$ | Comparable ¹ | FY 2024 | FY 2023 | US\$ | Comparable ¹ |
| Orders | 8,088 | 7,649 | 6% | 7% | 33,690 | 33,818 | 0% | 1% |
| Revenues | 8,590 | 8,245 | 4% | 5% | 32,850 | 32,235 | 2% | 3% |
| Gross Profit | 3,049 | 2,848 | 7% | | 12,274 | 11,214 | 9% | |
| as % of revenues | 35.5% | 34.5% | +1 pts | | 37.4% | 34.8% | +2.6 pts | |
| Income from operations | 1,169 | 1,116 | 5% | | 5,071 | 4,871 | 4% | |
| Operational EBITA ¹ | 1,434 | 1,333 | 8% | 9% ³ | 5,968 | 5,427 | 10% | 11% ³ |
| as % of operational revenues ¹ | 16.7% | 16.3% | +0.4 pts | | 18.1% | 16.9% | +1.2 pts | |
| Income from continuing operations, net of tax | 1,000 | 946 | 6% | | 3,955 | 3,848 | 3% | |
| Net income attributable to ABB | 987 | 921 | 7% | | 3,935 | 3,745 | 5% | |
| Basic earnings per share (\$) | 0.54 | 0.50 | 7% ² | | 2.13 | 2.02 | 6% ² | |
| Cash flow from operating activities | 1,537 | 1,897 | -19% | | 4,675 | 4,290 | 9% | |
| Free cash flow ¹ | 1,295 | 1,713 | -24% | | 3,937 | 3,667 | 7% | |

¹ For a reconciliation of alternative performance measures, see "supplemental reconciliations and definitions" in the attached Q4 2024 Financial Information.

² EPS growth rates are computed using unrounded amounts.

³ Constant currency (not adjusted for portfolio changes).

"I am proud of our teams delivering record high revenues, Operational EBITA and margin. I expect 2025 to be another year of progress, where we further build on the ABB Way and our strong market positions."

Morten Wierod, CEO



CEO summary

For the fourth quarter, we delivered year-on-year improvements on virtually all lines of the income statement and with annual Free cash flow at \$3.9 billion we achieved our ambition to step up from last year. On a sequential basis the general trading conditions remained similar, and we saw the usual historical fourth quarter pattern of a negative book-to-bill as well as softer orders and margins, as we had earlier indicated.

Overall, the market conditions remain favorable, and it was good to end the year with comparable order growth of 7% in the fourth quarter. This was led by a very strong growth in the Electrification business area, with particularly high demand in the data centers and utilities segments as well as an overall positive development in the buildings segment. Customer activity linked to discrete automation remained sequentially unchanged. On a year-on-year basis, orders in Robotics & Discrete Automation improved, albeit from last year's very low base. Following a period of unusually turbulent markets, the business area has completed a customer outreach to re-confirm the order backlog. This resulted in de-bookings weighing on order growth in the quarter. We still believe we are approaching the end of machine builders' inventory adjustments towards the end of the first quarter or during the second quarter at the latest. Process Automation delivered yet another quarter with positive book-to-bill and despite the challenging large order comparable there was only a slight order decline from last year. In the Motion business area, we had a positive development in short-cycle orders, although this was more than offset by lower project orders.

I was pleased to see a couple of divisions announcing acquisitions, which when completed would add approximately \$200 million of combined annual revenues linked to low carbon solutions. Some divisions also made additional investments in technology start-ups including industrial simulation software and real-time analytics of electrical infrastructure. I view these venture capital investments as an extension of our own R&D efforts.

The majority of our R&D workforce focuses on digital, AI and software. One example of these R&D investments generating customer value is the launch of ABB Ability™ Genix Copilot, a generative AI solution that helps energy, utilities and other industries improve efficiency, productivity, and sustainability by contextualizing vast amounts of real-time production data and providing actionable insights.

Another harvest of ABB's innovation is the orders received for our unique medium voltage UPS offering HiPerGuard for use in data centers. We believe we can help customers to

redesign the next generation of data centers to reduce complexity, capex spend and become more energy efficient by using our medium voltage UPS HiPerGuard, to help facilitate a more seamless UPS compatibility with AI driven increases in server rack power requirements.

2024 was a record year for Revenues, Gross margin, Operational EBITA earnings and margin. With Operational EBITA margin at 18.1% we took another step towards the high end of our target range. Earnings per share increased by 6% and we generated Free cash flow of \$3.9 billion, representing a Free cash flow margin¹ of 12%. Despite the challenging large order base from the prior year period, we managed to slightly improve comparable order intake. Overall, a strong achievement by the ABB team and, in my view, a good indication of our strong market exposure, ability to create customer value and ongoing efforts to further improve internal efficiency.

Looking to 2025, we will continue to deliver on our strategy of driving the ABB Way operating model further into our divisions, whereby generating additional long-term accountability, transparency and speed. Our strong balance sheet supports acquisitions, and it is good to see that we are gaining some momentum in this area. Based on the deals we have already announced but not yet completed, we should approach our long-term target range for acquired growth. In addition, we intend to continue with share buybacks in line with our capital allocation principles. We acknowledge some market uncertainty and what currently seems to be an adverse impact on reported numbers from changes in exchange rates mainly due to the appreciation of the USD. That said, we expect another year of improving profitability, continued good cash flow and a positive book-to-bill.

The Board of Directors has decided to propose an ordinary dividend of CHF 0.90 per share, up from CHF 0.87 in the previous year. We also intend to launch a new larger share buyback program of up to \$1.5 billion, running until January 28, 2026.



Morten Wierod
CEO

Outlook

In the **first quarter of 2025**, we anticipate comparable revenue growth in the mid-single digit range and Operational EBITA margin to be broadly stable, year-on-year.

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.

Orders and revenues

Orders of \$8,088 million represents a strong year-on-year improvement of 6% (7% comparable). This was supported by positive developments in both the project-related and short-cycle businesses, which offset a decline in service where large orders were booked last year. After re-confirming some of the order backlog with customers, de-bookings weighed on Group order growth by 2 percentage points. Similar to the pattern in prior fourth quarters the book-to-bill was negative; and recorded at 0.94.

The engine for order growth was the Electrification business area, which was up by 15% (16% comparable) with improvements across most customer segments, as indicated by the double-digit order growth in virtually all divisions. Robotics & Discrete Automation improved by 3% (4% comparable), reflecting the net of last year's low base, backlog adjustments and customers continued focus on inventory management in the machine building segment. Both Motion and Process Automation had a positive momentum in the short-cycle areas, however challenging large order comparables weighed on total order growth which softened by 4% (3% comparable) and 3% (1% comparable), respectively.

The market environment in the Americas was strong and orders were up by 5% (7% comparable), supported by robust customer activity in the United States, where quarterly growth, however, was limited to 1% (1% comparable) due to large order bookings last year. Europe improved by 10% (9% comparable), including a positive development in Germany. Asia, Middle East and Africa improved by 3% (4% comparable) on strong comparable

Growth

| Change year-on-year | Q4 Orders | Q4 Revenues |
|---------------------|-----------|-------------|
| Comparable | 7% | 5% |
| FX | -1% | -2% |
| Portfolio changes | 0% | 1% |
| Total | 6% | 4% |

Orders by region

| (\$ in millions, unless otherwise indicated) | Q4 2024 | Q4 2023 | CHANGE | |
|--|--------------|--------------|-----------|------------|
| | | | US\$ | Comparable |
| Europe | 2,798 | 2,554 | 10% | 9% |
| The Americas | 3,127 | 2,985 | 5% | 7% |
| Asia, Middle East and Africa | 2,163 | 2,110 | 3% | 4% |
| ABB Group | 8,088 | 7,649 | 6% | 7% |

Revenues by region

| (\$ in millions, unless otherwise indicated) | Q4 2024 | Q4 2023 | CHANGE | |
|--|--------------|--------------|-----------|------------|
| | | | US\$ | Comparable |
| Europe | 2,881 | 2,951 | -2% | -2% |
| The Americas | 3,050 | 2,847 | 7% | 9% |
| Asia, Middle East and Africa | 2,659 | 2,447 | 9% | 10% |
| ABB Group | 8,590 | 8,245 | 4% | 5% |

development in countries like Japan, South Korea and parts of the Middle East, offsetting declines elsewhere, including China which was down by 11% (11% comparable).

In transport & infrastructure, the trading environment was strong in rail, marine and ports, although quarterly order intake declined due to a challenging large order comparable. Land transport infrastructure benefited from upgrades of electrical equipment.

In the industrial areas a particularly strong development was seen in data centers and utilities.

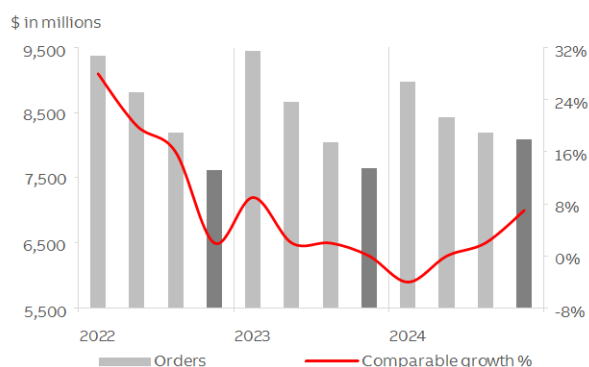
Orders in the buildings segment improved as weakness in China was more than offset by favorable developments in other regions driven by commercial areas while the residential segment is stabilizing at a low level.

In the robotics-related segments, the automotive segment is generally challenging although a positive order development was recorded in the quarter. Orders increased in food & beverage and general industry, while stable to negative developments were noted mainly in consumer electronics and metals. Orders in the machine builder segment declined.

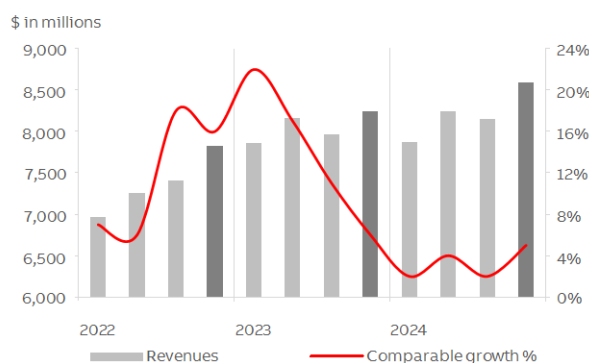
In the process-related areas, orders were stable or improved in most customer segments, with a negative order development mainly in chemicals.

Revenues of \$8,590 million improved by 4% (5% comparable) year-on-year with volumes being the main driver, with some added support from positive pricing. The positive development in three business areas, led by a double-digit growth in Electrification, was partially offset by declines in Robotics & Discrete Automation and the E-mobility business where markets are weak and order backlogs have normalized.

Orders



Revenues



Earnings

Gross profit

Gross profit increased by 7% (8% constant currency) year-on-year to \$3,049 million, reflecting a gross margin improvement of 100 basis points to 35.5%. Gross margin improved in two out of four business areas.

Income from operations

Income from operations amounted to \$1,169 million and improved by 5% year-on-year. This improvement was driven mainly by a stronger operating performance and lower restructuring expenses offset partially by adverse impacts from exchange rate and commodity timing differences. There was a neutral net impact from gains on portfolio changes and revaluation of equity investment assets. The Income from operations margin was 13.6%, up by 10 basis points.

Operational EBITA

Operational EBITA improved by 8% year-on-year to \$1,434 million and the margin increased by 40 basis points to 16.7%. Operational leverage on higher volumes were the key driver to the earnings increase, with some additional support from price management. These combined benefits more than offset the intentionally higher expenses related to R&D, while Sales, General & Administrative expenses increased only slightly and declined as percentage of revenues. Earnings improved in three business areas reflecting the higher margin run rate compared with last year. This more than offset significant declines in Robotics & Discrete Automation and in the E-mobility business which were both impacted by a weak market environment. Operational EBITA in Corporate and Other amounted to -\$131 million, of which -\$59 million related

to the underlying Corporate and Other costs which were lower than anticipated due to the reimbursement of approximately \$20 million linked to a settlement of a non-core project. The remaining -\$72 million relate to the E-mobility business, where 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 \$52 million, an improvement from last year's expense of \$28 million. The year-on-year improvement is mainly due to a combination of a lower net debt position and favorable mix of interest rates between borrowings and cash deposits.

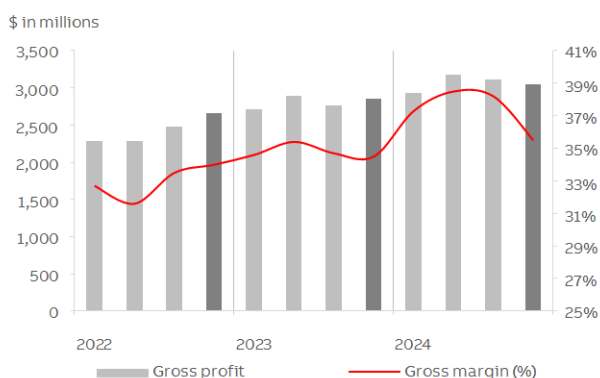
Income tax

Income tax expense was \$237 million, and similar to the historical pattern the effective tax rate was low in the fourth quarter at 19.2%.

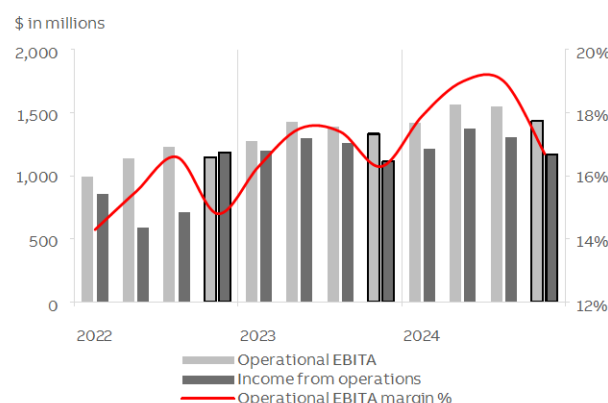
Net income and earnings per share

Net income attributable to ABB was \$987 million, representing an increase of 7% from last year, helped by the improved operational performance and the contribution from net finance income which combined more than offset the adverse impact from the higher tax rate year-on-year. This resulted in an increase of 7% in basic earnings per share to \$0.54, up from \$0.50 in the last year period.

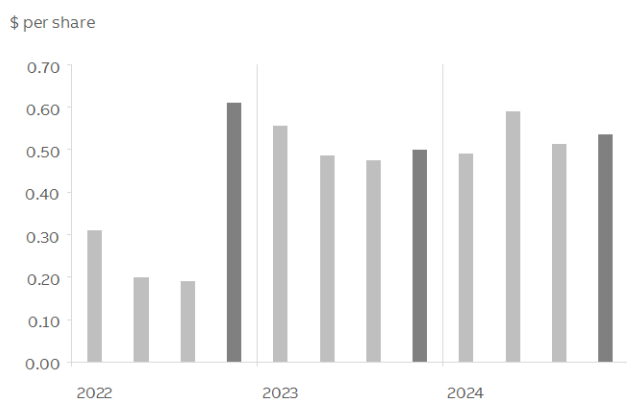
Gross profit & Gross margin



Income from operations & Operational EBITA



Basic EPS



Corporate and Other Operational EBITA

| (\$ in millions) | Q4 2024 | Q4 2023 |
|---|--------------|-------------|
| Corporate and Other | | |
| E-mobility | (72) | (33) |
| Corporate costs, intersegment eliminations and other ¹ | (59) | (34) |
| Total | (131) | (67) |

¹ Majority of which relates to underlying corporate

Balance sheet & Cash flow

Net working capital

Net working capital amounted to \$2,830 million, decreasing year-on-year from \$3,257 million with the reduction primarily due to the favorable impact from changes in exchange rates combined with an increase in trade payables and higher customer advances, more than offsetting the increase in receivables. Net working capital as a percentage of revenues¹ was 8.6%, a decline from 10.2% one year ago.

Capital expenditures

Purchases of property, plant and equipment and intangible assets amounted to \$283 million.

Net debt

Net debt¹ amounted to \$1,285 million at the end of the quarter and decreased from \$1,991 million year-on-year. The sequential decrease from \$2,158 million in the third quarter was due mainly to the combined impacts from a solid free cash flow and foreign currency impacts on the long-term debt as the US dollar appreciated, that was partly offset by share buyback activity and completed acquisitions.

Cash flows

Cash flow from operating activities was \$1,537 million, representing a decline from last year as the impact of stronger earnings was offset by a lower reduction in net working capital.

Share buyback program

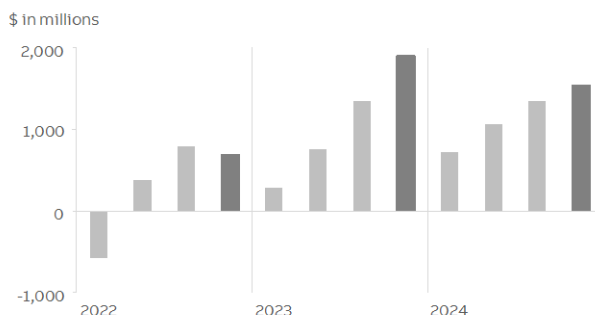
A share buyback program of up to \$1 billion was launched on April 1, 2024. During the fourth quarter, ABB repurchased a total of 5,516,852 shares for a total amount of approximately \$314 million. ABB's total number of issued shares, including shares held in treasury, amounts to 1,860,614,888.

When the current share buyback program is completed on January 31, 2025, ABB will have repurchased shares for approximately \$0.9 billion. A new annual share buyback program of up to \$1.5 billion is planned for capital reduction purposes. The new program is expected to be launched in early February 2025. It will be executed on the second trading line on the SIX Swiss Exchange and is planned to run until January 28, 2026.

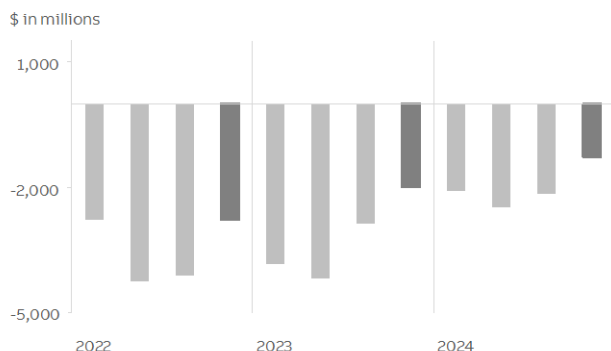
| (\$ in millions, unless otherwise indicated) | Dec. 31 2024 | Dec. 31 2023 |
|--|--------------|--------------|
| Short-term debt and current maturities of long-term debt | 293 | 2,607 |
| Long-term debt | 6,652 | 5,221 |
| Total debt | 6,945 | 7,828 |
| Cash & equivalents | 4,311 | 3,891 |
| Restricted cash - current | 15 | 18 |
| Marketable securities and short-term investments | 1,334 | 1,928 |
| Cash and marketable securities | 5,660 | 5,837 |
| Net debt (cash)* | 1,285 | 1,991 |
| Net debt (cash)* to EBITDA ratio | 0.2 | 0.4 |
| Net debt (cash)* to Equity ratio | 0.09 | 0.14 |

* At Dec. 31, 2024 and Dec. 31, 2023, net debt(cash) excludes net pension (assets)/liabilities of \$(227) million and \$(191) million, respectively.

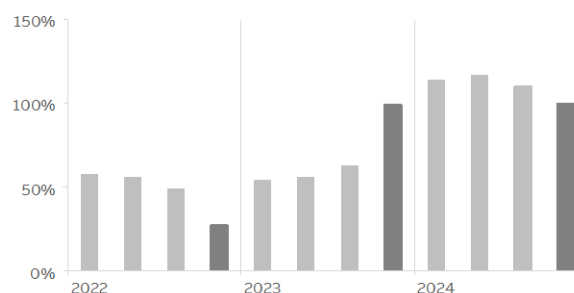
Cash flow from operating activities



Net Cash (Net Debt) position



Free cash flow conversion to net income¹, R12M



Electrification



Orders and revenues

Positioned at the core of the secular electrification trend, orders improved at a double-digit rate both in the project businesses as well as in the short-cycle product areas. Order intake reached \$3,908 million, representing a strong improvement of 15% (16% comparable) year-on-year. In line with the historical pattern book-to-bill was negative in the fourth quarter, at 0.97.

- Double-digit order improvement was recorded in virtually all divisions.
- The overall order development was positive in most of the customer segments, despite a continued soft trading environment in several segments in China. Particular strength was noted in data centers and utilities. The buildings segment also improved strongly due to positive development in the commercial area while residential remained broadly stable.
- Orders improved at a double-digit rate in all regions. The Americas increased by 18% (19% comparable) supported by the United States at 21% (20% comparable). Europe was up by 11% (11% comparable) with growth in most large markets. Asia, Middle East and Africa improved by 14% (17% comparable) with strong growth in countries

Growth

| Change year-on-year | Q4 Orders | Q4 Revenues |
|---------------------|------------|-------------|
| Comparable | 16% | 11% |
| FX | -1% | -2% |
| Portfolio changes | 0% | 0% |
| Total | 15% | 9% |

like India and parts of the Middle East offsetting a small decline in China of 2% (2% comparable).

- As a testament to the four-year period of positive order growth, Electrification delivered its first +4 billion revenue quarter. At \$4,046 million, revenues increased by 9% (11% comparable), slightly more than originally expected due mainly to higher project business deliveries. Higher volumes were the primary source for growth, with some additional support from positive price impacts.

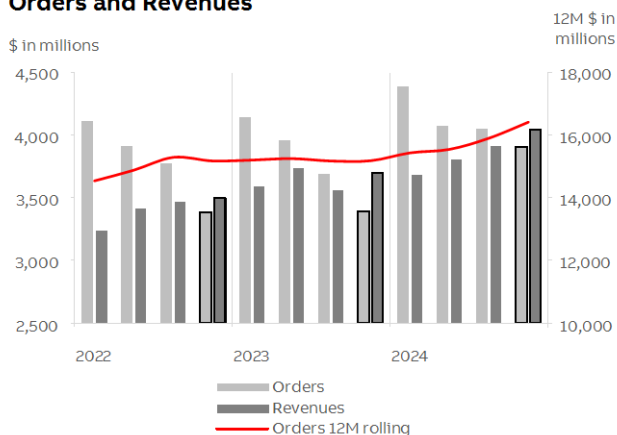
Profit

Operational EBITA increased by 19% year-on-year to \$863 million, resulting in a margin improvement of 160 basis points to 21.3%.

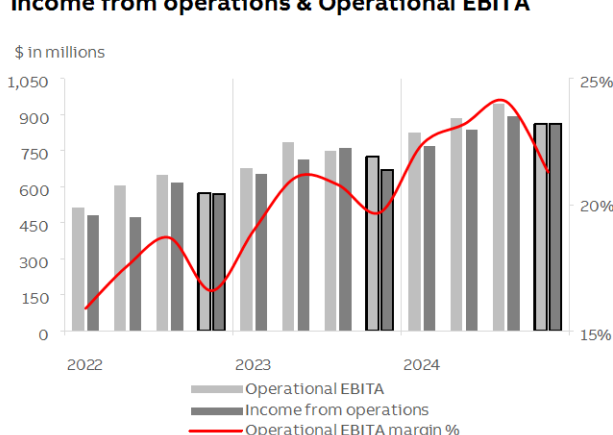
- A higher gross margin was the main driver to the profitability increase, supported by operational leverage on higher volumes and a positive price development.
- The combined R&D and SG&A expenses increased although reduced in relation to revenues.
- The mix impact which usually weighs on the fourth quarter profitability was somewhat stronger than expected this year, due to a higher proportion of revenues stemming from project businesses.

| (\$ millions, unless otherwise indicated) | CHANGE | | | | CHANGE | | | |
|---|---------|---------|----------|------------|---------|---------|----------|------------|
| | Q4 2024 | Q4 2023 | US\$ | Comparable | FY 2024 | FY 2023 | US\$ | Comparable |
| Orders | 3,908 | 3,395 | 15% | 16% | 16,422 | 15,189 | 8% | 10% |
| Order backlog | 7,506 | 6,808 | 10% | 15% | 7,506 | 6,808 | 10% | 15% |
| Revenues | 4,046 | 3,698 | 9% | 11% | 15,448 | 14,584 | 6% | 9% |
| Operational EBITA | 863 | 725 | 19% | | 3,520 | 2,937 | 20% | |
| as % of operational revenues | 21.3% | 19.7% | +1.6 pts | | 22.7% | 20.1% | +2.6 pts | |
| Cash flow from operating activities | 1,214 | 1,068 | 14% | | 3,652 | 3,211 | 14% | |
| No. of employees (FTE equiv.) | 51,700 | 50,300 | 3% | | | | | |

Orders and Revenues



Income from operations & Operational EBITA



Motion



Orders and revenues

The impact from a positive momentum in the short-cycle businesses, was offset by lower projects and systems orders. Total order intake declined by 4% (3% comparable) and amounted to \$1,866 million.

- A favorable order development was recorded in the commercial building HVAC, water & wastewater and power generation segments. 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 Europe at 2% (3% comparable). The Americas declined by 11% (9% comparable), including a drop of 10% (10% comparable) from the challenging large order comparable in the United States. Asia, Middle East and Africa softened by 2% (1% comparable) with a decline of 3% (3% comparable) in China.
- At \$2,038 million a milestone was achieved with Revenues for the first time reaching the +2 billion level. An increase of 5% (6% comparable) was

Growth

| Change year-on-year | Q4 Orders | Q4 Revenues |
|---------------------|------------|-------------|
| Comparable | -3% | 6% |
| FX | -1% | -1% |
| Portfolio changes | 0% | 0% |
| Total | -4% | 5% |

recorded year-on-year, with a positive development in virtually all divisions supported by backlog execution and slightly positive impact from short-cycle demand. The impact from higher volumes was the main driver, with some additional support from a positive price change.

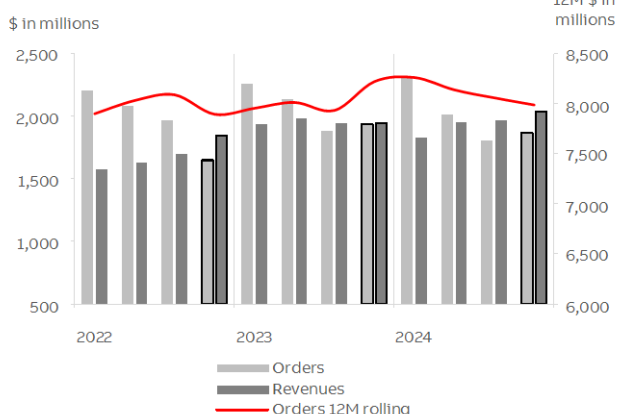
Profit

Operational EBITA increased by 20% to \$383 million and Operational EBITA margin was up by 210 basis points to 18.7%, albeit the positive year-on-year margin change was partially due to last year's low comparable linked to one-time adverse impacts of approximately 60bps.

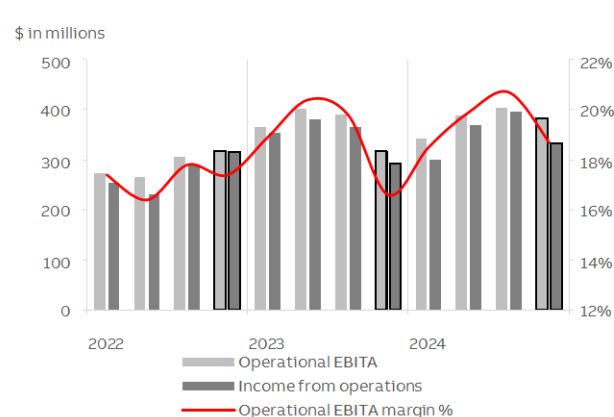
- The gross margin improvement year-on-year was supported by the operational leverage from higher volumes, operational improvements and some positive price development, more than offsetting the impact from higher R&D and SG&A spend.

| (\$ millions, unless otherwise indicated) | CHANGE | | | | CHANGE | | | |
|---|---------|---------|----------|------------|---------|---------|----------|------------|
| | Q4 2024 | Q4 2023 | US\$ | Comparable | FY 2024 | FY 2023 | US\$ | Comparable |
| Orders | 1,866 | 1,937 | -4% | -3% | 7,989 | 8,222 | -3% | -2% |
| Order backlog | 5,239 | 5,343 | -2% | 4% | 5,239 | 5,343 | -2% | 4% |
| Revenues | 2,038 | 1,946 | 5% | 6% | 7,787 | 7,814 | 0% | 0% |
| Operational EBITA | 383 | 318 | 20% | | 1,518 | 1,475 | 3% | |
| as % of operational revenues | 18.7% | 16.6% | +2.1 pts | | 19.4% | 18.9% | +0.5 pts | |
| Cash flow from operating activities | 518 | 597 | -13% | | 1,776 | 1,532 | 16% | |
| No. of employees (FTE equiv.) | 22,400 | 22,300 | 1% | | | | | |

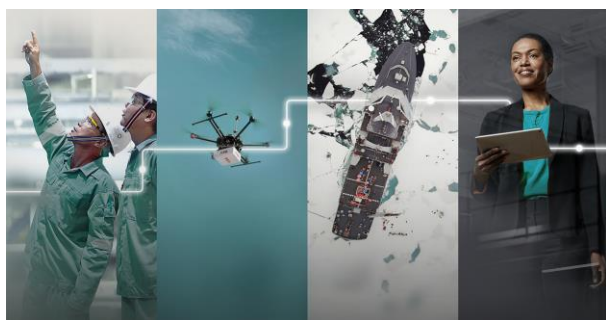
Orders and Revenues



Income from operations & Operational EBITA



Process Automation



Orders and revenues

In a continued solid business environment, the order intake of \$1,823 million declined by 3% (1% comparable) from last year's level. A good achievement as last year included a large \$150 million order booking. The book-to-bill was positive at 1.02, and the order backlog remained broadly stable at the high level of \$7.4 billion, as the positive comparable development of 4% was offset by changes in exchange rates.

- Customer activity remained strong in the marine and ports segment, although order intake declined on the back of timing of large orders in the prior year period. A stable to positive order development was noted in most of the energy and process industry-related segments, with weakness noted primarily in chemical.
- Revenues amounted to \$1,795 million and increased by 4% (4% comparable) supported by execution of the order backlog and a positive development in the service business.

Growth

| Change year-on-year | Q4 Orders | Q4 Revenues |
|---------------------|------------|-------------|
| Comparable | -1% | 4% |
| FX | -2% | -1% |
| Portfolio changes | 0% | 1% |
| Total | -3% | 4% |

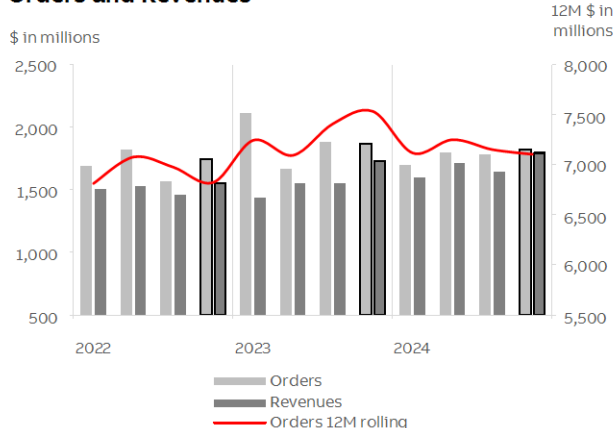
Profit

Operational EBITA was up by 8% to \$258 million supported mainly by higher volumes driving the 40 basis points increase in Operational EBITA margin to 14.4%.

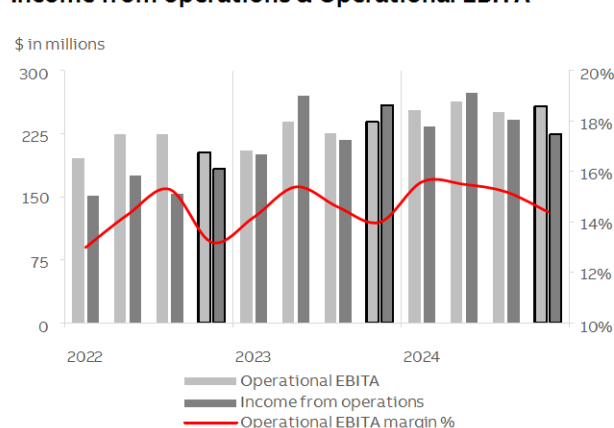
- In addition to the volume increase there was some support from improved operational efficiency and mix, which all combined more than offset the impacts from higher R&D and SG&A expenses.

| (\$ millions, unless otherwise indicated) | CHANGE | | | | CHANGE | | | |
|---|---------|---------|----------|------------|---------|---------|----------|------------|
| | Q4 2024 | Q4 2023 | US\$ | Comparable | FY 2024 | FY 2023 | US\$ | Comparable |
| Orders | 1,823 | 1,870 | -3% | -1% | 7,106 | 7,535 | -6% | -5% |
| Order backlog | 7,437 | 7,519 | -1% | 4% | 7,437 | 7,519 | -1% | 4% |
| Revenues | 1,795 | 1,727 | 4% | 4% | 6,756 | 6,270 | 8% | 9% |
| Operational EBITA | 258 | 239 | 8% | | 1,025 | 909 | 13% | |
| as % of operational revenues | 14.4% | 14.0% | +0.4 pts | | 15.1% | 14.5% | +0.6 pts | |
| Cash flow from operating activities | 349 | 444 | -21% | | 1,158 | 1,002 | 16% | |
| No. of employees (FTE equiv.) | 22,500 | 21,100 | 6% | | | | | |

Orders and Revenues



Income from operations & Operational EBITA



Robotics & Discrete Automation



Orders and revenues

Orders of \$567 million increased by 3% (4% comparable) from last year's low level. Following the market correction after the prebuy period we have completed a customer outreach to re-confirm the order backlog, which consequently was adversely impacted by approximately \$130 million. The majority of the impact is linked to Machine Automation and China and weighed on the business area's quarterly order growth by 23% (24% comparable). We expect a slight sequential order increase in both divisions in the first quarter of 2025, when excluding the impact from the backlog adjustment in the fourth quarter.

- Orders in the **Robotics** division improved from last year. The general trading environment in the automotive segment remains challenging, although quarterly orders improved year-on-year supported by a ramp up in hybrid investments and some selected replacement capex. Orders increased also in food & beverage and general industry. Stable to negative developments were noted mainly in consumer electronics and metals. Orders increased in all regions.
- **Machine Automation** orders declined sharply from last year, impacted by the order backlog adjustment. Outside of this, order intake improved from last year's very low level. Sequentially, the market environment was broadly

Growth

| Change year-on-year | Q4 Orders | Q4 Revenues |
|---------------------|-----------|-------------|
| Comparable | 4% | -9% |
| FX | -1% | -1% |
| Portfolio changes | 0% | 0% |
| Total | 3% | -10% |

unchanged. Customers are still focused on managing inventory levels, which we still expect to have normalized towards the end of the first quarter or at the latest during the second quarter 2025.

- Revenues of \$769 million represented a decline of 10% (9% comparable) year-on-year, as a low double-digit positive growth in the Robotics division was more than offset by a sharp volume drop in Machine Automation. Growth in AMEA led by China was offset by a steep decline in Europe; while the Americas were broadly stable.

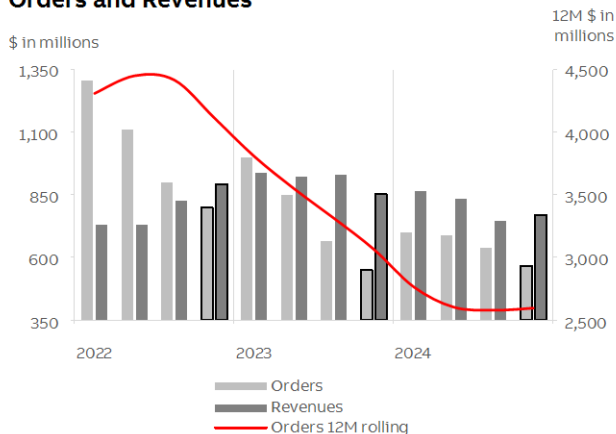
Profit

Operational leverage impacts from significantly lower volumes in the Machine Automation division put pressure on the Operational EBITA which broadly halved to \$61 million. The Operational EBITA margin was somewhat lower than originally expected and dropped by 590 basis points year-on-year to 7.9%.

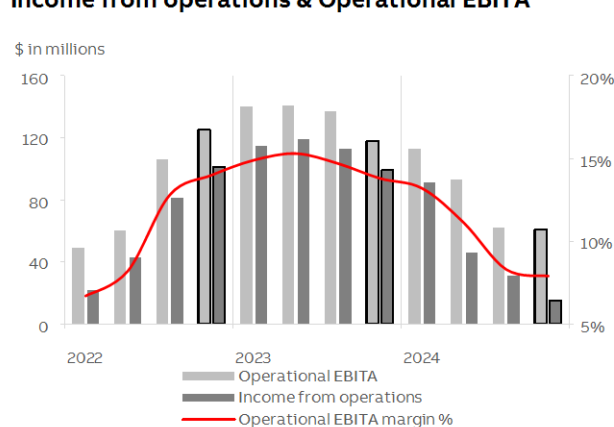
- In Machine Automation savings from cost measures were increasingly realized towards the end of the quarter, but did not yet compensate for the adverse impacts related to low production volumes.
- The Operational EBITA margin in the Robotics division remained in double-digit territory.

| (\$ millions, unless otherwise indicated) | CHANGE | | | | CHANGE | | | |
|---|---------|---------|----------|------------|---------|---------|----------|------------|
| | Q4 2024 | Q4 2023 | US\$ | Comparable | FY 2024 | FY 2023 | US\$ | Comparable |
| Orders | 567 | 550 | 3% | 4% | 2,596 | 3,066 | -15% | -15% |
| Order backlog | 1,447 | 2,141 | -32% | -29% | 1,447 | 2,141 | -32% | -29% |
| Revenues | 769 | 852 | -10% | -9% | 3,213 | 3,640 | -12% | -11% |
| Operational EBITA | 61 | 118 | -48% | | 329 | 536 | -39% | |
| as % of operational revenues | 7.9% | 13.8% | -5.9 pts | | 10.2% | 14.7% | -4.5 pts | |
| Cash flow from operating activities | 39 | 170 | -77% | | 315 | 436 | -28% | |
| No. of employees (FTE equiv.) | 10,800 | 11,300 | -4% | | | | | |

Orders and Revenues



Income from operations & Operational EBITA



Sustainability



Q4 outcome

- 19% reduction year-on-year of scope 1 and 2 CO₂e emissions due to a reduction of fossil fuels and a shift to green electricity in our operations.
- LTIFR at 0.14 increasing year-on-year but remaining at a low level.
- 0.3%-points increase year-on-year in the proportion of women in senior management roles.

Events from the Quarter

- Aker Solutions has awarded ABB a front-end engineering and design (FEED) contract for the 560 MW Green Volt floating offshore wind project in the UK. This project, led by Vårgrønn and Flotation Energy, aims to become Europe's first commercial-scale floating wind farm. ABB will handle the electrical infrastructure, including system design, to support the decarbonization of the UK energy system by supplying 1.5 TWh of renewable power annually.
- ABB has been selected by OHB System AG to develop and build thermal infrared payloads for the European Space Agency's Earth Explorer Harmony satellites. Scheduled for launch in 2029, the Harmony mission will use two satellites equipped with ABB's multispectral thermal infrared instruments to measure environmental parameters like sea surface temperature and cloud motion. These satellites will work in tandem with the Copernicus Sentinel-1 satellite to provide high-resolution observations of Earth's surface, aiding climate science and geohazard assessment.
- ABB is investing in a strategic partnership with Edgecom Energy, a Toronto-based energy management startup. The company's energy management platform uses artificial intelligence to help industrial and commercial users manage and reduce peaks in their power demand. It is the first in

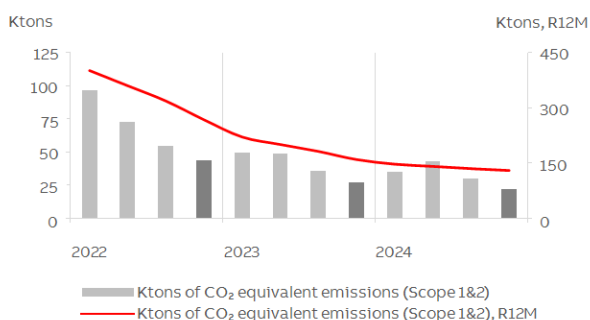
the market to use a generative AI copilot to optimize the user experience. The partnership involves a minority investment in Edgecom through ABB Electrification Ventures, the venture capital arm of ABB Electrification.

- The Motion business area has achieved an industry-first by publishing third-party verified, Environmental Product Declaration (EPD) for large electric motors compliant with ISO 14025:2006 Type III, covering its AMS 1120 synchronous motors series. This represents a new industry benchmark for transparency in emissions declaration for large electric motors. These motors are mostly used in gas and air compression in Liquefied Natural Gas (LNG) or other petrochemical industries as well as in air separation for chemical or metals industries.
- As part of the social progress pillar of ABB's Sustainability Agenda, the company hosted global events on neurodiversity and imposter syndrome aimed at bridging gaps in awareness, challenging/interrupting stigma, and equipping employees with tools for overall well-being and resilience. Furthermore, ABB launched 'meQ', an application for line managers enhancing their ability to lead and support employees with personalized coaching assets, including videos, trainings, and articles on resilience, focusing especially on mental health.

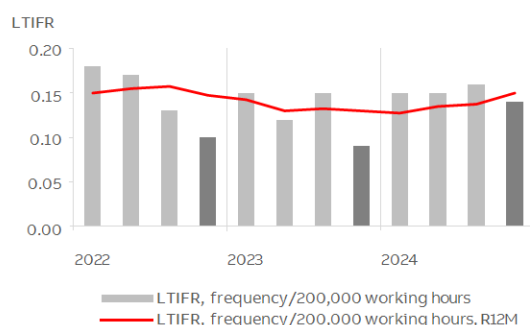
| | Q4 2024 | Q4 2023 | CHANGE | 12M ROLLING |
|---|---------|---------|----------|-------------|
| CO ₂ e own operations emissions, Ktons scope 1 and 2 ¹ | 22 | 27 | -19% | 130 |
| Lost Time Injury Frequency Rate (LTIFR), frequency / 200,000 working hours ² | 0.14 | 0.09 | 60% | 0.15 |
| Proportion of women in senior management roles in % | 21.3 | 21.0 | +0.3 pts | 21.4 |

¹ CO₂ equivalent emissions from site, energy use, SF₆ and fleet, previous quarter
² Current quarter includes all incidents reported by January 9, 2025

CO₂e Scope 1&2



Lost Time Injury Frequency Rate



Significant events

During Q4 2024

- On December 18, ABB announced it has signed an agreement to acquire the power electronics product business of Gamesa Electric in Spain from Siemens Gamesa. The acquisition would significantly expand ABB's existing power conversion product and service offering to renewables OEMs and end users, with new portfolio and engineering assets. The power electronics business of Gamesa Electric reported revenues of around 170 million euros for the fiscal year that ended on September 30th, 2024.
- On November 1, Mathias Gaertner joined ABB as General Counsel and Company Secretary and a Member of the Executive Committee.

After Q4 2024

- On January 30, ABB announced that the Board of Directors will propose Claudia Nemat as new member for election at the company's Annual General Meeting on March 27, 2025, and that Lars Förberg has decided not to stand for re-election. Claudia Nemat has been a member of Deutsche Telekom's Management Board since 2011. Until the end of 2016 she led their European business. Since January 2017 she has been responsible for "Technology and Innovation", which includes networks, IT, products, as well as information and cyber security.
- On January 30, ABB announced that the current share buyback program will be completed on January 31, 2025, after which a new annual share buyback program of up to \$1.5 billion is planned for capital reduction purposes. The new program is expected to be launched in early February 2025. It will be executed on the second trading line on the SIX Swiss Exchange and is planned to run until January 28, 2026.

Upon completion of the current program, ABB will have repurchased shares for approximately \$0.9 billion.

Full year 2024

In 2024, the overall order intake increased slightly from a high comparable as the general trading environment remained favorable. Book-to-bill was positive at 1.03 and there was a positive development in the short-cycle businesses, however total order intake remained broadly stable (up 1% comparable) at \$33,690 million, as the growth rate was hampered by lower project and systems orders which declined from last year's high comparable. Orders in the Electrification business area increased significantly and weakness mainly related to Robotics & Discrete Automation as well as the E-mobility business.

Revenues were supported by execution of the large order backlog as well as a slight improvement in short-cycle demand and amounted to \$32,850 million, up by 2% (3% comparable). The strongest momentum was noted in the Electrification and Process Automation business areas while Robotics & Discrete Automation as well as the E-Mobility business declined. Revenues in the Motion business area remained stable.

Income from operations increased by 4% year-on-year to \$5,071 million. This increase can be attributed to an improved operational performance which more than offset the adverse impact from portfolio changes and fair value adjustments on investments.

The material improvement of 260 basis points to the Gross margin was a key driver to higher profitability levels. Operational EBITA amounted to \$5,968 million, up 10% year-on-year. The Operational EBITA margin improved by 120 basis points to 18.1%. The increase was driven by improvements in the Electrification, Motion

and Process Automation business areas, which more than offset declines in Robotics & Discrete Automation as well as the E-mobility business. The improvement was mainly driven by operating leverage on higher volumes with additional support from price increases as well as lower underlying Corporate costs. Overall, this more than offset higher expenses related to SG&A and R&D. Overall, Corporate and Other Operational EBITA amounted to -\$424 million. This includes a loss of \$273 million that can be attributed to the E-mobility business, which was negatively affected by the ongoing reorganization to ensure a more focused portfolio, and impairments mainly linked to inventories.

Net financial income supported results by \$107 million, representing an improvement from last year's expense of \$110 million. The year-on-year improvement is mainly driven by a combination of a lower net debt position and favorable mix of interest rates between borrowings and cash deposits as well as lower foreign exchange losses. Income tax expense was \$1,278 million reflecting a tax rate of 24.4%, compared with a tax rate of unusually low 19.5% in the prior year.

Net income attributable to ABB was \$3,935 million, up from \$3,745 million year-on-year. Basic earnings per share was \$2.13, representing an increase by 6% compared with the prior year.

Acquisitions and divestments, last twelve months

| Acquisitions | Company/unit | Closing date | Revenues, \$ in millions ¹ | No. of employees |
|--------------------------------|-------------------------------------|--------------|---------------------------------------|------------------|
| 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 |
| Process Automation | Real Tech Water | 1-Feb | ~6 | 38 |
| Robotics & Discrete Automation | Meshmind | 1-Feb | <5 | 50 |

| Divestments | Company/unit | Closing date | Revenues, \$ in millions ¹ | No. of employees |
|-----------------|--|--------------|---------------------------------------|------------------|
| 2024 | | | | |
| E-mobility | InCharge Energy Inc (share transfer) | 30-Nov | ~100 | NA |
| 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 2023 | Q2 2023 | Q3 2023 | Q4 2023 | FY 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | FY 2024 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------------|
| EBITDA, \$ in million | 1,389 | 1,494 | 1,453 | 1,315 | 5,651 | 1,418 | 1,578 | 1,503 | 1,374 | 5,873 |
| Return on Capital Employed, % | n.a. | n.a. | n.a. | n.a. | 21.10 | n.a. | n.a. | n.a. | n.a. | 22.90 |
| Net debt/Equity | 0.30 | 0.31 | 0.21 | 0.14 | 0.14 | 0.16 | 0.18 | 0.15 | 0.09 | 0.09 |
| Net debt/ EBITDA 12M rolling | 0.9 | 0.8 | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.2 | 0.2 |
| Net working capital, % of 12M rolling revenues | 13.9% | 14.7% | 12.8% | 10.2% | 10.2% | 11.2% | 11.2% | 11.1% | 8.6% | 8.6% |
| Earnings per share, basic, \$ | 0.56 | 0.49 | 0.48 | 0.50 | 2.02 | 0.49 | 0.59 | 0.51 | 0.54 | 2.13 |
| Earnings per share, diluted, \$ | 0.55 | 0.48 | 0.47 | 0.50 | 2.01 | 0.49 | 0.59 | 0.51 | 0.53 | 2.13 |
| Dividend per share, CHF | n.a. | n.a. | n.a. | n.a. | 0.87 | n.a. | n.a. | n.a. | n.a. | 0.90 [*] |
| Share price at the end of period, CHF | 31.37 | 35.18 | 32.80 | 37.30 | 37.30 | 41.89 | 49.92 | 48.99 | 49.07 | 49.07 |
| Number of employees (FTE equivalents) | 106,170 | 108,320 | 107,430 | 107,870 | 107,870 | 108,700 | 109,390 | 109,970 | 109,930 | 109,930 |
| No. of shares outstanding at end of period (in millions) | 1,862 | 1,860 | 1,849 | 1,842 | 1,842 | 1,851 | 1,849 | 1,843 | 1,838 | 1,838 |

^{*} Dividend proposal subject to shareholder approval at the 2025 Annual General Meeting

Additional 2025 guidance

| (\$ in millions, unless otherwise stated) | FY 2025 ¹ | Q1 2025 |
|--|----------------------|---------|
| Corporate and Other Operational EBITA ² | ~(300) | ~(75) |
| Non-operating items | | |
| Acquisition-related amortization | ~(180) | ~(45) |
| Restructuring and related ³ | ~(250) | ~(70) |
| 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,” and “Sustainability”. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, the economic conditions of the regions and industries that are major markets for ABB. These expectations, estimates and projections are generally identifiable by statements containing words such as “anticipates,” “expects,” “estimates,” “intends,” “plans,” “targets,” “guidance,” or similar expressions. However, there are many risks and uncertainties, many of which are beyond

our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this press release and which could affect our ability to achieve any or all of our stated targets. These include, among others, business risks associated with the volatile global economic environment and political conditions, market acceptance of new products and services, changes in governmental regulations and currency exchange rates. Although ABB Ltd believes that its expectations reflected in any such forward looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

Q4 results presentation on January 30, 2025

The Q4 2024 and full year results press release and presentation slides are available on the ABB News Center at www.abb.com/news and on the Investor Relations homepage at www.abb.com/investorrelations.

A conference call and webcast for analysts and investors is scheduled to begin at 10:00 a.m. CET. To pre-register

for the conference call or to join the webcast, please refer to the ABB website: www.abb.com/investorrelations.

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

Financial calendar

2025

| | |
|-------------|--|
| February 27 | Publication of Annual Reporting Suite |
| March 27 | Annual General Meeting |
| April 17 | Q1 2025 results |
| July 17 | Q2 2025 results |
| October 16 | Q3 2025 results |
| November 18 | Capital Markets Day in New Berlin, United States |

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ABB is a global technology leader in electrification and automation, enabling a more sustainable and resource-efficient future. By connecting its engineering and digitalization expertise, ABB helps industries run at high performance, while becoming more efficient, productive and sustainable so they outperform. At ABB, we call this ‘Engineered to Outrun’. The company has over 140 years of history and around 110,000 employees worldwide. ABB’s shares are listed on the SIX Swiss Exchange (ABBN) and Nasdaq Stockholm (ABB). www.abb.com



January 30, 2025

Q4 2024

FINANCIAL INFORMATION

Financial Information

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| 08 – 31 | Consolidated Financial Information (unaudited) |
| 32 – 45 | Supplemental Reconciliations and Definitions |



Key Figures

| (\$ in millions, unless otherwise indicated) | Q4 2024 | Q4 2023 | CHANGE | |
|---|---------|---------|-------------------|---------------------------|
| | | | US\$ | Comparable ⁽¹⁾ |
| Orders | 8,088 | 7,649 | 6% | 7% |
| Order backlog (end December) | 21,221 | 21,567 | -2% | 4% |
| Revenues | 8,590 | 8,245 | 4% | 5% |
| Gross Profit | 3,049 | 2,848 | 7% | |
| as % of revenues | 35.5% | 34.5% | +1 pts | |
| Income from operations | 1,169 | 1,116 | 5% | |
| Operational EBITA ⁽¹⁾ | 1,434 | 1,333 | 8% | 9% ⁽²⁾ |
| as % of operational revenues ⁽¹⁾ | 16.7% | 16.3% | +0.4 pts | |
| Income from continuing operations, net of tax | 1,000 | 946 | 6% | |
| Net income attributable to ABB | 987 | 921 | 7% | |
| Basic earnings per share (\$) | 0.54 | 0.50 | 7% ⁽³⁾ | |
| Cash flow from operating activities | 1,537 | 1,897 | -19% | |
| Free cash flow ⁽¹⁾ | 1,295 | 1,713 | -24% | |

| (\$ in millions, unless otherwise indicated) | FY 2024 | FY 2023 | CHANGE | |
|---|---------|---------|-------------------|---------------------------|
| | | | US\$ | Comparable ⁽¹⁾ |
| Orders | 33,690 | 33,818 | 0% | 1% |
| Revenues | 32,850 | 32,235 | 2% | 3% |
| Gross Profit | 12,274 | 11,214 | 9% | |
| as % of revenues | 37.4% | 34.8% | +2.6 pts | |
| Income from operations | 5,071 | 4,871 | 4% | |
| Operational EBITA ⁽¹⁾ | 5,968 | 5,427 | 10% | 11% ⁽²⁾ |
| as % of operational revenues ⁽¹⁾ | 18.1% | 16.9% | +1.2 pts | |
| Income from continuing operations, net of tax | 3,955 | 3,848 | 3% | |
| Net income attributable to ABB | 3,935 | 3,745 | 5% | |
| Basic earnings per share (\$) | 2.13 | 2.02 | 6% ⁽³⁾ | |
| Cash flow from operating activities | 4,675 | 4,290 | 9% | |
| Free cash flow ⁽¹⁾ | 3,937 | 3,667 | 7% | |

(1) For a reconciliation of alternative performance measures see "Supplemental Reconciliations and Definitions" on page 32.

(2) Constant currency (not adjusted for portfolio changes).

(3) EPS growth rates are computed using unrounded amounts.

| (\$ in millions, unless otherwise indicated) | | Q4 2024 | Q4 2023 | CHANGE | | |
|--|--|---------------|---------------|------------|-----------|------------|
| | | | | US\$ | Local | Comparable |
| Orders | ABB Group | 8,088 | 7,649 | 6% | 7% | 7% |
| | Electrification | 3,908 | 3,395 | 15% | 16% | 16% |
| | Motion | 1,866 | 1,937 | -4% | -3% | -3% |
| | Process Automation | 1,823 | 1,870 | -3% | -1% | -1% |
| | Robotics & Discrete Automation | 567 | 550 | 3% | 4% | 4% |
| | <i>Corporate and Other</i> | 117 | 125 | | | |
| | <i>Intersegment eliminations</i> | (193) | (228) | | | |
| Order backlog (end December) | ABB Group | 21,221 | 21,567 | -2% | 4% | 4% |
| | Electrification | 7,506 | 6,808 | 10% | 15% | 15% |
| | Motion | 5,239 | 5,343 | -2% | 4% | 4% |
| | Process Automation | 7,437 | 7,519 | -1% | 5% | 4% |
| | Robotics & Discrete Automation | 1,447 | 2,141 | -32% | -29% | -29% |
| | <i>Corporate and Other</i> | | | | | |
| | <i>(incl. intersegment eliminations)</i> | (408) | (244) | | | |
| Revenues | ABB Group | 8,590 | 8,245 | 4% | 6% | 5% |
| | Electrification | 4,046 | 3,698 | 9% | 11% | 11% |
| | Motion | 2,038 | 1,946 | 5% | 6% | 6% |
| | Process Automation | 1,795 | 1,727 | 4% | 5% | 4% |
| | Robotics & Discrete Automation | 769 | 852 | -10% | -9% | -9% |
| | <i>Corporate and Other</i> | 181 | 229 | | | |
| | <i>Intersegment eliminations</i> | (239) | (207) | | | |
| Income from operations | ABB Group | 1,169 | 1,116 | | | |
| | Electrification | 863 | 670 | | | |
| | Motion | 333 | 292 | | | |
| | Process Automation | 224 | 259 | | | |
| | Robotics & Discrete Automation | 15 | 99 | | | |
| | <i>Corporate and Other</i> | | | | | |
| | <i>(incl. intersegment eliminations)</i> | (266) | (204) | | | |
| Income from operations % | ABB Group | 13.6% | 13.5% | | | |
| | Electrification | 21.3% | 18.1% | | | |
| | Motion | 16.3% | 15.0% | | | |
| | Process Automation | 12.5% | 15.0% | | | |
| | Robotics & Discrete Automation | 2.0% | 11.6% | | | |
| Operational EBITA | ABB Group | 1,434 | 1,333 | 8% | 9% | |
| | Electrification | 863 | 725 | 19% | 21% | |
| | Motion | 383 | 318 | 20% | 21% | |
| | Process Automation | 258 | 239 | 8% | 10% | |
| | Robotics & Discrete Automation | 61 | 118 | -48% | -48% | |
| | <i>Corporate and Other</i> | | | | | |
| | <i>(incl. intersegment eliminations)</i> | (131) | (67) | | | |
| Operational EBITA % | ABB Group | 16.7% | 16.3% | | | |
| | Electrification | 21.3% | 19.7% | | | |
| | Motion | 18.7% | 16.6% | | | |
| | Process Automation | 14.4% | 14.0% | | | |
| | Robotics & Discrete Automation | 7.9% | 13.8% | | | |
| Cash flow from operating activities | ABB Group | 1,537 | 1,897 | | | |
| | Electrification | 1,214 | 1,068 | | | |
| | Motion | 518 | 597 | | | |
| | Process Automation | 349 | 444 | | | |
| | Robotics & Discrete Automation | 39 | 170 | | | |
| | <i>Corporate and Other</i> | | | | | |
| | <i>(incl. intersegment eliminations)</i> | (583) | (382) | | | |

| (\$ in millions, unless otherwise indicated) | | FY 2024 | FY 2023 | CHANGE | | |
|--|--|---------------|---------------|------------|------------|------------|
| | | | | US\$ | Local | Comparable |
| Orders | ABB Group | 33,690 | 33,818 | 0% | 1% | 1% |
| | Electrification | 16,422 | 15,189 | 8% | 9% | 10% |
| | Motion | 7,989 | 8,222 | -3% | -2% | -2% |
| | Process Automation | 7,106 | 7,535 | -6% | -5% | -5% |
| | Robotics & Discrete Automation | 2,596 | 3,066 | -15% | -15% | -15% |
| | <i>Corporate and Other</i> | 503 | 720 | | | |
| | <i>Intersegment eliminations</i> | (926) | (914) | | | |
| Order backlog (end December) | ABB Group | 21,221 | 21,567 | -2% | 4% | 4% |
| | Electrification | 7,506 | 6,808 | 10% | 15% | 15% |
| | Motion | 5,239 | 5,343 | -2% | 4% | 4% |
| | Process Automation | 7,437 | 7,519 | -1% | 5% | 4% |
| | Robotics & Discrete Automation | 1,447 | 2,141 | -32% | -29% | -29% |
| | <i>Corporate and Other</i> | | | | | |
| | <i>(incl. intersegment eliminations)</i> | (408) | (244) | | | |
| Revenues | ABB Group | 32,850 | 32,235 | 2% | 3% | 3% |
| | Electrification | 15,448 | 14,584 | 6% | 7% | 9% |
| | Motion | 7,787 | 7,814 | 0% | 1% | 0% |
| | Process Automation | 6,756 | 6,270 | 8% | 9% | 9% |
| | Robotics & Discrete Automation | 3,213 | 3,640 | -12% | -11% | -11% |
| | <i>Corporate and Other</i> | 558 | 769 | | | |
| | <i>Intersegment eliminations</i> | (912) | (842) | | | |
| Income from operations | ABB Group | 5,071 | 4,871 | | | |
| | Electrification | 3,362 | 2,800 | | | |
| | Motion | 1,400 | 1,390 | | | |
| | Process Automation | 974 | 947 | | | |
| | Robotics & Discrete Automation | 183 | 446 | | | |
| | <i>Corporate and Other</i> | | | | | |
| | <i>(incl. intersegment eliminations)</i> | (848) | (712) | | | |
| Income from operations % | ABB Group | 15.4% | 15.1% | | | |
| | Electrification | 21.8% | 19.2% | | | |
| | Motion | 18.0% | 17.8% | | | |
| | Process Automation | 14.4% | 15.1% | | | |
| | Robotics & Discrete Automation | 5.7% | 12.3% | | | |
| Operational EBITA | ABB Group | 5,968 | 5,427 | 10% | 11% | |
| | Electrification | 3,520 | 2,937 | 20% | 21% | |
| | Motion | 1,518 | 1,475 | 3% | 3% | |
| | Process Automation | 1,025 | 909 | 13% | 14% | |
| | Robotics & Discrete Automation | 329 | 536 | -39% | -38% | |
| | <i>Corporate and Other</i> | | | | | |
| | <i>(incl. intersegment eliminations)</i> | (424) | (430) | | | |
| Operational EBITA % | ABB Group | 18.1% | 16.9% | | | |
| | Electrification | 22.7% | 20.1% | | | |
| | Motion | 19.4% | 18.9% | | | |
| | Process Automation | 15.1% | 14.5% | | | |
| | Robotics & Discrete Automation | 10.2% | 14.7% | | | |
| Cash flow from operating activities | ABB Group | 4,675 | 4,290 | | | |
| | Electrification | 3,652 | 3,211 | | | |
| | Motion | 1,776 | 1,532 | | | |
| | Process Automation | 1,158 | 1,002 | | | |
| | Robotics & Discrete Automation | 315 | 436 | | | |
| | <i>Corporate and Other</i> | | | | | |
| | <i>(incl. intersegment eliminations)</i> | (2,226) | (1,891) | | | |

Operational EBITA

| (\$ in millions, unless otherwise indicated) | ABB | | Electrification | | Motion | | Process Automation | | Robotics & Discrete Automation | |
|---|-----------------|--------------|-----------------|--------------|--------------|--------------|--------------------|--------------|--------------------------------|--------------|
| | Q4 24 | Q4 23 | Q4 24 | Q4 23 | Q4 24 | Q4 23 | Q4 24 | Q4 23 | Q4 24 | Q4 23 |
| | Revenues | 8,590 | 8,245 | 4,046 | 3,698 | 2,038 | 1,946 | 1,795 | 1,727 | 769 |
| Foreign exchange/commodity timing differences in total revenues | 16 | (66) | 6 | (15) | 11 | (35) | 2 | (21) | 1 | 2 |
| Operational revenues | 8,606 | 8,179 | 4,052 | 3,683 | 2,049 | 1,911 | 1,797 | 1,706 | 770 | 854 |
| Income from operations | 1,169 | 1,116 | 863 | 670 | 333 | 292 | 224 | 259 | 15 | 99 |
| Acquisition-related amortization | 46 | 56 | 25 | 22 | 9 | 9 | 5 | 1 | 6 | 20 |
| Restructuring, related and implementation costs ⁽¹⁾ | 81 | 127 | 7 | 50 | 15 | 41 | 23 | (4) | 19 | 6 |
| Changes in obligations related to divested businesses | 1 | 2 | – | – | – | – | – | – | – | – |
| Gains and losses from sale of businesses | (70) | (4) | (71) | (4) | – | – | – | – | – | – |
| Fair value adjustment on assets and liabilities held for sale | (19) | – | – | – | – | – | – | – | – | – |
| Acquisition- and divestment-related expenses and integration costs | 19 | 19 | 5 | 7 | 2 | 2 | 2 | (4) | 4 | 7 |
| Certain other non-operational items | 157 | 76 | 4 | 5 | 2 | 2 | 2 | – | 14 | (14) |
| Foreign exchange/commodity timing differences in income from operations | 50 | (59) | 30 | (25) | 22 | (28) | 2 | (13) | 3 | – |
| Operational EBITA | 1,434 | 1,333 | 863 | 725 | 383 | 318 | 258 | 239 | 61 | 118 |
| Operational EBITA margin (%) | 16.7% | 16.3% | 21.3% | 19.7% | 18.7% | 16.6% | 14.4% | 14.0% | 7.9% | 13.8% |

| (\$ in millions, unless otherwise indicated) | ABB | | Electrification | | Motion | | Process Automation | | Robotics & Discrete Automation | |
|---|-----------------|---------------|-----------------|---------------|---------------|--------------|--------------------|--------------|--------------------------------|--------------|
| | FY 24 | FY 23 | FY 24 | FY 23 | FY 24 | FY 23 | FY 24 | FY 23 | FY 24 | FY 23 |
| | Revenues | 32,850 | 32,235 | 15,448 | 14,584 | 7,787 | 7,814 | 6,756 | 6,270 | 3,213 |
| Foreign exchange/commodity timing differences in total revenues | 83 | (41) | 38 | (3) | 27 | (23) | 18 | (18) | (1) | 4 |
| Operational revenues | 32,933 | 32,194 | 15,486 | 14,581 | 7,814 | 7,791 | 6,774 | 6,252 | 3,212 | 3,644 |
| Income from operations | 5,071 | 4,871 | 3,362 | 2,800 | 1,400 | 1,390 | 974 | 947 | 183 | 446 |
| Acquisition-related amortization | 203 | 220 | 94 | 88 | 35 | 35 | 10 | 5 | 54 | 79 |
| Restructuring, related and implementation costs ⁽¹⁾ | 178 | 219 | 27 | 76 | 39 | 46 | 30 | 3 | 59 | 6 |
| Changes in obligations related to divested businesses | (10) | (3) | – | 1 | – | – | – | – | – | – |
| Gains and losses from sale of businesses | (57) | (101) | (73) | (75) | – | – | – | (26) | – | – |
| Fair value adjustment on assets and liabilities held for sale | 113 | – | 25 | – | – | – | – | – | – | – |
| Acquisition- and divestment-related expenses and integration costs | 73 | 74 | 38 | 30 | 5 | 17 | 5 | (7) | 16 | 14 |
| Certain other non-operational items | 325 | 165 | 7 | 16 | 7 | 6 | – | – | 14 | (10) |
| Foreign exchange/commodity timing differences in income from operations | 72 | (18) | 40 | 1 | 32 | (19) | 6 | (13) | 3 | 1 |
| Operational EBITA | 5,968 | 5,427 | 3,520 | 2,937 | 1,518 | 1,475 | 1,025 | 909 | 329 | 536 |
| Operational EBITA margin (%) | 18.1% | 16.9% | 22.7% | 20.1% | 19.4% | 18.9% | 15.1% | 14.5% | 10.2% | 14.7% |

(1) Includes impairment of certain assets.

Depreciation and Amortization

| (\$ in millions) | ABB | | Electrification | | Motion | | Process Automation | | Robotics & Discrete Automation | |
|--|--------------|-------|-----------------|-------|--------|-------|--------------------|-------|--------------------------------|-------|
| | Q4 24 | Q4 23 | Q4 24 | Q4 23 | Q4 24 | Q4 23 | Q4 24 | Q4 23 | Q4 24 | Q4 23 |
| | Depreciation | 144 | 133 | 74 | 66 | 31 | 28 | 12 | 12 | 14 |
| Amortization | 61 | 66 | 35 | 28 | 11 | 10 | 6 | 2 | 7 | 20 |
| including total acquisition-related amortization of: | 46 | 56 | 25 | 22 | 9 | 9 | 5 | 1 | 6 | 20 |

| (\$ in millions) | ABB | | Electrification | | Motion | | Process Automation | | Robotics & Discrete Automation | |
|--|--------------|-------|-----------------|-------|--------|-------|--------------------|-------|--------------------------------|-------|
| | FY 24 | FY 23 | FY 24 | FY 23 | FY 24 | FY 23 | FY 24 | FY 23 | FY 24 | FY 23 |
| | Depreciation | 550 | 517 | 275 | 256 | 119 | 108 | 48 | 47 | 58 |
| Amortization | 252 | 263 | 120 | 109 | 42 | 41 | 14 | 9 | 58 | 81 |
| including total acquisition-related amortization of: | 203 | 220 | 94 | 88 | 35 | 35 | 10 | 5 | 54 | 79 |

Orders received and revenues by region

| (\$ in millions, unless otherwise indicated) | Orders received | | CHANGE | | | Revenues | | CHANGE | | |
|--|-----------------|--------------|-----------|-----------|-------------|--------------|--------------|-----------|-----------|-------------|
| | Q4 24 | Q4 23 | US\$ | Local | Com-parable | Q4 24 | Q4 23 | US\$ | Local | Com-parable |
| | Europe | 2,798 | 2,554 | 10% | 11% | 9% | 2,881 | 2,951 | -2% | -2% |
| The Americas | 3,127 | 2,985 | 5% | 6% | 7% | 3,050 | 2,847 | 7% | 9% | 9% |
| of which United States | 2,291 | 2,277 | 1% | 1% | 1% | 2,289 | 2,105 | 9% | 9% | 9% |
| Asia, Middle East and Africa | 2,163 | 2,110 | 3% | 4% | 4% | 2,659 | 2,447 | 9% | 11% | 10% |
| of which China | 800 | 895 | -11% | -11% | -11% | 1,070 | 1,064 | 1% | 1% | 1% |
| ABB Group | 8,088 | 7,649 | 6% | 7% | 7% | 8,590 | 8,245 | 4% | 6% | 5% |

| (\$ in millions, unless otherwise indicated) | Orders received | | CHANGE | | | Revenues | | CHANGE | | |
|--|-----------------|---------------|-----------|-----------|-------------|---------------|---------------|-----------|-----------|-------------|
| | FY 24 | FY 23 | US\$ | Local | Com-parable | FY 24 | FY 23 | US\$ | Local | Com-parable |
| | Europe | 11,454 | 11,458 | 0% | 0% | 0% | 11,119 | 11,568 | -4% | -4% |
| The Americas | 12,110 | 12,437 | -3% | -2% | -1% | 11,805 | 11,090 | 6% | 7% | 8% |
| of which United States | 8,978 | 9,204 | -2% | -2% | -2% | 8,879 | 8,248 | 8% | 8% | 9% |
| Asia, Middle East and Africa | 10,126 | 9,923 | 2% | 5% | 5% | 9,926 | 9,577 | 4% | 7% | 7% |
| of which China | 3,952 | 4,488 | -12% | -10% | -10% | 4,296 | 4,468 | -4% | -2% | -2% |
| ABB Group | 33,690 | 33,818 | 0% | 1% | 1% | 32,850 | 32,235 | 2% | 3% | 3% |

Consolidated Financial Information

ABB Ltd Consolidated Income Statements (unaudited)

| (\$ in millions, except per share data in \$) | Year ended | | Three months ended | |
|---|-----------------|-----------------|--------------------|----------------|
| | Dec. 31, 2024 | Dec. 31, 2023 | Dec. 31, 2024 | Dec. 31, 2023 |
| Sales of products | 27,217 | 27,010 | 7,085 | 6,800 |
| Sales of services and other | 5,633 | 5,225 | 1,505 | 1,445 |
| Total revenues | 32,850 | 32,235 | 8,590 | 8,245 |
| Cost of sales of products | (17,347) | (17,938) | (4,661) | (4,545) |
| Cost of services and other | (3,229) | (3,083) | (880) | (852) |
| Total cost of sales | (20,576) | (21,021) | (5,541) | (5,397) |
| Gross profit | 12,274 | 11,214 | 3,049 | 2,848 |
| Selling, general and administrative expenses | (5,708) | (5,543) | (1,503) | (1,485) |
| Non-order related research and development expenses | (1,469) | (1,317) | (409) | (366) |
| Other income (expense), net | (26) | 517 | 32 | 119 |
| Income from operations | 5,071 | 4,871 | 1,169 | 1,116 |
| Interest and dividend income | 206 | 165 | 60 | 50 |
| Interest and other finance expense | (99) | (275) | (8) | (78) |
| Non-operational pension (cost) credit | 55 | 17 | 16 | (6) |
| Income from continuing operations before taxes | 5,233 | 4,778 | 1,237 | 1,082 |
| Income tax expense | (1,278) | (930) | (237) | (136) |
| Income from continuing operations, net of tax | 3,955 | 3,848 | 1,000 | 946 |
| Loss from discontinued operations, net of tax | (3) | (24) | (5) | (8) |
| Net income | 3,952 | 3,824 | 995 | 938 |
| Net income attributable to noncontrolling interests and redeemable noncontrolling interests | (17) | (79) | (8) | (17) |
| Net income attributable to ABB | 3,935 | 3,745 | 987 | 921 |
| Amounts attributable to ABB shareholders: | | | | |
| Income from continuing operations, net of tax | 3,937 | 3,769 | 992 | 929 |
| Loss from discontinued operations, net of tax | (2) | (24) | (5) | (8) |
| Net income | 3,935 | 3,745 | 987 | 921 |
| Basic earnings per share attributable to ABB shareholders: | | | | |
| Income from continuing operations, net of tax | 2.14 | 2.03 | 0.54 | 0.50 |
| Loss from discontinued operations, net of tax | - | (0.01) | - | - |
| Net income | 2.13 | 2.02 | 0.54 | 0.50 |
| Diluted earnings per share attributable to ABB shareholders: | | | | |
| Income from continuing operations, net of tax | 2.13 | 2.02 | 0.54 | 0.50 |
| Loss from discontinued operations, net of tax | - | (0.01) | - | - |
| Net income | 2.13 | 2.01 | 0.53 | 0.50 |
| Weighted-average number of shares outstanding (in millions) used to compute: | | | | |
| Basic earnings per share attributable to ABB shareholders | 1,844 | 1,855 | 1,841 | 1,845 |
| Diluted earnings per share attributable to ABB shareholders | 1,851 | 1,867 | 1,846 | 1,856 |

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) | Year ended | | Three months ended | |
|--|---------------|---------------|--------------------|---------------|
| | Dec. 31, 2024 | Dec. 31, 2023 | Dec. 31, 2024 | Dec. 31, 2023 |
| Total comprehensive income, net of tax | 3,647 | 3,315 | 695 | 586 |
| Total comprehensive (income) loss attributable to noncontrolling interests and redeemable noncontrolling interests, net of tax | 8 | (84) | 14 | (30) |
| Total comprehensive income attributable to ABB shareholders, net of tax | 3,655 | 3,231 | 709 | 556 |

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

See Notes to the Consolidated Financial Information

ABB Ltd Consolidated Balance Sheets (unaudited)

| (\$ in millions) | Dec. 31, 2024 | Dec. 31, 2023 |
|---|---------------|---------------|
| Cash and equivalents | 4,311 | 3,891 |
| Restricted cash | 15 | 18 |
| Marketable securities and short-term investments | 1,334 | 1,928 |
| Receivables, net | 7,388 | 7,446 |
| Contract assets | 1,115 | 1,090 |
| Inventories, net | 5,859 | 6,149 |
| Prepaid expenses | 287 | 235 |
| Other current assets | 541 | 520 |
| Total current assets | 20,850 | 21,277 |
| Property, plant and equipment, net | 4,177 | 4,142 |
| Operating lease right-of-use assets | 840 | 893 |
| Investments in equity-accounted companies | 368 | 187 |
| Prepaid pension and other employee benefits | 689 | 780 |
| Intangible assets, net | 1,048 | 1,223 |
| Goodwill | 10,555 | 10,561 |
| Deferred taxes | 1,341 | 1,381 |
| Other non-current assets | 489 | 496 |
| Total assets | 40,357 | 40,940 |
| Accounts payable, trade | 5,036 | 4,847 |
| Contract liabilities | 2,969 | 2,844 |
| Short-term debt and current maturities of long-term debt | 293 | 2,607 |
| Current operating leases | 235 | 249 |
| Provisions for warranties | 1,248 | 1,210 |
| Other provisions | 853 | 1,201 |
| Other current liabilities | 4,582 | 5,046 |
| Total current liabilities | 15,216 | 18,004 |
| Long-term debt | 6,652 | 5,221 |
| Non-current operating leases | 631 | 666 |
| Pension and other employee benefits | 569 | 686 |
| Deferred taxes | 675 | 669 |
| Other non-current liabilities | 1,554 | 1,548 |
| Total liabilities | 25,297 | 26,794 |
| <i>Commitments and contingencies</i> | | |
| Redeemable noncontrolling interest | – | 89 |
| Stockholders' equity: | | |
| Common stock, CHF 0.12 par value (1,861 million and 1,882 million shares issued at December 31, 2024 and 2023, respectively) | 162 | 163 |
| Additional paid-in capital | 50 | 7 |
| Retained earnings | 20,717 | 19,724 |
| Accumulated other comprehensive loss | (5,350) | (5,070) |
| Treasury stock, at cost (22 million and 40 million shares at December 31, 2024 and 2023, respectively) | (1,091) | (1,414) |
| Total ABB stockholders' equity | 14,488 | 13,410 |
| Noncontrolling interests | 572 | 647 |
| Total stockholders' equity | 15,060 | 14,057 |
| Total liabilities and stockholders' equity | 40,357 | 40,940 |

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

See Notes to the Consolidated Financial Information

ABB Ltd Consolidated Statements of Cash Flows (unaudited)

| (\$ in millions) | Year ended | | Three months ended | |
|---|----------------|----------------|--------------------|----------------|
| | Dec. 31, 2024 | Dec. 31, 2023 | Dec. 31, 2024 | Dec. 31, 2023 |
| Operating activities: | | | | |
| Net income | 3,952 | 3,824 | 995 | 938 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 802 | 780 | 205 | 199 |
| Changes in fair values of investments | 65 | (29) | 83 | (1) |
| Pension and other employee benefits | (92) | (48) | (40) | 19 |
| Deferred taxes | (2) | (28) | 91 | 16 |
| Loss from equity-accounted companies | 21 | 16 | 7 | 5 |
| Net loss (gain) from derivatives and foreign exchange | (52) | (54) | 16 | (11) |
| Net gain from sale of property, plant and equipment | (60) | (116) | (18) | (77) |
| Net gain from sale of businesses | (67) | (100) | (71) | (3) |
| Fair value adjustment on assets and liabilities held for sale | 113 | - | (19) | - |
| Other | 138 | 158 | 39 | 43 |
| Changes in operating assets and liabilities: | | | | |
| Trade receivables, net | (179) | (633) | (229) | 164 |
| Contract assets and liabilities | 203 | 412 | 82 | 169 |
| Inventories, net | (101) | (3) | 323 | 435 |
| Accounts payable, trade | 189 | (129) | 110 | (73) |
| Accrued liabilities | (8) | 252 | 183 | 114 |
| Provisions, net | (29) | 212 | 15 | 113 |
| Income taxes payable and receivable | (123) | (190) | (316) | (181) |
| Other assets and liabilities, net | (95) | (34) | 81 | 28 |
| Net cash provided by operating activities | 4,675 | 4,290 | 1,537 | 1,897 |
| Investing activities: | | | | |
| Purchases of investments | (1,563) | (1,957) | (361) | (854) |
| Purchases of property, plant and equipment and intangible assets | (845) | (770) | (283) | (264) |
| Acquisition of businesses (net of cash acquired) and increases in cost- and equity-accounted companies | (622) | (225) | (325) | (65) |
| Proceeds from sales of investments | 2,170 | 610 | 332 | 12 |
| Proceeds from maturity of investments | - | 149 | - | 11 |
| Proceeds from sales of property, plant and equipment | 107 | 147 | 41 | 80 |
| Proceeds from sales of businesses (net of transaction costs and cash disposed) and cost- and equity-accounted companies | (43) | 530 | (30) | (1) |
| Net cash from settlement of foreign currency derivatives | 87 | (109) | 96 | (33) |
| Changes in loans receivable, net | (13) | 3 | (3) | (4) |
| Other investing activities | (3) | 7 | (1) | (2) |
| Net cash used in investing activities | (725) | (1,615) | (534) | (1,120) |
| Financing activities: | | | | |
| Net changes in debt with original maturities of 90 days or less | (15) | (1,365) | (8) | (368) |
| Increase in debt | 1,914 | 2,586 | 550 | 2 |
| Repayment of debt | (2,488) | (1,567) | (1) | (130) |
| Delivery of shares | 451 | 154 | 47 | 36 |
| Purchase of treasury stock | (1,247) | (1,258) | (404) | (349) |
| Dividends paid | (1,769) | (1,713) | - | - |
| Dividends paid to noncontrolling shareholders | (103) | (93) | - | (4) |
| Proceeds from issuance of subsidiary shares | - | 328 | - | - |
| Other financing activities | (69) | 31 | (43) | 27 |
| Net cash provided by (used in) financing activities | (3,326) | (2,897) | 141 | (786) |
| Effects of exchange rate changes on cash and equivalents and restricted cash | (207) | (43) | (101) | 31 |
| Adjustment for the net change in cash and equivalents and restricted cash in Assets held for sale | - | - | - | - |
| Net change in cash and equivalents and restricted cash | 417 | (265) | 1,043 | 22 |
| Cash and equivalents and restricted cash, beginning of period | 3,909 | 4,174 | 3,283 | 3,887 |
| Cash and equivalents and restricted cash, end of period | 4,326 | 3,909 | 4,326 | 3,909 |
| Supplementary disclosure of cash flow information: | | | | |
| Interest paid | 241 | 250 | 40 | 99 |
| Income taxes paid | 1,382 | 1,147 | 430 | 282 |

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, 2023 | 171 | 141 | 20,082 | (4,556) | (3,061) | 12,777 | 410 | 13,187 |
| Net income ⁽¹⁾ | | | 3,745 | | | 3,745 | 83 | 3,828 |
| Foreign currency translation adjustments, net of tax of \$(2) | | | | (286) | | (286) | 5 | (281) |
| Effect of change in fair value of available-for-sale securities, net of tax of \$3 | | | | 11 | | 11 | | 11 |
| Unrecognized income (expense) related to pensions and other postretirement plans, net of tax of \$(45) | | | | (237) | | (237) | | (237) |
| Change in derivative instruments and hedges, net of tax of \$(1) | | | | (2) | | (2) | | (2) |
| Issuance of subsidiary shares | | 170 | | | | 170 | 168 | 338 |
| Other changes in noncontrolling interests | | (31) | (37) | | | (68) | 67 | (1) |
| Dividends to noncontrolling shareholders | | | | | | | (93) | (93) |
| Dividends to shareholders | | | (1,706) | | | (1,706) | | (1,706) |
| Cancellation of treasury shares | (7) | (201) | (2,359) | | 2,567 | | | |
| Share-based payment arrangements | | 101 | | | | 101 | 2 | 103 |
| Purchase of treasury stock | | | | | (1,247) | (1,247) | | (1,247) |
| Delivery of shares | | (173) | | | 327 | 154 | | 154 |
| Other | | (2) | | | | (2) | 5 | 3 |
| Balance at December 31, 2023 | 163 | 7 | 19,724 | (5,070) | (1,414) | 13,410 | 647 | 14,057 |
| Balance at January 1, 2024 | 163 | 7 | 19,724 | (5,070) | (1,414) | 13,410 | 647 | 14,057 |
| Net income ⁽¹⁾ | | | 3,935 | | | 3,935 | 19 | 3,954 |
| Foreign currency translation adjustments, net of tax of \$2 | | | | (271) | | (271) | (25) | (296) |
| Effect of change in fair value of available-for-sale securities, net of tax of \$1 | | | | 5 | | 5 | | 5 |
| Unrecognized income (expense) related to pensions and other postretirement plans, net of tax of \$24 | | | | (16) | | (16) | | (16) |
| Change in derivative instruments and hedges, net of tax of \$(2) | | | | 2 | | 2 | | 2 |
| Changes in noncontrolling interests | | (10) | (62) | | | (72) | 30 | (42) |
| Dividends to noncontrolling shareholders | | | | | | | (104) | (104) |
| Dividends to shareholders | | | (1,804) | | | (1,804) | | (1,804) |
| Cancellation of treasury shares | (2) | (2) | (828) | | 832 | | | |
| Share-based payment arrangements | | 97 | | | | 97 | 5 | 102 |
| Purchase of treasury stock | | | | | (1,251) | (1,251) | | (1,251) |
| Delivery of shares | | (40) | (249) | | 740 | 451 | | 451 |
| Other | | (1) | | | | (1) | | (1) |
| Balance at December 31, 2024 | 162 | 50 | 20,717 | (5,350) | (1,091) | 14,488 | 572 | 15,060 |

(1) Amounts attributable to noncontrolling interests for the year ended December 31, 2024 and 2023, exclude net losses of \$2 million and \$4 million, respectively, related to redeemable noncontrolling interests, which are reported in the mezzanine equity section on the Consolidated Balance Sheets. See Note 3 for details.

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

See Notes to the Consolidated Financial Information

Notes to the Consolidated Financial Information (unaudited)

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, 2023.

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.

A portion of the Company's activities (primarily long-term construction activities) has an operating cycle that exceeds one year. For classification of current assets and liabilities related to such activities, the Company elected to use the duration of the individual contracts as its operating cycle. Accordingly, there are accounts receivable, contract assets, inventories and provisions related to these contracts which will not be realized within 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.

Effective January 1, 2024, the Company changed the presentation of discontinued operations in its statement of cash flows to an alternate allowable presentation. As a result, the total cash flows for operating, investing and financing activities from discontinued operations are no longer shown separately but instead all cash flows in discontinued operations are presented within each line item as appropriate in the statement of cash flows. All prior periods presented have been reclassified to conform to the current period presentation and there was no material impact for the year and three months ended December 31, 2023.

Note 2

Recent accounting pronouncements

Applicable for current periods

Improvements to reportable segment disclosures

In January 2024, the Company adopted an accounting standard update which requires the Company to disclose additional reportable segment information primarily through enhanced disclosures about significant segment expenses and extending certain annual disclosure requirements to a quarterly frequency. The update will be applied retrospectively for all periods presented in the Company's 2024 annual consolidated financial statements and then commencing from the first quarter of 2025, in its interim consolidated financial information. Other than these additional disclosures, this update does not have a significant impact on the Company's consolidated financial statements.

Applicable for future periods

Improvements to Income tax disclosures

In December 2023, an accounting standard update was issued 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. This update is effective for the Company prospectively, with retrospective adoption permitted, for annual periods beginning January 1, 2025. The Company is currently evaluating the impact of adopting this update on its consolidated financial statements.

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.

Note 3

Acquisitions and divestments

Acquisition of controlling interests

Acquisitions of controlling interests were as follows:

| (\$ in millions, except number of acquired businesses) | Year ended December 31, | | Three months ended December 31, | |
|--|-------------------------|------|---------------------------------|------|
| | 2024 | 2023 | 2024 | 2023 |
| Purchase price for acquisitions (net of cash acquired) ⁽¹⁾ | 583 | 175 | 317 | 61 |
| Aggregate excess of purchase price over fair value of net assets acquired ⁽²⁾ | 428 | 142 | 208 | 87 |
| Number of acquired businesses | 7 | 7 | 3 | 4 |

(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" amounts in the year ended December 31, 2024, relate primarily to the acquisitions of the Födisch Group, the SEAM Group and DTN Europe B.V.

Acquisitions of controlling interests have been accounted for under the acquisition method and have been included in the Company's consolidated financial statements since the date of acquisition.

On October 1, 2024, the Company acquired all the shares of the Födisch Group. The Födisch Group is a worldwide provider of advanced measurement and analytical solutions for the energy and industrial sectors. The cash outflows to complete the transaction amounted to \$287 million (net of cash acquired). This acquisition enhances the Company's Process Automation segment offering in continuous emission monitoring systems (CEMS) and bolsters its competitiveness in technology and innovation in this segment.

While the Company uses its best estimates and assumptions as part of the purchase price allocation process to value assets acquired and liabilities assumed at the acquisition date, the purchase price allocation for acquisitions is preliminary for up to 12 months after the acquisition date and is subject to refinement as more detailed analyses are completed and additional information about the fair values of the assets and liabilities becomes available.

Business divestments

In November 2024, the Company together with the Niedax Group formed Abnex Inc. (Abnex), a new joint venture company where each party has joint control. Under the terms of the agreement, the Company contributed its North American cable tray business to Abnex in return for a 50 percent ownership interest in the new joint venture. The transaction was recorded as a sale of its North American cable tray business, for which the Company recorded a gain of \$72 million, in Other income (expense), net, with a separate acquisition at fair value of the 50 percent investment in Abnex, amounting to \$124 million and accounted for using the equity method. The results of operations of the North American cable tray business are included in the continuing operations of the Electrification operating segment for all periods presented through to the date of transfer.

In September 2024, the Company and the noncontrolling shareholders of InCharge Energy Inc. (In-Charge) a subsidiary entirely within its E-mobility Division, came to a definitive agreement to terminate their respective put and call options by settling the contracts on a net basis. This agreement, completed in November 2024, resulted in the Company returning a portion of its shares to In-Charge, thereby reducing its direct ownership to approximately 46 percent and thus losing control. This transaction was treated similar to a business divestment and with a separate re-acquisition at fair value of the 46 percent investment (amounting to \$69 million) accounted for using the equity method. The Company recorded a loss of \$88 million, representing the excess of the carrying value over the estimated fair value of this business, in Other income (expense), net, in connection with the loss of control. The fair value adjustment on this business was determined using Level 3 inputs and based on a discounted cash flow model considering the expected future results of this business. The loss is based on the net assets of the business at the time of the deemed sale.

In the year ended December 31, 2023, the Company received proceeds (net of transaction costs and cash disposed) of \$530 million relating to divestments of consolidated businesses and recorded gains of \$100 million, in Other income (expense), net, on the sale of such businesses. These are primarily due the divestment of the Company's Power Conversion Division to AcBel Polytech Inc. in July 2023, which prior to its sale was part of the Company's Electrification operating segment.

Investments in equity-accounted companies

In connection with the establishment of the Joint Venture with the Niedex Group in November 2024, the Company obtained a 50 percent interest in Abnex, the resulting new joint venture entity. For accounting purposes the acquisition of the 50 percent interest has a fair value at the transaction date of \$124 million. The fair value was based on a discounted cash flow model considering the expected results of the future business operations of Abnex and using relevant market inputs including a risk-adjusted weighted-average cost of capital. As Abnex is jointly owned and controlled by ABB and the Niedex Group, the investment is accounted for using the equity method.

In November 2024, the reduction in the Company's share ownership and simultaneous loss of control of In-Charge resulted in, for accounting purposes, a separate acquisition of a 46 percent interest in this company. The fair value of this investment at the transaction date amounted to \$69 million and is accounted for using the equity method.

Note 4

Cash and equivalents, marketable securities and short-term investments

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

| (\$ in millions) | December 31, 2024 | | | | | |
|---|-------------------|------------------------|-------------------------|--------------|--|--|
| | Cost basis | Gross unrealized gains | Gross unrealized losses | Fair value | Cash and equivalents and restricted cash | 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 |
| Of which: | | | | | | |
| Restricted cash, current | | | | | 15 | |
| (\$ in millions) | December 31, 2023 | | | | | |
| | Cost basis | Gross unrealized gains | Gross unrealized losses | Fair value | Cash and equivalents and restricted cash | Marketable securities and short-term investments |
| Changes in fair value recorded in net income | | | | | | |
| Cash | 1,449 | | | 1,449 | 1,449 | |
| Time deposits | 2,923 | | | 2,923 | 2,460 | 463 |
| Equity securities | 1,250 | 32 | | 1,282 | | 1,282 |
| | 5,622 | 32 | - | 5,654 | 3,909 | 1,745 |
| Changes in fair value recorded in other comprehensive income | | | | | | |
| Debt securities available-for-sale: | | | | | | |
| U.S. government obligations | 189 | 2 | (8) | 183 | | 183 |
| | 189 | 2 | (8) | 183 | - | 183 |
| Total | 5,811 | 34 | (8) | 5,837 | 3,909 | 1,928 |
| Of which: | | | | | | |
| Restricted cash, current | | | | | 18 | |

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 (\$ in millions) | Total notional amounts at | |
|--|---------------------------|-------------------|
| | December 31, 2024 | December 31, 2023 |
| Foreign exchange contracts | 12,800 | 12,335 |
| Embedded foreign exchange derivatives | 1,159 | 1,137 |
| Cross-currency interest rate swaps | 833 | 886 |
| Interest rate contracts | 1,510 | 1,606 |

Derivative commodity contracts

The Company uses derivatives to hedge its direct or indirect exposure to the movement in the prices of commodities which are primarily copper, silver, steel and aluminum. The following table shows the notional amounts of outstanding derivatives (whether designated as hedges or not), on a net basis, to reflect the Company's requirements for these commodities:

| Type of derivative | Unit | Total notional amounts at | |
|--------------------|---------------|---------------------------|-------------------|
| | | December 31, 2024 | December 31, 2023 |
| Copper swaps | metric tonnes | 40,699 | 35,015 |
| Silver swaps | ounces | 2,648,681 | 2,359,363 |
| Steel swaps | metric tonnes | 20,185 | 10,206 |
| Aluminum swaps | metric tonnes | 4,525 | 5,900 |

Cash flow hedges

As noted above, the Company mainly uses forward foreign exchange contracts to manage the foreign exchange risk of its operations and commodity swaps to manage its commodity risks. The Company applies cash flow hedge accounting in only limited cases. In these cases, the effective portion of the changes in their fair value is recorded in Accumulated other comprehensive loss and subsequently reclassified into earnings in the same line item and in the same period as the underlying hedged transaction affects earnings. For the year and three months ended December 31, 2024 and 2023, 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) | | Year ended December 31, | | Three months ended December 31, | |
|---|---------------------------------|-------------------------|------|---------------------------------|------|
| | | 2024 | 2023 | 2024 | 2023 |
| Gains (losses) recognized in Interest and other finance expense: | | | | | |
| Interest rate contracts | Designated as fair value hedges | 28 | 44 | – | 14 |
| | Hedged item | (29) | (45) | – | (14) |
| Cross-currency interest rate swaps | Designated as fair value hedges | 33 | 30 | 13 | 43 |
| | Hedged item | (30) | (40) | (12) | (42) |

Derivatives not designated in hedge relationships

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

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

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

| Type of derivative not designated as a hedge (\$ in millions) | Location | Gains (losses) recognized in income | | | |
|--|--|-------------------------------------|--------------|---------------------------------|--------------|
| | | Year ended December 31, | | Three months ended December 31, | |
| | | 2024 | 2023 | 2024 | 2023 |
| Foreign exchange contracts | Total revenues | (262) | 145 | (143) | 158 |
| | Total cost of sales | 77 | (71) | 42 | (51) |
| | SG&A expenses ⁽¹⁾ | 35 | 27 | 11 | 3 |
| | Non-order related research and development | – | (7) | – | (3) |
| | Interest and other finance expense | 282 | (240) | 192 | (224) |
| Embedded foreign exchange contracts | Total revenues | 27 | 18 | 34 | (21) |
| | Total cost of sales | (6) | 1 | (6) | 1 |
| Commodity contracts | Total cost of sales | 14 | (3) | (35) | 4 |
| Other | Interest and other finance expense | (1) | 1 | – | – |
| Total | | 166 | (129) | 95 | (133) |

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

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

| (\$ in millions) | 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 |

| (\$ in millions) | December 31, 2023 | | | |
|---|---|---|--|--|
| | 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 | - | - | 5 | 2 |
| Interest rate contracts | - | - | 18 | - |
| Cross-currency interest rate swaps | - | - | - | 230 |
| Other | 10 | - | - | - |
| Total | 10 | - | 23 | 232 |
| Derivatives not designated as hedging instruments: | | | | |
| Foreign exchange contracts | 123 | 30 | 177 | 9 |
| Commodity contracts | 8 | - | 3 | - |
| Interest rate contracts | 1 | - | 1 | - |
| Embedded foreign exchange derivatives | 23 | 5 | 26 | 5 |
| Other | 4 | - | - | - |
| Total | 159 | 35 | 207 | 14 |
| Total fair value | 169 | 35 | 230 | 246 |

Close-out netting agreements provide for the termination, valuation and net settlement of some or all outstanding transactions between two counterparties on the occurrence of one or more pre-defined trigger events.

Although the Company is party to close-out netting agreements with most derivative counterparties, the fair values in the tables above and in the Consolidated Balance Sheets at December 31, 2024 and 2023, have been presented on a gross basis.

The Company's netting agreements and other similar arrangements allow net settlements under certain conditions. At December 31, 2024 and 2023, information related to these offsetting arrangements was as follows:

| (\$ in millions) | December 31, 2024 | | | | |
|------------------|---|--|--------------------------------|------------------------------------|-----------------------|
| | 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 | | | | |
|------------------|--|--|-------------------------------|-----------------------------------|---------------------------|
| | 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 |

| (\$ in millions) | December 31, 2023 | | | | |
|------------------|---|--|--------------------------------|------------------------------------|-----------------------|
| | 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 | 176 | (111) | - | - | 65 |
| Total | 176 | (111) | - | - | 65 |

| (\$ in millions) | December 31, 2023 | | | | |
|------------------|--|--|-------------------------------|-----------------------------------|---------------------------|
| | 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 | 445 | (111) | - | - | 334 |
| Total | 445 | (111) | - | - | 334 |

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:

| (\$ in millions) | December 31, 2024 | | | |
|---|-------------------|--------------|----------|------------------|
| | 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 |
| December 31, 2023 | | | | |
| (\$ in millions) | Level 1 | Level 2 | Level 3 | Total fair value |
| Assets | | | | |
| Securities in "Marketable securities and short-term investments": | | | | |
| Equity securities | - | 1,282 | - | 1,282 |
| Debt securities—U.S. government obligations | 183 | - | - | 183 |
| Derivative assets—current in "Other current assets" | - | 169 | - | 169 |
| Derivative assets—non-current in "Other non-current assets" | - | 35 | - | 35 |
| Total | 183 | 1,486 | - | 1,669 |
| Liabilities | | | | |
| Derivative liabilities—current in "Other current liabilities" | - | 230 | - | 230 |
| Derivative liabilities—non-current in "Other non-current liabilities" | - | 246 | - | 246 |
| Total | - | 476 | - | 476 |

The Company uses the following methods and assumptions in estimating fair values of financial assets and liabilities measured at fair value on a recurring basis:

- **Securities in “Marketable securities and short-term investments”:** If quoted market prices in active markets for identical assets are available, these are considered Level 1 inputs; however, when markets are not active, these inputs are considered Level 2. If such quoted market prices are not available, fair value is determined using market prices for similar assets or present value techniques, applying an appropriate risk-free interest rate adjusted for non-performance risk. The inputs used in present value techniques are observable and fall into the Level 2 category.
- **Derivatives:** The fair values of derivative instruments are determined using quoted prices of identical instruments from an active market, if available (Level 1 inputs). If quoted prices are not available, price quotes for similar instruments, appropriately adjusted, or present value techniques, based on available market data, or option pricing models are used. The fair values obtained using price quotes for similar instruments or valuation techniques represent a Level 2 input unless significant unobservable inputs are used.

Non-recurring fair value measures

In the year and three months ended December 31, 2024, the Company recognized \$88 million and \$73 million, respectively, in fair value adjustments of equity investments. This primarily related to an impairment recorded in the three months ended December 31, 2024, of our investment in Northvolt AB. In the year ended December 31, 2024, the Company also recognized \$113 million of fair value adjustments on assets and liabilities held for sale, primarily related to the fair value adjustment of In-Charge for \$88 million (See Note 3). There were no other significant non-recurring fair value measurements during the year and three months ended December 31, 2024 and 2023.

Disclosure about financial instruments carried on a cost basis

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

| (\$ in millions) | December 31, 2024 | | | | |
|--|-------------------|---------|---------|---------|------------------|
| | 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 | 1,313 | 1,313 | – | – | 1,313 |
| Time deposits | 2,998 | – | 2,998 | – | 2,998 |
| Restricted cash | 15 | 15 | – | – | 15 |
| 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 |

| (\$ in millions) | December 31, 2023 | | | | |
|--|-------------------|---------|---------|---------|------------------|
| | 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 | 1,431 | 1,431 | – | – | 1,431 |
| Time deposits | 2,460 | – | 2,460 | – | 2,460 |
| Restricted cash | 18 | 18 | – | – | 18 |
| Marketable securities and short-term investments (excluding securities): | | | | | |
| Time deposits | 463 | – | 463 | – | 463 |
| Liabilities | | | | | |
| Short-term debt and current maturities of long-term debt (excluding finance lease obligations) | | | | | |
| | 2,576 | 2,521 | 55 | – | 2,576 |
| Long-term debt (excluding finance lease obligations) | 5,060 | 5,096 | 5 | – | 5,101 |

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

Note 7

Contract assets and liabilities

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

| (\$ in millions) | December 31, 2024 | December 31, 2023 | December 31, 2022 |
|----------------------|-------------------|-------------------|-------------------|
| Contract assets | 1,115 | 1,090 | 954 |
| Contract liabilities | 2,969 | 2,844 | 2,216 |

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:

| (\$ in millions) | Year ended December 31, | | | |
|--|-------------------------|----------------------|-----------------|----------------------|
| | 2024 | | 2023 | |
| | Contract assets | Contract liabilities | Contract assets | Contract liabilities |
| Revenue recognized, which was included in the Contract liabilities balance at Jan 1, 2024/2023 | | (1,543) | | (1,311) |
| Additions to Contract liabilities - excluding amounts recognized as revenue during the period | | 1,814 | | 1,845 |
| Receivables recognized that were included in the Contract assets balance at Jan 1, 2024/2023 | (592) | | (622) | |

The Company considers its order backlog to represent its unsatisfied performance obligations. At December 31, 2024, the Company had unsatisfied performance obligations totaling \$21,221 million and, of this amount, the Company expects to fulfill approximately 70 percent of the obligations in 2025, approximately 16 percent of the obligations in 2026 and the balance thereafter.

Note 8

Supplier finance programs

The Company has several supplier finance programs, all with similar characteristics, with various financial institutions acting as paying agent. These programs allow qualifying suppliers access to bank facilities which permit earlier payment at a cost to the supplier. The Company's payment terms related to suppliers' finance programs are not impacted by the suppliers' decisions to sell amounts under the arrangements and are typically consistent with local market practices. Outstanding supplier finance obligations are included in "Accounts payable, trade" in the Consolidated Balance Sheets and are reported as operating or investing (if capitalized) activities in the Consolidated Statement of Cash Flows when paid. At December 31, 2024 and 2023, the total obligation outstanding under supplier finance programs amounted to \$435 million and \$415 million, respectively.

Note 9

Debt

The Company's total debt at December 31, 2024 and 2023, amounted to \$6,945 million and \$7,828 million, respectively.

Short-term debt and current maturities of long-term debt

The Company's "Short-term debt and current maturities of long-term debt" consisted of the following:

| (\$ in millions) | December 31, 2024 | December 31, 2023 |
|--------------------------------------|-------------------|-------------------|
| Short-term debt | 83 | 87 |
| Current maturities of long-term debt | 210 | 2,520 |
| Total | 293 | 2,607 |

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

In August 2024, the Company repaid at maturity its CHF 280 million 0.3% Bonds, equivalent to \$328 million on date of repayment. In May 2024, the Company repaid at maturity its EUR 750 million 0.75% EUR Instruments, equivalent to \$816 million on date of repayment. In April 2024, the Company repaid at maturity its EUR 700 million 0.625% EUR Instruments, equivalent to \$752 million on date of repayment and in March 2024, the Company repaid at maturity its EUR 500 million Floating Rate Instruments, equivalent to \$539 million on date of repayment.

Long-term debt

The Company's long-term debt at December 31, 2024 and 2023, amounted to \$6,652 million and \$5,221 million, respectively.

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

| (in millions) | December 31, 2024 | | December 31, 2023 | | | | | |
|---|---------------------|-------------------------------|---------------------|-------------------------------|-----|-----|-----------|--------------|
| | Nominal outstanding | Carrying value ⁽¹⁾ | Nominal outstanding | Carrying value ⁽¹⁾ | | | | |
| Bonds: | | | | | | | | |
| Floating Rate EUR Instruments, due 2024 | | | EUR | 500 | \$ | 554 | | |
| 0.625% EUR Instruments, due 2024 | | | EUR | 700 | \$ | 768 | | |
| 0.75% EUR Instruments, due 2024 | | | EUR | 750 | \$ | 819 | | |
| 0.3% CHF Bonds, due 2024 | | | CHF | 280 | \$ | 335 | | |
| 2.1% CHF Bonds, due 2025 | CHF | 150 | \$ | 166 | CHF | 150 | \$ | 179 |
| 1.965% CHF Bonds, due 2026 | CHF | 325 | \$ | 359 | CHF | 325 | \$ | 387 |
| 3.25% EUR Instruments, due 2027 | EUR | 500 | \$ | 518 | EUR | 500 | \$ | 551 |
| 0.75% CHF Bonds, due 2027 | CHF | 425 | \$ | 468 | CHF | 425 | \$ | 507 |
| 3.8% USD Notes, due 2028 ⁽²⁾ | USD | 383 | \$ | 382 | USD | 383 | \$ | 382 |
| 1.9775% CHF Bonds, due 2028 | CHF | 150 | \$ | 165 | CHF | 150 | \$ | 179 |
| 3.125% EUR Instruments, due 2029 | EUR | 500 | \$ | 523 | | | | |
| 1.0% CHF Bonds, due 2029 | CHF | 170 | \$ | 188 | CHF | 170 | \$ | 203 |
| 0% EUR Instruments, due 2030 | EUR | 800 | \$ | 727 | EUR | 800 | \$ | 749 |
| 2.375% CHF Bonds, due 2030 | CHF | 150 | \$ | 165 | CHF | 150 | \$ | 178 |
| 3.375% EUR Instruments, due 2031 | EUR | 750 | \$ | 770 | EUR | 750 | \$ | 818 |
| Floating rate EIB R&D Loan, due 2031 | USD | 539 | \$ | 539 | | | | |
| 2.1125% CHF Bonds, due 2033 | CHF | 275 | \$ | 303 | CHF | 275 | \$ | 327 |
| 3.375% EUR Instruments, due 2034 | EUR | 750 | \$ | 780 | | | | |
| 4.375% USD Notes, due 2042 ⁽²⁾ | USD | 609 | \$ | 591 | USD | 609 | \$ | 591 |
| Total | | | \$ | 6,644 | | | \$ | 7,527 |

(1) USD carrying values include unamortized debt issuance costs, bond discounts or premiums, as well as adjustments for fair value hedge accounting, where appropriate.

(2) Prior to completing a cash tender offer in November 2020, the original principal amount outstanding, on each of the 3.8% USD Notes, due 2028, and the 4.375% USD Notes, due 2042, was USD 750 million.

In January 2024, the Company issued the following EUR Instruments: (i) EUR 500 million of 3.125 percent Instruments, due 2029, and (ii) EUR 750 million of 3.375 percent Instruments, due 2034, both paying interest annually in arrears. The aggregate net proceeds of these EUR Instruments, after discount and fees, amounted to EUR 1,243 million (equivalent to approximately \$1,360 million on date of issuance).

In November 2024, the Company obtained a USD 539 million (EUR 500 million equivalent) loan pursuant to an agreement with the European Investment Bank (EIB) that was entered into in 2023. This floating rate loan, due 2031, pays interest semi-annually in arrears at a variable rate of 0.64 percentage points above the 6-month compound SOFR. The Company may repay the amount drawn down at any time, prior to maturity, in whole or in part, at par plus accrued interest and fees, if any. The funds received from this loan are required to be used to finance research and development (R&D) within the Electrification operating segment.

Note 10

Commitments and contingencies

Contingencies—Regulatory, Compliance and Legal

Regulatory

Based on findings during an internal investigation, the Company self-reported to the Securities and Exchange Commission (SEC) and the Department of Justice (DoJ), in the United States, to the Special Investigating Unit (SIU) and the National Prosecuting Authority (NPA) in South Africa as well as to various authorities in other countries potential suspect payments and other compliance concerns in connection with some of the Company's dealings with Eskom and related persons. Many of those parties have expressed an interest in, or commenced an investigation into, these matters and the Company is cooperating fully with them. The Company paid \$104 million to Eskom in December 2020 as part of a full and final settlement with Eskom and the SIU relating to improper payments and other compliance issues associated with the Controls and Instrumentation Contract, and its Variation Orders for Units 1 and 2 at Kusile. The Company made a provision of approximately \$325 million which was recorded in Other income (expense), net, during the third quarter of 2022. In December 2022, the Company settled with the SEC and DoJ as well as the authorities in South Africa and Switzerland. In March 2024, the Company settled its final pending matter with the authorities in Germany. The Company does not believe that it will need to record any additional provisions for this matter, and has paid all amounts in full.

General

The Company is aware of proceedings, or the threat of proceedings, against it and others in respect of private claims by customers and other third parties with regard to certain actual or alleged anticompetitive practices. Also, the Company is subject to other claims and legal proceedings, as well as investigations carried out by various law enforcement authorities. With respect to the above-mentioned claims, regulatory matters, and any related proceedings, the Company will bear the related costs, including costs necessary to resolve them.

Liabilities recognized

At December 31, 2024 and 2023, the Company had aggregate liabilities of \$83 million and \$101 million, respectively, included in Other provisions and Other non-current liabilities, for the above regulatory, compliance and legal contingencies, and none of the individual liabilities recognized was significant. As it is not possible to make an informed judgment on, or reasonably predict, the outcome of certain matters and as it is not possible, based on information currently available to management, to estimate the maximum potential liability on other matters, there could be adverse outcomes beyond the amounts accrued.

Guarantees

General

The following table provides quantitative data regarding the Company's third-party guarantees. The maximum potential payments represent a "worst-case scenario", and do not reflect management's expected outcomes.

| Maximum potential payments (\$ in millions) | December 31, 2024 | December 31, 2023 |
|---|-------------------|-------------------|
| Performance guarantees | 2,299 | 3,451 |
| Financial guarantees | 22 | 94 |
| Total⁽¹⁾ | 2,321 | 3,545 |

(1) Maximum potential payments include amounts in both continuing and discontinued operations.

The carrying amount of liabilities recorded in the Consolidated Balance Sheets reflects the Company's best estimate of future payments, which it may incur as part of fulfilling its guarantee obligations. In respect of the above guarantees, the carrying amounts of liabilities at December 31, 2024 and 2023, 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 December 31, 2024 and 2023, the maximum potential payable under these guarantees amounts to \$747 million and \$874 million, respectively, and these guarantees have various original maturities up to ten years.

The Company retained obligations for financial and performance guarantees related to its former Power Grids business (reported as discontinued operations prior to its sale to Hitachi Ltd in 2020), which at both December 31, 2024 and 2023, 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 December 31, 2024 and 2023, is approximately \$1.1 billion and \$2.2 billion, respectively.

Commercial commitments

In addition, in the normal course of bidding for and executing certain projects, the Company has entered into standby letters of credit, bid/performance bonds and surety bonds (collectively "performance bonds") with various financial institutions. Customers can draw on such performance bonds in the event that the Company does not fulfill its contractual obligations. The Company would then have an obligation to reimburse the financial institution for amounts paid under the performance bonds. At December 31, 2024 and 2023, the total outstanding performance bonds aggregated to \$3.2 billion and \$3.1 billion, respectively. There have been no significant amounts reimbursed to financial institutions under these types of arrangements in the year and three months ended December 31, 2024 and 2023.

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) | 2024 | 2023 |
|--|--------------|--------------|
| Balance at January 1, | 1,210 | 1,028 |
| Net change in warranties due to acquisitions, divestments and spin-offs | 2 | – |
| Claims paid in cash or in kind | (157) | (171) |
| Net increase in provision for changes in estimates, warranties issued and warranties expired | 256 | 327 |
| Exchange rate differences | (63) | 26 |
| Balance at December 31, | 1,248 | 1,210 |

Note 11

Income taxes

The effective tax rate of 24.4 percent in the year ended December 31, 2024, was higher than the effective tax rate of 19.5 percent in the year ended December 31, 2023, primarily due to the geographical mix of earnings. The increase in the effective tax rate also includes the impact of a net benefit of \$206 million realized on a favorable resolution of an uncertain tax position in the year ended December 31, 2023, along with a net benefit of \$72 million from a partial reversal of an uncertain tax position related to the reassessment of certain tax risks in the year ended December 31, 2024. The former resulted in an increase of \$0.11 in earnings per share (basic and diluted) for the year ended December 31, 2023, while the latter resulted in an increase of \$0.04 in earnings per share (basic and diluted) for the year ended December 31, 2024.

Note 12

Employee benefits

The Company operates defined benefit pension plans, defined contribution pension plans, and termination indemnity plans, in accordance with local regulations and practices. At December 31, 2024, 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 | |
| | 2024 | 2023 | 2024 | 2023 |
| Year ended December 31, | | | | |
| Operational pension cost: | | | | |
| Service cost | 46 | 40 | 28 | 30 |
| Operational pension cost | 46 | 40 | 28 | 30 |
| Non-operational pension cost (credit): | | | | |
| Interest cost | 35 | 48 | 156 | 166 |
| Expected return on plan assets | (126) | (129) | (168) | (157) |
| Amortization of prior service cost (credit) | (8) | (8) | (2) | (2) |
| Amortization of net actuarial loss | – | – | 52 | 52 |
| Curtailments, settlements and special termination benefits | 5 | 13 | 3 | 19 |
| Non-operational pension cost (credit)⁽¹⁾ | (94) | (76) | 41 | 78 |
| Net periodic benefit cost (credit) | (48) | (36) | 69 | 108 |

| (\$ in millions) | Defined pension benefits | | | |
|--|--------------------------|-------------|---------------|-----------|
| | Switzerland | | International | |
| | 2024 | 2023 | 2024 | 2023 |
| Three months ended December 31, | | | | |
| Operational pension cost: | | | | |
| Service cost | 11 | 11 | 8 | 9 |
| Operational pension cost | 11 | 11 | 8 | 9 |
| Non-operational pension cost (credit): | | | | |
| Interest cost | 8 | 13 | 37 | 44 |
| Expected return on plan assets | (28) | (35) | (42) | (41) |
| Amortization of prior service cost (credit) | (3) | (2) | (1) | – |
| Amortization of net actuarial loss | – | – | 12 | 13 |
| Curtailments, settlements and special termination benefits | 2 | 13 | (1) | 1 |
| Non-operational pension cost (credit) | (21) | (11) | 5 | 17 |
| Net periodic benefit cost (credit) | (10) | – | 13 | 26 |

(1) Total Non-operational pension cost (credit) includes additional credits of \$(2) million and \$(19) million for the year ended December 31, 2024 and 2023, respectively, related to other postretirement benefits.

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

Employer contributions were as follows:

| (\$ in millions) | Defined pension benefits | | | |
|--|--------------------------|------|---------------|------|
| | Switzerland | | International | |
| | 2024 | 2023 | 2024 | 2023 |
| Year ended December 31, | | | | |
| Total contributions to defined benefit pension plans | 45 | 18 | 77 | 89 |

| (\$ in millions) | Defined pension benefits | | | |
|--|--------------------------|------|---------------|------|
| | Switzerland | | International | |
| | 2024 | 2023 | 2024 | 2023 |
| Three months ended December 31, | | | | |
| Total contributions to defined benefit pension plans | 1 | 10 | 47 | 4 |

The Company expects to make contributions totaling approximately \$85 million to its defined benefit pension plans for the full year 2025.

Note 13

Stockholder's equity

At the Annual General Meeting of Shareholders on March 21, 2024, shareholders approved the proposal of the Board of Directors to distribute 0.87 Swiss francs per share to shareholders. The declared dividend amounted to \$1,804 million, with the Company disbursing a portion in March and the remaining amounts in April.

In March 2024, the Company completed the share buyback program that was launched in April 2023. This program was executed on a second trading line on the SIX Swiss Exchange. Also in March 2024, the Company announced a share buyback program of up to \$1 billion. This program, which was launched in April 2024, is being executed on a second trading line on the SIX Swiss Exchange and is planned to run until the end of January 2025. Under these buyback programs, the Company purchased 19 million shares in the year ended December 31, 2024, resulting in an increase in Treasury stock of \$1.0 billion.

In the second quarter of 2024, the Company cancelled 21 million shares which had been purchased under its share buyback programs. This resulted in a decrease in Treasury stock of \$832 million and a corresponding total decrease in Capital stock, Additional paid-in capital and Retained earnings.

In addition to the share buyback programs, the Company purchased 5 million of its own shares on the open market in the year ended December 31, 2024, mainly for use in connection with its employee share plans, resulting in an increase in Treasury stock of \$244 million.

In the year ended December 31, 2024, the Company delivered, out of treasury stock, 17 million shares in connection with its Management Incentive Plan.

Note 14

Earnings per share

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

Basic earnings per share

| (\$ in millions, except per share data in \$) | Year ended December 31, | | Three months ended December 31, | |
|--|-------------------------|--------------|---------------------------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Amounts attributable to ABB shareholders: | | | | |
| Income from continuing operations, net of tax | 3,937 | 3,769 | 992 | 929 |
| Loss from discontinued operations, net of tax | (2) | (24) | (5) | (8) |
| Net income | 3,935 | 3,745 | 987 | 921 |
| Weighted-average number of shares outstanding (in millions) | 1,844 | 1,855 | 1,841 | 1,845 |
| Basic earnings per share attributable to ABB shareholders: | | | | |
| Income from continuing operations, net of tax | 2.14 | 2.03 | 0.54 | 0.50 |
| Loss from discontinued operations, net of tax | – | (0.01) | – | – |
| Net income | 2.13 | 2.02 | 0.54 | 0.50 |

Diluted earnings per share

| (\$ in millions, except per share data in \$) | Year ended December 31, | | Three months ended December 31, | |
|---|-------------------------|--------------|---------------------------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Amounts attributable to ABB shareholders: | | | | |
| Income from continuing operations, net of tax | 3,937 | 3,769 | 992 | 929 |
| Loss from discontinued operations, net of tax | (2) | (24) | (5) | (8) |
| Net income | 3,935 | 3,745 | 987 | 921 |
| Weighted-average number of shares outstanding (in millions) | 1,844 | 1,855 | 1,841 | 1,845 |
| Effect of dilutive securities: | | | | |
| Call options and shares | 7 | 12 | 5 | 11 |
| Adjusted weighted-average number of shares outstanding (in millions) | 1,851 | 1,867 | 1,846 | 1,856 |
| Diluted earnings per share attributable to ABB shareholders: | | | | |
| Income from continuing operations, net of tax | 2.13 | 2.02 | 0.54 | 0.50 |
| Loss from discontinued operations, net of tax | – | (0.01) | – | – |
| Net income | 2.13 | 2.01 | 0.53 | 0.50 |

Note 15

Reclassifications out of accumulated other comprehensive loss

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

| (\$ in millions) | Foreign currency translation adjustments | Unrealized gains (losses) on available-for-sale securities | Pension and other postretirement plan adjustments | Derivative instruments and hedges | Total OCI |
|--|--|--|---|-----------------------------------|----------------|
| Balance at January 1, 2023 | (3,691) | (19) | (838) | (8) | (4,556) |
| Other comprehensive (loss) income: | | | | | |
| Other comprehensive (loss) income before reclassifications | (290) | 5 | (283) | (10) | (578) |
| Amounts reclassified from OCI | 9 | 6 | 46 | 8 | 69 |
| Total other comprehensive (loss) income | (281) | 11 | (237) | (2) | (509) |
| Less: | | | | | |
| Amounts attributable to noncontrolling interests | 5 | - | - | - | 5 |
| Balance at December 31, 2023 | (3,977) | (8) | (1,075) | (10) | (5,070) |
| Other comprehensive (loss) income: | | | | | |
| Other comprehensive (loss) income before reclassifications | (319) | 1 | (47) | (8) | (373) |
| Amounts reclassified from OCI | 23 | 4 | 31 | 10 | 68 |
| Total other comprehensive (loss) income | (296) | 5 | (16) | 2 | (305) |
| Less: | | | | | |
| Amounts attributable to noncontrolling interests and redeemable noncontrolling interests | (25) | - | - | - | (25) |
| Balance at December 31, 2024 | (4,248) | (3) | (1,091) | (8) | (5,350) |

The amounts reclassified out of OCI for the year and three months ended December 31, 2024 and 2023, were not significant.

Note 16

Operating segment data

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

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 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 currently delivered through five operating Divisions: Distribution Solutions, Smart Power, Smart Buildings, Installation Products and Service, as well as, prior to its sale in July 2023, the Power Conversion Division.
- **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, 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.

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.

The following tables present disaggregated segment revenues from contracts with customers, Operational EBITA, and the reconciliations of consolidated Operational EBITA to Income from continuing operations before taxes for the year and three months ended December 31, 2024 and 2023, as well as total assets at December 31, 2024 and 2023.

| (\$ in millions) | Year ended December 31, 2024 | | | | | Total |
|-------------------------------------|------------------------------|--------------|--------------------|--------------------------------|---------------------|---------------|
| | Electrification | Motion | Process Automation | Robotics & Discrete Automation | Corporate and Other | |
| Geographical markets | | | | | | |
| Europe | 4,566 | 2,241 | 2,443 | 1,648 | 221 | 11,119 |
| The Americas | 6,577 | 2,618 | 1,871 | 535 | 204 | 11,805 |
| of which: United States | 5,128 | 2,122 | 1,158 | 329 | 142 | 8,879 |
| Asia, Middle East and Africa | 4,047 | 2,353 | 2,408 | 1,020 | 98 | 9,926 |
| of which: China | 1,777 | 1,098 | 695 | 704 | 22 | 4,296 |
| | 15,190 | 7,212 | 6,722 | 3,203 | 523 | 32,850 |
| Product type | | | | | | |
| Products | 14,129 | 6,060 | 3,930 | 2,622 | 476 | 27,217 |
| Services and other | 1,061 | 1,152 | 2,792 | 581 | 47 | 5,633 |
| | 15,190 | 7,212 | 6,722 | 3,203 | 523 | 32,850 |
| Third-party revenues | 15,190 | 7,212 | 6,722 | 3,203 | 523 | 32,850 |
| Intersegment revenues | 258 | 575 | 34 | 10 | (877) | - |
| Total revenues⁽¹⁾ | 15,448 | 7,787 | 6,756 | 3,213 | (354) | 32,850 |

| Year ended December 31, 2023 | | | | | | |
|-------------------------------------|-----------------|--------------|--------------------|---------------------|---------------------|---------------|
| (\$ in millions) | Electrification | Motion | Process Automation | Robotics & | | Total |
| | | | | Discrete Automation | Corporate and Other | |
| Geographical markets | | | | | | |
| Europe | 4,547 | 2,455 | 2,294 | 1,932 | 340 | 11,568 |
| The Americas | 5,926 | 2,562 | 1,738 | 573 | 291 | 11,090 |
| of which: United States | 4,456 | 2,123 | 1,076 | 358 | 235 | 8,248 |
| Asia, Middle East and Africa | 3,899 | 2,276 | 2,212 | 1,119 | 71 | 9,577 |
| of which: China | 1,775 | 1,148 | 707 | 804 | 34 | 4,468 |
| | 14,372 | 7,293 | 6,244 | 3,624 | 702 | 32,235 |
| Product type | | | | | | |
| Products | 13,437 | 6,219 | 3,661 | 3,063 | 630 | 27,010 |
| Services and other | 935 | 1,074 | 2,583 | 561 | 72 | 5,225 |
| | 14,372 | 7,293 | 6,244 | 3,624 | 702 | 32,235 |
| Third-party revenues | 14,372 | 7,293 | 6,244 | 3,624 | 702 | 32,235 |
| Intersegment revenues | 212 | 521 | 26 | 16 | (775) | - |
| Total revenues⁽¹⁾ | 14,584 | 7,814 | 6,270 | 3,640 | (73) | 32,235 |

| Three months ended December 31, 2024 | | | | | | |
|--------------------------------------|-----------------|--------------|--------------------|---------------------|---------------------|--------------|
| (\$ in millions) | Electrification | Motion | Process Automation | Robotics & | | Total |
| | | | | Discrete Automation | Corporate and Other | |
| Geographical markets | | | | | | |
| Europe | 1,175 | 620 | 657 | 366 | 63 | 2,881 |
| The Americas | 1,691 | 670 | 487 | 136 | 66 | 3,050 |
| of which: United States | 1,325 | 542 | 301 | 81 | 40 | 2,289 |
| Asia, Middle East and Africa | 1,117 | 604 | 638 | 264 | 36 | 2,659 |
| of which: China | 440 | 271 | 173 | 180 | 6 | 1,070 |
| | 3,983 | 1,894 | 1,782 | 766 | 165 | 8,590 |
| Product type | | | | | | |
| Products | 3,685 | 1,605 | 1,017 | 623 | 155 | 7,085 |
| Services and other | 298 | 289 | 765 | 143 | 10 | 1,505 |
| | 3,983 | 1,894 | 1,782 | 766 | 165 | 8,590 |
| Third-party revenues | 3,983 | 1,894 | 1,782 | 766 | 165 | 8,590 |
| Intersegment revenues | 63 | 144 | 13 | 3 | (223) | - |
| Total revenues⁽¹⁾ | 4,046 | 2,038 | 1,795 | 769 | (58) | 8,590 |

| Three months ended December 31, 2023 | | | | | | |
|--------------------------------------|-----------------|--------------|--------------------|---------------------|---------------------|--------------|
| (\$ in millions) | Electrification | Motion | Process Automation | Robotics & | | Total |
| | | | | Discrete Automation | Corporate and Other | |
| Geographical markets | | | | | | |
| Europe | 1,136 | 597 | 631 | 476 | 111 | 2,951 |
| The Americas | 1,533 | 638 | 459 | 142 | 75 | 2,847 |
| of which: United States | 1,164 | 521 | 278 | 89 | 53 | 2,105 |
| Asia, Middle East and Africa | 987 | 577 | 632 | 233 | 18 | 2,447 |
| of which: China | 419 | 282 | 205 | 147 | 11 | 1,064 |
| | 3,656 | 1,812 | 1,722 | 851 | 204 | 8,245 |
| Product type | | | | | | |
| Products | 3,387 | 1,524 | 994 | 710 | 185 | 6,800 |
| Services and other | 269 | 288 | 728 | 141 | 19 | 1,445 |
| | 3,656 | 1,812 | 1,722 | 851 | 204 | 8,245 |
| Third-party revenues | 3,656 | 1,812 | 1,722 | 851 | 204 | 8,245 |
| Intersegment revenues | 42 | 134 | 5 | 1 | (182) | - |
| Total revenues⁽¹⁾ | 3,698 | 1,946 | 1,727 | 852 | 22 | 8,245 |

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

| (\$ in millions) | Year ended December 31, | | Three months ended December 31, | |
|--|----------------------------|--------------|------------------------------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Operational EBITA: | | | | |
| Electrification | 3,520 | 2,937 | 863 | 725 |
| Motion | 1,518 | 1,475 | 383 | 318 |
| Process Automation | 1,025 | 909 | 258 | 239 |
| Robotics & Discrete Automation | 329 | 536 | 61 | 118 |
| Corporate and Other | | | | |
| – E-mobility | (273) | (167) | (72) | (33) |
| – Corporate costs, Intersegment elimination and other | (151) | (263) | (59) | (34) |
| Total | 5,968 | 5,427 | 1,434 | 1,333 |
| Acquisition-related amortization | (203) | (220) | (46) | (56) |
| Restructuring, related and implementation costs ⁽¹⁾ | (178) | (219) | (81) | (127) |
| Changes in obligations related to divested businesses | 10 | 3 | (1) | (2) |
| Gains and losses from sale of businesses | 57 | 101 | 70 | 4 |
| Fair value adjustment on assets and liabilities held for sale | (113) | – | 19 | – |
| Acquisition- and divestment-related expenses and integration costs | (73) | (74) | (19) | (19) |
| Foreign exchange/commodity timing differences in income from operations: | | | | |
| Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives) | (118) | 19 | (80) | 77 |
| Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized | 3 | 12 | (3) | 20 |
| Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities) | 43 | (13) | 33 | (38) |
| Certain other non-operational items: | | | | |
| Other income/expense relating to the Power Grids joint venture | 16 | 36 | 2 | 9 |
| Regulatory, compliance and legal costs | (12) | – | (13) | – |
| Business transformation costs ⁽²⁾ | (204) | (205) | (56) | (66) |
| Certain other fair value changes, including asset impairments | (107) | (10) | (76) | (13) |
| Other non-operational items | (18) | 14 | (14) | (6) |
| Income from operations | 5,071 | 4,871 | 1,169 | 1,116 |
| Interest and dividend income | 206 | 165 | 60 | 50 |
| Interest and other finance expense | (99) | (275) | (8) | (78) |
| Non-operational pension (cost) credit | 55 | 17 | 16 | (6) |
| Income from continuing operations before taxes | 5,233 | 4,778 | 1,237 | 1,082 |

(1) Includes impairment of certain assets.

(2) Amount includes ABB Way process transformation costs of \$199 million and \$188 million for the year ended December 31, 2024 and 2023, respectively, and \$54 million and \$66 million for the three months ended December 31, 2024 and 2023, respectively.

| (\$ in millions) | Total assets ⁽¹⁾ | |
|--------------------------------|-----------------------------|-------------------|
| | December 31, 2024 | December 31, 2023 |
| Electrification | 13,124 | 12,668 |
| Motion | 6,895 | 7,016 |
| Process Automation | 5,330 | 4,971 |
| Robotics & Discrete Automation | 4,762 | 5,047 |
| Corporate and Other | 10,246 | 11,238 |
| Consolidated | 40,357 | 40,940 |

(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 year and three months ended December 31, 2024.

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

| Business Area | Q4 2024 compared to Q4 2023 | | | | | | | |
|--------------------------------|-----------------------------|-------------------------------|----------------------|------------|--------------------------|-------------------------------|----------------------|------------|
| | Order growth rate | | | | Revenue growth rate | | | |
| | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable |
| Electrification | 15% | 1% | 0% | 16% | 9% | 2% | 0% | 11% |
| Motion | -4% | 1% | 0% | -3% | 5% | 1% | 0% | 6% |
| Process Automation | -3% | 2% | 0% | -1% | 4% | 1% | -1% | 4% |
| Robotics & Discrete Automation | 3% | 1% | 0% | 4% | -10% | 1% | 0% | -9% |
| ABB Group | 6% | 1% | 0% | 7% | 4% | 2% | -1% | 5% |

| Business Area | FY 2024 compared to FY 2023 | | | | | | | |
|--------------------------------|-----------------------------|-------------------------------|----------------------|------------|--------------------------|-------------------------------|----------------------|------------|
| | Order growth rate | | | | Revenue growth rate | | | |
| | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable |
| Electrification | 8% | 1% | 1% | 10% | 6% | 1% | 2% | 9% |
| Motion | -3% | 1% | 0% | -2% | 0% | 1% | -1% | 0% |
| Process Automation | -6% | 1% | 0% | -5% | 8% | 1% | 0% | 9% |
| Robotics & Discrete Automation | -15% | 0% | 0% | -15% | -12% | 1% | 0% | -11% |
| ABB Group | 0% | 1% | 0% | 1% | 2% | 1% | 0% | 3% |

Regional comparable growth rate reconciliation

Regional comparable growth rate reconciliation for ABB Group - Quarter

| Region | Q4 2024 compared to Q4 2023 | | | | | | | |
|------------------------------|-----------------------------|-------------------------------|----------------------|------------|--------------------------|-------------------------------|----------------------|------------|
| | Order growth rate | | | | Revenue growth rate | | | |
| | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable |
| Europe | 10% | 1% | -2% | 9% | -2% | 0% | 0% | -2% |
| The Americas | 5% | 1% | 1% | 7% | 7% | 2% | 0% | 9% |
| of which: United States | 1% | 0% | 0% | 1% | 9% | 0% | 0% | 9% |
| Asia, Middle East and Africa | 3% | 1% | 0% | 4% | 9% | 2% | -1% | 10% |
| of which: China | -11% | 0% | 0% | -11% | 1% | 0% | 0% | 1% |
| ABB Group | 6% | 1% | 0% | 7% | 4% | 2% | -1% | 5% |

Regional comparable growth rate reconciliation by Business Area - Quarter

| Region | Q4 2024 compared to Q4 2023 | | | | | | | |
|------------------------------|-----------------------------|-------------------------------|----------------------|------------|--------------------------|-------------------------------|----------------------|------------|
| | Order growth rate | | | | Revenue growth rate | | | |
| | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable |
| Europe | 11% | 0% | 0% | 11% | 4% | 1% | 0% | 5% |
| The Americas | 18% | 2% | -1% | 19% | 10% | 2% | 0% | 12% |
| of which: United States | 21% | 0% | -1% | 20% | 14% | 0% | -1% | 13% |
| Asia, Middle East and Africa | 14% | 3% | 0% | 17% | 14% | 3% | 0% | 17% |
| of which: China | -2% | 0% | 0% | -2% | 5% | 0% | 0% | 5% |
| Electrification | 15% | 1% | 0% | 16% | 9% | 2% | 0% | 11% |

| Region | Q4 2024 compared to Q4 2023 | | | | | | | |
|------------------------------|-----------------------------|-------------------------------|----------------------|------------|--------------------------|-------------------------------|----------------------|------------|
| | Order growth rate | | | | Revenue growth rate | | | |
| | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable |
| Europe | 2% | 1% | 0% | 3% | 4% | 0% | 0% | 4% |
| The Americas | -11% | 2% | 0% | -9% | 5% | 1% | 0% | 6% |
| of which: United States | -10% | 0% | 0% | -10% | 4% | 0% | 0% | 4% |
| Asia, Middle East and Africa | -2% | 1% | 0% | -1% | 6% | 2% | 0% | 8% |
| of which: China | -3% | 0% | 0% | -3% | 1% | -1% | 0% | 0% |
| Motion | -4% | 1% | 0% | -3% | 5% | 1% | 0% | 6% |

| Region | Q4 2024 compared to Q4 2023 | | | | | | | |
|------------------------------|-----------------------------|-------------------------------|----------------------|------------|--------------------------|-------------------------------|----------------------|------------|
| | Order growth rate | | | | Revenue growth rate | | | |
| | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable |
| Europe | 12% | 2% | -2% | 12% | 4% | 2% | -3% | 3% |
| The Americas | -20% | 2% | 0% | -18% | 7% | 2% | 0% | 9% |
| of which: United States | -40% | 0% | 0% | -40% | 8% | 0% | 0% | 8% |
| Asia, Middle East and Africa | -1% | 1% | 0% | 0% | 1% | 2% | 0% | 3% |
| of which: China | -22% | 1% | 0% | -21% | -15% | 0% | 0% | -15% |
| Process Automation | -3% | 2% | 0% | -1% | 4% | 1% | -1% | 4% |

| Region | Q4 2024 compared to Q4 2023 | | | | | | | |
|---|-----------------------------|-------------------------------|----------------------|------------|--------------------------|-------------------------------|----------------------|------------|
| | Order growth rate | | | | Revenue growth rate | | | |
| | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable |
| Europe | 3% | 1% | 0% | 4% | -23% | 1% | 0% | -22% |
| The Americas | 39% | 3% | 0% | 42% | -5% | 4% | 0% | -1% |
| of which: United States | 53% | 0% | 0% | 53% | -10% | 0% | 0% | -10% |
| Asia, Middle East and Africa | -21% | 0% | 0% | -21% | 15% | 0% | 0% | 15% |
| of which: China | -30% | -1% | 0% | -31% | 23% | 0% | 0% | 23% |
| Robotics & Discrete Automation | 3% | 1% | 0% | 4% | -10% | 1% | 0% | -9% |

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

| Region | FY 2024 compared to FY 2023 | | | | | | | |
|------------------------------|-----------------------------|-------------------------------|----------------------|------------|-----------------------|-------------------------------|----------------------|------------|
| | Order growth rate | | | | Revenue growth rate | | | |
| | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable |
| Europe | 0% | 0% | 0% | 0% | -4% | 0% | 0% | -4% |
| The Americas | -3% | 1% | 1% | -1% | 6% | 1% | 1% | 8% |
| of which: United States | -2% | 0% | 0% | -2% | 8% | 0% | 1% | 9% |
| Asia, Middle East and Africa | 2% | 3% | 0% | 5% | 4% | 3% | 0% | 7% |
| of which: China | -12% | 2% | 0% | -10% | -4% | 2% | 0% | -2% |
| ABB Group | 0% | 1% | 0% | 1% | 2% | 1% | 0% | 3% |

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

| Region | FY 2024 compared to FY 2023 | | | | | | | |
|------------------------------|-----------------------------|-------------------------------|----------------------|------------|-----------------------|-------------------------------|----------------------|------------|
| | Order growth rate | | | | Revenue growth rate | | | |
| | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable |
| Europe | 6% | 0% | 0% | 6% | 1% | -1% | 1% | 1% |
| The Americas | 7% | 1% | 1% | 9% | 11% | 1% | 2% | 14% |
| of which: United States | 10% | 0% | 1% | 11% | 15% | 0% | 3% | 18% |
| Asia, Middle East and Africa | 12% | 4% | 0% | 16% | 5% | 3% | 1% | 9% |
| of which: China | -4% | 2% | 0% | -2% | 0% | 1% | 1% | 2% |
| Electrification | 8% | 1% | 1% | 10% | 6% | 1% | 2% | 9% |

| Region | FY 2024 compared to FY 2023 | | | | | | | |
|------------------------------|-----------------------------|-------------------------------|----------------------|------------|-----------------------|-------------------------------|----------------------|------------|
| | Order growth rate | | | | Revenue growth rate | | | |
| | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable |
| Europe | -4% | -1% | 0% | -5% | -7% | -1% | 0% | -8% |
| The Americas | -6% | 0% | -1% | -7% | 2% | 0% | -1% | 1% |
| of which: United States | -8% | 0% | -1% | -9% | 0% | 0% | -1% | -1% |
| Asia, Middle East and Africa | 2% | 2% | 0% | 4% | 5% | 3% | 0% | 8% |
| of which: China | -6% | 1% | 0% | -5% | -1% | 1% | 0% | 0% |
| Motion | -3% | 1% | 0% | -2% | 0% | 1% | -1% | 0% |

| Region | FY 2024 compared to FY 2023 | | | | | | | |
|------------------------------|-----------------------------|-------------------------------|----------------------|------------|-----------------------|-------------------------------|----------------------|------------|
| | Order growth rate | | | | Revenue growth rate | | | |
| | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable |
| Europe | 8% | 0% | 0% | 8% | 6% | 1% | -1% | 6% |
| The Americas | -23% | 1% | 0% | -22% | 8% | 1% | 0% | 9% |
| of which: United States | -28% | 0% | 0% | -28% | 8% | 0% | 0% | 8% |
| Asia, Middle East and Africa | -3% | 2% | 0% | -1% | 9% | 2% | 0% | 11% |
| of which: China | -15% | 2% | 0% | -13% | -1% | 1% | 0% | 0% |
| Process Automation | -6% | 1% | 0% | -5% | 8% | 1% | 0% | 9% |

| Region | FY 2024 compared to FY 2023 | | | | | | | |
|---|-----------------------------|-------------------------------|----------------------|-------------|-----------------------|-------------------------------|----------------------|-------------|
| | Order growth rate | | | | Revenue growth rate | | | |
| | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable | US\$ (as reported) | Foreign exchange impact | Portfolio changes | Comparable |
| Europe | -19% | 0% | 0% | -19% | -15% | 0% | 0% | -15% |
| The Americas | 9% | 1% | 0% | 10% | -7% | 1% | 0% | -6% |
| of which: United States | 10% | 0% | 0% | 10% | -9% | 1% | 0% | -8% |
| Asia, Middle East and Africa | -23% | 2% | 0% | -21% | -9% | 2% | 0% | -7% |
| of which: China | -32% | 2% | 0% | -30% | -12% | 1% | 0% | -11% |
| Robotics & Discrete Automation | -15% | 0% | 0% | -15% | -12% | 1% | 0% | -11% |

Order backlog growth rate reconciliation

| December 31, 2024 compared to December 31, 2023 | | | | |
|---|---------------|-----------------|-----------|------------|
| Business Area | US\$ | Foreign | Portfolio | Comparable |
| | (as reported) | exchange impact | changes | |
| Electrification | 10% | 5% | 0% | 15% |
| Motion | -2% | 6% | 0% | 4% |
| Process Automation | -1% | 6% | -1% | 4% |
| Robotics & Discrete Automation | -32% | 3% | 0% | -29% |
| ABB Group | -2% | 6% | 0% | 4% |

Other growth rate reconciliations

| Q4 2024 compared to Q4 2023 | | | | | | | | |
|--------------------------------|----------------------------|-------------------------|-------------------|------------|-------------------------------|-------------------------|-------------------|------------|
| Business Area | 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 | 5% | 1% | -6% | 0% | 11% | 1% | -5% | 7% |
| Motion | -15% | 2% | 0% | -13% | 0% | 3% | 0% | 3% |
| Process Automation | -12% | 2% | 0% | -10% | 5% | 2% | 0% | 7% |
| Robotics & Discrete Automation | -6% | 1% | 0% | -5% | 1% | 1% | 0% | 2% |
| ABB Group | -8% | 2% | -1% | -7% | 4% | 2% | -1% | 5% |

| FY 2024 compared to FY 2023 | | | | | | | | |
|--------------------------------|----------------------------|-------------------------|-------------------|------------|-------------------------------|-------------------------|-------------------|------------|
| Business Area | 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 | 13% | 1% | -2% | 12% | 13% | 2% | -3% | 12% |
| Motion | -1% | 1% | 0% | 0% | 7% | 3% | 0% | 10% |
| Process Automation | -8% | 1% | 0% | -7% | 8% | 1% | 0% | 9% |
| Robotics & Discrete Automation | 2% | 1% | 0% | 3% | 3% | 1% | 0% | 4% |
| ABB Group | -2% | 1% | 0% | -1% | 8% | 1% | 0% | 9% |

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

| (\$ in millions) | Year ended December 31, | | Three months ended December 31, | |
|---|-------------------------|--------------|---------------------------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Operational EBITA | 5,968 | 5,427 | 1,434 | 1,333 |
| Acquisition-related amortization | (203) | (220) | (46) | (56) |
| Restructuring, related and implementation costs ⁽¹⁾ | (178) | (219) | (81) | (127) |
| Changes in obligations related to divested businesses | 10 | 3 | (1) | (2) |
| Gains and losses from sale of businesses | 57 | 101 | 70 | 4 |
| Fair value adjustment on assets and liabilities held for sale | (113) | – | 19 | – |
| Acquisition- and divestment-related expenses and integration costs | (73) | (74) | (19) | (19) |
| Certain other non-operational items | (325) | (165) | (157) | (76) |
| Foreign exchange/commodity timing differences in income from operations | (72) | 18 | (50) | 59 |
| Income from operations | 5,071 | 4,871 | 1,169 | 1,116 |
| Interest and dividend income | 206 | 165 | 60 | 50 |
| Interest and other finance expense | (99) | (275) | (8) | (78) |
| Non-operational pension (cost) credit | 55 | 17 | 16 | (6) |
| Income from continuing operations before taxes | 5,233 | 4,778 | 1,237 | 1,082 |
| Income tax expense | (1,278) | (930) | (237) | (136) |
| Income from continuing operations, net of tax | 3,955 | 3,848 | 1,000 | 946 |
| Loss from discontinued operations, net of tax | (3) | (24) | (5) | (8) |
| Net income | 3,952 | 3,824 | 995 | 938 |

(1) Includes impairment of certain assets.

Reconciliation of Operational EBITA margin by business

| (\$ in millions, unless otherwise indicated) | Three months ended December 31, 2024 | | | | | Consolidated |
|--|--------------------------------------|--------------|--------------------|--------------------------------|--|--------------|
| | Electrification | Motion | Process Automation | Robotics & Discrete Automation | Corporate and Other and Intersegment elimination | |
| Total revenues | 4,046 | 2,038 | 1,795 | 769 | (58) | 8,590 |
| Foreign exchange/commodity timing differences in total revenues: | | | | | | |
| Unrealized gains and losses on derivatives | 23 | 18 | 15 | 6 | (2) | 60 |
| Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized | 1 | 3 | 3 | – | 2 | 9 |
| Unrealized foreign exchange movements on receivables (and related assets) | (18) | (10) | (16) | (5) | (4) | (53) |
| Operational revenues | 4,052 | 2,049 | 1,797 | 770 | (62) | 8,606 |
| Income (loss) from operations | 863 | 333 | 224 | 15 | (266) | 1,169 |
| Acquisition-related amortization | 25 | 9 | 5 | 6 | 1 | 46 |
| Restructuring, related and implementation costs ⁽¹⁾ | 7 | 15 | 23 | 19 | 17 | 81 |
| Changes in obligations related to divested businesses | – | – | – | – | 1 | 1 |
| Gains and losses from sale of businesses | (71) | – | – | – | 1 | (70) |
| Fair value adjustment on assets and liabilities held for sale | – | – | – | – | (19) | (19) |
| Acquisition- and divestment-related expenses and integration costs | 5 | 2 | 2 | 4 | 6 | 19 |
| Certain other non-operational items | 4 | 2 | 2 | 14 | 135 | 157 |
| Foreign exchange/commodity timing differences in income from operations: | | | | | | |
| Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives) | 44 | 26 | 10 | 5 | (5) | 80 |
| Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized | – | 1 | 1 | – | 1 | 3 |
| Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities) | (14) | (5) | (9) | (2) | (3) | (33) |
| Operational EBITA | 863 | 383 | 258 | 61 | (131) | 1,434 |
| Operational EBITA margin (%) | 21.3% | 18.7% | 14.4% | 7.9% | n.a. | 16.7% |

(1) Includes impairment of certain assets.

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

| (\$ in millions, unless otherwise indicated) | Three months ended December 31, 2024 | | | | | Consolidated |
|--|--------------------------------------|----------|--------------------|--------------------------------|---------------------|--------------|
| | Electrification | Motion | Process Automation | Robotics & Discrete Automation | Corporate and Other | |
| Certain other non-operational items: | | | | | | |
| Other income/expense relating to the Power Grids joint venture | – | – | – | – | (2) | (2) |
| Regulatory, compliance and legal costs | – | – | – | 14 | (1) | 13 |
| Business transformation costs ⁽¹⁾ | 2 | – | – | – | 54 | 56 |
| Certain other fair values changes, including asset impairments | 2 | 1 | 1 | – | 72 | 76 |
| Other non-operational items | – | 1 | 1 | – | 12 | 14 |
| Total | 4 | 2 | 2 | 14 | 135 | 157 |

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

| Three months ended December 31, 2023 | | | | | | |
|--|-----------------|--------------|--------------------|--------------------------------|--|--------------|
| (\$ in millions, unless otherwise indicated) | Electrification | Motion | Process Automation | Robotics & Discrete Automation | Corporate and Other and Intersegment elimination | Consolidated |
| | | | | Automation | | |
| Total revenues | 3,698 | 1,946 | 1,727 | 852 | 22 | 8,245 |
| Foreign exchange/commodity timing differences in total revenues: | | | | | | |
| Unrealized gains and losses on derivatives | (33) | (48) | (23) | (5) | (4) | (113) |
| Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized | (3) | 1 | (10) | (1) | (2) | (15) |
| Unrealized foreign exchange movements on receivables (and related assets) | 21 | 12 | 12 | 8 | 9 | 62 |
| Operational revenues | 3,683 | 1,911 | 1,706 | 854 | 25 | 8,179 |
| Income (loss) from operations | 670 | 292 | 259 | 99 | (204) | 1,116 |
| Acquisition-related amortization | 22 | 9 | 1 | 20 | 4 | 56 |
| Restructuring, related and implementation costs ⁽¹⁾ | 50 | 41 | (4) | 6 | 34 | 127 |
| Changes in obligations related to divested businesses | - | - | - | - | 2 | 2 |
| Gains and losses from sale of businesses | (4) | - | - | - | - | (4) |
| Acquisition- and divestment-related expenses and integration costs | 7 | 2 | (4) | 7 | 7 | 19 |
| Certain other non-operational items | 5 | 2 | - | (14) | 83 | 76 |
| Foreign exchange/commodity timing differences in income from operations: | | | | | | |
| Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives) | (31) | (36) | (12) | (2) | 4 | (77) |
| Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized | (4) | 1 | (11) | (2) | (4) | (20) |
| Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities) | 10 | 7 | 10 | 4 | 7 | 38 |
| Operational EBITA | 725 | 318 | 239 | 118 | (67) | 1,333 |
| Operational EBITA margin (%) | 19.7% | 16.6% | 14.0% | 13.8% | n.a. | 16.3% |

(1) Includes impairment of certain assets.

In the three months ended December 31, 2023, Certain other non-operational items in the table above includes the following:

| Three months ended December 31, 2023 | | | | | | |
|--|-----------------|----------|--------------------|--------------------------------|---------------------|--------------|
| (\$ in millions, unless otherwise indicated) | Electrification | Motion | Process Automation | Robotics & Discrete Automation | Corporate and Other | Consolidated |
| | | | | Automation | | |
| Certain other non-operational items: | | | | | | |
| Other income/expense relating to the Power Grids joint venture | - | - | - | - | (9) | (9) |
| Business transformation costs ⁽¹⁾ | 3 | - | - | (2) | 65 | 66 |
| Certain other fair values changes, including asset impairments | 1 | 1 | - | (11) | 22 | 13 |
| Other non-operational items | 1 | 1 | - | (1) | 5 | 6 |
| Total | 5 | 2 | - | (14) | 83 | 76 |

(1) Amounts include ABB Way process transformation costs of \$66 million for the three months ended December 31, 2023.

| | Year ended December 31, 2024 | | | | | |
|--|------------------------------|--------------|-----------------------|--------------------------------------|---|---------------|
| | | | | Robotics & Discrete Automation | Corporate and Other and Intersegment elimination | Consolidated |
| (\$ in millions, unless otherwise indicated) | Electrification | Motion | Process Automation | | | |
| Total revenues | 15,448 | 7,787 | 6,756 | 3,213 | (354) | 32,850 |
| Foreign exchange/commodity timing differences in total revenues: | | | | | | |
| Unrealized gains and losses on derivatives | 68 | 47 | 35 | 9 | - | 159 |
| Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized | (1) | 3 | 7 | - | - | 9 |
| Unrealized foreign exchange movements on receivables (and related assets) | (29) | (23) | (24) | (10) | 1 | (85) |
| Operational revenues | 15,486 | 7,814 | 6,774 | 3,212 | (353) | 32,933 |
| Income (loss) from operations | 3,362 | 1,400 | 974 | 183 | (848) | 5,071 |
| Acquisition-related amortization | 94 | 35 | 10 | 54 | 10 | 203 |
| Restructuring, related and implementation costs ⁽¹⁾ | 27 | 39 | 30 | 59 | 23 | 178 |
| Changes in obligations related to divested businesses | - | - | - | - | (10) | (10) |
| Gains and losses from sale of businesses | (73) | - | - | - | 16 | (57) |
| Fair value adjustment on assets and liabilities held for sale | 25 | - | - | - | 88 | 113 |
| Acquisition- and divestment-related expenses and integration costs | 38 | 5 | 5 | 16 | 9 | 73 |
| Certain other non-operational items | 7 | 7 | - | 14 | 297 | 325 |
| Foreign exchange/commodity timing differences in income from operations: | | | | | | |
| Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives) | 56 | 41 | 14 | 7 | - | 118 |
| Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized | (7) | 1 | 5 | - | (2) | (3) |
| Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities) | (9) | (10) | (13) | (4) | (7) | (43) |
| Operational EBITA | 3,520 | 1,518 | 1,025 | 329 | (424) | 5,968 |
| Operational EBITA margin (%) | 22.7% | 19.4% | 15.1% | 10.2% | n.a. | 18.1% |

(1) Includes impairment of certain assets.

In the year ended December 31, 2024, Certain other non-operational items in the table above includes the following:

| | Year ended December 31, 2024 | | | | | |
|--|------------------------------|----------|-----------------------|--------------------------------------|------------------------|--------------|
| | | | | Robotics & Discrete Automation | Corporate and Other | Consolidated |
| (\$ in millions, unless otherwise indicated) | Electrification | Motion | Process Automation | | | |
| Certain other non-operational items: | | | | | | |
| Other income/expense relating to the | | | | | | |
| Power Grids joint venture | - | - | - | - | (16) | (16) |
| Regulatory, compliance and legal costs | - | - | - | 14 | (2) | 12 |
| Business transformation costs ⁽¹⁾ | 5 | 1 | - | - | 198 | 204 |
| Certain other fair values changes, including asset impairments | 3 | 5 | (1) | - | 100 | 107 |
| Other non-operational items | (1) | 1 | 1 | - | 17 | 18 |
| Total | 7 | 7 | - | 14 | 297 | 325 |

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

| Year ended December 31, 2023 | | | | | | |
|--|-----------------|--------------|--------------------|--------------------------------|--|---------------|
| (\$ in millions, unless otherwise indicated) | Electrification | Motion | Process Automation | Robotics & Discrete Automation | Corporate and Other and Intersegment elimination | Consolidated |
| | | | | Automation | | |
| Total revenues | 14,584 | 7,814 | 6,270 | 3,640 | (73) | 32,235 |
| Foreign exchange/commodity timing differences in total revenues: | | | | | | |
| Unrealized gains and losses on derivatives | 4 | (33) | (20) | (1) | 2 | (48) |
| Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized | (8) | - | (2) | - | (1) | (11) |
| Unrealized foreign exchange movements on receivables (and related assets) | 1 | 10 | 4 | 5 | (2) | 18 |
| Operational revenues | 14,581 | 7,791 | 6,252 | 3,644 | (74) | 32,194 |
| Income (loss) from operations | 2,800 | 1,390 | 947 | 446 | (712) | 4,871 |
| Acquisition-related amortization | 88 | 35 | 5 | 79 | 13 | 220 |
| Restructuring, related and implementation costs ⁽¹⁾ | 76 | 46 | 3 | 6 | 88 | 219 |
| Changes in obligations related to divested businesses | 1 | - | - | - | (4) | (3) |
| Gains and losses from sale of businesses | (75) | - | (26) | - | - | (101) |
| Acquisition- and divestment-related expenses and integration costs | 30 | 17 | (7) | 14 | 20 | 74 |
| Certain other non-operational items | 16 | 6 | - | (10) | 153 | 165 |
| Foreign exchange/commodity timing differences in income from operations: | | | | | | |
| Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives) | 11 | (21) | (13) | (1) | 5 | (19) |
| Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized | (5) | - | (4) | - | (3) | (12) |
| Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities) | (5) | 2 | 4 | 2 | 10 | 13 |
| Operational EBITA | 2,937 | 1,475 | 909 | 536 | (430) | 5,427 |
| Operational EBITA margin (%) | 20.1% | 18.9% | 14.5% | 14.7% | n.a. | 16.9% |

(1) Includes impairment of certain assets.

In the year ended December 31, 2023, certain other non-operational items in the table above includes the following:

| Year ended December 31, 2023 | | | | | | |
|--|-----------------|----------|--------------------|--------------------------------|---------------------|--------------|
| (\$ in millions, unless otherwise indicated) | Electrification | Motion | Process Automation | Robotics & Discrete Automation | Corporate and Other | Consolidated |
| | | | | Automation | | |
| Certain other non-operational items: | | | | | | |
| Other income/expense related to the Power Grids joint venture | - | - | - | - | (36) | (36) |
| Business transformation costs | 15 | 1 | - | 1 | 188 | 205 |
| Certain other fair values changes, including asset impairments | 2 | 3 | - | (10) | 15 | 10 |
| Other non-operational items | (1) | 2 | - | (1) | (14) | (14) |
| Total | 16 | 6 | - | (10) | 153 | 165 |

(1) Amounts include ABB Way process transformation costs of \$188 million for the year ended December 31, 2023.

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, Restricted cash and Marketable securities and short-term investments.

Reconciliation

| (\$ in millions) | December 31, | | |
|--|--------------|--------------|--------------|
| | 2024 | 2023 | 2022 |
| Short-term debt and current maturities of long-term debt | 293 | 2,607 | 2,535 |
| Long-term debt | 6,652 | 5,221 | 5,143 |
| Total debt | 6,945 | 7,828 | 7,678 |
| Cash and equivalents | 4,311 | 3,891 | 4,156 |
| Restricted cash - current | 15 | 18 | 18 |
| Marketable securities and short-term investments | 1,334 | 1,928 | 725 |
| Cash and marketable securities | 5,660 | 5,837 | 4,899 |
| Net debt | 1,285 | 1,991 | 2,779 |

Net debt/Equity ratio

Definition

Net debt/Equity ratio

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

Equity

Equity is defined as Total stockholders' equity.

Reconciliation

| (\$ in millions, unless otherwise indicated) | December 31, 2024 | December 31, 2023 |
|--|-------------------|-------------------|
| Total stockholders' equity | 15,060 | 14,057 |
| Net debt (as defined above) | 1,285 | 1,991 |
| Net debt / Equity ratio | 0.09 | 0.14 |

Net debt/EBITDA Ratio

Definition

Net debt/EBITDA

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

EBITDA

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

Reconciliation

| (\$ in millions, unless otherwise indicated) | December 31, 2024 | December 31, 2023 |
|--|-------------------|-------------------|
| Income from operations | 5,071 | 4,871 |
| Depreciation and Amortization | 802 | 780 |
| EBITDA | 5,873 | 5,651 |
| Net debt (as defined above) | 1,285 | 1,991 |
| Net debt / EBITDA | 0.22 | 0.35 |

Net working capital as a percentage of revenues

Definition

Net working capital as a percentage of revenues

Net working capital as a percentage of revenues is calculated as Net working capital divided by Adjusted revenues for the trailing twelve months.

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.

Adjusted revenues for the trailing twelve months

Adjusted revenues for the trailing twelve months includes total revenues recorded by ABB in the twelve months preceding the relevant balance sheet date adjusted to eliminate revenues of divested businesses and the estimated impact of annualizing revenues of certain acquisitions which were completed in the same trailing twelve-month period.

Reconciliation

| (\$ in millions, unless otherwise indicated) | December 31, | |
|--|---------------|---------------|
| | 2024 | 2023 |
| Net working capital: | | |
| Receivables, net | 7,388 | 7,446 |
| Contract assets | 1,115 | 1,090 |
| Inventories, net | 5,859 | 6,149 |
| Prepaid expenses | 287 | 235 |
| Accounts payable, trade | (5,036) | (4,847) |
| Contract liabilities | (2,969) | (2,844) |
| Other current liabilities ⁽¹⁾ | (3,814) | (3,972) |
| Net working capital | 2,830 | 3,257 |
| Total revenues for the twelve months ended | 32,850 | 32,235 |
| Adjustment to annualize/eliminate revenues of certain acquisitions/divestments | (16) | (186) |
| Adjusted revenues for the trailing twelve months | 32,834 | 32,049 |
| Net working capital as a percentage of revenues (%) | 8.6% | 10.2% |

(1) Amounts exclude \$768 million and \$1,074 million at December 31, 2024 and 2023, 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 the divestment of the Power Grids business.

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.

| (\$ in millions, unless otherwise indicated) | Year ended December 31, | | Three months ended December 31, | |
|--|-------------------------|--------------|---------------------------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Net cash provided by operating activities | 4,675 | 4,290 | 1,537 | 1,897 |
| Adjusted for the effects of operations: | | | | |
| Purchases of property, plant and equipment and intangible assets | (845) | (770) | (283) | (264) |
| Proceeds from sale of property, plant and equipment | 107 | 147 | 41 | 80 |
| Free cash flow | 3,937 | 3,667 | 1,295 | 1,713 |

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.

Reconciliation

| (\$ in millions, unless otherwise indicated) | Year ended December 31, | |
|--|-------------------------|--------------|
| | 2024 | 2023 |
| Free cash flow (as defined above) | 3,937 | 3,667 |
| Adjusted Net income attributable to ABB⁽¹⁾ | 3,949 | 3,686 |
| Free cash flow conversion to net income | 100% | 99% |

(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 and the net gain on the sale of a business within the Electrification Business Area of \$64 million. In addition, 2024 includes adjustments to the gain on sale of Power Grids of \$10 million. Adjustments to net income for the year ended December 31, 2023, is adjusted to exclude the gain on sale of the Power Conversion Division of \$59 million.

Free cash flow margin

Definition

Free cash flow margin

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

Reconciliation

| (\$ in millions, unless otherwise indicated) | Year ended December 31, | |
|--|-------------------------|--------------|
| | 2024 | 2023 |
| Free cash flow (as defined above) | 3,937 | 3,667 |
| Total revenues | 32,850 | 32,235 |
| Free cash flow margin | 12.0% | 11.4% |

Net finance income (expense)

Definition

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

Reconciliation

| (\$ in millions) | Year ended December 31, | | Three months ended December 31, | |
|-------------------------------------|-------------------------|--------------|---------------------------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| Interest and dividend income | 206 | 165 | 60 | 50 |
| Interest and other finance expense | (99) | (275) | (8) | (78) |
| Net finance income (expense) | 107 | (110) | 52 | (28) |

Book-to-bill ratio

Definition

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

Reconciliation

| (\$ in millions, except Book-to-bill presented as a ratio) | Year ended December 31, | | | | | |
|--|-------------------------|---------------|--------------|---------------|---------------|--------------|
| | 2024 | | | 2023 | | |
| | Orders | Revenues | Book-to-bill | Orders | Revenues | Book-to-bill |
| Electrification | 16,422 | 15,448 | 1.06 | 15,189 | 14,584 | 1.04 |
| Motion | 7,989 | 7,787 | 1.03 | 8,222 | 7,814 | 1.05 |
| Process Automation | 7,106 | 6,756 | 1.05 | 7,535 | 6,270 | 1.20 |
| Robotics & Discrete Automation | 2,596 | 3,213 | 0.81 | 3,066 | 3,640 | 0.84 |
| Corporate and Other (<i>incl. intersegment eliminations</i>) | (423) | (354) | n.a. | (194) | (73) | n.a. |
| ABB Group | 33,690 | 32,850 | 1.03 | 33,818 | 32,235 | 1.05 |

| (\$ in millions, except Book-to-bill presented as a ratio) | Three months ended December 31, | | | | | |
|--|---------------------------------|--------------|--------------|--------------|--------------|--------------|
| | 2024 | | | 2023 | | |
| | Orders | Revenues | Book-to-bill | Orders | Revenues | Book-to-bill |
| Electrification | 3,908 | 4,046 | 0.97 | 3,395 | 3,698 | 0.92 |
| Motion | 1,866 | 2,038 | 0.92 | 1,937 | 1,946 | 1.00 |
| Process Automation | 1,823 | 1,795 | 1.02 | 1,870 | 1,727 | 1.08 |
| Robotics & Discrete Automation | 567 | 769 | 0.74 | 550 | 852 | 0.65 |
| Corporate and Other (<i>incl. intersegment eliminations</i>) | (76) | (58) | n.a. | (103) | 22 | n.a. |
| ABB Group | 8,088 | 8,590 | 0.94 | 7,649 | 8,245 | 0.93 |

Return on Capital employed (ROCE)

Definition

Return on Capital employed (ROCE)

Return on Capital employed is calculated as Operational EBITA after tax, divided by the average of the period's opening and closing Capital employed, adjusted to reflect impacts from the timing of significant acquisitions/divestments occurring during the period.

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, and (v) operating lease right-of-use assets, less (vi) deferred tax liabilities recognized in certain acquisitions.

Notional tax on Operational EBITA

The Notional tax on Operational EBITA is computed using the adjusted group effective tax rate multiplied by Operational EBITA.

Adjusted Group effective tax rate

The Adjusted Group effective tax rate is computed by dividing an adjusted income tax expense by an adjusted pre-tax income. Certain amounts recorded in income before taxes and the related income tax expense (primarily due to gains and losses from sale of businesses and in 2022, regulatory penalties in connection with the Kusile project) are removed from the reported amounts when computing these adjusted amounts. Certain other amounts recorded in income tax expense are also excluded from the computation to determine the Adjusted Group effective tax rate.

Reconciliation

| (\$ in millions, unless otherwise indicated) | December 31, | | |
|--|---------------|---------------|---------------|
| | 2024 | 2023 | 2022 |
| Adjusted total fixed assets: | | | |
| Property, plant and equipment, net | 4,177 | 4,142 | 3,911 |
| Goodwill | 10,555 | 10,561 | 10,511 |
| Other intangible assets, net | 1,048 | 1,223 | 1,406 |
| Investments in equity-accounted companies | 368 | 187 | 130 |
| Operating lease right-of-use assets | 840 | 893 | 841 |
| Total fixed assets | 16,988 | 17,006 | 16,799 |
| Less: Deferred taxes recognized in certain acquisitions ⁽¹⁾ | (242) | (297) | (358) |
| Adjusted total fixed assets | 16,746 | 16,709 | 16,441 |
| Net working capital - (as defined above) | 2,830 | 3,257 | 3,216 |
| Capital employed | 19,576 | 19,966 | 19,657 |
| Average Capital employed: | | | |
| Capital employed at the end of the previous year | 19,966 | 19,657 | 20,539 |
| Capital employed at the end of the current year | 19,576 | 19,966 | 19,657 |
| | 19,771 | 19,812 | 20,098 |
| Adjusted for timing of acquisitions/divestments | (53) | - | 948 |
| Average Capital employed | 19,718 | 19,812 | 21,046 |
| Operational EBITA for the year ended | 5,968 | 5,427 | 4,510 |
| Notional tax on Operational EBITA | (1,462) | (1,248) | (1,037) |
| Operational EBITA after tax | 4,506 | 4,179 | 3,473 |
| Return on Capital employed (ROCE) | 22.9% | 21.1% | 16.5% |

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

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