

Q3 2025

FIRST NINE MONTHS
PRESS RELEASE

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

ZURICH, SWITZERLAND, OCTOBER 16, 2025

Q3 2025 results

High order and revenue growth, improved margin and strong free cash flow

- Orders \$9,143 million, +12%; comparable¹ +9%
- Revenues \$9,083 million, +11%; comparable¹ +9%
- Income from operations \$1,662 million; margin 18.3%
- Operational EBITA¹ \$1,738 million; margin¹ 19.2%
- Basic EPS \$0.66; +29%³
- Cash flow from operating activities \$1,777 million; +32%
- Return on Capital Employed 23.3%

KEY FIGURES

(\$ millions, unless otherwise indicated)	CHANGE				CHANGE			
	Q3 2025	Q3 2024	US\$	Comparable ¹	9M 2025	9M 2024	US\$	Comparable ¹
Orders	9,143	8,193	12%	9%	28,141	25,602	10%	9%
Revenues	9,083	8,151	11%	9%	25,918	24,260	7%	6%
Gross Profit ²	3,702	3,245	14%		10,587	9,612	10%	
as % of revenues ²	40.8%	39.8%	+1 pts		40.8%	39.6%	+1.2 pts	
Income from operations	1,662	1,309	27%		4,802	3,902	23%	
Operational EBITA ¹	1,738	1,553	12%	9% ⁴	5,043	4,534	11%	10% ⁴
as % of operational revenues ¹	19.2%	19.0%	+0.2 pts		19.5%	18.6%	+0.9 pts	
Income from continuing operations, net of tax	1,235	937	32%		3,542	2,955	20%	
Net income attributable to ABB	1,208	947	28%		3,461	2,948	17%	
Basic earnings per share (\$)	0.66	0.51	29% ³		1.89	1.60	18% ³	
Cash flow from operating activities	1,777	1,345	32%		3,520	3,138	12%	
Free cash flow ¹	1,552	1,173	32%		3,049	2,642	15%	

¹ For a reconciliation of alternative performance measures, see "supplemental reconciliations and definitions" in the attached Q3 2025 Financial Information.

² Prior period amounts have been restated to reflect a change in accounting policy for IS expenses, see "Note 1 - The Company and Basis of Presentation" in the attached Q3 2025 Financial Information for details.

³ EPS growth rates are computed using unrounded amounts.

⁴ Constant currency (not adjusted for portfolio changes).

"I am proud of ABB achieving good order growth, further improving operational performance and delivering a strong cash flow in the third quarter. We continue to invest to support robust long-term demand for our electrification and automation technologies."

Morten Wierod, CEO

CEO summary

In the third quarter 2025, I was pleased to see a robust overall market situation as customers continue to invest behind electrical power and automation. We achieved a positive book-to-bill of 1.01, supported by three out of four business areas, with Robotics & Discrete Automation still hampered by a challenging discrete automation market. Our operational results were even a bit better than originally expected with a strong revenue growth of 11% (9% comparable), a 20 basis points margin improvement to 19.2% and a strong free cash flow of \$1.6 billion. All combined, we are on a good path towards our ambition of delivering another record year for ABB.

We improved orders by 12% (9% comparable) to \$9.1 billion, with a positive development in all four business areas. Demand was particularly strong in the data center segment which improved orders at a double-digit rate. Positive development was seen in the electrification areas of infrastructure and commercial buildings. Orders in the machine builder segment increased significantly, but this relates more to last year's low comparable as the general market conditions remain muted. Customer activity in the energy segment is robust. Similar to recent quarters, demand was muted in the process industry-related areas of pulp & paper, chemicals and mining; and with weakness in automotive and residential buildings.

US tariff-related market uncertainties remain, but so far we have not seen any material impact on demand or profitability. We continue to focus on what we can control: serving our customers and taking action to improve our market position and profitability.

Our long-standing local-for-local footprint serves us well, and we continue to invest in increasing localization levels. During the quarter we announced combined investments of \$210 million in North America to expand the Electrification business area's local R&D and manufacturing capabilities in the United States and Canada. These investments will support the long-term demand from the surging power needs of AI in data centers, grid modernization and resilience and customers improving energy efficiency and up-time to reduce their costs.

It was good to see the Motion Drive Products division further strengthening their customer value proposition by launching the next-gen machinery drive. This new drive is engineered specifically for performance and connectivity in industrial machinery applications with stringent cybersecurity requirements, while offering customers reduced complexity and installation time. Well done by the team.

After the close of the third quarter, we announced the changed plans for the ABB Robotics division. Instead of doing a spin-off, as communicated earlier this year, we have signed an agreement to divest the business to SoftBank Group for an enterprise value of \$5.375 billion. In our view, the bid reflects the long-term strengths of ABB Robotics, which will benefit from combining its leading technology and deep industry expertise with SoftBank's state-of-the-art capabilities in AI, robotics and next-generation computing. Upon closing of the deal, anticipated for mid-to-late 2026, we will use the proceeds from the transaction in accordance with our capital allocation priorities. As a result of the signing of the agreement, ABB will move to three business areas as from the fourth quarter 2025. The Robotics division will be reported as Discontinued operations and the Machine Automation division will become a part of the Process Automation business area.

We have also announced that CFO, Timo Ihamuotila, will step down from the Executive Committee effective February 1, 2026, as he has decided to focus on non-operational roles. Timo will be succeeded by the internal candidate Christian Nilsson who joined ABB in 2017 as CFO of the Electrification business area.



Morten Wierod
CEO

Outlook

Guidance based on new reporting structure effective as from fourth quarter 2025

In the **fourth quarter of 2025**, we anticipate comparable revenue growth to be in the mid-single digit range, and the Operational EBITA margin to sequentially soften from the third quarter by approximately -150 basis points, in line with historical pattern; however acknowledging the uncertainty for the global business environment.

In **full-year 2025**, we expect a positive book-to-bill, comparable revenue growth in the mid-single digit range and an Operational EBITA margin broadly at the higher end of the long-term target range of 16%-19%, however acknowledging the uncertainty for the global business environment.

Orders and revenues

In the third quarter, demand for electrical power infrastructure and automation continued its strong trend. Uncertainties from potential impacts related to US imposed tariffs remain, similar to the previous quarter, but have not materially impacted business activity. With the majority of ABB's manufacturing set up on a local-for-local basis, tariff-related cost inflation has so far been limited, and mitigating pricing activities have been implemented. Order intake amounted to \$9,143 million and improved by 12% (9% comparable) year-on-year, supported by a positive development in all four business areas.

Orders in the Americas were up by 19% (19% comparable), with the mid-single digit growth in base orders further fueled by large bookings. Orders in Europe were up by 16% (9% comparable). Asia, Middle East and Africa declined by 1% (1% comparable) with China being down by 3% (4% comparable).

In transport & infrastructure, the trading environment and pipeline remains strong in marine and ports, although quarterly order intake remained stable year-on-year. The rail segment remains robust and orders increased sharply. The segment for land transport infrastructure benefited from upgrades of electrical equipment for such as airports, tunnels etc.

In the industrial areas, the utilities segment remains generally very strong, although with a modest order improvement in this quarter. The market sentiment in data centers was very strong and orders increased by double-digits.

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

In the robotics business, weakness in the automotive and general industry segments was offset by a positive development in areas like consumer electronics and logistics. Orders in the machine builder segment increased sharply from a low comparable, however the absolute level remains subdued in a continued challenging market.

Orders in the oil & gas segment improved. There was increased activity among nuclear customers, however slower demand in renewables. Declines were noted in mining, pulp & paper and chemicals.

Revenues improved in all business areas and amounted to \$9,083 million, up by 11% (9% comparable). This was supported by backlog execution as well as positive developments in the short-cycle and service businesses. Higher volumes was the main driver of the revenue growth, with some added support from positive pricing.

Growth

	Q3	Q3
Change year-on-year	Orders	Revenues
Comparable	9%	9%
FX	3%	2%
Portfolio changes	0%	0%
Total	12%	11%

Orders by region

(\$ in millions, unless otherwise indicated)	Q3 2025	Q3 2024	CHANGE	
			US\$	Comparable
Europe	2,971	2,572	16%	9%
The Americas	3,626	3,048	19%	19%
Asia, Middle East and Africa	2,546	2,573	-1%	-1%
ABB Group	9,143	8,193	12%	9%

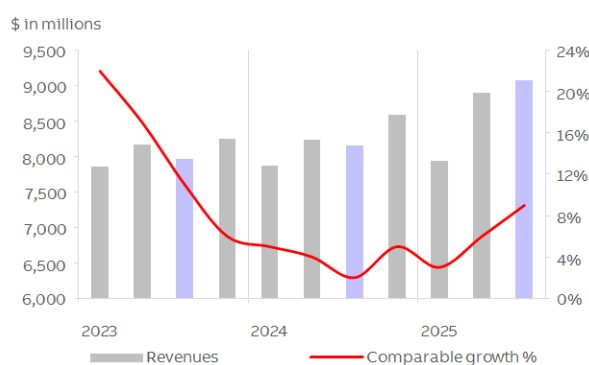
Revenues by region

(\$ in millions, unless otherwise indicated)	Q3 2025	Q3 2024	CHANGE	
			US\$	Comparable
Europe	3,131	2,659	18%	11%
The Americas	3,344	3,006	11%	12%
Asia, Middle East and Africa	2,608	2,486	5%	4%
ABB Group	9,083	8,151	11%	9%

Orders



Revenues



Earnings

Gross profit

Gross profit increased by 14% (11% constant currency) year-on-year to \$3,702 million, reflecting a gross margin of 40.8%, up 100 basis points. Gross margin remained stable or improved in all business areas.

Income from operations

Income from operations amounted to \$1,662 million and increased by 27% year-on-year. This was mainly driven by improved operational business performance with additional support from Certain other fair value changes as well as the positive contribution from Foreign exchange timing differences. These combined positive effects more than offset somewhat higher Acquisition and divestment-related expenses. The Income from operations margin was 18.3% and improved by 220 basis points.

Operational EBITA

Operational EBITA increased by 12% year-on-year to \$1,738 million, resulting in a 20 basis points margin improvement to 19.2%. Higher results were supported by improved performance in the businesses, which more than offset increased Corporate expenses. The positive business impacts from higher volumes, slightly positive pricing and improved efficiency more than compensated for the increase in expenses related to Research and Development (R&D) as well as Sales,

General & Administrative (SG&A). SG&A increased only slightly in relation to revenues to 19.1% from last year's 19.0%. Operational EBITA in Corporate and Other amounted to -\$134 million compared with last year's -\$108 million. Underlying corporate costs were \$108 million while the E-mobility business reported a somewhat lower than anticipated loss at \$26 million.

Finance net

Net finance income contributed to results with a positive \$13 million, representing a higher income compared with last year's \$2 million.

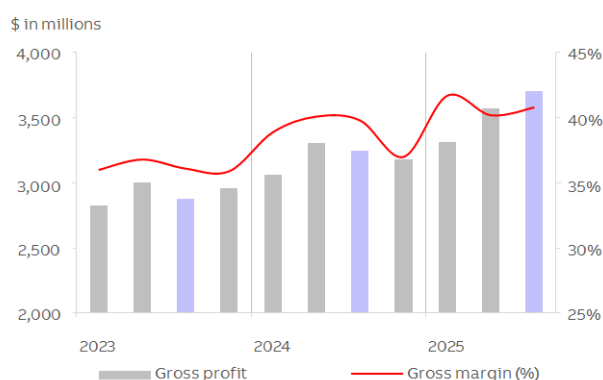
Income tax

Income tax expense was \$452 million, and the effective tax rate was 26.8%.

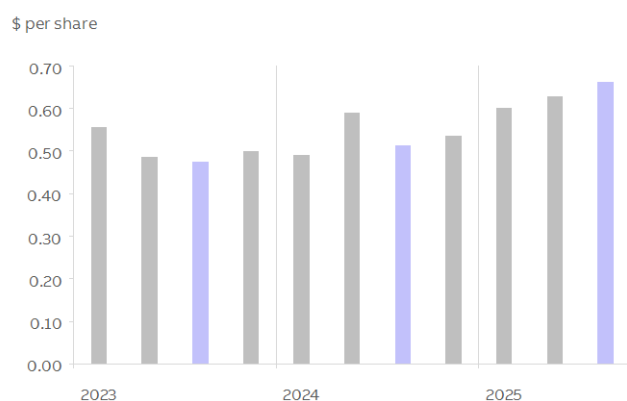
Net income and earnings per share

Net income attributable to ABB was \$1,208 million, representing an increase of 28% year-on-year, mainly helped by the impact of improved business performance, with some additional support from improved Net finance income and a lower tax rate year-on-year. Basic earnings per share increased by 29% to \$0.66, up from \$0.51 in the previous year period.

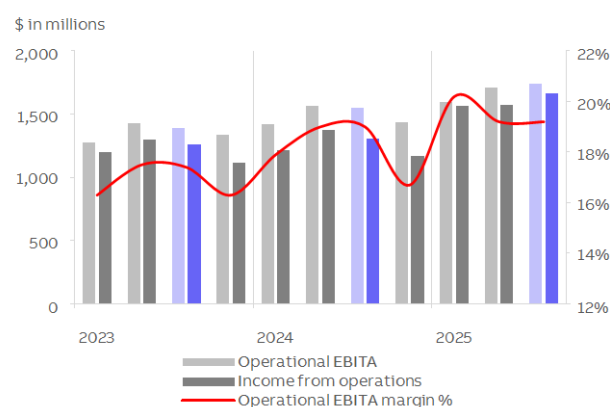
Gross profit & Gross margin



Basic EPS



Income from operations & Operational EBITA



Corporate and Other Operational EBITA

(\$ in millions)	Q3 2025	Q3 2024
Corporate and Other		
E-mobility	(26)	(60)
Corporate costs, intersegment eliminations and other ¹	(108)	(48)
Total	(134)	(108)

¹ Majority of which relates to underlying corporate

Balance sheet & Cash flow

Trade net working capital¹

Trade net working capital amounted to \$4,869 million, decreasing slightly year-on-year from \$4,931 million, as the increase in receivables was mostly offset by higher customer advances and payables. The average trade net working capital as a percentage of revenues¹ was 13.8% which declined from 15.1% one year ago.

Capital expenditures

Purchases of property, plant and equipment and intangible assets during the third quarter amounted to \$229 million, higher than last year's \$196 million.

Net debt

Net debt¹ amounted to \$2,697 million at the end of the quarter and increased from \$2,158 million year-on-year. The sequential decrease from \$3,701 million in the second quarter was mainly due to the very strong cash generation in the third quarter, partially offset by purchases of treasury shares.

Cash flows

Cash flow from operating activities during the third quarter was \$1,777 million, an increase of 32% from last year's \$1,345 million. Contribution to the strong cash flow derived from stronger earnings as well as a reduction in Net Working Capital, mainly linked to contribution from contract assets and liabilities and timing of accrued expenses. Free cash flow amounted to \$1,552 million, and improved materially from last year's \$1,173 million, despite the higher capex spend.

Share buyback program

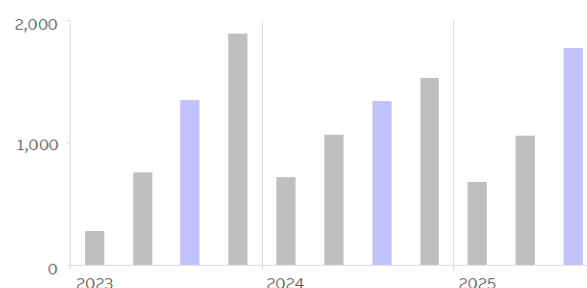
A share buyback program of up to \$1.5 billion was launched on February 10, 2025. During the third quarter, ABB repurchased a total of 5,262,688 shares for a total amount of approximately \$344 million. As at the end of the third quarter, ABB's total number of issued shares, including shares held in treasury, amounts to 1,843,899,204.

(\$ in millions, unless otherwise indicated)	Sep. 30 2025	Sep. 30 2024	Dec. 31 2024
Short-term debt and current maturities of long-term debt	680	109	293
Long-term debt	7,844	6,666	6,652
Total debt	8,524	6,775	6,945
Cash & equivalents	3,937	3,283	4,326
Marketable securities and short-term investments	1,890	1,334	1,334
Cash and marketable securities	5,827	4,617	5,660
Net debt (cash)*	2,697	2,158	1,285
Net debt (cash)* to EBITDA ratio	0.4	0.4	0.2
Net debt (cash)* to Equity ratio	0.17	0.15	0.09

* September 30, 2025, September 30, 2024 and Dec. 31, 2024, net debt(cash) excludes net pension (assets)/liabilities of \$(366) million, \$(302) million and \$(227) million, respectively.

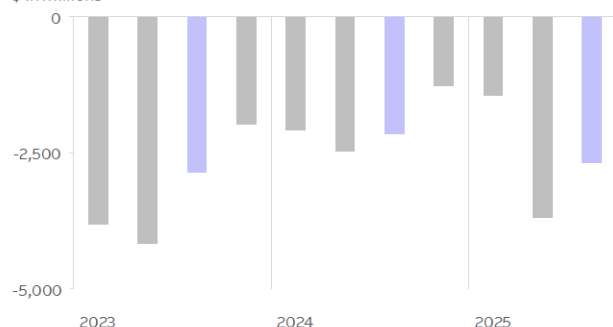
Cash flow from operating activities

\$ in millions

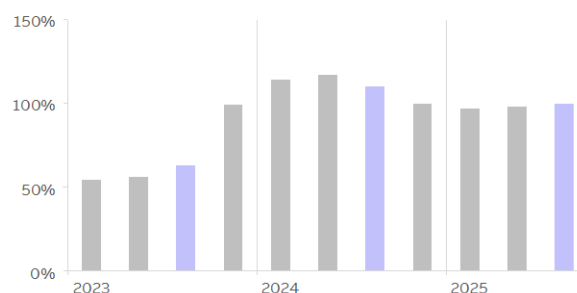


Net Cash (Net Debt) position

\$ in millions



Free cash flow conversion to net income¹, R12M



Electrification



Orders and revenues

In a buoyant business environment, orders increased by 12% (10% comparable) to \$4,522 million as customers continue to invest behind electrical power. Revenues were record-high, yet book-to-bill was positive at 1.01.

- All customer segments had stable to positive order development. Growth was particularly strong in data centers which improved at a double-digit rate. Buildings was overall positive, with the US and Europe improving within the commercial area and remaining broadly stable for residential. The buildings market in China remains weak overall. Utilities remain strong, although orders were broadly stable on a high comparable. Another area for high customer activity was land transport infrastructure, such as airports, rail, tunnels.
- The Americas increased by 17% (18% comparable) with a very strong development of 23% (23% comparable) in the United States. Europe was up by 22% (15% comparable). Asia, Middle East and Africa declined by 5% (6% comparable) with China being down by 10% (12% comparable).

Growth

	Q3 Orders	Q3 Revenues
Change year-on-year		
Comparable	10%	13%
FX	2%	2%
Portfolio changes	0%	0%
Total	12%	15%

- Revenues improved strongly in virtually all divisions and was even a bit better than originally expected with a strong ending to the quarter. Revenues amounted to \$4,499 million and higher volumes was the main driver to the 15% (13% comparable) increase, reflecting high deliveries linked to the order backlog for the medium voltage and power protection offering, as well as improved short-cycle demand. Additional support derived from a slightly positive price development.

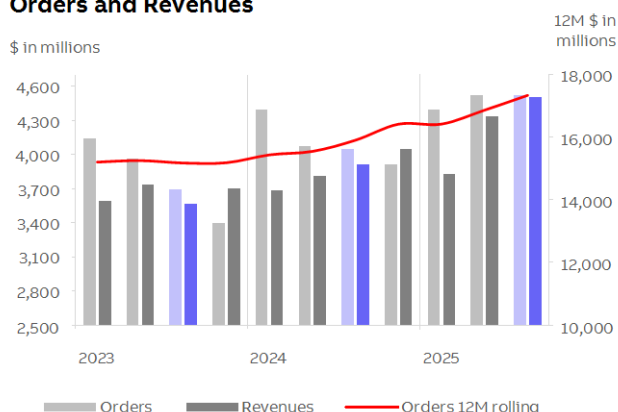
Profit

Most divisions improved earnings and margin, supporting the total increase of 17% in Operational EBITA to \$1,100 million, reflecting a margin of 24.5%, up 40 basis points from last year.

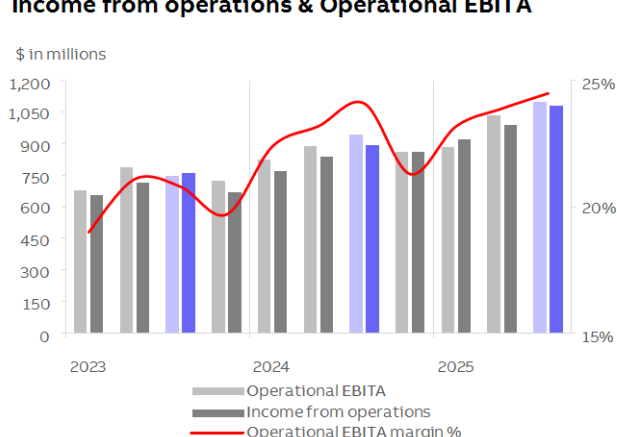
- The improved result was driven by the impacts from operational leverage on higher volumes which more than offset higher spend on R&D and SG&A, year-on-year. While R&D increased slightly as a percentage of revenues, the SG&A percentage declined.
- Tariff-related cost impact was not material and was offset by productivity measures and pricing.

(\$ millions, unless otherwise indicated)	CHANGE				CHANGE			
	Q3 2025	Q3 2024	US\$	Comparable	9M 2025	9M 2024	US\$	Comparable
Orders	4,522	4,049	12%	10%	13,434	12,514	7%	7%
Order backlog	8,750	7,945	10%	10%	8,750	7,945	10%	10%
Revenues	4,499	3,913	15%	13%	12,655	11,402	11%	10%
Gross Profit	1,909	1,623	18%		5,354	4,724	13%	
as % of revenues	42.4%	41.5%	+0.9 pts		42.3%	41.4%	+0.9 pts	
Operational EBITA	1,100	944	17%		3,019	2,657	14%	
as % of operational revenues	24.5%	24.1%	+0.4 pts		23.9%	23.2%	+0.7 pts	
Cash flow from operating activities	1,340	1,041	29%		2,817	2,438	16%	
No. of employees (FTE equiv.)	52,800	51,700	2%					

Orders and Revenues



Income from operations & Operational EBITA



Motion



Orders and revenues

Order intake was high at \$2,162 million and improved by 20% (17% comparable). A positive development in both the project and short-cycle businesses supported the book-to-bill of 1.04.

- Orders increased in the segments of HVAC for commercial buildings, water & wastewater, oil & gas, power generation and food & beverage. Similar to previous quarters, weakness was seen in the process-related segments of chemicals, pulp & paper and metals. The pipeline for rail is robust, and orders improved sharply.
- Orders improved in all regions. The Americas was up by 35% (33% comparable), with the strong improvement of 43% (40% comparable) in the United States positively impacted by timing of large orders booked. The comparable was fairly low for both Europe, which was up by 15% (8% comparable) and Asia, Middle East and Africa up by 8% (8% comparable), with China improving 3% (2% comparable).

Growth

	Q3 Orders	Q3 Revenues
Change year-on-year		
Comparable	17%	3%
FX	3%	3%
Portfolio changes	0%	0%
Total	20%	6%

- Revenues amounted to \$2,082 million and improved by 6% (3% comparable). Higher short-cycle volumes and a positive development in the service business was the somewhat larger driver to comparable revenue growth, with further support from positive price impacts. Deliveries from the project and system-related business were somewhat lower than anticipated.

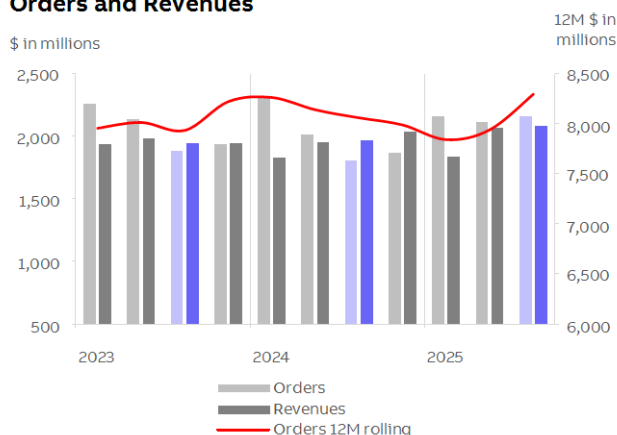
Profit

Operational EBITA improved by 4%, however the margin of 20.1% softened by 60 basis points from last year's all-time-high level.

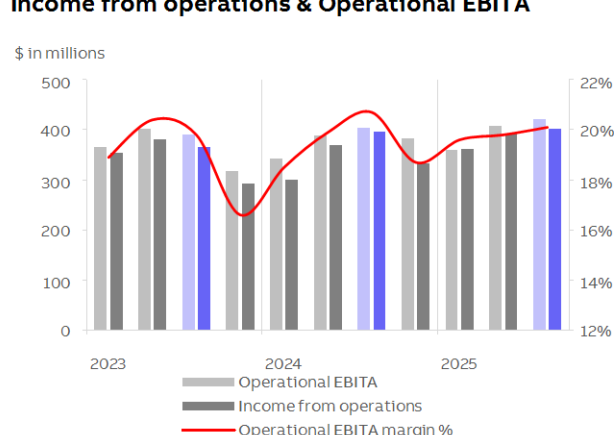
- The positive impact on margin from operational leverage on higher volumes and positive price was more than offset mainly by higher SG&A and R&D.

(\$ millions, unless otherwise indicated)	CHANGE				CHANGE			
	Q3 2025	Q3 2024	US\$	Comparable	9M 2025	9M 2024	US\$	Comparable
Orders	2,162	1,806	20%	17%	6,430	6,123	5%	4%
Order backlog	6,176	5,750	7%	5%	6,176	5,750	7%	5%
Revenues	2,082	1,969	6%	3%	5,987	5,749	4%	3%
Gross Profit	796	735	8%		2,317	2,103	10%	
as % of revenues	38.2%	37.3%	+0.9 pts		38.7%	36.6%	+2.1 pts	
Operational EBITA	421	404	4%		1,188	1,135	5%	
as % of operational revenues	20.1%	20.7%	-0.6 pts		19.8%	19.7%	+0.1 pts	
Cash flow from operating activities	464	397	17%		1,128	1,258	-10%	
No. of employees (FTE equiv.)	22,300	22,600	-1%					

Orders and Revenues



Income from operations & Operational EBITA



Process Automation



Orders and revenues

At 1.05, this was the 20th consecutive quarter with Process Automation achieving a positive book-to-bill. Order intake of \$1,896 million was up by 6% (4% comparable) and improved despite a lower level of large bookings, as customers continue to invest in safe and efficient uptime solutions through automation, electrification and digitalization.

- The strongest order improvement was seen in the energy-related segments of oil & gas and conventional power generation. There was also an increased activity among nuclear customers, however slower for renewables, such as solar and wind. The market for marine and port automation and electrification remains strong, although order intake was stable in the quarter. A decline was recorded in the process industry-related areas of chemical, pulp & paper and mining.
- Revenues amounted to \$1,801 million, up 10% (7% comparable) with the broad-based support from execution of the order backlog, strong growth in the

Growth

	Q3 Orders	Q3 Revenues
Change year-on-year		
Comparable	4%	7%
FX	2%	3%
Portfolio changes	0%	0%
Total	6%	10%

service business and improvement in the short-cycle product business. Higher deliveries was the key driver to comparable revenue growth, with additional support from price and mix impacts.

Profit

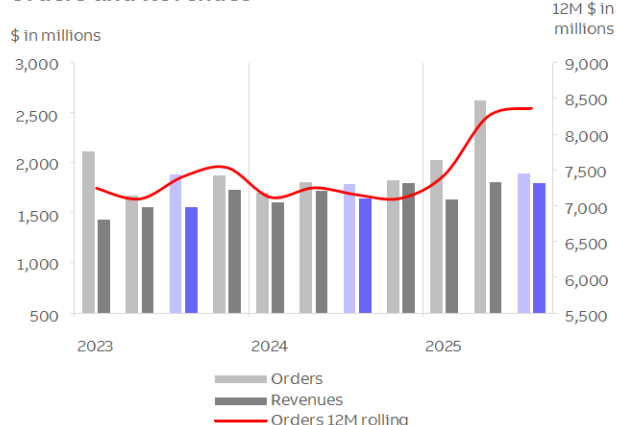
Operational EBITA increased by 10% to \$277 million with margin somewhat better than expected at 15.5%, up 30 basis points from last year.

- The margin improvement was mainly supported by the impacts from higher volume and positive pricing. These combined positive effects more than offset increased spend for R&D as well as slightly higher SG&A.

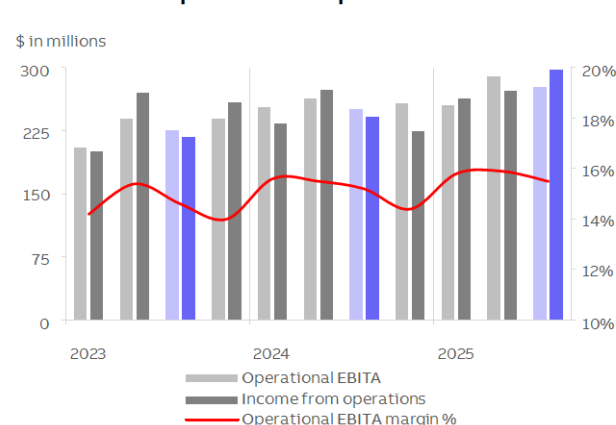
As from the fourth quarter 2025, the Process Automation business area will also contain the Machine Automation division, currently part of the Robotics & Discrete Automation business area.

(\$ millions, unless otherwise indicated)	CHANGE				CHANGE			
	Q3 2025	Q3 2024	US\$	Comparable	9M 2025	9M 2024	US\$	Comparable
Orders	1,896	1,784	6%	4%	6,540	5,283	24%	22%
Order backlog	9,353	7,782	20%	18%	9,353	7,782	20%	18%
Revenues	1,801	1,643	10%	7%	5,238	4,961	6%	5%
Gross Profit	695	614	13%		2,039	1,850	10%	
as % of revenues	38.6%	37.4%	+1.2 pts		38.9%	37.3%	+1.6 pts	
Operational EBITA	277	251	10%		822	767	7%	
as % of operational revenues	15.5%	15.2%	+0.3 pts		15.7%	15.4%	+0.3 pts	
Cash flow from operating activities	449	323	39%		965	809	19%	
No. of employees (FTE equiv.)	22,900	22,100	4%					

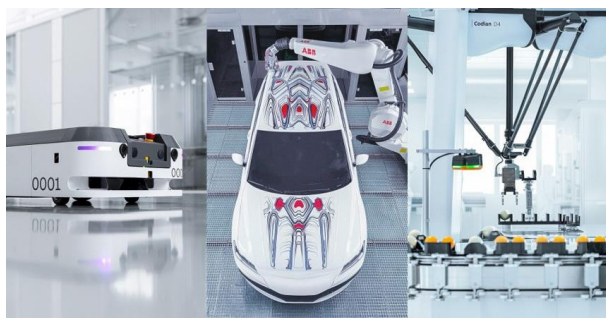
Orders and Revenues



Income from operations & Operational EBITA



Robotics & Discrete Automation



Orders and revenues

As expected, there was a slight sequential order increase, reflecting a year-on-year, improvement of 16% (13% comparable).

- Orders in the **Robotics** division remained broadly stable year-on-year as weakness in the automotive and general industry segments was offset by a positive development in areas like consumer electronics and logistics.
- Orders in the **Machine Automation** division increased sharply from a low level, however the absolute order level remains subdued in a continued challenging market.
- Revenues amounted to \$807 million for the business area, up by 8% (5% comparable). Both divisions improved from last year's low comparable, supported mainly by backlog execution triggering higher volumes, with some additional support from price.

Growth

	Q3 Orders	Q3 Revenues
Change year-on-year		
Comparable	13%	5%
FX	3%	3%
Portfolio changes	0%	0%
Total	16%	8%

Profit

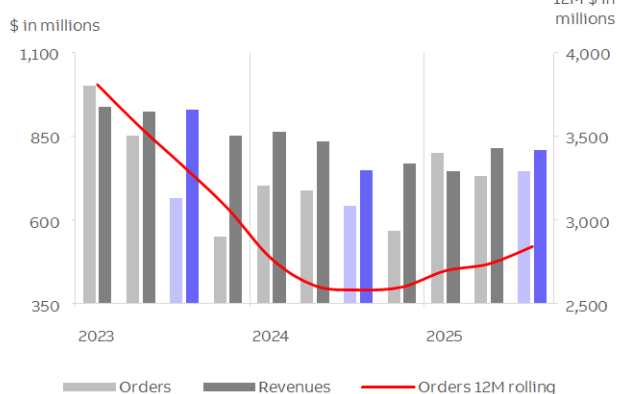
Both earnings and margin improved materially from last year's low level, and remained broadly stable sequentially with the Operational EBITA at \$74 million and margin at 9.2%.

- In Robotics, both earnings and margin improved year-on-year as the division continued to deliver a double-digit profitability level, supported by higher volumes and stable pricing.
- Machine Automation delivered earnings at a break-even level as savings from cost measures did not offset the adverse impacts from low utilization rates in production.

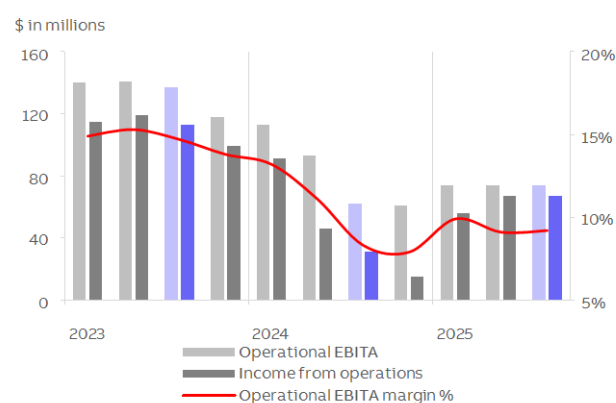
As from the fourth quarter 2025, the business area will be dissolved as a consequence of the signed agreement to divest the Robotics division, which will be reported in Discontinued operations. The Machine Automation division will become part of the Process Automation business area.

(\$ millions, unless otherwise indicated)	CHANGE				CHANGE			
	Q3 2025	Q3 2024	US\$	Comparable	9M 2025	9M 2024	US\$	Comparable
Orders	744	640	16%	13%	2,272	2,029	12%	11%
Order backlog	1,467	1,734	-15%	-16%	1,467	1,734	-15%	-16%
Revenues	807	747	8%	5%	2,364	2,444	-3%	-4%
Gross Profit	274	254	8%		807	851	-5%	
as % of revenues	34.0%	34.0%	0 pts		34.1%	34.8%	-0.7 pts	
Operational EBITA	74	62	19%		222	268	-17%	
as % of operational revenues	9.2%	8.3%	+0.9 pts		9.4%	11.0%	-1.6 pts	
Cash flow from operating activities	143	83	72%		331	276	20%	
No. of employees (FTE equiv.)	10,300	10,900	-5%					

Orders and Revenues



Income from operations & Operational EBITA



Sustainability



Events from the Quarter

- ABB has opened a new \$35 million manufacturing and R&D facility in Nottingham, U.K., to expand research and development and production of its Furse® earthing and lightning solutions. These advanced products help safeguard critical infrastructure against lightning strikes and electrical surges, preventing costly damage and disruption. The investment will enable ABB to meet growing demand from customers who want to protect critical industries, driven by increased frequency and intensity of severe weather events, along with urbanization, and more stringent building and data center safety requirements. The site integrates the latest technologies for sustainable operations, bringing together ABB's digital and renewable energy solutions to increase energy efficiency and reduce emissions.
- During the quarter, ABB has also expanded its IE5 SynRM motor portfolio with three smaller frame sizes. This gives customers the broadest range of magnet- and rare earth-free motors to boost efficiency, reliability, and sustainability across even more applications. With the expanded SynRM range, the company is ensuring that every motor, no matter the size, plays its part in helping boost productivity for our customers while cutting emissions. ABB's IE5 SynRM motors cut energy losses by up to 40% compared to IE3 motors. For example, a single 90 kW motor can save €79,800 and reduce CO₂ emissions by 95,760 kg over 20 years. Industrial sites typically

operate dozens or even hundreds of smaller motors alongside larger ones, multiplying these savings and environmental benefits, often delivering a payback in as little as 5 months.

- ABB is enabling faster, safer and more cost-effective rebuilding in areas devastated by the 2025 Southern California wildfires through a collaboration with Cosmic Buildings – a leading construction technology company that uses proprietary mobile robotic microfactories. The microfactory in the Pacific Palisades, California, builds modular structures onsite, offering a glimpse into the future of affordable housing construction. ABB's robots and digital twin technologies are being integrated into Cosmic's AI-powered mobile microfactory that reduces construction time by up to 70% and lowers total building costs by approximately 30% compared to conventional methods. Homes can be delivered in just 12 weeks. The process also minimizes waste and improves build quality, easing the burden on homeowners facing underinsurance and inflated rebuilding costs.
- ABB will deliver 1,500 NINVA™ non-invasive temperature sensors approved for marine use to eMarine, a Swedish company dedicated to enabling efficiency and sustainability in the maritime industry. NINVA will complement eMarine's advanced energy management solutions already deployed on major cruise and cargo vessels worldwide. The data collected by the innovative NINVA temperature sensors will play a key role in optimizing heat recovery as well as the management of cooling water and ventilation systems onboard. The insights will enable lower fuel consumption, measurable energy savings, and reduced CO₂ emissions. With enhanced vibration resistance up to 4g, the sensors meet the demanding conditions of marine operations while maintaining the same accuracy as invasive thermowells – without the need to perforate pipe walls.

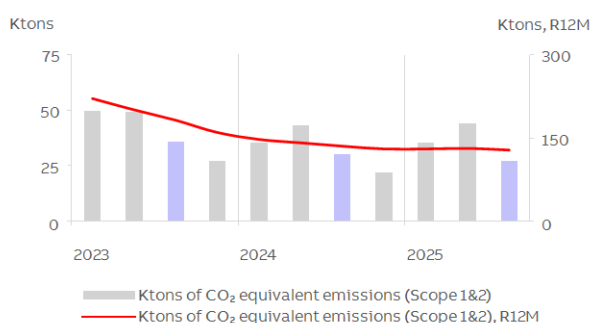
	Q3 2025	Q3 2024	CHANGE	12M ROLLING
CO ₂ e own operations emissions, Ktons scope 1 and 2 ¹	27	28	-6%	128
Total recordable incident frequency rate (TRIFR), frequency / 1,000,000 working hours ²	1.24	1.53	-19%	1.34
Proportion of women in senior management roles in % ³	21.9	21.3	+0.6 pts	22.0

¹ CO₂ equivalent emissions from site, energy use, SF₆ and fleet, previous quarter

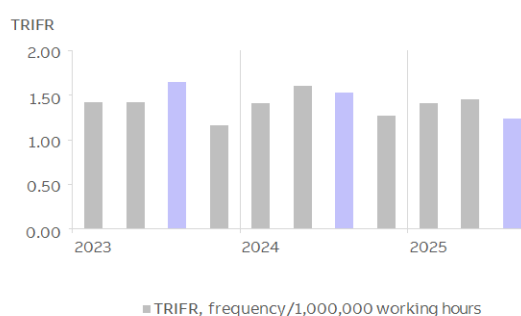
² To align with CSRD reporting requirements, we have replaced our primary safety KPI, Lost Time Injury Frequency Rate (LTIFR), with Total Recordable Incident Frequency Rate (TRIFR). This new measure includes all incidents and injuries except first aid cases and near misses, promoting improved system learning, enhanced transparency, and greater openness in reporting. Current quarter includes all incidents reported by October 6, 2025

³ The above disclosure relates to countries where policies legally permit and to the extent that it does not conflict with any applicable local laws, where ABB operates.

CO₂e Scope 1&2



Total recordable incident frequency rate (TRIFR)



Significant events

After Q3 2025

- On October 8, 2025, ABB announced it had signed an agreement to divest its Robotics division to SoftBank Group for an enterprise value of \$5.375 billion, and therefore was not pursuing its earlier intention to spin-off the business as a separately listed company. The transaction is subject to regulatory approvals and further customary closing conditions and is expected to close in mid-to-late 2026.
- On October 8, 2025, ABB announced that Sami Atiya, President Robotics & Discrete Automation business area and Member of the Executive Committee, will

step down from the Executive Committee at the end of 2025 and leave ABB by the end of 2026 in line with the announced divestment of the Robotics division.

- On October 16, 2025, ABB announced that CFO, Timo Ihamuotila, will step down from the Executive Committee effective February 1, 2026, and leave ABB at the end of 2026. Timo will be succeeded by the internal candidate Christian Nilsson who joined ABB in 2017 as CFO of the Electrification business area.

First nine months of 2025

In the first nine months of 2025, order intake increased 10% (9% comparable) year-on-year to \$28,141 million, supported by all four business areas.

Revenues improved by 7% (6% comparable) to \$25,918 million on execution of the large order backlog and a positive development in the short-cycle businesses. Overall, book-to-bill reached 1.09.

Income from operations amounted to \$4,802 million, significantly up 23% year-on-year, resulting in a margin of 18.5%. The earnings increase was mainly driven by improved operational business performance, with additional support from Certain other fair value changes as well as from impacts from Foreign exchange/commodity timing differences.

Operational EBITA increased by 11% to \$5,043 million. Improvements in the Electrification, Motion and Process Automation business areas, as well as lower losses in the E-mobility business more than offset the earnings decline in Robotics & Discrete Automation. Moreover, an

operational net gain of approximately \$140 million relating to a real estate sale in Corporate and Other had a positive impact.

The Operational EBITA margin improved by 90 basis points to 19.5% with the main drivers being operating leverage on higher volumes, positive pricing and improved operational efficiency. Corporate and Other Operational EBITA amounted to -\$208 million. This includes a loss of \$115 million attributed to the E-mobility business, which was negatively affected by low volumes.

Net finance contributed to results with \$45 million, below last year's income of \$55 million. Income tax expense was \$1,347 million reflecting a tax rate of 27.6%.

Net income attributable to ABB was \$3,461 million, up from \$2,948 million in the prior year period. Basic earnings per share was \$1.89, representing an increase of 18%.

Acquisitions and divestments, last twelve months

Acquisitions	Company/unit	Closing date	Revenues, \$ in millions ¹	No. of employees
2025				
Electrification	Produits BEL Inc.	2-Jun	~11	65
Electrification	Siemens Wiring Accessories	3-Mar	~150	360
Electrification	Sensorfact	3-Feb	~15	260
Electrification	Coulomb Inc.	13-Jan	<5	30
2024				
Electrification	Solutions Industry & Building (SIB)	2-Dec	~27	100
Process Automation	Dr. Födisch Umweltmesstechnik AG	1-Oct	~53	250
Divestments	Company/unit	Closing date	Revenues, \$ in millions ¹	No. of employees
2024				
E-mobility	InCharge Energy Inc (share transfer)	30-Nov	~100	n.a.
Electrification	Part of ELIP cable tray business to JV	1-Nov	~65	110

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

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

Additional figures

ABB Group	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025	Q2 2025	Q3 2025
EBITDA, \$ in million	1,418	1,578	1,503	1,374	5,873	1,763	1,786	1,877
Return on Capital Employed, %	20.5	21.3	22.0	22.4	22.4	23.0	23.1	23.3
Net debt/Equity	0.16	0.18	0.15	0.09	0.09	0.10	0.25	0.17
Net debt/ EBITDA 12M rolling	0.4	0.4	0.4	0.2	0.2	0.2	0.6	0.4
Net working capital	3,497	3,516	3,512	2,739	2,739	3,371	3,767	3,304
Trade net working capital	4,818	4,825	4,931	4,428	4,428	4,664	5,104	4,869
Average trade net working capital as a % of revenues	16.1%	15.6%	15.1%	14.6%	14.6%	14.4%	14.1%	13.8%
Earnings per share, basic, \$	0.49	0.59	0.51	0.54	2.13	0.60	0.63	0.66
Earnings per share, diluted, \$	0.49	0.59	0.51	0.53	2.13	0.60	0.63	0.66
Dividend per share, CHF	n.a.	n.a.	n.a.	n.a.	0.90	n.a.	n.a.	n.a.
Share price at the end of period, CHF	41.89	49.92	48.99	49.07	49.07	45.22	47.31	57.32
Number of employees (FTE equivalents)	108,700	109,390	109,970	109,930	109,930	110,970	110,860	110,740
No. of shares outstanding at end of period (in millions)	1,851	1,849	1,843	1,838	1,838	1,833	1,826	1,822

Additional 2025 guidance

ABB current structure

(\$ in millions, unless otherwise stated)	FY 2025 ¹	Q4 2025
Corporate and Other	~(200)	~(110)
Operational EBITA ²	from ~(175)	
Non-operating items		
Acquisition-related amortization	~(190) from ~(180)	~(45)
Restructuring and related ³	~(250)	~(125)
ABB Way transformation	~(150)	~(30)

(\$ in millions, unless otherwise stated)	FY 2025
Finance net	~75 from ~50
Effective tax rate	~25% ⁴
Capital Expenditures	~(900)

ABB based on discontinued operations structure

(\$ in millions, unless otherwise stated)	FY 2025 ¹	Q4 2025
Corporate and Other	~(325)	~(150)
Operational EBITA ²		
of which stranded costs	~(125)	~(40)
Non-operating items		
Acquisition-related amortization	~(180)	~(40)
Restructuring and related ³	~(125)	~(80)
ABB Way transformation	~(150)	~(30)

(\$ in millions, unless otherwise stated)	FY 2025
Finance net	~75
Effective tax rate	~25% ⁴
Capital Expenditures	~(800)

¹ Excludes one project estimated to a total of ~\$100 million, that is ongoing in the non-core business. Exact exit timing is difficult to assess due to legal proceedings etc.

² Excludes Operational EBITA from E-mobility business.

³ Includes restructuring and restructuring-related as well as separation and integration costs.

⁴ Excludes the impact of acquisitions or divestments or any significant non-operational items.

Important notice about forward-looking information

This press release includes forward-looking information and statements as well as other statements concerning the outlook for our business, including those in the sections of this release titled “CEO summary,” “Outlook,” “Sustainability” “Significant events” and “Additional 2025 guidance”. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions and the economic conditions of the regions and industries that are major markets for ABB. These expectations, estimates and projections are generally identifiable by statements containing words such as “anticipates,” “expects,” “estimates,” “intends,” “plans,” “targets,” “guidance,” or similar expressions. However, there are many risks and uncertainties, many of which are beyond

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

Q3 results presentation on October 16, 2025

The Q3 2025 results press release and presentation slides are available on the ABB News Center at www.abb.com/news and on the Investor Relations homepage at www.abb.com/investorrelations.

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

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

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

Financial calendar

2025

November 18	Capital Markets Day in New Berlin, United States
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2026

January 29	Q4 2025 results
February 19	Planned publication of Annual Reporting Suite
March 19	Annual General Meeting
April 22	Q1 2026 results
July 16	Q2 2026 results
October 16	Q3 2026 results

For additional information please contact:

Media Relations

Phone: +41 43 317 71 11

Email: media.relations@ch.abb.com

Investor Relations

Phone: +41 43 317 71 11

Email: investor.relations@ch.abb.com

ABB Ltd

Affolternstrasse 44

8050 Zurich

Switzerland

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

October 16, 2025

Q3 2025

Financial Information

FINANCIAL INFORMATION

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08 – 32	Consolidated Financial Information (unaudited)
33 – 48	Supplemental Reconciliations and Definitions





Key Figures

(\$ in millions, unless otherwise indicated)	Q3 2025	Q3 2024	CHANGE	
			US\$	Comparable ⁽¹⁾
Orders	9,143	8,193	12%	9%
Order backlog (end September)	25,052	22,881	9%	8%
Revenues	9,083	8,151	11%	9%
Gross Profit ⁽²⁾	3,702	3,245	14%	
as % of revenues ⁽²⁾	40.8%	39.8%	+1 pts	
Income from operations	1,662	1,309	27%	
Operational EBITA ⁽¹⁾	1,738	1,553	12%	9% ⁽³⁾
as % of operational revenues ⁽¹⁾	19.2%	19.0%	+0.2 pts	
Income from continuing operations, net of tax	1,235	937	32%	
Net income attributable to ABB	1,208	947	28%	
Basic earnings per share (\$)	0.66	0.51	29% ⁽⁴⁾	
Cash flow from operating activities	1,777	1,345	32%	
Free cash flow ⁽¹⁾	1,552	1,173	32%	

(\$ in millions, unless otherwise indicated)	9M 2025	9M 2024	CHANGE	
			US\$	Comparable ⁽¹⁾
Orders	28,141	25,602	10%	9%
Revenues	25,918	24,260	7%	6%
Gross Profit ⁽²⁾	10,587	9,612	10%	
as % of revenues ⁽²⁾	40.8%	39.6%	+1.2 pts	
Income from operations	4,802	3,902	23%	
Operational EBITA ⁽¹⁾	5,043	4,534	11%	10% ⁽³⁾
as % of operational revenues ⁽¹⁾	19.5%	18.6%	+0.9 pts	
Income from continuing operations, net of tax	3,542	2,955	20%	
Net income attributable to ABB	3,461	2,948	17%	
Basic earnings per share (\$)	1.89	1.60	18% ⁽⁴⁾	
Cash flow from operating activities	3,520	3,138	12%	
Free cash flow ⁽¹⁾	3,049	2,642	15%	

(1) For a reconciliation of alternative performance measures see "Supplemental Reconciliations and Definitions" on page 33.

(2) Prior period amounts have been restated to reflect a change in accounting policy for IS expenses, see "Note 1 - The Company and basis of presentation" for details.

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

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

		CHANGE				
(\$ in millions, unless otherwise indicated)		Q3 2025	Q3 2024	US\$	Local	Comparable
Orders	ABB Group	9,143	8,193	12%	9%	9%
	Electrification	4,522	4,049	12%	10%	10%
	Motion	2,162	1,806	20%	17%	17%
	Process Automation	1,896	1,784	6%	4%	4%
	Robotics & Discrete Automation	744	640	16%	13%	13%
	<i>Corporate and Other</i>	82	132			
	<i>Intersegment eliminations</i>	(263)	(218)			
Order backlog (end September)	ABB Group	25,052	22,881	9%	8%	8%
	Electrification	8,750	7,945	10%	9%	10%
	Motion	6,176	5,750	7%	5%	5%
	Process Automation	9,353	7,782	20%	18%	18%
	Robotics & Discrete Automation	1,467	1,734	-15%	-16%	-16%
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(694)	(330)			
Revenues	ABB Group	9,083	8,151	11%	9%	9%
	Electrification	4,499	3,913	15%	13%	13%
	Motion	2,082	1,969	6%	3%	3%
	Process Automation	1,801	1,643	10%	7%	7%
	Robotics & Discrete Automation	807	747	8%	5%	5%
	<i>Corporate and Other</i>	124	107			
	<i>Intersegment eliminations</i>	(230)	(228)			
Income from operations	ABB Group	1,662	1,309			
	Electrification	1,079	893			
	Motion	402	397			
	Process Automation	298	242			
	Robotics & Discrete Automation	67	31			
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(184)	(254)			
Income from operations %	ABB Group	18.3%	16.1%			
	Electrification	24.0%	22.8%			
	Motion	19.3%	20.2%			
	Process Automation	16.5%	14.7%			
	Robotics & Discrete Automation	8.3%	4.1%			
Operational EBITA	ABB Group	1,738	1,553	12%	9%	
	Electrification	1,100	944	17%	14%	
	Motion	421	404	4%	1%	
	Process Automation	277	251	10%	7%	
	Robotics & Discrete Automation	74	62	19%	16%	
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(134)	(108)			
Operational EBITA %	ABB Group	19.2%	19.0%			
	Electrification	24.5%	24.1%			
	Motion	20.1%	20.7%			
	Process Automation	15.5%	15.2%			
	Robotics & Discrete Automation	9.2%	8.3%			
Cash flow from operating activities	ABB Group	1,777	1,345			
	Electrification	1,340	1,041			
	Motion	464	397			
	Process Automation	449	323			
	Robotics & Discrete Automation	143	83			
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(619)	(499)			

		CHANGE				
(\$ in millions, unless otherwise indicated)		9M 2025	9M 2024	US\$	Local	Comparable
Orders	ABB Group	28,141	25,602	10%	9%	9%
	Electrification	13,434	12,514	7%	7%	7%
	Motion	6,430	6,123	5%	4%	4%
	Process Automation	6,540	5,283	24%	22%	22%
	Robotics & Discrete Automation	2,272	2,029	12%	11%	11%
	<i>Corporate and Other</i>	320	386			
	<i>Intersegment eliminations</i>	(855)	(733)			
Order backlog (end September)	ABB Group	25,052	22,881	9%	8%	8%
	Electrification	8,750	7,945	10%	9%	10%
	Motion	6,176	5,750	7%	5%	5%
	Process Automation	9,353	7,782	20%	18%	18%
	Robotics & Discrete Automation	1,467	1,734	-15%	-16%	-16%
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(694)	(330)			
Revenues	ABB Group	25,918	24,260	7%	6%	6%
	Electrification	12,655	11,402	11%	10%	10%
	Motion	5,987	5,749	4%	3%	3%
	Process Automation	5,238	4,961	6%	5%	5%
	Robotics & Discrete Automation	2,364	2,444	-3%	-4%	-4%
	<i>Corporate and Other</i>	327	377			
	<i>Intersegment eliminations</i>	(653)	(673)			
Income from operations	ABB Group	4,802	3,902			
	Electrification	2,991	2,499			
	Motion	1,156	1,067			
	Process Automation	834	750			
	Robotics & Discrete Automation	190	168			
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(369)	(582)			
Income from operations %	ABB Group	18.5%	16.1%			
	Electrification	23.6%	21.9%			
	Motion	19.3%	18.6%			
	Process Automation	15.9%	15.1%			
	Robotics & Discrete Automation	8.0%	6.9%			
Operational EBITA	ABB Group	5,043	4,534	11%	10%	
	Electrification	3,019	2,657	14%	13%	
	Motion	1,188	1,135	5%	3%	
	Process Automation	822	767	7%	6%	
	Robotics & Discrete Automation	222	268	-17%	-18%	
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(208)	(293)			
Operational EBITA %	ABB Group	19.5%	18.6%			
	Electrification	23.9%	23.2%			
	Motion	19.8%	19.7%			
	Process Automation	15.7%	15.4%			
	Robotics & Discrete Automation	9.4%	11.0%			
Cash flow from operating activities	ABB Group	3,520	3,138			
	Electrification	2,817	2,438			
	Motion	1,128	1,258			
	Process Automation	965	809			
	Robotics & Discrete Automation	331	276			
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(1,721)	(1,643)			

Operational EBITA

	ABB		Electrification		Motion		Process Automation		Robotics & Discrete Automation	
(\$ in millions, unless otherwise indicated)	Q3 25	Q3 24	Q3 25	Q3 24	Q3 25	Q3 24	Q3 25	Q3 24	Q3 25	Q3 24
Revenues	9,083	8,151	4,499	3,913	2,082	1,969	1,801	1,643	807	747
Foreign exchange/commodity timing differences in total revenues	(8)	6	(3)	9	9	(13)	(9)	10	(2)	–
Operational revenues	9,075	8,157	4,496	3,922	2,091	1,956	1,792	1,653	805	747
Income from operations	1,662	1,309	1,079	893	402	397	298	242	67	31
Acquisition-related amortization	50	44	27	23	8	9	6	2	7	7
Restructuring, related and implementation costs ⁽¹⁾	20	21	6	2	10	2	–	–	–	20
Changes in obligations related to divested businesses	–	–	–	–	–	–	–	–	–	–
Gains and losses from sale of businesses	12	(1)	8	(1)	–	–	–	–	–	–
Fair value adjustment on assets and liabilities held for sale	–	89	–	–	–	–	–	–	–	–
Acquisition- and divestment-related expenses and integration costs	50	17	5	4	1	1	2	2	2	5
Certain other non-operational items	2	55	1	1	3	2	(20)	3	1	1
Foreign exchange/commodity timing differences in income from operations	(58)	19	(26)	22	(3)	(7)	(9)	2	(3)	(2)
Operational EBITA	1,738	1,553	1,100	944	421	404	277	251	74	62
Operational EBITA margin (%)	19.2%	19.0%	24.5%	24.1%	20.1%	20.7%	15.5%	15.2%	9.2%	8.3%

	ABB		Electrification		Motion		Process Automation		Robotics & Discrete Automation	
(\$ in millions, unless otherwise indicated)	9M 25	9M 24	9M 25	9M 24	9M 25	9M 24	9M 25	9M 24	9M 25	9M 24
Revenues	25,918	24,260	12,655	11,402	5,987	5,749	5,238	4,961	2,364	2,444
Foreign exchange/commodity timing differences in total revenues	(28)	67	(16)	32	(2)	16	(11)	16	4	(2)
Operational revenues	25,890	24,327	12,639	11,434	5,985	5,765	5,227	4,977	2,368	2,442
Income from operations	4,802	3,902	2,991	2,499	1,156	1,067	834	750	190	168
Acquisition-related amortization	145	157	82	69	26	26	14	5	21	48
Restructuring, related and implementation costs ⁽¹⁾	44	97	16	20	17	24	3	7	7	40
Changes in obligations related to divested businesses	(3)	(11)	–	–	–	–	–	–	–	–
Gains and losses from sale of businesses	–	13	(5)	(2)	–	–	–	–	–	–
Fair value adjustment on assets and liabilities held for sale	–	132	–	25	–	–	–	–	–	–
Acquisition- and divestment-related expenses and integration costs	81	54	24	33	3	3	7	3	6	12
Certain other non-operational items	58	168	(28)	3	13	5	(22)	(2)	–	–
Foreign exchange/commodity timing differences in income from operations	(84)	22	(61)	10	(27)	10	(14)	4	(2)	–
Operational EBITA	5,043	4,534	3,019	2,657	1,188	1,135	822	767	222	268
Operational EBITA margin (%)	19.5%	18.6%	23.9%	23.2%	19.8%	19.7%	15.7%	15.4%	9.4%	11.0%

(1) Includes impairment of certain assets.

Depreciation and Amortization

	ABB		Electrification		Motion		Process Automation		Robotics & Discrete Automation	
(\$ in millions)	Q3 25	Q3 24	Q3 25	Q3 24	Q3 25	Q3 24	Q3 25	Q3 24	Q3 25	Q3 24
Depreciation	153	138	81	69	33	30	13	13	16	15
Amortization	62	56	33	29	12	11	6	3	9	8
including total acquisition-related amortization of:	50	44	27	23	8	9	6	2	7	7

	ABB		Electrification		Motion		Process Automation		Robotics & Discrete Automation	
(\$ in millions)	9M 25	9M 24	9M 25	9M 24	9M 25	9M 24	9M 25	9M 24	9M 25	9M 24
Depreciation	441	406	228	201	96	88	38	36	44	44
Amortization	183	191	101	85	34	31	17	8	25	51
including total acquisition-related amortization of:	145	157	82	69	26	26	14	5	21	48

Orders received and revenues by region

	Orders received		CHANGE			Revenues		CHANGE		
(\$ in millions, unless otherwise indicated)	Q3 25	Q3 24	US\$	Local	Comparable	Q3 25	Q3 24	US\$	Local	Comparable
Europe	2,971	2,572	16%	9%	9%	3,131	2,659	18%	10%	11%
The Americas	3,626	3,048	19%	18%	19%	3,344	3,006	11%	11%	12%
of which United States	2,926	2,307	27%	26%	27%	2,581	2,259	14%	14%	15%
Asia, Middle East and Africa	2,546	2,573	-1%	-1%	-1%	2,608	2,486	5%	5%	4%
of which China	1,006	1,035	-3%	-3%	-4%	1,097	1,094	0%	0%	-1%
ABB Group	9,143	8,193	12%	9%	9%	9,083	8,151	11%	9%	9%

(\$ in millions, unless otherwise indicated)	Orders received		CHANGE			Revenues		CHANGE		
	9M 25	9M 24	US\$	Local	Comparable	9M 25	9M 24	US\$	Local	Comparable
Europe	9,335	8,656	8%	5%	5%	8,920	8,238	8%	5%	5%
The Americas	10,608	8,983	18%	19%	19%	9,534	8,755	9%	10%	11%
of which United States	8,332	6,687	25%	24%	24%	7,361	6,590	12%	12%	12%
Asia, Middle East and Africa	8,198	7,963	3%	4%	3%	7,464	7,267	3%	3%	3%
of which China	3,301	3,152	5%	5%	4%	3,163	3,226	-2%	-2%	-3%
ABB Group	28,141	25,602	10%	9%	9%	25,918	24,260	7%	6%	6%

Consolidated Financial Information

ABB Ltd Consolidated Income Statements (unaudited)

(\$ in millions, except per share data in \$)	Nine months ended		Three months ended	
	Sep. 30, 2025	Sep. 30, 2024	Sep. 30, 2025	Sep. 30, 2024
Sales of products	21,509	20,132	7,566	6,777
Sales of services and other	4,409	4,128	1,517	1,374
Total revenues	25,918	24,260	9,083	8,151
Cost of sales of products	(12,998)	(12,373)	(4,602)	(4,169)
Cost of services and other	(2,333)	(2,275)	(779)	(737)
Total cost of sales	(15,331)	(14,648)	(5,381)	(4,906)
Gross profit	10,587	9,612	3,702	3,245
Selling, general and administrative expenses	(5,087)	(4,647)	(1,735)	(1,546)
Non-order related research and development expenses	(1,034)	(1,005)	(355)	(315)
Other income (expense), net	336	(58)	50	(75)
Income from operations	4,802	3,902	1,662	1,309
Interest and dividend income	142	146	47	43
Interest and other finance expense	(97)	(91)	(34)	(41)
Non-operational pension (cost) credit	42	39	12	13
Income from continuing operations before taxes	4,889	3,996	1,687	1,324
Income tax expense	(1,347)	(1,041)	(452)	(387)
Income from continuing operations, net of tax	3,542	2,955	1,235	937
Income from discontinued operations, net of tax	1	2	9	5
Net income	3,543	2,957	1,244	942
Net income attributable to noncontrolling interests and redeemable noncontrolling interests	(82)	(9)	(36)	5
Net income attributable to ABB	3,461	2,948	1,208	947
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	3,460	2,945	1,199	941
Income from discontinued operations, net of tax	1	3	9	6
Net income	3,461	2,948	1,208	947
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.89	1.60	0.66	0.51
Income from discontinued operations, net of tax	–	–	–	–
Net income	1.89	1.60	0.66	0.51
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.89	1.59	0.66	0.51
Income from discontinued operations, net of tax	–	–	–	–
Net income	1.89	1.59	0.66	0.51
Weighted-average number of shares outstanding (in millions) used to compute:				
Basic earnings per share attributable to ABB shareholders	1,830	1,845	1,823	1,846
Diluted earnings per share attributable to ABB shareholders	1,833	1,853	1,827	1,851

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)	Nine months ended		Three months ended	
	Sep. 30, 2025	Sep. 30, 2024	Sep. 30, 2025	Sep. 30, 2024
Total comprehensive income, net of tax	3,566	2,952	1,233	899
Total comprehensive income attributable to noncontrolling interests and redeemable noncontrolling interests, net of tax	(94)	(6)	(29)	(8)
Total comprehensive income attributable to ABB shareholders, net of tax	3,472	2,946	1,204	891

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)	Sep. 30, 2025	Dec. 31, 2024
Cash and equivalents	3,937	4,326
Marketable securities and short-term investments	1,890	1,334
Receivables, net	7,955	7,388
Contract assets	1,289	1,115
Inventories, net	6,431	5,768
Prepaid expenses	330	287
Other current assets	514	541
Current assets held for sale	45	–
Total current assets	22,391	20,759
Property, plant and equipment, net	4,690	4,177
Operating lease right-of-use assets	845	840
Investments in equity-accounted companies	401	368
Prepaid pension and other employee benefits	859	689
Intangible assets, net	1,147	1,048
Goodwill	11,368	10,555
Deferred taxes	1,378	1,363
Other non-current assets	575	489
Total assets	43,654	40,288
Accounts payable, trade	5,271	5,036
Contract liabilities	3,451	2,969
Short-term debt and current maturities of long-term debt	680	293
Current operating leases	270	235
Provisions	1,584	1,539
Other current liabilities	4,748	4,582
Current liabilities held for sale	32	–
Total current liabilities	16,036	14,654
Long-term debt	7,844	6,652
Non-current operating leases	601	631
Pension and other employee benefits	604	569
Deferred taxes	829	675
Other non-current liabilities	2,218	2,116
Total liabilities	28,132	25,297
<i>Commitments and contingencies</i>		
Stockholders' equity:		
Common stock, CHF 0.12 par value (1,844 million and 1,861 million shares issued at September 30, 2025, and December 31, 2024, respectively)	160	162
Additional paid-in capital	28	50
Retained earnings	21,333	20,648
Accumulated other comprehensive loss	(5,339)	(5,350)
Treasury stock, at cost (22 million and 22 million shares at September 30, 2025, and December 31, 2024, respectively)	(1,208)	(1,091)
Total ABB stockholders' equity	14,974	14,419
Noncontrolling interests	548	572
Total stockholders' equity	15,522	14,991
Total liabilities and stockholders' equity	43,654	40,288

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

See Notes to the Consolidated Financial Information

ABB Ltd Consolidated Statements of Cash Flows (unaudited)

(\$ in millions)	Nine months ended		Three months ended	
	Sep. 30, 2025	Sep. 30, 2024	Sep. 30, 2025	Sep. 30, 2024
Operating activities:				
Net income	3,543	2,957	1,244	942
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	624	597	215	194
Changes in fair values of investments	(81)	(18)	(40)	2
Pension and other employee benefits	(51)	(52)	(11)	(17)
Deferred taxes	137	(93)	29	(115)
Net gain from derivatives and foreign exchange	(164)	(68)	(75)	(29)
Net gain from sale of property, plant and equipment	(187)	(42)	(3)	(16)
Net loss (gain) from sale of businesses	(13)	4	–	(10)
Fair value adjustment on assets and liabilities held for sale	–	132	–	89
Other	31	113	16	40
Changes in operating assets and liabilities:				
Trade receivables, net	(125)	50	32	229
Contract assets and liabilities	179	121	114	(41)
Inventories, net	(109)	(424)	(49)	(113)
Accounts payable, trade	(99)	79	11	(119)
Accrued liabilities	(65)	(191)	300	233
Provisions, net	(34)	(44)	30	(30)
Income taxes payable and receivable	73	193	(110)	199
Other assets and liabilities, net	(139)	(176)	74	(93)
Net cash provided by operating activities	3,520	3,138	1,777	1,345
Investing activities:				
Purchases of investments	(1,047)	(1,202)	(51)	(286)
Purchases of property, plant and equipment and intangible assets	(648)	(562)	(229)	(196)
Acquisition of businesses (net of cash acquired) and increases in cost- and equity-accounted companies	(586)	(297)	(15)	(163)
Proceeds from sales of investments	517	1,838	–	254
Proceeds from sales of property, plant and equipment	177	66	4	24
Proceeds from sales of businesses (net of transaction costs and cash disposed) and cost- and equity-accounted companies	69	(13)	3	(5)
Net cash from settlement of foreign currency derivatives	(115)	(9)	(112)	(133)
Other investing activities	(5)	(12)	(6)	(6)
Net cash used in investing activities	(1,638)	(191)	(406)	(511)
Financing activities:				
Net changes in debt with original maturities of 90 days or less	(66)	(7)	(205)	–
Increase in debt	1,086	1,364	(4)	–
Repayment of debt	(220)	(2,487)	(89)	(336)
Delivery of shares	33	404	14	14
Purchase of treasury stock	(1,149)	(843)	(366)	(280)
Dividends paid	(1,907)	(1,769)	–	–
Dividends paid to noncontrolling shareholders	(114)	(103)	(9)	(9)
Other financing activities	(8)	(26)	(16)	29
Net cash used in financing activities	(2,345)	(3,467)	(675)	(582)
Effects of exchange rate changes on cash and equivalents	95	(106)	(4)	52
Adjustment for the net change in cash and equivalents in Assets held for sale	(21)	–	(21)	–
Net change in cash and equivalents	(389)	(626)	671	304
Cash and equivalents, beginning of period	4,326	3,909	3,266	2,979
Cash and equivalents, end of period	3,937	3,283	3,937	3,283
Supplementary disclosure of cash flow information:				
Interest paid	228	201	44	53
Income taxes paid	1,164	952	527	309

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

See Notes to the Consolidated Financial Information

ABB Ltd Consolidated Statements of Changes in Stockholders' Equity (unaudited)

(\$ in millions)	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total ABB stockholders' equity	Non-controlling interests	Total stockholders' equity
Balance at January 1, 2024	163	7	19,655	(5,070)	(1,414)	13,341	647	13,988
Net income ⁽¹⁾			2,948			2,948	11	2,959
Foreign currency translation adjustments, net of tax of \$0				(22)		(22)	(3)	(25)
Effect of change in fair value of available-for-sale securities, net of tax of \$1				4		4		4
Unrecognized income (expense) related to pensions and other postretirement plans, net of tax of \$11				13		13		13
Change in derivative instruments and hedges, net of tax of \$(1)				3		3		3
Changes in noncontrolling interests		(12)	(62)			(74)	43	(31)
Dividends to noncontrolling shareholders						–	(103)	(103)
Dividends to shareholders			(1,804)			(1,804)		(1,804)
Cancellation of treasury shares	(2)	(2)	(828)		832	–		–
Share-based payment arrangements		69				69	4	73
Purchase of treasury stock					(867)	(867)		(867)
Delivery of shares		(25)	(249)		678	404		404
Other		(4)				(4)		(4)
Balance at September 30, 2024	162	32	19,661	(5,072)	(770)	14,013	598	14,611
Balance at January 1, 2025	162	50	20,648	(5,350)	(1,091)	14,419	572	14,991
Net income			3,461			3,461	82	3,543
Foreign currency translation adjustments, net of tax of \$(3)				69		69	12	81
Effect of change in fair value of available-for-sale securities, net of tax of \$0				3		3		3
Unrecognized income (expense) related to pensions and other postretirement plans, net of tax of \$(24)				(64)		(64)		(64)
Change in derivative instruments and hedges, net of tax of \$1				3		3		3
Changes in noncontrolling interests		–				–	(9)	(9)
Dividends to noncontrolling shareholders						–	(111)	(111)
Dividends to shareholders			(1,867)			(1,867)		(1,867)
Cancellation of treasury shares	(2)	(61)	(831)		894	–		–
Share-based payment arrangements		63				63	3	66
Purchase of treasury stock					(1,146)	(1,146)		(1,146)
Delivery of shares		(25)	(77)		135	33		33
Balance at September 30, 2025	160	28	21,333	(5,339)	(1,208)	14,974	548	15,522

(1) Amount attributable to noncontrolling interests for the nine months ended September 30, 2024, excludes a net loss of \$2 million, related to redeemable noncontrolling interests.

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

See Notes to the Consolidated Financial Information

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 Financial Report for the year ended December 31, 2024.

The preparation of financial information in conformity with U.S. GAAP requires management to make assumptions and estimates that directly affect the amounts reported in the Consolidated Financial Information. These accounting assumptions and estimates include:

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

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

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

Basis of presentation

In the opinion of management, the unaudited Consolidated Financial Information contains all necessary adjustments to present fairly the financial position, results of operations and cash flows for the reported periods. Management considers all such adjustments to be of a normal recurring nature. The Consolidated Financial Information is presented in United States dollars (\$) unless otherwise stated. Due to rounding, numbers presented in the Consolidated Financial Information may not add to the totals provided.

Certain amounts reported in the Consolidated Financial Information for prior periods have been reclassified to conform to the current year's presentation, as mentioned below in this Note.

Change in accounting policy

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

The Company's consolidated financial statements have been retroactively restated to reflect this accounting policy change. In connection with this change, the Company recorded a cumulative-effect reduction of \$69 million to the balance of Retained earnings on January 1, 2023, representing the impact of the policy change on Inventories and the related deferred tax balance. The effect on Net income for the years 2023 and 2024 was not considered significant and therefore no changes have been recorded.

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

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

(\$ in millions)	Nine months ended September 30, 2024		Three months ended September 30, 2024	
	Before	After	Before	After
Cost of sales of products	12,686	12,373	4,271	4,169
Cost of services and other	2,349	2,275	764	737
Selling, general and administrative expenses	4,205	4,647	1,399	1,546
Non-order related research and development expenses	1,060	1,005	333	315

Warranty provision split

In 2025, the Company split the amount previously reported in Provision for warranties into current and non-current components and retroactively recast the amounts for all periods presented. The balance at December 31, 2024, which was previously recorded on a combined basis, of \$1,248 million has been reclassified into Provisions (\$686 million) and Other non-current liabilities (\$562 million). See Note 10 - Commitments and contingencies for additional information.

Note 2

Recent accounting pronouncements

Applicable for current periods

Improvements to Income tax disclosures

In January 2025, the Company adopted an accounting standard update which requires the Company to disclose additional information related to income taxes. Under the update, the Company is required to annually disclose by jurisdiction (i) additional disaggregated information within the tax rate reconciliation and (ii) income taxes paid. The Company is currently evaluating the impact of adopting this update prospectively or retrospectively on its consolidated financial statements. Apart from the additional disclosure requirements, this update does not have a significant impact on the Company's consolidated financial statements.

Applicable for future periods

Disaggregation of Income Statement expenses

In November 2024, an accounting standard update was issued which requires the Company to disclose additional information for certain types of expenses, including purchases of inventory, employee compensation, depreciation, and amortization, presented in each relevant income statement expense caption (such as cost of sales, selling, general and administrative expenses). This update is effective for the Company prospectively, with retrospective adoption permitted, for annual periods beginning January 1, 2027, and interim periods beginning January 1, 2028. The Company is currently evaluating the impact of adopting this update on its consolidated financial statements.

Targeted Improvements to the Accounting for Internal-Use Software

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

Note 3

Acquisitions and divestments

Acquisition of controlling interests

Acquisitions of controlling interests were as follows:

(\$ in millions, except number of acquired businesses) ⁽¹⁾	Nine months ended September 30,		Three months ended September 30,	
	2025	2024	2025	2024
Purchase price for acquisitions (net of cash acquired) ⁽²⁾	556	266	5	162
Aggregate excess of purchase price over fair value of net assets acquired ⁽³⁾	453	220	17	131
Number of acquired businesses	4	4	–	1

(1) Amounts include adjustments arising during the measurement period of acquisitions.

(2) Excluding changes in cost- and equity-accounted companies.

(3) Recorded as goodwill.

In the table above, the "Purchase price for acquisitions" and "Aggregate excess of purchase price over fair value of net assets acquired" in the nine months ended September 30, 2025, relate primarily to the acquisitions of Sensorfact BV and the Siemens Wiring Accessories Business in China and in the nine months ended September 30, 2024, relate primarily to the acquisitions of the SEAM Group and DTN Europe B.V.

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

On February 3, 2025, the Company acquired all of the shares of Sensorfact BV. Sensorfact BV, headquartered in Utrecht, Netherlands, offers a scalable software as a service (SaaS) solution that helps small and medium sized enterprises use AI in their operations and energy management to lower costs and increase efficiency. The cash outflows to complete the transaction amounted to \$148 million (net of cash acquired). This acquisition will expand the Company's portfolio of energy management solutions that use big data and AI within its Electrification segment.

On March 3, 2025, the Company acquired through numerous share and asset purchases all of the assets, liabilities and business activities of the Siemens Wiring Accessories Business in China. The Siemens Wiring Accessories Business offering, which distributes throughout China, includes wiring accessories, smart home systems, smart door locks and further peripheral home automation products. The cash outflows to complete the transaction amounted to \$380 million (net of cash acquired). This acquisition will broaden the market reach of the Company's Electrification segment and complement the segments' regional customer offering within smart buildings.

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

Planned business divestments classified as held for sale

The Company classifies its long-lived assets or disposal groups to be sold as held for sale in the period in which all of the held for sale criteria are met. The Company initially measures a long-lived asset or disposal group that is classified as held for sale at the lower of its carrying value or fair value less any costs to sell. Any resulting loss is recognized in the period in which the held for sale criteria are met, while gains are not recognized on the sale of a long-lived asset or disposal group until the date of sale. The Company assesses the fair value of a long-lived asset or disposal group less any costs to sell at each reporting period and until the asset or disposal group is no longer classified as held for sale. At September 30, 2025, assets and liabilities held for sale are not significant.

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. This settlement was completed in the fourth quarter of 2024 and led to the Company returning a portion of its shares to In-Charge, resulting in a reduction of its direct ownership to approximately 46 percent and thus losing control. This transaction was treated similar to a business divestment and a separate re-acquisition at fair value of the 46 percent equity-method investment. As a result, as of September 30, 2024, the assets and liabilities of this company have been presented as held for sale and a loss of \$89 million was recorded 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.

Subsequent event

On October 8, 2025, the Company entered into an agreement to divest its Robotics Division to SoftBank Group Corp., valuing the business at approximately \$5.4 billion. The divestment is expected to be completed in the second half of 2026, subject to regulatory approvals and customary closing conditions. The planned divestment did not meet the held-for-sale classification criteria as of September 30, 2025, as the requisite approval had not been received from the Company's Board of Directors authorizing management to commit to a sale in place of the previously announced plan to spin-off the business as a separately listed company.

With the receipt of approval from the Company's Board of Directors and the signing of the agreement in October 2025, the Company determined the planned divestment meets the criteria to be classified as held-for-sale and represents a strategic shift that will have a major effect on the Company's operations and financial results. Accordingly, commencing in the fourth quarter of 2025, the results of operations for the Robotics Division will be presented as discontinued operations and its assets and liabilities will be reflected as held-for-sale.

Note 4

Cash and equivalents, marketable securities and short-term investments

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

	September 30, 2025					Marketable securities and short-term investments
	Cost basis	Gross unrealized gains	Gross unrealized losses	Fair value	Cash and equivalents	
(\$ in millions)						
Changes in fair value recorded in net income						
Cash	1,523			1,523	1,523	
Time deposits	2,904			2,904	2,414	490
Equity securities	1,314	58		1,372		1,372
	5,741	58	–	5,799	3,937	1,862
Changes in fair value recorded in other comprehensive income						
Debt securities available-for-sale:						
European government obligations	8			8		8
Other government obligations	20			20		20
	28	–	–	28		28
Total	5,769	58	–	5,827	3,937	1,890

December 31, 2024						
(\$ in millions)	Cost basis	Gross unrealized gains	Gross unrealized losses	Fair value	Cash and equivalents	Marketable securities and short-term investments
Changes in fair value recorded in net income						
Cash	1,328			1,328	1,328	
Time deposits	3,518			3,518	2,998	520
Equity securities	794	22	(2)	814		814
Total	5,640	22	(2)	5,660	4,326	1,334

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		
	September 30, 2025	December 31, 2024	September 30, 2024
Foreign exchange contracts	13,936	12,800	14,160
Embedded foreign exchange derivatives	1,661	1,159	1,210
Cross-currency interest rate swaps	940	833	895
Interest rate contracts	1,457	1,510	1,345

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		
		September 30, 2025	December 31, 2024	September 30, 2024
Copper swaps	metric tonnes	39,692	40,699	38,292
Silver swaps	ounces	1,965,274	2,648,681	2,708,095
Steel swaps	metric tonnes	16,602	20,185	25,175
Aluminum swaps	metric tonnes	4,450	4,525	5,250

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 nine and three months ended September 30, 2025 and 2024, there were no significant amounts recorded for cash flow hedge accounting activities.

Fair value hedges

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

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

(\$ in millions)		Nine months ended September 30,		Three months ended September 30,	
		2025	2024	2025	2024
Gains (losses) recognized in Interest and other finance expense:					
Interest rate contracts	Designated as fair value hedges	(5)	28	(4)	18
	Hedged item	5	(29)	4	(19)
Cross-currency interest rate swaps	Designated as fair value hedges	3	20	1	25
	Hedged item	(1)	(18)	(1)	(24)

Derivatives not designated in hedge relationships

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

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

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

Type of derivative not designated as a hedge (\$ in millions)		Gains (losses) recognized in income			
		Nine months ended September 30,		Three months ended September 30,	
	Location	2025	2024	2025	2024
Foreign exchange contracts	Total revenues	148	(119)	2	67
	Total cost of sales	(26)	35	(3)	(17)
	SG&A expenses ⁽¹⁾	(42)	24	11	3
	Non-order related research and development	–	–	–	1
	Interest and other finance expense	(192)	90	46	(104)
Embedded foreign exchange contracts	Total revenues	5	(7)	10	(23)
	Total cost of sales	6	–	(3)	4
Commodity contracts	Total cost of sales	69	49	33	4
Other	Interest and other finance expense	1	(1)	2	1
Total		(31)	71	98	(64)

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

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

September 30, 2025					
(\$ in millions)		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	–
Interest rate contracts		–	3	–	–
Cross-currency interest rate swaps		–	–	–	144
Total		–	3	5	144
Derivatives not designated as hedging instruments:					
Foreign exchange contracts		104	21	79	8
Commodity contracts		44	–	4	–
Embedded foreign exchange derivatives		21	15	34	4
Total		169	36	117	12
Total fair value		169	39	122	156

(\$ in millions)	December 31, 2024			
	Derivative assets		Derivative liabilities	
	Current in “Other current assets”	Non-current in “Other non-current assets”	Current in “Other current liabilities”	Non-current in “Other non-current liabilities”
Derivatives designated as hedging instruments:				
Foreign exchange contracts	–	–	1	–
Interest rate contracts	–	7	–	–
Cross-currency interest rate swaps	–	–	–	256
Other	4	–	–	–
Total	4	7	1	256
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	151	17	111	15
Commodity contracts	4	–	20	–
Embedded foreign exchange derivatives	22	6	11	5
Other	–	5	–	–
Total	177	28	142	20
Total fair value	181	35	143	276

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

Although the Company is party to close-out netting agreements with most derivative counterparties, the fair values in the tables above and in the Consolidated Balance Sheets at September 30, 2025, and December 31, 2024, have been presented on a gross basis.

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

September 30, 2025					
(\$ in millions)					
Type of agreement or similar arrangement	Gross amount of recognized assets	Derivative liabilities eligible for set-off in case of default	Cash collateral received	Non-cash collateral received	Net asset exposure
Derivatives	172	(67)	–	–	105
Total	172	(67)	–	–	105

September 30, 2025					
(\$ in millions)					
Type of agreement or similar arrangement	Gross amount of recognized liabilities	Derivative liabilities eligible for set-off in case of default	Cash collateral pledged	Non-cash collateral pledged	Net liability exposure
Derivatives	240	(67)	–	–	173
Total	240	(67)	–	–	173

December 31, 2024					
(\$ in millions)					
Type of agreement or similar arrangement	Gross amount of recognized assets	Derivative liabilities eligible for set-off in case of default	Cash collateral received	Non-cash collateral received	Net asset exposure
Derivatives	188	(90)	–	–	98
Total	188	(90)	–	–	98

December 31, 2024					
(\$ in millions)					
Type of agreement or similar arrangement	Gross amount of recognized liabilities	Derivative liabilities eligible for set-off in case of default	Cash collateral pledged	Non-cash collateral pledged	Net liability exposure
Derivatives	403	(90)	–	–	313
Total	403	(90)	–	–	313

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)	September 30, 2025			
	Level 1	Level 2	Level 3	Total fair value
Assets				
Securities in “Marketable securities and short-term investments”:				
Equity securities		1,372		1,372
Debt securities—European government obligations	8			8
Debt securities—Other government obligations	20			20
Derivative assets—current in “Other current assets”		169		169
Derivative assets—non-current in “Other non-current assets”		39		39
Total	28	1,580	-	1,608

Liabilities				
Derivative liabilities—current in "Other current liabilities"		122		122
Derivative liabilities—non-current in "Other non-current liabilities"		156		156
Total	-	278	-	278

	December 31, 2024			
(\$ in millions)	Level 1	Level 2	Level 3	Total fair value
Assets				
Securities in “Marketable securities and short-term investments”:				
Equity securities		814		814
Derivative assets—current in “Other current assets”		181		181
Derivative assets—non-current in “Other non-current assets”		35		35
Total	–	1,030	–	1,030

Liabilities				
Derivative liabilities—current in "Other current liabilities"		143		143
Derivative liabilities—non-current in "Other non-current liabilities"		276		276
Total	-	419	-	419

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

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

Non-recurring fair value measures

In the nine months ended September 30, 2024, the Company recognized \$132 million of fair value adjustments on assets and liabilities held for sale, primarily related to the fair value adjustment of In-Charge for \$89 million recorded in the three months ended September 30, 2024 (see Note 3). There were no other significant non-recurring fair value measurements during the nine and three months ended September 30, 2025 and 2024.

Disclosure about financial instruments carried on a cost basis

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

	September 30, 2025				
(\$ in millions)	Carrying value	Level 1	Level 2	Level 3	Total fair value
Assets					
Cash and equivalents (excluding securities with original maturities up to 3 months):					
Cash	1,523	1,523			1,523
Time deposits	2,414		2,414		2,414
Marketable securities and short-term investments (excluding securities):					
Time deposits	490		490		490
Liabilities					
Short-term debt and current maturities of long-term debt (excluding finance lease obligations)	657	600	57		657
Long-term debt (excluding finance lease obligations)	7,671	7,035	729		7,764

(\$ 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	1,328	1,328			1,328
Time deposits	2,998		2,998		2,998
Marketable securities and short-term investments (excluding securities):					
Time deposits	520		520		520
Liabilities					
Short-term debt and current maturities of long-term debt (excluding finance lease obligations)	265	188	77		265
Long-term debt (excluding finance lease obligations)	6,486	6,012	551		6,563

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

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

Note 7

Contract assets and liabilities

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

(\$ in millions)	September 30, 2025	December 31, 2024	September 30, 2024
Contract assets	1,289	1,115	1,236
Contract liabilities	3,451	2,969	3,081

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)	Nine months ended September 30,			
	2025		2024	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Revenue recognized, which was included in the Contract liabilities balance at Jan 1, 2025/2024		(1,485)		(1,381)
Additions to Contract liabilities - excluding amounts recognized as revenue during the period		1,777		1,625
Receivables recognized that were included in the Contract assets balance at Jan 1, 2025/2024	(635)		(589)	

The Company considers its order backlog to represent its unsatisfied performance obligations. At September 30, 2025, the Company had unsatisfied performance obligations totaling \$25,052 million and, of this amount, the Company expects to fulfill approximately 29 percent of the obligations in 2025, approximately 42 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 September 30, 2025, and December 31, 2024, the total obligation outstanding under supplier finance programs amounted to \$458 million and \$435 million, respectively.

Note 9

Debt

The Company's total debt at September 30, 2025, and December 31, 2024, amounted to \$8,524 million and \$6,945 million, respectively.

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

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

(\$ in millions)	September 30, 2025	December 31, 2024
Short-term debt	40	83
Current maturities of long-term debt	640	210
Total	680	293

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

Long-term debt

The Company's long-term debt at September 30, 2025, and December 31, 2024, amounted to \$7,844 million and \$6,652 million, respectively.

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

(in millions)	September 30, 2025		December 31, 2024	
	Nominal outstanding	Carrying value ⁽¹⁾	Nominal outstanding	Carrying value ⁽¹⁾
2.1% CHF Bonds, due 2025	CHF 150	\$ 188	CHF 150	\$ 166
1.965% CHF Bonds, due 2026	CHF 325	\$ 407	CHF 325	\$ 359
3.25% EUR Instruments, due 2027	EUR 500	\$ 586	EUR 500	\$ 518
0.75% CHF Bonds, due 2027	CHF 425	\$ 532	CHF 425	\$ 468
3.8% USD Notes, due 2028 ⁽²⁾	USD 383	\$ 382	USD 383	\$ 382
1.9775% CHF Bonds, due 2028	CHF 150	\$ 188	CHF 150	\$ 165
3.125% EUR Instruments, due 2029	EUR 500	\$ 589	EUR 500	\$ 523
1.0% CHF Bonds, due 2029	CHF 170	\$ 213	CHF 170	\$ 188
0% EUR Instruments, due 2030	EUR 800	\$ 836	EUR 800	\$ 727
2.375% CHF Bonds, due 2030	CHF 150	\$ 188	CHF 150	\$ 165
3.375% EUR Instruments, due 2031	EUR 750	\$ 871	EUR 750	\$ 770
Floating rate EIB R&D Loan, due 2031	USD 539	\$ 539	USD 539	\$ 539
0.8725% CHF Bonds, due 2032	CHF 350	\$ 437		
2.1125% CHF Bonds, due 2033	CHF 275	\$ 343	CHF 275	\$ 303
3.375% EUR Instruments, due 2034	EUR 750	\$ 876	EUR 750	\$ 780
1.2762% CHF Bonds, due 2036	CHF 250	\$ 312		
4.375% USD Notes, due 2042 ⁽²⁾	USD 609	\$ 592	USD 609	\$ 591
Total		\$ 8,079		\$ 6,644

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

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

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

Subsequent event

On October 3, 2025, the Company repaid at maturity its CHF 150 million 2.1% CHF Bonds, equivalent to \$188 million on date of repayment.

Note 10

Commitments and contingencies

Contingencies—Regulatory, Compliance and Legal

General

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

At September 30, 2025, and December 31, 2024, the Company had aggregate liabilities of \$49 million and \$83 million, respectively, included in Provisions and Other non-current liabilities, for the regulatory, compliance and legal contingencies, and none of the individual liabilities recognized was significant. As it is not possible to make an informed judgment on, or reasonably predict, the outcome of certain matters and as it is not possible, based on information currently available to management, to estimate the maximum potential liability on other matters, there could be adverse outcomes beyond the amounts accrued.

Guarantees

General

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

Maximum potential payments (\$ in millions)	September 30, 2025	December 31, 2024
Performance guarantees	2,103	2,299
Financial guarantees	19	22
Total⁽¹⁾	2,122	2,321

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

The carrying amount of liabilities recorded in the Consolidated Balance Sheets reflects the Company's best estimate of future payments, which it may incur as part of fulfilling its guarantee obligations. In respect of the above guarantees, the carrying amounts of liabilities at September 30, 2025, and December 31, 2024, were not significant.

The Company is party to various guarantees providing financial or performance assurances to certain third parties. These guarantees, which have various maturities up to 2049, mainly consist of performance guarantees whereby (i) the Company guarantees the performance of a third party's product or service according to the terms of a contract and (ii) as member of a consortium/joint-venture that includes third parties, the Company guarantees not only its own performance but also the work of third parties. Such guarantees may include guarantees that a project will be completed within a specified time. If the third party does not fulfill the obligation, the Company will compensate the guaranteed party in cash or in kind. The original maturity dates for the majority of these performance guarantees range from one to ten years.

In conjunction with the divestment of the high-voltage cable and cables accessories businesses in 2017, the Company has entered into various performance guarantees with other parties with respect to certain liabilities of the divested business. At September 30, 2025, and December 31, 2024, the maximum potential payable under these guarantees amounts to \$845 million and \$747 million, respectively, and these guarantees have various original maturities up to ten years.

The Company retained obligations for financial and performance guarantees related to its former Power Grids business (reported as discontinued operations prior to its sale to Hitachi Ltd in 2020), which at both September 30, 2025, and December 31, 2024, have been fully indemnified by Hitachi Ltd. These guarantees, having various maturities up to 2049, primarily consist of bank guarantees, standby letters of credit, business performance guarantees and other trade-related guarantees, the majority of which have original maturity dates ranging from one to ten years. The maximum amount payable under these guarantees at September 30, 2025, and December 31, 2024, is approximately \$0.9 billion and \$1.1 billion, respectively.

Commercial commitments

In addition, in the normal course of bidding for and executing certain projects, the Company has entered into standby letters of credit, bid/performance bonds and surety bonds (collectively "performance bonds") with various financial institutions. Customers can draw on such performance bonds in the event that the Company does not fulfill its contractual obligations. The Company would then have an obligation to reimburse the financial institution for amounts paid under the performance bonds. At September 30, 2025, and December 31, 2024, the total outstanding performance bonds aggregated to \$3.4 billion and \$3.2 billion, respectively. There have been no significant amounts reimbursed to financial institutions under these types of arrangements in the nine and three months ended September 30, 2025 and 2024.

Product and order-related contingencies

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

(\$ in millions)	2025	2024
Balance at January 1,	1,248	1,210
Net change in warranties due to acquisitions and divestments	(6)	—
Claims paid in cash or in kind	(121)	(116)
Net increase in provision for changes in estimates, warranties issued and warranties expired	165	192
Exchange rate differences	97	3
Balance at September 30,	1,383	1,289
Included in:		
"Provisions" — current liabilities	701	707
"Other non-current liabilities" — non-current liabilities	682	582
Provisions for warranties - Total	1,383	1,289

Note 11

Income taxes

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

The effective tax rate of 27.6 percent in the nine months ended September 30, 2025, was higher than the effective tax rate of 26.1 percent in the nine months ended September 30, 2024, primarily due to a net benefit of \$72 million from a partial reversal of an uncertain tax position related to the reassessment of certain tax risks in the nine months ended September 30, 2024. This resulted in an increase of \$0.04 in earnings per share (basic and diluted) for the nine months ended September 30, 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 September 30, 2025, the Company's most significant defined benefit pension plans are in Switzerland as well as in Germany, the United Kingdom, and the United States. These plans cover a large portion of the Company's employees and provide benefits to employees in the event of death, disability, retirement, or termination of employment. Certain of these plans are multi-employer plans. The Company also operates other postretirement benefit plans including postretirement health care benefits and other employee-related benefits for active employees including long-service award plans. The postretirement benefit plans are not significant. The measurement date used for the Company's employee benefit plans is December 31. The funding policies of the Company's plans are consistent with the local government and tax requirements.

During the third quarter of 2025, the Trustees of the U.K. pension plan entered into two buy-in agreements with a third-party insurance company. The buy-in arrangements are insurance contracts providing substantially all future benefit plan payments to the U.K. pension plan participants. However, the primary benefit obligation remains with the Company. As part of the buy-in agreements, \$875 million in U.K. pension plan assets were transferred to the insurer in exchange for the insurance contracts at the effective dates of the buy-in agreements. The insurance contracts remain assets of the U.K. pension plan and are considered Level 3 investments. No cash contribution was required to be made by the Company for the insurance contracts. The buy-in arrangements also allow for the possible future conversion into buy-out arrangements where the insurance company would assume full responsibility for the U.K. pension plan pension obligations, at which time the Company would derecognize the assets and liabilities of the pension plan and realize a settlement loss or gain as a component of the net periodic benefit cost.

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

(\$ in millions)	Defined pension benefits			
	Switzerland		International	
	2025	2024	2025	2024
Nine months ended September 30,				
Operational pension cost:				
Service cost	42	35	18	20
Operational pension cost	42	35	18	20
Non-operational pension cost (credit):				
Interest cost	16	27	115	118
Expected return on plan assets	(89)	(98)	(126)	(128)
Amortization of prior service cost (credit)	–	(5)	(2)	(1)
Amortization of net actuarial loss	1	–	42	40
Curtailments, settlements and special termination benefits	–	3	1	4
Non-operational pension cost (credit)⁽¹⁾	(72)	(73)	30	33
Net periodic benefit cost (credit)	(30)	(38)	48	53

(\$ in millions)	Defined pension benefits			
	Switzerland		International	
	2025	2024	2025	2024
Three months ended September 30,				
Operational pension cost:				
Service cost	14	12	6	7
Operational pension cost	14	12	6	7
Non-operational pension cost (credit):				
Interest cost	5	10	37	40
Expected return on plan assets	(30)	(36)	(43)	(43)
Amortization of prior service cost (credit)	–	(1)	–	–
Amortization of net actuarial loss	1	–	17	14
Curtailments, settlements and special termination benefits	–	1	1	–
Non-operational pension cost (credit)⁽¹⁾	(24)	(26)	12	11
Net periodic benefit cost (credit)	(10)	(14)	18	18

(1) Total Non-operational pension cost (credit) includes additional credits of \$0 million and \$(2) million for the nine months ended September 30, 2025 and 2024, respectively, and additional credits of \$0 million and \$(1) million for the three months ended September 30, 2025 and 2024, respectively, related to other postretirement benefits.

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

Employer contributions were as follows:

(\$ in millions)	Defined pension benefits			
	Switzerland		International	
	2025	2024	2025	2024
Nine months ended September 30,				
Total contributions to defined benefit pension plans	50	44	25	30
Three months ended September 30,				
Total contributions to defined benefit pension plans	17	16	5	4

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

Note 13

Stockholders' equity

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

In February 2025, the Company announced the completion of its \$1 billion share buyback program that was launched in April 2024. This program was executed on a second trading line on the SIX Swiss Exchange. Also in February 2025, the Company launched a new share buyback program of up to \$1.5 billion, as announced in late January 2025. This program, which is being executed on a second trading line on the SIX Swiss Exchange, is planned to run until January 2026. Under these buyback programs, the Company purchased approximately 19 million shares in the nine months ended September 30, 2025, resulting in an increase in Treasury stock of \$1,090 million.

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

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 \$)	Nine months ended September 30,		Three months ended September 30,	
	2025	2024	2025	2024
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	3,460	2,945	1,199	941
Income from discontinued operations, net of tax	1	3	9	6
Net income	3,461	2,948	1,208	947
Weighted-average number of shares outstanding (in millions)	1,830	1,845	1,823	1,846
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.89	1.60	0.66	0.51
Income from discontinued operations, net of tax	–	–	–	–
Net income	1.89	1.60	0.66	0.51

Diluted earnings per share

(\$ in millions, except per share data in \$)	Nine months ended September 30,		Three months ended September 30,	
	2025	2024	2025	2024
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	3,460	2,945	1,199	941
Income from discontinued operations, net of tax	1	3	9	6
Net income	3,461	2,948	1,208	947
Weighted-average number of shares outstanding (in millions)	1,830	1,845	1,823	1,846
Effect of dilutive securities:				
Call options and shares	3	8	4	5
Adjusted weighted-average number of shares outstanding (in millions)	1,833	1,853	1,827	1,851
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.89	1.59	0.66	0.51
Income from discontinued operations, net of tax	–	–	–	–
Net income	1.89	1.59	0.66	0.51

Note 15

Reclassifications out of accumulated other comprehensive loss

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

(\$ in millions)	Foreign currency translation adjustments	Unrealized gains (losses) on available-for-sale securities	Pension and other postretirement plan adjustments	Derivative instruments and hedges	Total OCI
Balance at January 1, 2024	(3,977)	(8)	(1,075)	(10)	(5,070)
Other comprehensive (loss) income:					
Other comprehensive (loss) income before reclassifications	(26)	4	(14)	(5)	(41)
Amounts reclassified from OCI	1	–	27	8	36
Total other comprehensive (loss) income	(25)	4	13	3	(5)
Less:					
Amounts attributable to noncontrolling interests and redeemable noncontrolling interests	(3)	–	–	–	(3)
Balance at September 30, 2024	(3,999)	(4)	(1,062)	(7)	(5,072)

(\$ in millions)	Foreign currency translation adjustments	Unrealized gains (losses) on available-for-sale securities	Pension and other postretirement plan adjustments	Derivative instruments and hedges	Total OCI
Balance at January 1, 2025	(4,248)	(3)	(1,091)	(8)	(5,350)
Other comprehensive (loss) income:					
Other comprehensive (loss) income before reclassifications	81	3	(94)	(3)	(13)
Amounts reclassified from OCI	–	–	30	6	36
Total other comprehensive (loss) income	81	3	(64)	3	23
Less:					
Amounts attributable to noncontrolling interests and redeemable noncontrolling interests	12	–	–	–	12
Balance at September 30, 2025	(4,179)	–	(1,155)	(5)	(5,339)

The amounts reclassified out of OCI for the nine and three months ended September 30, 2025 and 2024, 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.

Effective January 1, 2025, the Company changed its accounting policy related to the functional classification of information system expenses in the income statement. Under the new policy, information systems expenses are now allocated to the relevant income statement caption based on the nature of the underlying system and the Total segment assets of each individual operating segment have been retroactively restated for the impact of the policy change on Inventories and the related deferred tax balance (see Note 1). The segment information for the nine and three months ended September 30, 2024, and at December 31, 2024, has been recast to reflect this change.

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

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

- **Motion:** designs, manufactures, and sells drives, motors, generators and traction converters that are driving the low-carbon future for industries, cities, infrastructure and transportation. These products, digital technology and related services enable industrial customers to increase energy efficiency, improve safety and reliability, and achieve precise control of their processes. Building on over 140 years of cumulative experience in electric powertrains, Motion combines domain expertise and technology to deliver the optimum solution for a wide range of applications in all industrial segments. In addition, Motion, along with its partners, has a leading global service presence. These products and services are delivered through six operating Divisions: IEC LV Motors, NEMA Motors, Drive Products, High Power, Service and Traction.
- **Process Automation:** offers a broad range of industry-specific, integrated automation, electrification and digital solutions, as well as lifecycle services for the process, hybrid and marine industries. The product portfolio includes control technologies, industrial software, advanced analytics, sensing and measurement technology, and marine propulsion systems. In addition, Process Automation offers a comprehensive range of services, from repair to advanced digital capabilities such as remote monitoring, preventive maintenance, asset performance management, emission monitoring and cybersecurity. The products, systems and services are delivered through four operating Divisions: Energy Industries, Process Industries, Marine & Ports and Measurement & Analytics.
- **Robotics & Discrete Automation:** delivers its products, solutions and services through two operating Divisions. Robotics provides industrial and collaborative robots, autonomous mobile robotics, mapping and navigation solutions, robotic solutions, field services, spare parts and digital services. Machine Automation specializes in automation solutions based on its programmable logic controllers (PLC), industrial PCs (IPC), servo motion, transport systems and machine vision. Both divisions offer software across the entire life cycle, including engineering and simulation software as well as a comprehensive range of digital solutions.

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

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

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

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

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

The CODM primarily reviews the results of each segment on a basis that is before the elimination of profits made on inventory sales between segments. Segment results below are presented before these eliminations, with a total deduction for intersegment profits to arrive at the Company's consolidated Operational EBITA. Intersegment sales and transfers are accounted for as if the sales and transfers were to third parties, at current market prices.

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

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

The following tables present disaggregated segment revenues from contracts with customers, significant segment expenses, and Operational EBITA for the nine and three months ended September 30, 2025 and 2024.

Nine months ended September 30, 2025						
(\$ in millions)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	Total
Geographical markets						
Europe	3,761	1,828	2,083	1,107	141	8,920
The Americas	5,588	1,998	1,423	411	114	9,534
of which: United States	4,472	1,651	916	253	69	7,361
Asia, Middle East and Africa	3,128	1,761	1,699	835	41	7,464
of which: China	1,344	810	447	550	12	3,163
	12,477	5,587	5,205	2,353	296	25,918
Product type						
Products	11,600	4,734	3,020	1,927	228	21,509
Services and other	877	853	2,185	426	68	4,409
	12,477	5,587	5,205	2,353	296	25,918
Third-party revenues	12,477	5,587	5,205	2,353	296	25,918
Intersegment revenues	178	400	33	11	(622)	–
Total revenues	12,655	5,987	5,238	2,364	(326)	25,918
Operational cost of sales	(7,257)	(3,663)	(3,180)	(1,540)		
Operational selling, general and administrative expenses	(2,053)	(916)	(978)	(466)		
Operational non-order related research and development expenses	(344)	(230)	(244)	(140)		
Other segment items	18	10	(14)	4		
Operational EBITA	3,019	1,188	822	222		

Nine months ended September 30, 2024						
(\$ in millions)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	Total
Geographical markets						
Europe	3,391	1,621	1,786	1,282	158	8,238
The Americas	4,886	1,948	1,384	399	138	8,755
of which: United States	3,803	1,580	857	248	102	6,590
Asia, Middle East and Africa	2,930	1,749	1,770	756	62	7,267
of which: China	1,337	827	522	524	16	3,226
	11,207	5,318	4,940	2,437	358	24,260
Product type						
Products	10,444	4,455	2,913	1,999	321	20,132
Services and other	763	863	2,027	438	37	4,128
	11,207	5,318	4,940	2,437	358	24,260
Third-party revenues	11,207	5,318	4,940	2,437	358	24,260
Intersegment revenues	195	431	21	7	(654)	–
Total revenues	11,402	5,749	4,961	2,444	(296)	24,260
Operational cost of sales	(6,634)	(3,622)	(3,111)	(1,542)		
Operational selling, general and administrative expenses	(1,831)	(799)	(871)	(482)		
Operational non-order related research and development expenses	(312)	(226)	(219)	(156)		
Other segment items	32	33	7	4		
Operational EBITA	2,657	1,135	767	268		

	Three months ended September 30, 2025					
				Robotics &		
(\$ in millions)	Electrification	Motion	Process Automation	Discrete Automation	Corporate and Other	Total
Geographical markets						
Europe	1,310	669	706	388	58	3,131
The Americas	2,003	684	475	141	41	3,344
of which: United States	1,598	564	304	90	25	2,581
Asia, Middle East and Africa	1,119	592	607	275	15	2,608
of which: China	478	276	161	177	5	1,099
	4,432	1,945	1,788	804	114	9,083
Product type						
Products	4,119	1,639	1,063	658	87	7,566
Services and other	313	306	725	146	27	1,517
	4,432	1,945	1,788	804	114	9,083
Third-party revenues	4,432	1,945	1,788	804	114	9,083
Intersegment revenues	67	137	13	3	(220)	–
Total revenues	4,499	2,082	1,801	807	(106)	9,083
Operational cost of sales	(2,587)	(1,287)	(1,097)	(528)		
Operational selling, general and administrative expenses	(695)	(313)	(334)	(156)		
Operational non-order related research and development expenses	(121)	(79)	(84)	(48)		
Other segment items	4	18	(9)	(1)		
Operational EBITA	1,100	421	277	74		
	Three months ended September 30, 2024					
				Robotics &		
(\$ in millions)	Electrification	Motion	Process Automation	Discrete Automation	Corporate and Other	Total
Geographical markets						
Europe	1,095	559	605	358	42	2,659
The Americas	1,714	655	464	126	47	3,006
of which: United States	1,346	524	278	78	33	2,259
Asia, Middle East and Africa	1,037	607	570	261	11	2,486
of which: China	466	281	161	181	5	1,094
	3,846	1,821	1,639	745	100	8,151
Product type						
Products	3,582	1,529	975	601	90	6,777
Services and other	264	292	664	144	10	1,374
	3,846	1,821	1,639	745	100	8,151
Third-party revenues	3,846	1,821	1,639	745	100	8,151
Intersegment revenues	67	148	4	2	(221)	–
Total revenues	3,913	1,969	1,643	747	(121)	8,151
Operational cost of sales	(2,262)	(1,218)	(1,030)	(483)		
Operational selling, general and administrative expenses	(615)	(270)	(296)	(154)		
Operational non-order related research and development expenses	(101)	(69)	(71)	(49)		
Other segment items	9	(8)	5	1		
Operational EBITA	944	404	251	62		

The following tables present Operational EBITA, the reconciliations of consolidated Operational EBITA to Income from continuing operations before taxes, as well as Depreciation and amortization, and Capital expenditures for the nine and three months ended September 30, 2025 and 2024, and Total assets at September 30, 2025, and December 31, 2024:

(\$ in millions)	Nine months ended September 30,		Three months ended September 30,	
	2025	2024	2025	2024
Operational EBITA:				
Electrification	3,019	2,657	1,100	944
Motion	1,188	1,135	421	404
Process Automation	822	767	277	251
Robotics & Discrete Automation	222	268	74	62
Corporate and Other				
– E-mobility	(115)	(201)	(26)	(60)
– Corporate costs, Intersegment elimination and other	(93)	(92)	(108)	(48)
Total	5,043	4,534	1,738	1,553
Acquisition-related amortization	(145)	(157)	(50)	(44)
Restructuring, related and implementation costs ⁽¹⁾	(44)	(97)	(20)	(21)
Changes in obligations related to divested businesses	3	11	–	–
Gains and losses from sale of businesses	–	(13)	(12)	1
Fair value adjustment on assets and liabilities held for sale	–	(132)	–	(89)
Acquisition- and divestment-related expenses and integration costs	(81)	(54)	(50)	(17)
Foreign exchange/commodity timing differences in income from operations:				
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	107	(38)	34	6
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(3)	6	(2)	7
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(20)	10	26	(32)
Certain other non-operational items:				
Other income/expense relating to the Power Grids joint venture	6	14	–	3
Business transformation costs ⁽²⁾	(133)	(148)	(41)	(47)
Certain other fair value changes, including asset impairments	72	(31)	45	(12)
Other non-operational items	(3)	(3)	(6)	1
Income from operations	4,802	3,902	1,662	1,309
Interest and dividend income	142	146	47	43
Interest and other finance expense	(97)	(91)	(34)	(41)
Non-operational pension (cost) credit	42	39	12	13
Income from continuing operations before taxes	4,889	3,996	1,687	1,324

(1) Includes impairment of certain assets.

(2) Amount includes ABB Way process transformation costs of \$121 million and \$145 million for the nine months ended September 30, 2025 and 2024, respectively, and \$35 million and \$46 million for the three months ended September 30, 2025 and 2024, respectively.

Depreciation and amortization

(\$ in millions)	Nine months ended September 30,		Three months ended September 30,	
	2025	2024	2025	2024
Electrification	329	286	114	98
Motion	130	119	45	41
Process Automation	55	44	19	16
Robotics & Discrete Automation	69	95	25	23
Corporate and Other	41	53	12	16
Consolidated	624	597	215	194

Capital expenditures

(\$ in millions)	Nine months ended September 30,		Three months ended September 30,	
	2025	2024	2025	2024
Electrification	330	279	132	108
Motion	140	137	50	41
Process Automation	43	46	13	15
Robotics & Discrete Automation	79	61	25	23
Corporate and Other	56	39	9	9
Consolidated	648	562	229	196

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

(\$ in millions)	Total assets ⁽¹⁾	
	September 30, 2025	December 31, 2024
Electrification	15,065	13,089
Motion	7,399	6,870
Process Automation	5,557	5,308
Robotics & Discrete Automation	4,923	4,753
Corporate and Other	10,710	10,268
Consolidated	43,654	40,288

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

2025 Realignment of segments

On October 8, 2025, the Company entered into an agreement to divest its Robotics Division. As a result of the planned divestment, the Company announced a reorganization of its operating segments into three business areas.

Effective from the fourth quarter of 2025, the results of operations for the Robotics Division, formerly part of the Robotics & Discrete Automation operating segment, will be presented as discontinued operations. The Process Automation segment will remain unchanged except that it will now include the Machine Automation Division from the former Robotics & Discrete Automation segment.

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 nine and three months ended September 30, 2025.

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

Comparable growth rates

Growth rates for certain key figures may be presented and discussed on a "comparable" basis. The comparable growth rate measures growth on a constant currency basis. Since we are a global company, the comparability of our operating results reported in U.S. dollars is affected by foreign currency exchange rate fluctuations. We calculate the impacts from foreign currency fluctuations by translating the current-year periods' reported key figures into U.S. dollar amounts using the exchange rates in effect for the comparable periods in the previous year.

Comparable growth rates are also adjusted for changes in our business portfolio. Adjustments to our business portfolio occur due to acquisitions, divestments, or by exiting specific business activities or customer markets. The adjustment for portfolio changes is calculated as follows: where the results of any business acquired or divested have not been consolidated and reported for the entire duration of both the current and comparable periods, the reported key figures of such business are adjusted to exclude the relevant key figures of any corresponding quarters which are not comparable when computing the comparable growth rate. Certain portfolio changes which do not qualify as divestments under U.S. GAAP have been treated in a similar manner to divestments. Changes in our portfolio where we have exited certain business activities or customer markets are adjusted as if the relevant business was divested in the period when the decision to cease business activities was taken. We do not adjust for portfolio changes where the relevant business has annualized revenues of less than \$50 million.

The following tables provide reconciliations of reported growth rates of certain key figures to their respective comparable growth rate.

Comparable growth rate reconciliation by Business Area

Business Area	Q3 2025 compared to Q3 2024							
	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	12%	-2%	0%	10%	15%	-2%	0%	13%
Motion	20%	-3%	0%	17%	6%	-3%	0%	3%
Process Automation	6%	-2%	0%	4%	10%	-3%	0%	7%
Robotics & Discrete Automation	16%	-3%	0%	13%	8%	-3%	0%	5%
ABB Group	12%	-3%	0%	9%	11%	-2%	0%	9%

Business Area	9M 2025 compared to 9M 2024							
	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	7%	0%	0%	7%	11%	-1%	0%	10%
Motion	5%	-1%	0%	4%	4%	-1%	0%	3%
Process Automation	24%	-2%	0%	22%	6%	-1%	0%	5%
Robotics & Discrete Automation	12%	-1%	0%	11%	-3%	-1%	0%	-4%
ABB Group	10%	-1%	0%	9%	7%	-1%	0%	6%

Regional comparable growth rate reconciliation

Regional comparable growth rate reconciliation for ABB Group - Quarter

Region	Q3 2025 compared to Q3 2024							
	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	16%	-7%	0%	9%	18%	-8%	1%	11%
The Americas	19%	-1%	1%	19%	11%	0%	1%	12%
of which: United States	27%	-1%	1%	27%	14%	0%	1%	15%
Asia, Middle East and Africa	-1%	0%	0%	-1%	5%	0%	-1%	4%
of which: China	-3%	0%	-1%	-4%	0%	0%	-1%	-1%
ABB Group	12%	-3%	0%	9%	11%	-2%	0%	9%

Regional comparable growth rate reconciliation by Business Area - Quarter

Region	Q3 2025 compared to Q3 2024							
	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	22%	-7%	0%	15%	19%	-7%	0%	12%
The Americas	17%	0%	1%	18%	17%	0%	1%	18%
of which: United States	23%	0%	0%	23%	19%	0%	0%	19%
Asia, Middle East and Africa	-5%	0%	-1%	-6%	7%	0%	-1%	6%
of which: China	-10%	0%	-2%	-12%	3%	0%	-4%	-1%
Electrification	12%	-2%	0%	10%	15%	-2%	0%	13%

Region	Q3 2025 compared to Q3 2024							
	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	15%	-7%	0%	8%	15%	-7%	0%	8%
The Americas	35%	-2%	0%	33%	4%	0%	0%	4%
of which: United States	43%	-3%	0%	40%	7%	0%	0%	7%
Asia, Middle East and Africa	8%	0%	0%	8%	-2%	0%	0%	-2%
of which: China	3%	-1%	0%	2%	-1%	-1%	0%	-2%
Motion	20%	-3%	0%	17%	6%	-3%	0%	3%

Region	Q3 2025 compared to Q3 2024							
	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	9%	-6%	0%	3%	17%	-7%	0%	10%
The Americas	20%	-1%	0%	19%	3%	-1%	0%	2%
of which: United States	31%	0%	0%	31%	10%	-1%	0%	9%
Asia, Middle East and Africa	-8%	0%	0%	-8%	6%	0%	0%	6%
of which: China	-13%	0%	0%	-13%	0%	0%	0%	0%
Process Automation	6%	-2%	0%	4%	10%	-3%	0%	7%

Region	Q3 2025 compared to Q3 2024							
	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	18%	-7%	0%	11%	8%	-6%	0%	2%
The Americas	-2%	0%	0%	-2%	13%	-1%	0%	12%
of which: United States	13%	0%	0%	13%	14%	0%	0%	14%
Asia, Middle East and Africa	28%	0%	0%	28%	5%	1%	0%	6%
of which: China	30%	-1%	0%	29%	-2%	0%	0%	-2%
Robotics & Discrete Automation	16%	-3%	0%	13%	8%	-3%	0%	5%

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

Region	9M 2025 compared to 9M 2024							
	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%	-3%	0%	5%	8%	-3%	0%	5%
The Americas	18%	1%	0%	19%	9%	1%	1%	11%
of which: United States	25%	-1%	0%	24%	12%	0%	0%	12%
Asia, Middle East and Africa	3%	1%	-1%	3%	3%	0%	0%	3%
of which: China	5%	0%	-1%	4%	-2%	0%	-1%	-3%
ABB Group	10%	-1%	0%	9%	7%	-1%	0%	6%

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

Region	9M 2025 compared to 9M 2024							
	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%	-3%	0%	5%	11%	-4%	0%	7%
The Americas	10%	1%	0%	11%	14%	1%	1%	16%
of which: United States	15%	0%	-1%	14%	18%	0%	-1%	17%
Asia, Middle East and Africa	3%	1%	-1%	3%	5%	1%	-1%	5%
of which: China	0%	1%	-3%	-2%	1%	0%	-4%	-3%
Electrification	7%	0%	0%	7%	11%	-1%	0%	10%

Region	9M 2025 compared to 9M 2024							
	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%	-3%	0%	1%	11%	-4%	0%	7%
The Americas	18%	0%	0%	18%	3%	0%	0%	3%
of which: United States	26%	-1%	0%	25%	4%	0%	0%	4%
Asia, Middle East and Africa	-5%	0%	0%	-5%	-1%	1%	0%	0%
of which: China	7%	-1%	0%	6%	-2%	0%	0%	-2%
Motion	5%	-1%	0%	4%	4%	-1%	0%	3%

Region	9M 2025 compared to 9M 2024							
	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%	-3%	0%	9%	17%	-3%	0%	14%
The Americas	58%	0%	0%	58%	3%	1%	0%	4%
of which: United States	88%	-4%	0%	84%	7%	0%	0%	7%
Asia, Middle East and Africa	11%	0%	0%	11%	-4%	0%	0%	-4%
of which: China	13%	0%	0%	13%	-15%	0%	0%	-15%
Process Automation	24%	-2%	0%	22%	6%	-1%	0%	5%

Region	9M 2025 compared to 9M 2024							
	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	17%	-3%	0%	14%	-13%	-3%	0%	-16%
The Americas	-7%	2%	0%	-5%	3%	2%	0%	5%
of which: United States	-10%	0%	0%	-10%	2%	0%	0%	2%
Asia, Middle East and Africa	17%	1%	0%	18%	10%	1%	0%	11%
of which: China	11%	0%	0%	11%	5%	0%	0%	5%
Robotics & Discrete Automation	12%	-1%	0%	11%	-3%	-1%	0%	-4%

Order backlog growth rate reconciliation

Business Area	September 30, 2025 compared to September 30,			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Electrification	10%	-1%	1%	10%
Motion	7%	-2%	0%	5%
Process Automation	20%	-2%	0%	18%
Robotics & Discrete Automation	-15%	-1%	0%	-16%
ABB Group	9%	-1%	0%	8%

Other growth rate reconciliations

Business Area	Q3 2025 compared to Q3 2024							
	Service orders growth rate				Services revenues growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Electrification	19%	-2%	-2%	15%	19%	-3%	-2%	14%
Motion	4%	-3%	0%	1%	5%	-3%	0%	2%
Process Automation	12%	-3%	0%	9%	9%	-3%	0%	6%
Robotics & Discrete Automation	-5%	-3%	0%	-8%	1%	-3%	0%	-2%
ABB Group	10%	-4%	0%	6%	10%	-3%	0%	7%

Business Area	9M 2025 compared to 9M 2024							
	Service orders growth rate				Services revenues growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Electrification	21%	-1%	-5%	15%	15%	-1%	-5%	9%
Motion	8%	0%	0%	8%	-1%	-1%	0%	-2%
Process Automation	34%	-2%	0%	32%	8%	-1%	0%	7%
Robotics & Discrete Automation	-3%	-1%	0%	-4%	-3%	-1%	0%	-4%
ABB Group	23%	-2%	-1%	20%	7%	-1%	-1%	5%

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)	Nine months ended September 30,		Three months ended September 30,	
	2025	2024	2025	2024
Operational EBITA	5,043	4,534	1,738	1,553
Acquisition-related amortization	(145)	(157)	(50)	(44)
Restructuring, related and implementation costs ⁽¹⁾	(44)	(97)	(20)	(21)
Changes in obligations related to divested businesses	3	11	–	–
Gains and losses from sale of businesses	–	(13)	(12)	1
Fair value adjustment on assets and liabilities held for sale	–	(132)	–	(89)
Acquisition- and divestment-related expenses and integration costs	(81)	(54)	(50)	(17)
Certain other non-operational items	(58)	(168)	(2)	(55)
Foreign exchange/commodity timing differences in income from operations	84	(22)	58	(19)
Income from operations	4,802	3,902	1,662	1,309
Interest and dividend income	142	146	47	43
Interest and other finance expense	(97)	(91)	(34)	(41)
Non-operational pension (cost) credit	42	39	12	13
Income from continuing operations before taxes	4,889	3,996	1,687	1,324
Income tax expense	(1,347)	(1,041)	(452)	(387)
Income from continuing operations, net of tax	3,542	2,955	1,235	937
Income from discontinued operations, net of tax	1	2	9	5
Net income	3,543	2,957	1,244	942

(1) Includes impairment of certain assets.

Reconciliation of Operational EBITA margin by business

Three months ended September 30, 2025						
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and	Consolidated
					Other and Intersegment elimination	
Total revenues	4,499	2,082	1,801	807	(106)	9,083
Foreign exchange/commodity timing differences in total revenues:						
Unrealized gains and losses on derivatives	9	11	(6)	1	2	17
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	1	–	1	(1)	–	1
Unrealized foreign exchange movements on receivables (and related assets)	(13)	(2)	(4)	(2)	(5)	(26)
Operational revenues	4,496	2,091	1,792	805	(109)	9,075
Income (loss) from operations	1,079	402	298	67	(184)	1,662
Acquisition-related amortization	27	8	6	7	2	50
Restructuring, related and implementation costs ⁽¹⁾	6	10	–	–	4	20
Gains and losses from sale of businesses	8	–	–	–	4	12
Acquisition- and divestment-related expenses and integration costs	5	1	2	2	40	50
Certain other non-operational items	1	3	(20)	1	17	2
Foreign exchange/commodity timing differences in income from operations:						
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(16)	(1)	(5)	(1)	(11)	(34)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	2	–	2	(1)	(1)	2
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(12)	(2)	(6)	(1)	(5)	(26)
Operational EBITA	1,100	421	277	74	(134)	1,738
Operational EBITA margin (%)	24.5%	20.1%	15.5%	9.2%	n.a.	19.2%

(1) Includes impairment of certain assets.

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

Three months ended September 30, 2025						
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and	Consolidated
					Other	
Certain other non-operational items:						
Business transformation costs ⁽¹⁾	–	2	–	–	39	41
Certain other fair values changes, including asset impairments	2	1	(21)	1	(28)	(45)
Other non-operational items	(1)	–	1	–	6	6
Total	1	3	(20)	1	17	2

(1) Amounts include ABB Way process transformation costs of \$35 million for the three months ended September 30, 2025.

Three months ended September 30, 2024						
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other and Intersegment elimination	Consolidated
Total revenues	3,913	1,969	1,643	747	(121)	8,151
Foreign exchange/commodity timing differences in total revenues:						
Unrealized gains and losses on derivatives	(6)	(14)	(3)	(3)	(6)	(32)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	–	(2)	3	–	(4)	(3)
Unrealized foreign exchange movements on receivables (and related assets)	15	3	10	3	10	41
Operational revenues	3,922	1,956	1,653	747	(121)	8,157
Income (loss) from operations	893	397	242	31	(254)	1,309
Acquisition-related amortization	23	9	2	7	3	44
Restructuring, related and implementation costs ⁽¹⁾	2	2	–	20	(3)	21
Gains and losses from sale of businesses	(1)	–	–	–	–	(1)
Fair value adjustment on assets and liabilities held for sale	–	–	–	–	89	89
Acquisition- and divestment-related expenses and integration costs	4	1	2	5	5	17
Certain other non-operational items	1	2	3	1	48	55
Foreign exchange/commodity timing differences in income from operations:						
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	13	(12)	(6)	(4)	3	(6)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(4)	(1)	3	–	(5)	(7)
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	13	6	5	2	6	32
Operational EBITA	944	404	251	62	(108)	1,553
Operational EBITA margin (%)	24.1%	20.7%	15.2%	8.3%	n.a.	19.0%

(1) Includes impairment of certain assets.

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

Three months ended September 30, 2024						
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	Consolidated
Certain other non-operational items:						
Other income/expense relating to the Power Grids joint venture	–	–	–	–	(3)	(3)
Business transformation costs ⁽¹⁾	2	–	–	–	45	47
Certain other fair values changes, including asset impairments	1	2	2	–	7	12
Other non-operational items	(2)	–	1	1	(1)	(1)
Total	1	2	3	1	48	55

(1) Amounts include ABB Way process transformation costs of \$46 million for the three months ended September 30, 2024.

Nine months ended September 30, 2025						
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and	Consolidated
					Other and Intersegment elimination	
Total revenues	12,655	5,987	5,238	2,364	(326)	25,918
Foreign exchange/commodity timing differences in total revenues:						
Unrealized gains and losses on derivatives	(44)	(5)	(9)	–	(1)	(59)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	–	–	(5)	1	(1)	(5)
Unrealized foreign exchange movements on receivables (and related assets)	28	3	3	3	(1)	36
Operational revenues	12,639	5,985	5,227	2,368	(329)	25,890
Income (loss) from operations	2,991	1,156	834	190	(369)	4,802
Acquisition-related amortization	82	26	14	21	2	145
Restructuring, related and implementation costs ⁽¹⁾	16	17	3	7	1	44
Changes in obligations related to divested businesses	–	–	–	–	(3)	(3)
Gains and losses from sale of businesses	(5)	–	–	–	5	–
Acquisition- and divestment-related expenses and integration costs	24	3	7	6	41	81
Certain other non-operational items	(28)	13	(22)	–	95	58
Foreign exchange/commodity timing differences in income from operations:						
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(80)	(32)	(14)	(5)	24	(107)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	3	1	–	1	(2)	3
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	16	4	–	2	(2)	20
Operational EBITA	3,019	1,188	822	222	(208)	5,043
Operational EBITA margin (%)	23.9%	19.8%	15.7%	9.4%	n.a.	19.5%

(1) Includes impairment of certain assets.

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

Nine months ended September 30, 2025						
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and	Consolidated
					Other	
Certain other non-operational items:						
Other income/expense relating to the Power Grids joint venture	–	–	–	–	(6)	(6)
Business transformation costs ⁽¹⁾	1	7	–	–	125	133
Certain other fair values changes, including asset impairments	(23)	5	(23)	–	(31)	(72)
Other non-operational items	(6)	1	1	–	7	3
Total	(28)	13	(22)	–	95	58

(1) Amounts include ABB Way process transformation costs of \$121 million for the nine months ended September 30, 2025.

Nine months ended September 30, 2024						
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and	Consolidated
					Other and Intersegment elimination	
Total revenues	11,402	5,749	4,961	2,444	(296)	24,260
Foreign exchange/commodity timing differences in total revenues:						
Unrealized gains and losses on derivatives	45	29	20	3	2	99
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(2)	–	4	–	(2)	–
Unrealized foreign exchange movements on receivables (and related assets)	(11)	(13)	(8)	(5)	5	(32)
Operational revenues	11,434	5,765	4,977	2,442	(291)	24,327
Income (loss) from operations	2,499	1,067	750	168	(582)	3,902
Acquisition-related amortization	69	26	5	48	9	157
Restructuring, related and implementation costs ⁽¹⁾	20	24	7	40	6	97
Changes in obligations related to divested businesses	–	–	–	–	(11)	(11)
Gains and losses from sale of businesses	(2)	–	–	–	15	13
Fair value adjustment on assets and liabilities held for sale	25	–	–	–	107	132
Acquisition- and divestment-related expenses and integration costs	33	3	3	12	3	54
Certain other non-operational items	3	5	(2)	–	162	168
Foreign exchange/commodity timing differences in income from operations:						
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	12	15	4	2	5	38
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(7)	–	4	–	(3)	(6)
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	5	(5)	(4)	(2)	(4)	(10)
Operational EBITA	2,657	1,135	767	268	(293)	4,534
Operational EBITA margin (%)	23.2%	19.7%	15.4%	11.0%	n.a.	18.6%

(1) Includes impairment of certain assets.

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

Nine months ended September 30, 2024						
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and	Consolidated
					Other	
Certain other non-operational items:						
Other income/expense related to the Power Grids joint venture	–	–	–	–	(14)	(14)
Business transformation costs	3	1	–	–	144	148
Certain other fair values changes, including asset impairments	1	4	(2)	–	28	31
Other non-operational items	(1)	–	–	–	4	3
Total	3	5	(2)	–	162	168

(1) Amounts include ABB Way process transformation costs of \$145 million for the nine months ended September 30, 2024.

Net debt

Definition

Net debt

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

Total debt

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

Cash and marketable securities

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

Reconciliation

(\$ in millions)	September 30, 2025	December 31, 2024
Short-term debt and current maturities of long-term debt	680	293
Long-term debt	7,844	6,652
Total debt	8,524	6,945
Cash and equivalents	3,937	4,326
Marketable securities and short-term investments	1,890	1,334
Cash and marketable securities	5,827	5,660
Net debt	2,697	1,285

Net debt/Equity ratio

Definition

Net debt/Equity ratio

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

Equity

Equity is defined as Total stockholders' equity.

Reconciliation

(\$ in millions, unless otherwise indicated)	September 30, 2025	December 31, 2024
Total stockholders' equity	15,522	14,991
Net debt (as defined above)	2,697	1,285
Net debt / Equity ratio	0.17	0.09

Net debt/EBITDA ratio

Definition

Net debt/EBITDA ratio

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

EBITDA

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

Reconciliation

(\$ in millions, unless otherwise indicated)	September 30, 2025	September 30, 2024
Income from operations for the three months ended:		
December 31, 2024 / 2023	1,169	1,116
March 31, 2025 / 2024	1,567	1,217
June 30, 2025 / 2024	1,573	1,376
September 30, 2025 / 2024	1,662	1,309
Depreciation and Amortization for the three months ended:		
December 31, 2024 / 2023	205	199
March 31, 2025 / 2024	196	201
June 30, 2025 / 2024	213	202
September 30, 2025 / 2024	215	194
EBITDA	6,800	5,814
Net debt (as defined above)	2,697	2,158
Net debt / EBITDA	0.4	0.4

Net working capital

Definition

Net working capital

Net working capital is the sum of (i) receivables, net, (ii) contract assets, (iii) inventories, net, and (iv) prepaid expenses; less (v) accounts payable, trade, (vi) contract liabilities and (vii) other current liabilities (excluding primarily: (a) income taxes payable, (b) current derivative liabilities, (c) pension and other employee benefits, (d) payables under the share buyback program and (e) liabilities related to certain other restructuring-related activities); and including the amounts related to these accounts which have been presented as either assets or liabilities held for sale.

Reconciliation

(\$ in millions, unless otherwise indicated)	September 30, 2025	September 30, 2024
Net working capital:		
Receivables, net	7,955	7,448
Contract assets	1,289	1,236
Inventories, net	6,431	6,465
Prepaid expenses	330	306
Accounts payable, trade	(5,271)	(5,167)
Contract liabilities	(3,451)	(3,081)
Other current liabilities ⁽¹⁾	(3,970)	(3,714)
Net working capital in assets and liabilities held for sale	(9)	19
Net working capital	3,304	3,512

- (1) Amounts exclude \$778 million and \$903 million at September 30, 2025 and 2024, respectively, related primarily to (a) income taxes payable, (b) current derivative liabilities, (c) pension and other employee benefits, (d) payables under the share buyback program and (e) liabilities related to certain restructuring-related activities.

Average trade net working capital as a percentage of revenues

Definition

Average trade net working capital as a percentage of revenues

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

Average trade net working capital

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

Trade net working capital

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

Reconciliation

(\$ in millions, unless otherwise indicated)	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024
Trade net working capital:					
Trade receivables	7,303	7,320	6,887	6,816	6,821
Contract assets	1,289	1,301	1,210	1,115	1,236
Inventories, net	6,431	6,396	6,070	5,768	6,465
Accounts payable, trade	(5,271)	(5,273)	(5,032)	(5,036)	(5,167)
Contract liabilities	(3,451)	(3,354)	(3,248)	(2,969)	(3,081)
Accrued expenses, operating	(1,424)	(1,286)	(1,223)	(1,266)	(1,363)
Trade net working capital in assets and liabilities held for sale	(8)	–	–	–	20
Trade net working capital	4,869	5,104	4,664	4,428	4,931
Average of opening and closing Trade net working capital	4,987	4,884	4,546	4,680	
Average trade net working capital	4,774				
Total revenues for the three months ended:					
December 31, 2024	8,590				
March 31, 2025	7,935				
June 30, 2025	8,900				
September 30, 2025	9,083				
Total revenues for the trailing twelve months	34,508				
Average trade net working capital as a percentage of revenues	13.8%				

(\$ in millions, unless otherwise indicated)	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Trade net working capital:					
Trade receivables	6,821	6,898	6,790	6,822	6,863
Contract assets	1,236	1,118	1,135	1,090	1,073
Inventories, net	6,465	6,166	6,079	6,058	6,241
Accounts payable, trade	(5,167)	(5,118)	(5,018)	(4,847)	(4,777)
Contract liabilities	(3,081)	(2,973)	(2,866)	(2,844)	(2,610)
Accrued expenses, operating	(1,363)	(1,266)	(1,302)	(1,445)	(1,524)
Trade net working capital in assets and liabilities held for sale	20	–	–	–	–
Trade net working capital	4,931	4,825	4,818	4,834	5,266
Average of opening and closing Trade net working capital	4,878	4,822	4,826	5,050	
Average trade net working capital	4,894				
Total revenues for the three months ended:					
December 31, 2023	8,245				
March 31, 2024	7,870				
June 30, 2024	8,239				
September 30, 2024	8,151				
Total revenues for the trailing twelve months	32,505				
Average trade net working capital as a percentage of revenues	15.1%				

Return on Capital employed (ROCE)

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

Definition

Return on Capital employed (ROCE)

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

Capital employed

Capital employed is calculated as the sum of Adjusted total fixed assets and Net working capital (as defined above).

Adjusted total fixed assets

Adjusted total fixed assets is the sum of (i) property, plant and equipment, net, (ii) goodwill, (iii) other intangible assets, net, (iv) investments in equity-accounted companies, (v) operating lease right-of-use assets, and (vi) fixed assets included in assets held for sale, less (vii) deferred tax liabilities recognized in certain acquisitions.

Notional tax on Operational EBITA

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

Reconciliation

(\$ in millions, unless otherwise indicated)	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024
Adjusted total fixed assets:					
Property, plant and equipment, net	4,690	4,618	4,301	4,177	4,248
Goodwill	11,368	11,352	11,088	10,555	10,582
Other intangible assets, net	1,147	1,192	1,183	1,048	1,036
Investments in equity-accounted companies	401	388	377	368	185
Operating lease right-of-use assets	845	849	861	840	873
Fixed assets included in assets held for sale	9	–	–	–	176
Total fixed assets	18,460	18,399	17,810	16,988	17,100
Less: Deferred taxes recognized in certain acquisitions ⁽¹⁾	(210)	(220)	(231)	(242)	(253)
Adjusted total fixed assets	18,250	18,179	17,579	16,746	16,847
Net working capital - (as defined above)	3,304	3,767	3,371	2,739	3,512
Capital employed	21,554	21,946	20,950	19,485	20,359
Average of opening and closing Capital employed	21,750	21,448	20,218	19,922	
Operational EBITA for the three months ended	1,738	1,708	1,597	1,434	
Operational EBITA for the trailing twelve months	6,477				
Notional tax on Operational EBITA	(1,619)				
Operational EBITA after tax for the trailing twelve months	4,858				
Average Capital employed (4 quarters)	20,834				
Return on Capital Employed (ROCE)	23.3%				

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

	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
(\$ in millions, unless otherwise indicated)					
Adjusted total fixed assets:					
Property, plant and equipment, net	4,248	4,095	4,047	4,142	3,891
Goodwill	10,582	10,525	10,494	10,561	10,356
Other intangible assets, net	1,036	1,089	1,128	1,223	1,181
Investments in equity-accounted companies	185	189	178	187	186
Operating lease right-of-use assets	873	861	863	893	850
Fixed assets included in assets held for sale	176	–	–	–	–
Total fixed assets	17,100	16,759	16,710	17,006	16,464
Less: Deferred taxes recognized in certain acquisitions ⁽¹⁾	(253)	(265)	(281)	(297)	(312)
Adjusted total fixed assets	16,847	16,494	16,429	16,709	16,152
Net working capital - (as defined above)	3,512	3,516	3,497	3,166	3,950
Capital employed	20,359	20,010	19,926	19,875	20,102
Average of opening and closing Capital employed	20,185	19,968	19,901	19,989	
Operational EBITA for the three months ended	1,553	1,564	1,417	1,333	
Operational EBITA for the trailing twelve months	5,867				
Notional tax on Operational EBITA	(1,467)				
Operational EBITA after tax for the trailing twelve months	4,400				
Average Capital employed (4 quarters)	20,010				
Return on Capital Employed (ROCE)	22.0%				

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

Free cash flow

Definition

Free cash flow

Free cash flow is calculated as net cash provided by operating activities adjusted for: (i) purchases of property, plant and equipment and intangible assets, and (ii) proceeds from sales of property, plant and equipment.

Reconciliation

(\$ in millions, unless otherwise indicated)	Nine months ended September 30,		Three months ended	
	2025	2024	2025	2024
Net cash provided by operating activities	3,520	3,138	1,777	1,345
Adjusted for the effects of operations:				
Purchases of property, plant and equipment and intangible assets	(648)	(562)	(229)	(196)
Proceeds from sale of property, plant and equipment	177	66	4	24
Free cash flow	3,049	2,642	1,552	1,173

Free cash flow conversion to net income

Definition

Free cash flow conversion to net income

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

Adjusted net income attributable to ABB

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

Free cash flow for the trailing twelve months

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

Net income for the trailing twelve months

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

Reconciliation

(\$ in millions, unless otherwise indicated)	Trailing twelve months to	
	September 30, 2025	December 31, 2024
Net cash provided by operating activities	5,057	4,675
Adjusted for the effects of operations:		
Purchases of property, plant and equipment and intangible assets	(931)	(845)
Proceeds from sale of property, plant and equipment	218	107
Free cash flow	4,344	3,937
Adjusted net income attributable to ABB⁽¹⁾	4,317	3,949
Free cash flow conversion to net income	101%	100%

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

Reconciliation of the trailing twelve months to September 30, 2025

(\$ in millions)	Net cash provided by operating activities	Purchases of property, plant and equipment and intangible assets	Proceeds from sale of property, plant and equipment	Adjusted net income attributable to ABB ⁽¹⁾
Q4 2024	1,537	(283)	41	922
Q1 2025	684	(195)	163	1,065
Q2 2025	1,059	(224)	10	1,151
Q3 2025	1,777	(229)	4	1,179
Total for the trailing twelve months to September 30, 2025	5,057	(931)	218	4,317

(1) Adjusted net income attributable to ABB for Q4 2024 is adjusted to exclude the net gain on the sale of a business within the Electrification Business Area of \$64 million and a decrease in the fair value adjustment relating to In-Charge of \$1 million; Q1 2025 is adjusted to exclude \$37 million of gains arising on sale of certain investments and intangibles assets and Q3 2025 is adjusted to exclude adjustments to the gain on sale of Power Grids of \$13 million and \$16 million of gains arising on sale of certain intangible assets.

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)	Nine months ended September 30,		Three months ended September 30,	
	2025	2024	2025	2024
Interest and dividend income	142	146	47	43
Interest and other finance expense	(97)	(91)	(34)	(41)
Net finance income (expense)	45	55	13	2

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)	Nine months ended September 30,					
	2025			2024		
	Orders	Revenues	Book-to-bill	Orders	Revenues	Book-to-bill
Electrification	13,434	12,655	1.06	12,514	11,402	1.10
Motion	6,430	5,987	1.07	6,123	5,749	1.07
Process Automation	6,540	5,238	1.25	5,283	4,961	1.06
Robotics & Discrete Automation	2,272	2,364	0.96	2,029	2,444	0.83
Corporate and Other <i>(incl. intersegment eliminations)</i>	(535)	(326)	n.a.	(347)	(296)	n.a.
ABB Group	28,141	25,918	1.09	25,602	24,260	1.06

(\$ in millions, except Book-to-bill presented as a ratio)	Three months ended September 30,					
	2025			2024		
	Orders	Revenues	Book-to-bill	Orders	Revenues	Book-to-bill
Electrification	4,522	4,499	1.01	4,049	3,913	1.03
Motion	2,162	2,082	1.04	1,806	1,969	0.92
Process Automation	1,896	1,801	1.05	1,784	1,643	1.09
Robotics & Discrete Automation	744	807	0.92	640	747	0.86
Corporate and Other <i>(incl. intersegment eliminations)</i>	(181)	(106)	n.a.	(86)	(121)	n.a.
ABB Group	9,143	9,083	1.01	8,193	8,151	1.01



ABB Ltd

Corporate Communications

P.O. Box 8131

8050 Zurich

Switzerland

Tel: +41 (0)43 317 71 11

www.abb.com