

# Q1 2026

FIRST THREE MONTHS  
PRESS RELEASE

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

ZURICH, SWITZERLAND, APRIL 22, 2026

## Q1 2026 results

### Strong orders, business driven performance improvement and high cash flow

- Orders \$11,298 million, +32%; comparable<sup>1</sup> +24%
- Revenues \$8,734 million, +18%; comparable<sup>1</sup> +11%
- Income from operations \$1,780 million; margin 20.4%
- Operational EBITA<sup>1</sup> \$2,049 million; margin<sup>1</sup> 23.5%
- Basic EPS \$0.73; +21%<sup>2</sup>
- Cash flow from operating activities \$1,029 million; +50%
- Return on Capital Employed<sup>1</sup> 27.2%

#### KEY FIGURES

(\$ millions, unless otherwise indicated)	Q1 2026	Q1 2025	CHANGE	
			US\$	Comparable <sup>1</sup>
Orders	11,298	8,589	32%	24%
Revenues	8,734	7,382	18%	11%
Gross Profit	3,440	3,122	10%	
as % of revenues	39.4%	42.3%	-2.9 pts	
Income from operations	1,780	1,474	21%	
Operational EBITA <sup>1</sup>	2,049	1,495	37%	28% <sup>3</sup>
as % of operational revenues <sup>1</sup>	23.5%	20.3%	+3.2 pts	
Income from continuing operations, net of tax	1,351	1,055	28%	
Net income attributable to ABB	1,324	1,102	20%	
Basic earnings per share (\$)	0.73	0.60	21% <sup>2</sup>	
Cash flow from operating activities	1,029	684	50%	
Cash flow from operating activities in continuing operations	1,011	608	66%	
Free cash flow <sup>1</sup>	1,250	652	92%	

<sup>1</sup> For a reconciliation of alternative performance measures, see "supplemental reconciliations and definitions" in the attached Q1 2026 Financial Information.

<sup>2</sup> EPS growth rates are computed using unrounded amounts.

<sup>3</sup> Constant currency (not adjusted for portfolio changes).

**“ABB had a strong start to the year, delivering higher business performance and record orders. Supported by our high order backlog and good execution in a strong short-cycle market, we raise our growth and margin expectations for 2026, although acknowledging risks from geopolitical uncertainties.”**

**Morten Wierod, CEO**

## CEO summary

We have had a strong start to the year with a supportive overall market environment and improved business performance. Orders were at a record-high level and increased 24% on a comparable basis, supported by all three business areas. Overall demand remained robust throughout the period.

All in all, the first quarter progressed largely according to plan, despite a backdrop of yet another escalation in geopolitical tension. Our priority has been to support our employees directly impacted by the recent developments in the Middle East. Admittedly, this conflict adds uncertainty to the global trading climate, although to date, demand for our electrification and automation offerings has remained overall resilient and supportive to our raised ambitions for 2026.

We executed well on revenue growth which at 18% (11% comparable) was just above our original expectation and converted to a 37% (28% in local currencies) improvement in Operational EBITA and a margin of 23.5%. The margin improved by 320 basis points, out of which 250 basis points were attributable to the net impact of the gains on sale of real estate, and a robust 70 basis points was driven mainly by improved business performance. As a net total for the quarter, earnings per share increased by 21%.

Free cash flow of \$1.3 billion is the strongest ever for a first quarter, with good contribution from both the earnings increase as well as net working capital management. Another stand-out number was our ROCE of 27.2%.

It was also good to receive the CDP sustainability recognition of A scores for both climate change and water stewardship. Our 2025 sustainability report was published in February, showing progress towards our 2030 targets.

We achieved book-to-bill of 1.29 with strong comparable order growth of 9% and 5% respectively in the Motion and Automation business areas, while Electrification surged 44%. Market momentum remains strongest in the data center segment, but also positive for grid investments. Other strong areas include electrical upgrades of land-based transport infrastructure, marine, port automation, HVAC and buildings. Similar to previous quarters, customer activity is more muted in parts of the process industry-related areas.

## Outlook

based on current market environment

In the **second quarter of 2026**, we expect a high single-digit to low double-digit growth in comparable revenues, year-on-year. The operational EBITA margin should improve year-on-year.

I was also pleased to see the Automation business area introduce the Automation Extended program, a strategic evolution of its distributed control systems (DCS). It is a step towards the next era of industrial operations. It enables customers to progressively introduce new capabilities, including advanced analytics and AI, while preserving system integrity. It securely and without operational disruption bridges the core control and the digital environment, supported by a unified lifecycle service for management and maintenance. ABB has the world's largest DCS installed base and Automation Extended increases our presence in the digital environment.

Our capital allocation principles prioritize organic investments in our ability to serve customers through our local-for-local footprint. In recent years, India has grown to our tied for fourth largest market and this year we will invest approximately \$75 million to expand our manufacturing footprint and R&D capabilities in all business areas. Our expanded facilities will support growth prospects in India as well as enhance our capabilities to serve other markets in the region.

Also on the topic of capital allocation – our balance sheet is strong and we strive to deploy more cash towards acquisitions. However, we will not compromise on value creation – every deal should deliver sustainable value and make strategic sense. In March, we rewarded our shareholders with a dividend distribution of CHF 0.94 per share, the equivalent of approximately 1.3% yield based on the recent share price. Additionally, in early February, we launched our previously announced share buyback program of up to \$2.0 billion, corresponding to approximately 1.2% of recent market capitalization.



**Morten Wierod**  
CEO

In **full-year 2026**, we expect a positive book-to-bill, and a high single-digit to low double-digit growth in comparable revenues, year-on-year. The operational EBITA margin should improve year-on-year, even when excluding the real estate gain in the first quarter of 2026.

## Orders and revenues

Market dynamics were strong and order intake was up by 32% (24% comparable) reaching a new all-time-high of \$11,298 million. The increase from last year was primarily driven by comparable growth, with an additional 7% from favorable changes in exchange rates and 1% from portfolio changes. Book-to-bill was 1.29 and was positive in all business areas.

Overall for ABB, demand was robust throughout the period with no material impact from the Middle East conflict. Only in the business area Automation, some regional market disruption was noted at the end of the quarter.

Demand was positive across the majority of our main customer segments, resulting in strong order increase in all three business areas. In total, double-digit growth in the short-cycle businesses was further supported by higher large order bookings. Electrification recorded surging growth of 51% (44% comparable), Motion was up by 18% (9% comparable) and Automation improved by 12% (5% comparable). The order backlog reached the new record high of \$27,515 million, up by 27% (22% comparable), year-on-year.

All regions improved orders at a double-digit rate. Americas was up by 52% (48% comparable), led by United States up 70% (67% comparable). Europe increased by 26% (13% comparable) with stable to positive developments in the top-five countries. Asia, Middle East and Africa was up 14% (10%

comparable) including an increase of 9% (3% comparable) in China.

Transport-linked demand continued to be strong in the marine and ports segments. Rail is generally robust, although quarterly orders declined. Demand for land-based infrastructure benefited from upgrades of electrical equipment in airports, tunnels etc.

In the industrial space, a good development in utilities was clearly outpaced by a buoyant data center market.

The buildings segment improved, supported by increases in the US and Europe for both commercial and residential areas. China orders increased in a market which remains generally challenging.

Orders in the machine builder segment increased sharply in a still cautious market.

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

Revenues amounted to \$8,734 million, up 18% (11% comparable) year-on-year. Despite the backdrop of high geopolitical tension, there was no real slowdown in customers' willingness to receive deliveries. In contrast, short-cycle business remained strong and the order backlog was executed largely as planned. Strong comparable growth was driven by higher volumes, with added support from a positive price of approximately 1%. Favorable changes in exchange rates contributed 6% to total growth.

### Growth

Change year-on-year	Q1	Q1
	Orders	Revenues
Comparable	24%	11%
FX	7%	6%
Portfolio changes	1%	1%
<b>Total</b>	<b>32%</b>	<b>18%</b>

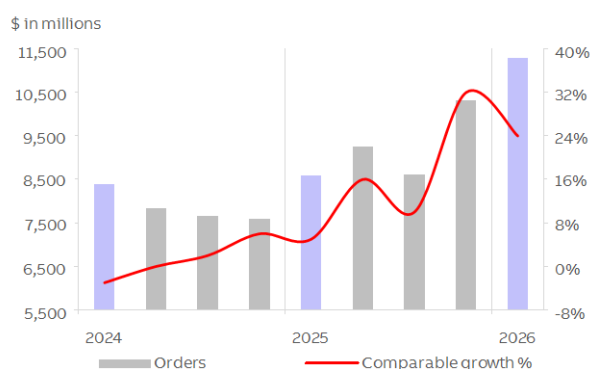
### Orders by region

(\$ in millions, unless otherwise indicated)	Q1 2026	Q1 2025	CHANGE	
			US\$	Comparable
Europe	3,755	2,977	26%	13%
The Americas	4,584	3,011	52%	48%
Asia, Middle East and Africa	2,959	2,601	14%	10%
<b>ABB Group</b>	<b>11,298</b>	<b>8,589</b>	<b>32%</b>	<b>24%</b>

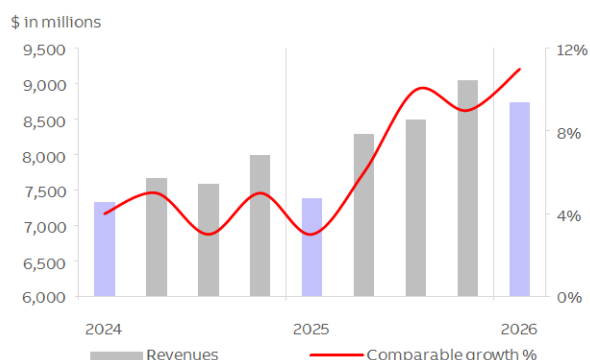
### Revenues by region

(\$ in millions, unless otherwise indicated)	Q1 2026	Q1 2025	CHANGE	
			US\$	Comparable
Europe	2,992	2,548	17%	3%
The Americas	3,391	2,810	21%	18%
Asia, Middle East and Africa	2,351	2,024	16%	12%
<b>ABB Group</b>	<b>8,734</b>	<b>7,382</b>	<b>18%</b>	<b>11%</b>

### Orders



### Revenues



## Earnings

### Gross profit

Gross profit increased by 10% (3% constant currency) year-on-year to \$3,440 million, reflecting a gross margin of 39.4%, down 290 basis points. The gross margin decline was primarily due to the impact from unrealized FX and commodity derivatives, which in contrast, were margin accretive in the prior year period. This impacted the gross margin in all business areas.

### Income from operations

Income from operations amounted to \$1,780 million, increasing 21% from last year and reflecting a margin of 20.4%, up by 40 basis points. The year-on-year earnings increase was the net outcome of higher operational result, which was partially offset by the combined adverse effects of \$235 million from higher expenses linked to mark-to-market of unrealized FX and commodity derivatives, other non-operational items like fair value adjustments of equity investments mainly in Motion and E-mobility, as well as some higher Restructuring and restructuring-related expenses mainly in the Electrification business area.

### Operational EBITA

Operational EBITA increased by 37% (28% in local currencies) to \$2,049 million, representing a margin of 23.5%. The margin improved by 320 basis points year-on-year, out of which 250 basis points were attributable to the net impact of the gains on sale of real estate, and a robust 70 basis points was driven mainly by improved business performance.

The higher business result was primarily due to operational leverage on higher volumes, which combined with positive pricing more than offset the higher expenses for commodities and tariffs, Research and Development (R&D) and Selling, general & administrative (SG&A). SG&A reduced in relation to revenues to 19.2% from last year's 20.8%.

Operational EBITA in Corporate and other amounted to \$235 million compared with last year's loss of \$6 million. This is the total of underlying Corporate costs of \$95 million which includes Stranded costs of \$26 million, the capital gain of \$377 million linked to the real estate sale and a loss of \$47 million in the E-mobility business.

### Finance net

Net finance income contributed \$20 million to results, higher compared with last year's \$11 million.

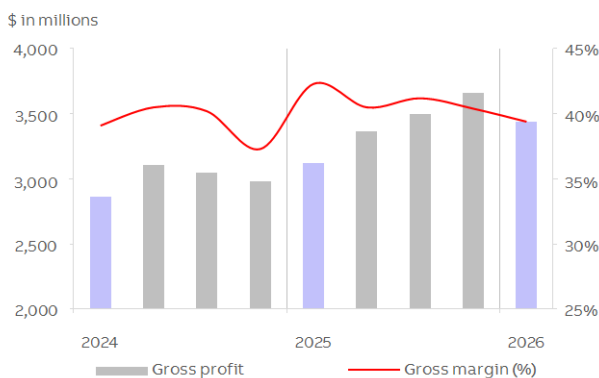
### Income tax

Income tax expense was \$467 million and effective tax rate 25.7%.

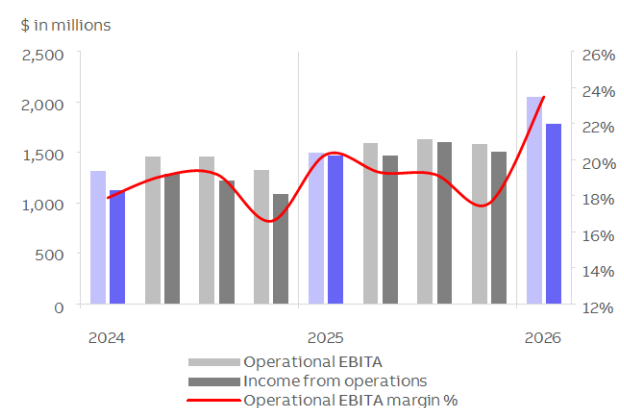
### Net income and earnings per share

Net income attributable to ABB was \$1,324 million, up 20% year-on-year, with the key drivers being contribution from improved business performance and the higher recorded capital gain. These benefits more than compensated for Discontinued operations moving to a loss, compared with recording a profit in the prior year period. Basic earnings per share increased by 21% to \$0.73, up from \$0.60 last year.

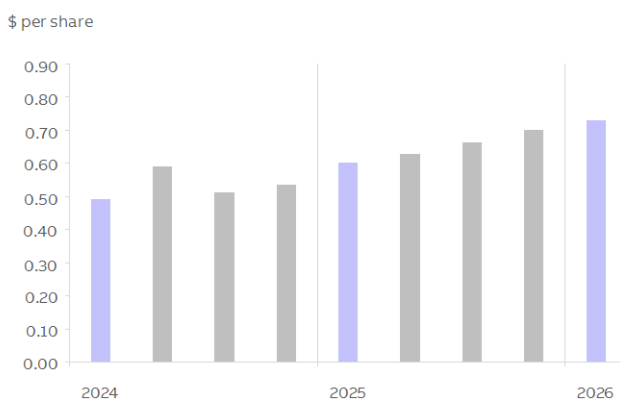
### Gross profit & Gross margin



### Income from operations & Operational EBITA



### Basic EPS



### Corporate and Other Operational EBITA

(\$ in millions)	Q1 2026	Q1 2025
<b>Corporate and Other</b>		
E-mobility	(47)	(47)
Stranded corporate costs	(26)	(29)
Corporate costs, intersegment eliminations and other <sup>1</sup>	308	70
<b>Total</b>	<b>235</b>	<b>(6)</b>

<sup>1</sup> Majority of which relates to underlying corporate

## Balance sheet & Cash flow

### Trade net working capital<sup>1</sup>

Trade net working capital amounted to \$4,017 million, down year-on-year from \$4,222 million. The decrease from last year was led by operational improvements across the Trade net working capital components, driven by accounts payables and customer advances. The average trade net working capital as a percentage of revenues<sup>1</sup> was 12.5%, a reduction from 14.1% one year ago.

### Capital expenditures

Purchases of property, plant and equipment and intangible assets for continuing operations during the first quarter amounted to \$181 million, in line with last year's \$183 million. For ABB Group, the total cash outflow on a combined basis amounted to \$216 million, higher than last year's \$195 million.

### Net debt

Net debt<sup>1</sup> amounted to \$2,268 million at the end of the quarter. This represents an increase from last year's level of \$1,453 million and sequentially from \$1,683 million in the fourth quarter, mainly due to the timing of the dividend payment.

### Cash flows

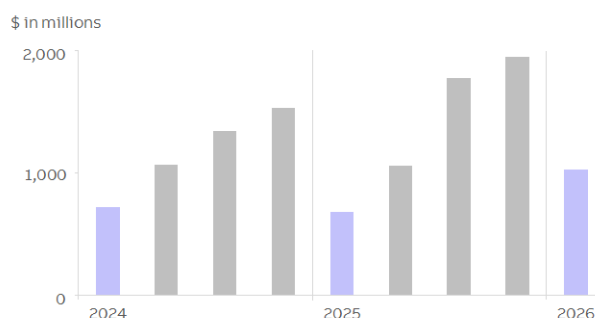
Cash flow from operating activities during the first quarter was \$1,029 million, an increase of 50% from last year's \$684 million. Contribution to the strong cash flow derived from an improvement in Continuing operations, supported by stronger earnings as well as a larger reduction in Trade net working capital, year-on-year. Free cash flow amounted to \$1,250 million, reflecting a strong improvement from last year's \$652 million, additionally supported by cash contribution from higher proceeds received from the real estate sale.

### Share buyback program

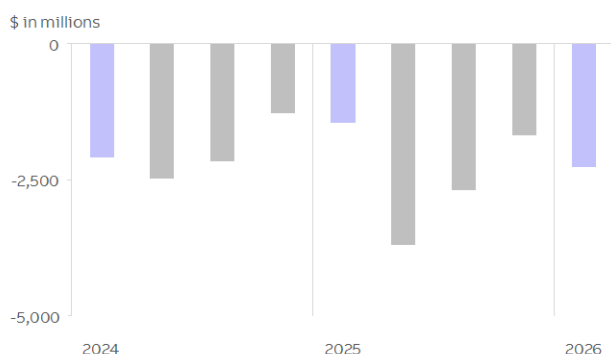
A share buyback program of up to \$2 billion was launched on February 9, 2026, after the previous program of up to \$1.5 billion was completed on January 28, 2026. During the first quarter, under the new program, ABB repurchased a total of 2,610,604 shares for a total amount of approximately \$225 million. At the end of the first quarter, ABB's total number of issued shares, including shares held in treasury, amounts to 1,843,899,204.

(\$ in millions, unless otherwise indicated)	Mar. 31 2026	Mar. 31 2025	Dec. 31 2025
Short-term debt and current maturities of long-term debt	1,621	804	475
Long-term debt	6,573	7,009	7,829
<b>Total debt</b>	<b>8,194</b>	<b>7,813</b>	<b>8,304</b>
Cash & equivalents	3,325	4,494	4,640
Marketable securities and short-term investments	2,601	1,866	1,981
<b>Cash and marketable securities</b>	<b>5,926</b>	<b>6,360</b>	<b>6,621</b>
<b>Net debt (cash)</b>	<b>2,268</b>	<b>1,453</b>	<b>1,683</b>
<b>Net debt (cash) to EBITDA ratio</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
<b>Net debt (cash) to Equity ratio</b>	<b>0.15</b>	<b>0.10</b>	<b>0.10</b>

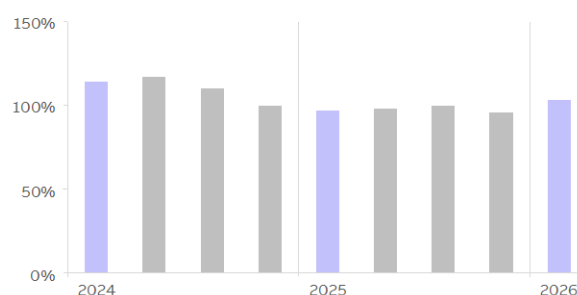
### Cash flow from operating activities



### Net Cash (Net Debt) position



### Free cash flow conversion to net income<sup>1</sup>, R12M



## Electrification



### Orders and revenues

Strong performance in buoyant market dynamics resulted in record-high orders of \$6,647 million. Total growth of 51% was driven by comparable orders up 44%, with further support of 7% from changes in exchange rates.

- Double-digit order growth in virtually all divisions is testimony to the ongoing energy expansion with electricity as the key power source. Strong growth was recorded in both short-cycle and project-businesses. Book-to-bill was 1.44, increasing the order backlog by 40% (38% comparable) to \$11.5 billion.
- All main customer segments recorded double-digit order growth, and data centers by as much as triple-digits on broad strong demand and a low comparable. Utilities customers continue to invest in power reliability and accessibility, while upgrades for a more efficient electrical infrastructure supported order growth in land-based infrastructure. Buildings was strong driven by the commercial segment, but residential also improved on good execution in a generally still muted market.
- The Americas increased by 82% (80% comparable). Europe was up by 35% (20% comparable). Asia, Middle

### Growth

Change year-on-year	Q1	Q1
	Orders	Revenues
Comparable	44%	15%
FX	7%	6%
Portfolio changes	0%	0%
<b>Total</b>	<b>51%</b>	<b>21%</b>

East and Africa improved by 26% (22% comparable) including 20% (12% comparable) in China.

- Revenues exceeded expectations due to higher demand in the short-cycle businesses. All divisions improved with volumes as the main driver, with added support from positive price management. In total, revenues amounted to \$4,613 million, up 21%; the total of 15% comparable growth and 6% from changes in exchange rates.

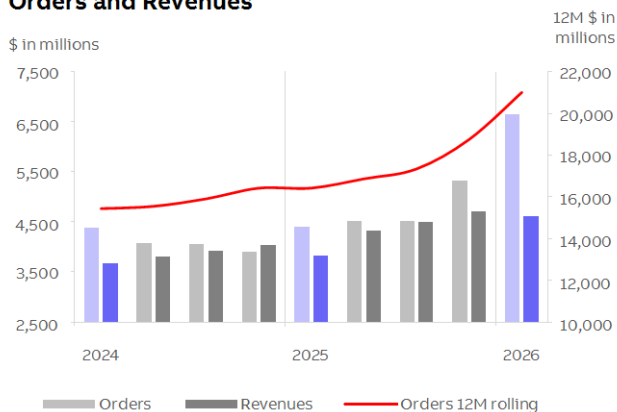
### Profit

Strong increase of 25% (17% in local currencies) in Operational EBITA to \$1,105 million, representing a margin improvement of 80 basis points to 24.0%.

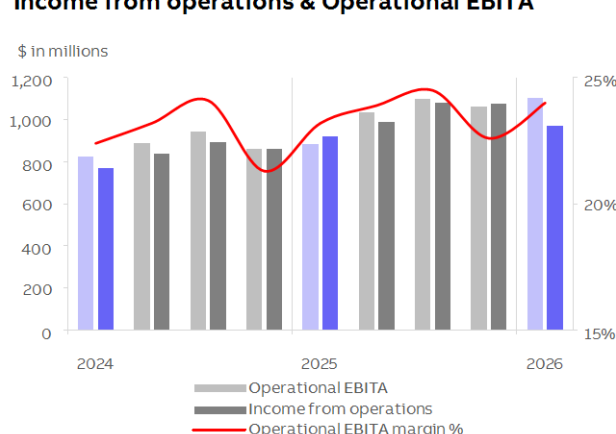
- Gross margin decline of 270 basis points was for the vast majority linked to the impact of unrealized FX and commodities derivatives.
- Increase in Operational EBITA margin was supported by:
  - Operational leverage on higher volumes and operational efficiency improvements.
  - As expected, pricing did not yet fully offset higher expenses for raw materials and tariffs.

(\$ millions, unless otherwise indicated)	Q1 2026	Q1 2025	CHANGE	
			US\$	Comparable
Orders	6,647	4,394	51%	44%
Order backlog	11,460	8,173	40%	38%
Revenues	4,613	3,825	21%	15%
Gross Profit	1,851	1,638	13%	
as % of revenues	40.1%	42.8%	-2.7 pts	
Operational EBITA	1,105	886	25%	
as % of operational revenues	24.0%	23.2%	+0.8 pts	
Cash flow from operating activities	1,011	521	94%	
No. of employees (FTE equiv.)	54,200	53,100		

### Orders and Revenues



### Income from operations & Operational EBITA



## Motion



### Orders and revenues

Record-high order intake of \$2,548 million was up 18%. Notably, 9% comparable growth was the main driver supported by positive development in virtually all divisions. Additionally, portfolio changes added 3% linked to the Gamesa power electronics deal. And lastly, favorable exchange rates provided material support of 6%.

- From a segment perspective, HVAC for commercial buildings continues to be strong. Power investments in grid stabilization increased. Food & beverage was positive, as was metals with positive demand for the High Power division offering. Rail orders declined in the quarter, although the general market remains robust. Chemicals remained weak.
- The Americas was up 22% (11% comparable), with strong improvement of 25% (14% comparable) in the United States. Europe increased 17% (5% comparable) and Asia, Middle East and Africa was up by 16% (13% comparable), with China at 9% (4% comparable).
- Revenues amounted to \$2,142 million, up 16% in total. Looking at the different components, strong

### Growth

Change year-on-year	Q1	Q1
	Orders	Revenues
Comparable	9%	7%
FX	6%	6%
Portfolio changes	3%	3%
<b>Total</b>	<b>18%</b>	<b>16%</b>

comparable growth of 7% was driven mainly by higher volumes as well as positive price management. Portfolio changes added 3% as well as a material impact of 6% from changes in exchange rates.

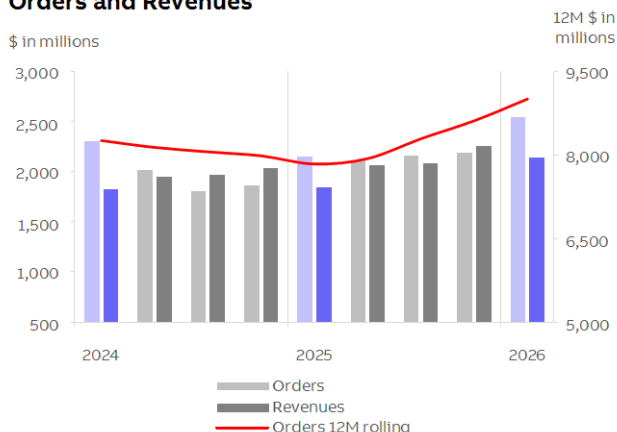
### Profit

Operational EBITA increased by 11% to \$398 million, with the margin decline of 110 basis points to 18.5% due mainly to portfolio changes.

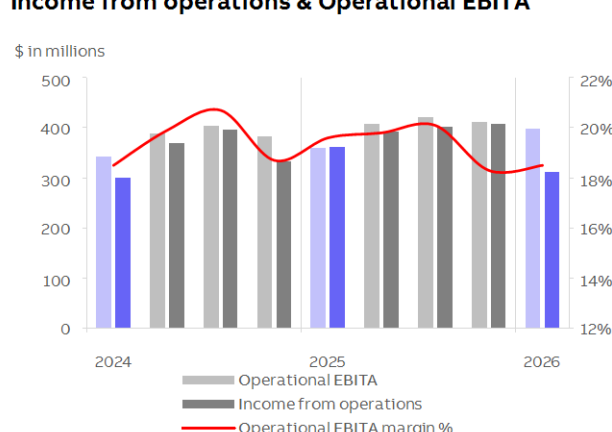
- Gross margin declined by 380 basis points with about half the impact linked to unrealized FX and commodities derivatives.
- Operational EBITA margin was supported by the strong comparable revenue increase, more than offset by
  - Dilution of 70 basis points from the Gamesa power electronics acquisition included now for the full quarter.
  - About 15 basis points dilution from operational inefficiencies in the High Power division, which are expected to be resolved in the second half of 2026.
  - Adverse mix from higher share of revenues from the backlog-driven project business.

(\$ millions, unless otherwise indicated)	Q1 2026	Q1 2025	CHANGE	
			US\$	Comparable
Orders	2,548	2,156	18%	9%
Order backlog	6,597	5,716	15%	8%
Revenues	2,142	1,840	16%	7%
Gross Profit	771	733	5%	
as % of revenues	36.0%	39.8%	-3.8 pts	
Operational EBITA	398	360	11%	
as % of operational revenues	18.5%	19.6%	-1.1 pts	
Cash flow from operating activities	306	310	-1%	
No. of employees (FTE equiv.)	23,200	22,300		

### Orders and Revenues



### Income from operations & Operational EBITA



## Automation



### Orders and revenues

Demand was overall robust and as of yet without material impact from the Middle East conflict visible in numbers. However, in this specific region the conflict caused market uncertainty and some disruption towards the end of the quarter. In total, book-to-bill was 1.15 making this the fifth consecutive positive quarter, restoring its previously strong track record disrupted by a challenging 2024 in the Machine Automation division. Orders reached \$2,464 million, up 12%, which is the combined effect of a strong comparable growth of 5% and a significant support of 7% from FX changes.

- Overall robust order growth was supported by persistently high customer activity in marine, as well as port automation and electrification. Orders from machine builders also increased sharply. Sentiment in oil & gas was overall solid, although quarterly orders declined on a high comparable. For demand linked to process industries, mining orders increased slightly, while areas like pulp & paper, chemical and metals declined. Activity among nuclear customers increased.
- Revenues reached \$2,147 million, up 18% year-on-year, supported by positive performance across all divisions.

### Growth

Change year-on-year	Q1	Q1
	Orders	Revenues
Comparable	5%	10%
FX	7%	8%
Portfolio changes	0%	0%
<b>Total</b>	<b>12%</b>	<b>18%</b>

Comparable growth of 10% was overall supported across its core components, led by volumes. Deliveries exceeded our original expectations particularly in our marine systems business and parts of the service business. Currency fluctuations contributed an additional 8% to reported growth. Despite strong revenue momentum, order backlog reached \$10.4 billion, up 25% (21% comparable).

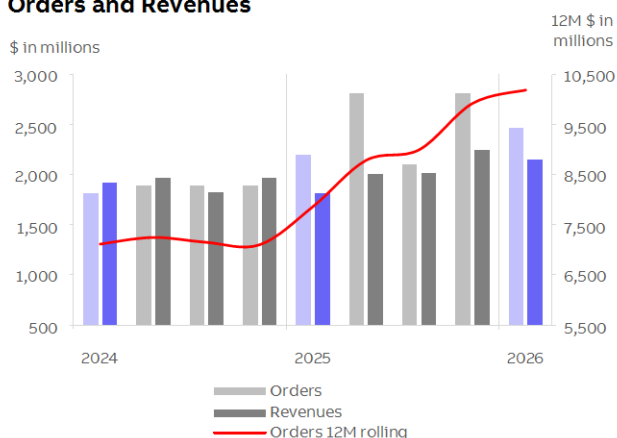
### Profit

Operational EBITA improved by 22% (11% in local currencies) to \$311 million, reflecting a margin improvement of 50 basis points to 14.7%. The impact from a lower gross margin was more than offset by stringent SG&A cost control.

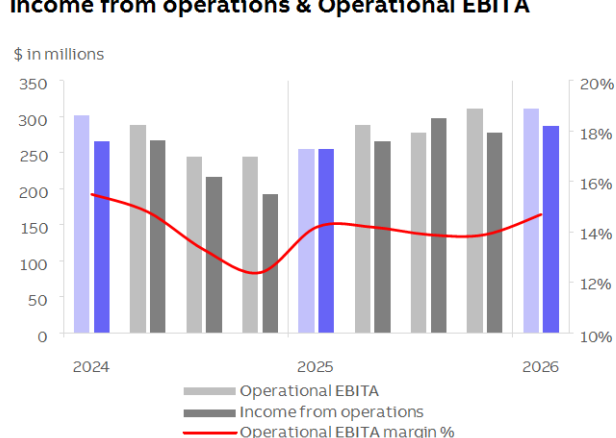
- Gross margin pressure of 240 basis points. This was the net of positive impacts from higher volumes and pricing being more than offset by counter effects from business mix as the backlog-driven systems business represented a higher share of revenues. There was also year-on-year margin dilution from unrealized FX and commodity derivatives.
- While R&D and SG&A spend increased, it reduced in relation to revenues to a combined 23.8% from 25.8% last year, supporting the Operational EBITA margin.

(\$ millions, unless otherwise indicated)	Q1 2026	Q1 2025	CHANGE	
			US\$	Comparable
Orders	2,464	2,197	12%	5%
Order backlog	10,350	8,261	25%	21%
Revenues	2,147	1,818	18%	10%
Gross Profit	794	717	11%	
as % of revenues	37.0%	39.4%	-2.4 pts	
Operational EBITA	311	255	22%	
as % of operational revenues	14.7%	14.2%	+0.5 pts	
Cash flow from operating activities	293	271	8%	
No. of employees (FTE equiv.)	26,000	25,900		

### Orders and Revenues



### Income from operations & Operational EBITA



## Sustainability



### Events from the quarter

- ABB is advancing Europe's energy transition while strengthening grid reliability. In the Netherlands, Enxis deployed 150 UniGear ZS1 medium-voltage switchgear panels to modernize its electricity grid, enhancing safety and resilience for renewable energy integration. In Germany, utility EnBW commissioned ABB's Secondary Skid Units at its Gundelsheim solar park supporting the generation of 58 million kWh annually and eliminating ~54,700 tons of CO<sub>2</sub>e yearly. ABB's SSUs are a complete solution designed for solar applications and allowed EnBW to optimize costs and resources while meeting all regulatory requirements.
- Heating and cooling account for nearly half of Europe's final energy consumption. A partnership that combines ABB's HVAC application-specific drive technology with Skadec LT's system expertise in heat pump design, ABB and Skadec contribute to advancing efficient, reliable heating solutions for European markets. As demand for electrified heating continues to grow, partnerships that bridge component innovation and system-level integration will play a key role in supporting Europe's transition toward a more energy-efficient and resilient energy landscape.

- ABB has been selected by Bruce Power to supply advanced excitation technology that will help extend the life, reliability and efficiency of eight units at the Bruce Nuclear Generating Station in Ontario – one of Canada's largest sources of low-carbon electricity. Nuclear provides 15% of Canada's electricity and 53% of Ontario's power mix. This underscores ABB's nuclear expertise and commitment to extending critical infrastructure supporting Canada's energy independence and decarbonization targets.
- ABB launched its first fully integrated gas analyzer package for Carbon Capture, Utilization and Storage (CCUS) applications. The solution facilitates complete CO<sub>2</sub> stream quality assurance across capture, transport, and storage. Designed for hard-to-abate industries including cement, chemicals, and power generation, the turnkey system simplifies procurement and ensures compliance with strict purity standards. Backed by global service networks and AI-powered asset monitoring, the solution supports industrial decarbonization while protecting pipeline integrity.
- ABB has made further progress with its Mission to Zero™ initiative, the company's journey to achieve net-zero emissions in its own operations. For example, the Sasbach facility in Germany, is implementing a data-led decarbonization roadmap focused on energy efficiency, renewable electricity and smart energy management. Separately, the production facility in Zibo, China, is delivering measurable energy and emissions reductions through advanced digital energy management and electrification solutions. The site has cut energy consumption by 71 MWh which allowed to avoid over 63 tons of CO<sub>2</sub>e emissions already in 2025 – equivalent to the electricity needed to power several hundred average homes for a month. Other sites in Spain and Argentina also progressed their efforts. Currently, 37 ABB sites are recognized to meet Mission to Zero™ requirements.

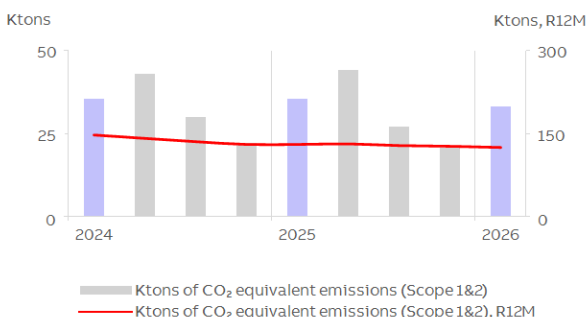
	Q1 2026	Q1 2025	CHANGE	12M ROLLING
CO <sub>2</sub> e own operations emissions, Ktons scope 1 and 2 <sup>1</sup>	33	35	-5%	125
Total recordable incident frequency rate (TRIFR), frequency / 1,000,000 working hours <sup>2</sup>	1.74	1.39	25%	1.36
Proportion of women in senior management roles in % <sup>3</sup>	23.4	21.8	+1.6 pts	22.7

1 CO<sub>2</sub> equivalent emissions from site, energy use, SF<sub>6</sub> and fleet, previous quarter

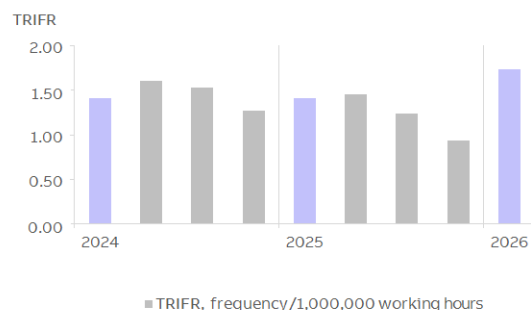
2 To align with CSRD reporting requirements, we have replaced our primary safety KPI, Lost Time Injury Frequency Rate (LTIFR), with Total Recordable Incident Frequency Rate (TRIFR). This new measure includes all incidents and injuries except first aid cases and near misses, promoting improved system learning, enhanced transparency, and greater openness in reporting. Current quarter includes all incidents reported until April 9, 2026

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

### CO<sub>2</sub>e Scope 1&2



### Total recordable incident frequency rate (TRIFR)



## Significant events

### During Q1 2026

- On February 9, 2026, ABB announced it had launched its share buyback program of up to \$2.0 billion. Based on the share price at the time this represents a maximum of approximately 23.2 million shares. The new share buyback program is for capital reduction purposes and will be executed on a second trading line on the SIX Swiss Exchange. It is planned to run until January 27, 2027.
- On March 19, 2026, ABB shareholders approved all proposals at the Annual General Meeting held in Zurich, Switzerland.

## Key acquisitions and divestments, last twelve months

Acquisitions	Company/unit	Closing date	Revenues, \$ in millions <sup>1</sup>	No. of employees
<b>2026</b>				
Electrification	Premium Power	2-Mar	~9	40
<b>2025</b>				
Motion	Gamesa Electric power electronics (Spain)	1-Dec	~170	400
Motion	Brightloop S.A.S.	1-Oct	~18	80
Electrification	Produits BEL Inc.	2-Jun	~11	65

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

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

<sup>1</sup> 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 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025	Q1 2026
EBITDA, \$ in million	1,660	1,668	1,806	1,726	6,860	1,990
Return on Capital Employed, %	24.4	24.5	24.8	25.3	25.3	27.2
Net debt/Equity	0.10	0.25	0.17	0.10	0.10	0.15
Net debt/ EBITDA 12M rolling	0.3	0.6	0.4	0.3	0.3	0.3
Net working capital	3,037	3,423	2,993	2,372	2,372	2,705
Trade net working capital	4,222	4,646	4,433	4,059	4,059	4,017
Average trade net working capital as a % of revenues	14.1%	13.8%	13.5%	13.0%	13.0%	12.5%
Earnings per share, basic, \$	0.60	0.63	0.66	0.70	2.59	0.73
Earnings per share, diluted, \$	0.60	0.63	0.66	0.70	2.59	0.73
Dividend per share, CHF	n.a.	n.a.	n.a.	n.a.	0.94	n.a.
Share price at the end of period, CHF	45.22	47.31	57.32	59.22	59.22	63.24
Number of employees (FTE equivalents)	110,100	110,900	110,700	111,900	111,900	112,700
No. of shares outstanding at end of period (in millions)	1,833	1,826	1,822	1,818	1,818	1,814

## Additional 2026 guidance

ABB based on discontinued operations structure

(\$ in millions, unless otherwise stated)	FY 2026 <sup>1</sup>	Q2 2026	(\$ in millions, unless otherwise stated)	FY 2026
Corporate and Other	~(100)	~(125)	<b>Finance net</b>	~150
Operational EBITA <sup>2</sup>	from ~(125)		<b>Effective tax rate</b>	~25% <sup>3</sup>
of which stranded costs <sup>4</sup>	~(100)	~(25)		~(1,000)
	from ~(125)		<b>Capital Expenditure</b>	From ~(900)
<b>Non-operating items</b>				
Acquisition-related amortization	~(195)	~(50)		
Separation and integration	~(60)	~(20)		
Restructuring and related and Business transformation	~(200)	~(50)		
	from ~(180)			

<sup>1</sup> 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.

<sup>2</sup> Excludes Operational EBITA from E-mobility business; and includes the real estate gain of \$377 million in Q1 2026

<sup>3</sup> Excludes the impact of acquisitions or divestments or any significant non-operational items

<sup>4</sup> Framework assumes stranded cost for the full year. Closing of Robotics divestment expected in the second half of the year, as earlier announced

## Important notice about forward-looking information

This press release includes forward-looking information and statements as well as other statements concerning the outlook for our business, including those in the sections of this release titled “CEO summary,” “Outlook,” “Sustainability” “Significant events” and “Additional 2026 guidance”. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions and the economic conditions of the regions and industries that are major markets for ABB. These expectations, estimates and projections are generally identifiable by statements containing words such as “anticipates,” “expects,” “estimates,” “intends,” “plans,” “targets,” “guidance,” or similar expressions. However, there are many risks and uncertainties, many of which are beyond

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

## Q1 results presentation on April 22, 2026

The Q1 2026 results press release and presentation slides are available on the ABB News Center at [www.abb.com/news](http://www.abb.com/news) and on the Investor Relations homepage at [www.abb.com/investorrelations](http://www.abb.com/investorrelations).

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

webcast, please refer to the ABB website: [www.abb.com/investorrelations](http://www.abb.com/investorrelations).

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

## Financial calendar

### 2026

July 16	Q2 2026 results
October 20	Q3 2026 results

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

April 22, 2026

# Q1 2026

## Financial Information

# FINANCIAL INFORMATION

## Contents

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## Key Figures

(\$ in millions, unless otherwise indicated)	Q1 2026	Q1 2025	CHANGE	
			US\$	Comparable <sup>(1)</sup>
Orders	11,298	8,589	32%	24%
Order backlog (end March)	27,515	21,708	27%	22%
Revenues	8,734	7,382	18%	11%
Gross Profit	3,440	3,122	10%	
as % of revenues	39.4%	42.3%	-2.9 pts	
Income from operations	1,780	1,474	21%	
Operational EBITA <sup>(1)</sup>	2,049	1,495	37%	28% <sup>(2)</sup>
as % of operational revenues <sup>(1)</sup>	23.5%	20.3%	+3.2 pts	
Income from continuing operations, net of tax	1,351	1,055	28%	
Net income attributable to ABB	1,324	1,102	20%	
Basic earnings per share (\$)	0.73	0.60	21% <sup>(3)</sup>	
Cash flow from operating activities	1,029	684	50%	
Free cash flow <sup>(1)</sup>	1,250	652	92%	

(1) For a reconciliation of alternative performance measures see "Supplemental Reconciliations and Definitions" on page 29.

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

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

(\$ in millions, unless otherwise indicated)		Q1 2026	Q1 2025	CHANGE		
				US\$	Local	Comparable
<b>Orders</b>	<b>ABB Group</b>	<b>11,298</b>	<b>8,589</b>	<b>32%</b>	<b>25%</b>	<b>24%</b>
	Electrification	6,647	4,394	51%	44%	44%
	Motion	2,548	2,156	18%	12%	9%
	Automation	2,464	2,197	12%	5%	5%
	<i>Corporate and Other</i>	72	128			
	<i>Intersegment eliminations</i>	(433)	(286)			
<b>Order backlog (end March)</b>	<b>ABB Group</b>	<b>27,515</b>	<b>21,708</b>	<b>27%</b>	<b>23%</b>	<b>22%</b>
	Electrification	11,460	8,173	40%	37%	38%
	Motion	6,597	5,716	15%	11%	8%
	Automation	10,350	8,261	25%	21%	21%
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(892)	(442)			
<b>Revenues</b>	<b>ABB Group</b>	<b>8,734</b>	<b>7,382</b>	<b>18%</b>	<b>12%</b>	<b>11%</b>
	Electrification	4,613	3,825	21%	15%	15%
	Motion	2,142	1,840	16%	10%	7%
	Automation	2,147	1,818	18%	10%	10%
	<i>Corporate and Other</i>	88	96			
	<i>Intersegment eliminations</i>	(256)	(197)			
<b>Income from operations</b>	<b>ABB Group</b>	<b>1,780</b>	<b>1,474</b>			
	Electrification	969	922			
	Motion	311	361			
	Automation	287	255			
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	213	(64)			
<b>Income from operations %</b>	<b>ABB Group</b>	<b>20.4%</b>	<b>20.0%</b>			
	Electrification	21.0%	24.1%			
	Motion	14.5%	19.6%			
	Automation	13.4%	14.0%			
<b>Operational EBITA</b>	<b>ABB Group</b>	<b>2,049</b>	<b>1,495</b>	<b>37%</b>	<b>28%</b>	
	Electrification	1,105	886	25%	17%	
	Motion	398	360	11%	3%	
	Automation	311	255	22%	11%	
	<i>Corporate and Other<sup>(1)</sup></i>					
	<i>(incl. intersegment eliminations)</i>	235	(6)			
<b>Operational EBITA %</b>	<b>ABB Group</b>	<b>23.5%</b>	<b>20.3%</b>			
	Electrification	24.0%	23.2%			
	Motion	18.5%	19.6%			
	Automation	14.7%	14.2%			
<b>Cash flow from operating activities</b>	<b>ABB Group</b>	<b>1,029</b>	<b>684</b>			
	Electrification	1,011	521			
	Motion	306	310			
	Automation	293	271			
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(599)	(494)			
	<i>Discontinued operations</i>	18	76			

(1) Corporate and Other at Q1 2026 and Q1 2025 includes Stranded corporate costs of \$26 million and \$29 million, respectively.

## Operational EBITA

(\$ in millions, unless otherwise indicated)	ABB		Electrification		Motion		Automation	
	Q1 26	Q1 25	Q1 26	Q1 25	Q1 26	Q1 25	Q1 26	Q1 25
<b>Revenues</b>	<b>8,734</b>	<b>7,382</b>	<b>4,613</b>	<b>3,825</b>	<b>2,142</b>	<b>1,840</b>	<b>2,147</b>	<b>1,818</b>
Foreign exchange/commodity timing differences in total revenues	(21)	(25)	-	(5)	4	(3)	(25)	(17)
<b>Operational revenues</b>	<b>8,713</b>	<b>7,357</b>	<b>4,613</b>	<b>3,820</b>	<b>2,146</b>	<b>1,837</b>	<b>2,122</b>	<b>1,801</b>
<b>Income from operations</b>	<b>1,780</b>	<b>1,474</b>	<b>969</b>	<b>922</b>	<b>311</b>	<b>361</b>	<b>287</b>	<b>255</b>
Acquisition-related amortization	47	43	27	26	11	9	9	8
Restructuring, related and implementation costs <sup>(1)</sup>	48	13	26	6	7	2	13	4
Changes in obligations related to divested businesses	(5)	(1)	-	-	-	-	-	-
Gains and losses from sale of businesses	(2)	(11)	-	(11)	-	-	-	-
Acquisition- and divestment-related expenses and integration costs	12	8	7	10	2	1	2	1
Certain other non-operational items	81	20	6	(31)	46	6	5	(2)
Foreign exchange/commodity timing differences in income from operations	88	(51)	70	(36)	21	(19)	(5)	(11)
<b>Operational EBITA</b>	<b>2,049</b>	<b>1,495</b>	<b>1,105</b>	<b>886</b>	<b>398</b>	<b>360</b>	<b>311</b>	<b>255</b>
<b>Operational EBITA margin (%)</b>	<b>23.5%</b>	<b>20.3%</b>	<b>24.0%</b>	<b>23.2%</b>	<b>18.5%</b>	<b>19.6%</b>	<b>14.7%</b>	<b>14.2%</b>

(1) Includes impairment of certain assets.

## Depreciation and Amortization

(\$ in millions)	ABB		Electrification		Motion		Automation	
	Q1 26	Q1 25	Q1 26	Q1 25	Q1 26	Q1 25	Q1 26	Q1 25
Depreciation	150	131	86	71	33	31	19	18
Amortization	60	55	33	32	14	11	11	10
including total acquisition-related amortization of:	47	43	27	26	11	9	9	8

## Orders received and Revenues by region

(\$ in millions, unless otherwise indicated)	Orders received		CHANGE			Revenues		CHANGE		
	Q1 26	Q1 25	US\$	Local	Com-parable	Q1 26	Q1 25	US\$	Local	Com-parable
Europe	3,755	2,977	26%	13%	13%	2,992	2,548	17%	5%	3%
The Americas	4,584	3,011	52%	49%	48%	3,391	2,810	21%	19%	18%
of which United States	3,852	2,266	70%	69%	67%	2,696	2,197	23%	22%	22%
Asia, Middle East and Africa	2,959	2,601	14%	11%	10%	2,351	2,024	16%	13%	12%
of which China	1,152	1,056	9%	4%	3%	949	809	17%	12%	11%
<b>ABB Group</b>	<b>11,298</b>	<b>8,589</b>	<b>32%</b>	<b>25%</b>	<b>24%</b>	<b>8,734</b>	<b>7,382</b>	<b>18%</b>	<b>12%</b>	<b>11%</b>

# Consolidated Financial Information

## ABB Ltd Consolidated Income Statements (unaudited)

(\$ in millions, except per share data in \$)	Three months ended	
	Mar. 31, 2026	Mar. 31, 2025
Sales of products	7,339	6,156
Sales of services and other	1,395	1,226
<b>Total revenues</b>	<b>8,734</b>	<b>7,382</b>
Cost of sales of products	(4,506)	(3,588)
Cost of services and other	(788)	(672)
<b>Total cost of sales</b>	<b>(5,294)</b>	<b>(4,260)</b>
<b>Gross profit</b>	<b>3,440</b>	<b>3,122</b>
Selling, general and administrative expenses	(1,675)	(1,534)
Non-order related research and development expenses	(333)	(303)
Other income (expense), net	348	189
<b>Income from operations</b>	<b>1,780</b>	<b>1,474</b>
Interest and dividend income	49	54
Interest and other finance expense	(29)	(43)
Non-operational pension (cost) credit	18	14
<b>Income from continuing operations before taxes</b>	<b>1,818</b>	<b>1,499</b>
Income tax expense	(467)	(444)
<b>Income from continuing operations, net of tax</b>	<b>1,351</b>	<b>1,055</b>
Income (loss) from discontinued operations, net of tax	(18)	63
<b>Net income</b>	<b>1,333</b>	<b>1,118</b>
Net income attributable to noncontrolling interests	(9)	(16)
<b>Net income attributable to ABB</b>	<b>1,324</b>	<b>1,102</b>
<b>Amounts attributable to ABB shareholders:</b>		
Income from continuing operations, net of tax	1,337	1,039
Income (loss) from discontinued operations, net of tax	(13)	63
Net income	1,324	1,102
<b>Basic earnings per share attributable to ABB shareholders:</b>		
Income from continuing operations, net of tax	0.74	0.57
Income (loss) from discontinued operations, net of tax	(0.01)	0.03
Net income	0.73	0.60
<b>Diluted earnings per share attributable to ABB shareholders:</b>		
Income from continuing operations, net of tax	0.73	0.56
Income (loss) from discontinued operations, net of tax	(0.01)	0.03
Net income	0.73	0.60
<b>Weighted-average number of shares outstanding (in millions) used to compute:</b>		
Basic earnings per share attributable to ABB shareholders	1,817	1,836
Diluted earnings per share attributable to ABB shareholders	1,821	1,841

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

See Notes to the Consolidated Financial Information

## ABB Ltd Condensed Consolidated Statements of Comprehensive Income (unaudited)

(\$ in millions)	Three months ended	
	Mar. 31, 2026	Mar. 31, 2025
<b>Total comprehensive income, net of tax</b>	<b>1,157</b>	<b>1,293</b>
Total comprehensive (income) loss attributable to noncontrolling interests, net of tax	2	(22)
<b>Total comprehensive income attributable to ABB shareholders, net of tax</b>	<b>1,159</b>	<b>1,271</b>

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

See Notes to the Consolidated Financial Information

## ABB Ltd Consolidated Balance Sheets (unaudited)

(\$ in millions)	Mar. 31, 2026	Dec. 31, 2025
Cash and equivalents	3,325	4,640
Marketable securities and short-term investments	2,601	1,981
Receivables, net	7,606	7,535
Contract assets	1,152	1,090
Inventories, net	6,056	5,862
Prepaid expenses	363	281
Other current assets	580	627
Current assets held for sale and in discontinued operations	3,779	3,562
<b>Total current assets</b>	<b>25,462</b>	<b>25,578</b>
Property, plant and equipment, net	4,605	4,692
Operating lease right-of-use assets	785	765
Investments in equity-accounted companies	321	349
Prepaid pension and other employee benefits	958	937
Intangible assets, net	1,088	1,119
Goodwill	9,585	9,637
Deferred taxes	1,289	1,248
Other non-current assets	536	560
<b>Total assets</b>	<b>44,629</b>	<b>44,885</b>
Accounts payable, trade	5,423	5,210
Contract liabilities	3,475	3,221
Short-term debt and current maturities of long-term debt	1,621	475
Current operating leases	227	253
Provisions	1,493	1,477
Other current liabilities	5,088	4,677
Current liabilities held for sale and in discontinued operations	1,184	1,108
<b>Total current liabilities</b>	<b>18,511</b>	<b>16,421</b>
Long-term debt	6,573	7,829
Non-current operating leases	579	533
Pension and other employee benefits	541	550
Deferred taxes	855	792
Other non-current liabilities	2,160	2,101
Non-current liabilities held for sale and in discontinued operations	43	13
<b>Total liabilities</b>	<b>29,262</b>	<b>28,239</b>
<i>Commitments and contingencies</i>		
<b>Stockholders' equity:</b>		
Common stock, CHF 0.12 par value (1,844 million and 1,844 million shares issued at March 31, 2026, and December 31, 2025, respectively)	160	160
Additional paid-in capital	42	64
Retained earnings	21,784	22,606
Accumulated other comprehensive loss	(5,418)	(5,253)
Treasury stock, at cost (29 million and 26 million shares at March 31, 2026, and December 31, 2025, respectively)	(1,801)	(1,490)
<b>Total ABB stockholders' equity</b>	<b>14,767</b>	<b>16,087</b>
Noncontrolling interests	600	559
<b>Total stockholders' equity</b>	<b>15,367</b>	<b>16,646</b>
<b>Total liabilities and stockholders' equity</b>	<b>44,629</b>	<b>44,885</b>

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

See Notes to the Consolidated Financial Information

## ABB Ltd Consolidated Statements of Cash Flows (unaudited)

(\$ in millions)	Three months ended	
	Mar. 31, 2026	Mar. 31, 2025
<b>Operating activities:</b>		
Net income	1,333	1,118
Loss (income) from discontinued operations, net of tax	18	(63)
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation and amortization	210	186
Changes in fair values of investments	30	(12)
Pension and other employee benefits	(16)	(21)
Deferred taxes	13	29
Net loss (gain) from derivatives and foreign exchange	42	(57)
Net gain from sale of property, plant and equipment	(392)	(133)
Net gain from sale of businesses	(2)	(11)
Other	44	(9)
Changes in operating assets and liabilities:		
Trade receivables, net	(105)	(56)
Contract assets and liabilities	217	132
Inventories, net	(268)	(85)
Accounts payable, trade	247	(103)
Accrued liabilities	(531)	(485)
Provisions, net	36	(46)
Income taxes payable and receivable	92	212
Other assets and liabilities, net	43	12
<b>Net cash provided by operating activities – continuing operations</b>	<b>1,011</b>	<b>608</b>
<b>Net cash provided by operating activities – discontinued operations</b>	<b>18</b>	<b>76</b>
<b>Net cash provided by operating activities</b>	<b>1,029</b>	<b>684</b>
<b>Investing activities:</b>		
Purchases of investments	(833)	(846)
Purchases of property, plant and equipment and intangible assets	(181)	(183)
Acquisition of businesses (net of cash acquired) and increases in cost- and equity-accounted companies	(27)	(552)
Proceeds from sales of investments	192	329
Proceeds from sales of property, plant and equipment	437	163
Proceeds from sales of businesses (net of transaction costs and cash disposed) and cost- and equity-accounted companies	1	50
Net cash from settlement of foreign currency derivatives	6	110
Other investing activities	(1)	2
<b>Net cash used in investing activities – continuing operations</b>	<b>(406)</b>	<b>(927)</b>
<b>Net cash used in investing activities – discontinued operations</b>	<b>(34)</b>	<b>(19)</b>
<b>Net cash used in investing activities</b>	<b>(440)</b>	<b>(946)</b>
<b>Financing activities:</b>		
Net changes in debt with original maturities of 90 days or less	27	400
Increase in debt	23	295
Repayment of debt	(30)	(7)
Purchase of treasury stock	(248)	(289)
Dividends paid	(1,614)	–
Other financing activities	(15)	1
<b>Net cash provided by (used in) financing activities – continuing operations</b>	<b>(1,857)</b>	<b>400</b>
<b>Net cash provided by financing activities – discontinued operations</b>	<b>3</b>	<b>–</b>
<b>Net cash provided by (used in) financing activities</b>	<b>(1,854)</b>	<b>400</b>
Effects of exchange rate changes on cash and equivalents	(50)	30
<b>Net change in cash and equivalents</b>	<b>(1,315)</b>	<b>168</b>
Cash and equivalents, beginning of period	4,640	4,326
<b>Cash and equivalents, end of period</b>	<b>3,325</b>	<b>4,494</b>
<b>Supplementary disclosure of cash flow information:</b>		
Interest paid	110	118
Income taxes paid	400	258

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
<b>Balance at January 1, 2025</b>	<b>162</b>	<b>50</b>	<b>20,648</b>	<b>(5,350)</b>	<b>(1,091)</b>	<b>14,419</b>	<b>572</b>	<b>14,991</b>
Net income			1,102			1,102	16	1,118
Foreign currency translation adjustments, net of tax of \$0				182		182	6	188
Effect of change in fair value of available-for-sale securities, net of tax of \$0				3		3		3
Unrecognized income (expense) related to pensions and other postretirement plans, net of tax of \$(8)				(18)		(18)		(18)
Change in derivative instruments and hedges, net of tax of \$0				2		2		2
Changes in noncontrolling interests							1	1
Dividends to shareholders			(1,867)			(1,867)		(1,867)
Share-based payment arrangements		17				17	1	18
Purchase of treasury stock					(326)	(326)		(326)
Delivery of shares		(31)			31			
<b>Balance at March 31, 2025</b>	<b>162</b>	<b>38</b>	<b>19,883</b>	<b>(5,181)</b>	<b>(1,387)</b>	<b>13,515</b>	<b>596</b>	<b>14,111</b>
<b>Balance at January 1, 2026</b>	<b>160</b>	<b>64</b>	<b>22,606</b>	<b>(5,253)</b>	<b>(1,490)</b>	<b>16,087</b>	<b>559</b>	<b>16,646</b>
Net income			1,324			1,324	9	1,333
Foreign currency translation adjustments, net of tax of \$(1)				(190)		(190)	(11)	(201)
Effect of change in fair value of available-for-sale securities, net of tax of \$0								
Unrecognized income (expense) related to pensions and other postretirement plans, net of tax of \$10				24		24		24
Change in derivative instruments and hedges, net of tax of \$0				1		1		1
Changes in noncontrolling interests		(44)				(44)	44	
Dividends to noncontrolling shareholders							(3)	(3)
Dividends to shareholders			(2,146)			(2,146)		(2,146)
Share-based payment arrangements		26				26	1	27
Purchase of treasury stock					(315)	(315)		(315)
Delivery of shares		(5)			5			
<b>Balance at March 31, 2026</b>	<b>160</b>	<b>42</b>	<b>21,784</b>	<b>(5,418)</b>	<b>(1,801)</b>	<b>14,767</b>	<b>600</b>	<b>15,367</b>

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

See Notes to the Consolidated Financial Information

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## Notes to the Consolidated Financial Information (unaudited)

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### 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, 2025.

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, and
- estimates and assumptions used in determining the fair values of assets and liabilities assumed in business combinations.

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

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

#### Basis of presentation

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

Certain amounts reported in the Consolidated Financial Information for prior periods have been reclassified to conform to the current year's presentation.

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### Note 2

#### Recent accounting pronouncements

##### Applicable for future periods

##### Disaggregation of Income Statement expenses

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

##### Targeted Improvements to the Accounting for Internal-Use Software

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

## Note 3

### Discontinued operations

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

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

In addition, amounts relating to stranded corporate costs have been separately disclosed as a component of Corporate and Other (see Note 16). Stranded costs represent allocated overhead and other management costs which were previously included in the measure of segment profit (Operational EBITA) for the Robotics division within the former Robotics & Discrete Automation operating segment but are not directly attributable to the discontinued operation and thus do not qualify to be recorded as part of income from discontinued operations.

Operating results of the discontinued operations are summarized as follows:

(\$ in millions)	Three months ended	
	Mar. 31, 2026	Mar. 31, 2025
Total revenues	537	553
Total cost of sales	(341)	(367)
<b>Gross profit</b>	<b>196</b>	<b>186</b>
Expenses	(160)	(96)
<b>Income from operations</b>	<b>36</b>	<b>90</b>
Net interest and other finance expense	(9)	(4)
Non-operational pension (cost) credit	1	–
<b>Income from discontinued operations before taxes</b>	<b>28</b>	<b>86</b>
Income tax expense	(46)	(23)
<b>Income (loss) from discontinued operations, net of tax</b>	<b>(18)</b>	<b>63</b>

Of the total income from discontinued operations before taxes in the table above, \$27 million and \$86 million in the three months ended March 31, 2026 and 2025, are attributable to the Company, while the remainder is attributable to noncontrolling interests.

Income from discontinued operations before taxes excluded stranded costs which were previously allocated to the Robotics division. As a result, in the three months ended March 31, 2026 and 2025, \$26 million and \$29 million, respectively, of allocated overhead and other management costs which were previously included in the measure of segment profit for the Robotics division are now reported as part of Corporate and Other. In addition, as required by U.S. GAAP, the Company has not recorded depreciation or amortization on the property, plant and equipment and intangible assets reported as discontinued operations in the three months ended March 31, 2026.

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

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

(\$ in millions)	Mar. 31, 2026 <sup>(1)</sup>	Dec. 31, 2025 <sup>(1)</sup>
Receivables, net	502	489
Contract assets	210	217
Inventories, net	400	372
Property, plant and equipment, net	317	290
Operating lease right-of-use assets	110	84
Goodwill	1,828	1,847
Deferred taxes	276	123
Other assets	136	140
<b>Current assets held for sale and in discontinued operations</b>	<b>3,779</b>	<b>3,562</b>
Accounts payable, trade	352	317
Contract liabilities	250	250
Operating leases	108	87
Other liabilities	474	454
<b>Current liabilities held for sale and in discontinued operations</b>	<b>1,184</b>	<b>1,108</b>
Other non-current liabilities	43	13
<b>Non-current liabilities held for sale and in discontinued operations</b>	<b>43</b>	<b>13</b>

(1) At March 31, 2026, and December 31, 2025, the balances reported as held for sale and in discontinued operations also include amounts pertaining to previously divested businesses and other obligations which will remain with the Company until such time as the obligations are settled or the activities are fully wound down.

## Note 4

### Acquisitions and divestments

#### Acquisition of controlling interests

Acquisitions of controlling interests were as follows:

(\$ in millions, except number of acquired businesses) <sup>(1)</sup>	Three months ended March 31,	
	2026	2025
Purchase price for acquisitions (net of cash acquired) <sup>(2)</sup>	16	546
Aggregate excess of purchase price over fair value of net assets acquired <sup>(3)</sup>	6	426
Number of acquired businesses	2	3

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

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

(3) Recorded as goodwill.

In the table above, the "Purchase price for acquisitions" and "Aggregate excess of purchase price over fair value of net assets acquired" in the three months ended March 31, 2026, were not significant, while in the three months ended March 31, 2025, relate primarily to the acquisitions of Sensorfact BV and the Siemens wiring accessories business in China.

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

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

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

## Note 5

### Cash and equivalents, marketable securities and short-term investments

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

March 31, 2026						
(\$ in millions)	Cost basis	Gross unrealized gains	Gross unrealized losses	Fair value	Cash and equivalents	Marketable securities and short-term investments
<b>Changes in fair value recorded in net income</b>						
Cash	1,656			1,656	1,656	
Time deposits	2,339			2,339	1,669	670
Equity securities	1,856	68		1,924		1,924
	<b>5,851</b>	<b>68</b>	<b>-</b>	<b>5,919</b>	<b>3,325</b>	<b>2,594</b>
<b>Changes in fair value recorded in other comprehensive income</b>						
Debt securities available-for-sale:						
Other government obligations	7			7		7
	<b>7</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>7</b>
<b>Total</b>	<b>5,858</b>	<b>68</b>	<b>-</b>	<b>5,926</b>	<b>3,325</b>	<b>2,601</b>

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

## Note 6

### Derivative financial instruments

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

#### Currency risk

Due to the global nature of the Company's operations, many of its subsidiaries are exposed to currency risk in their operating activities from entering into transactions in currencies other than their functional currency. To manage such currency risks, the Company operates programs to hedge the foreign currency exposures from forecasted cash flows, committed orders and project-related exposures. Forward foreign exchange contracts are the main instrument used to protect the Company against the volatility of future cash flows (caused by changes in exchange rates) of contracted and forecasted sales and purchases denominated in foreign currencies. In addition, within its treasury operations, the Company primarily uses foreign exchange swaps and forward foreign exchange contracts to manage the currency and timing mismatches arising in its liquidity management activities.

The Company also has numerous investments in its foreign subsidiaries, the net assets of which are exposed to volatility in foreign currency exchange rates. Forward foreign exchange contracts are used to reduce the foreign currency exchange risk related to the Company's investment in certain foreign subsidiaries. These derivatives are designated as net investment hedges.

#### Commodity risk

Various commodity products are used in the Company's manufacturing activities. Consequently, it is exposed to volatility in future cash flows arising from changes in commodity prices. To manage the price risk of commodities, the Company operates programs to hedge the forecasted commodity exposure and project-related exposures. Swap contracts are primarily 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		
	March 31, 2026	December 31, 2025	March 31, 2025
Foreign exchange contracts	17,123	14,743	14,776
Embedded foreign exchange derivatives	1,725	1,640	1,373
Cross-currency interest rate swaps	917	940	865
Interest rate contracts	573	1,644	1,625

#### Derivative commodity contracts

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

Type of derivative	Unit	Total notional amounts at		
		March 31, 2026	December 31, 2025	March 31, 2025
Copper swaps	metric tonnes	46,557	33,912	37,364
Silver swaps	ounces	3,016,021	2,059,055	2,138,318
Steel swaps	metric tonnes	12,791	14,198	18,144
Aluminum swaps	metric tonnes	4,800	3,850	4,300

#### Cash flow hedges

As noted above, the Company mainly uses forward foreign exchange contracts to manage the foreign exchange risk of its operations and commodity swaps to manage its commodity risks. The Company applies cash flow hedge accounting in only limited cases. In these cases, the effective portion of the changes in their fair value is recorded in Accumulated other comprehensive loss and subsequently reclassified into earnings in the same line item and in the same period as the underlying hedged transaction affects earnings. For the three months ended March 31, 2026 and 2025, there were no significant amounts recorded for cash flow hedge accounting activities.

#### Net investment hedges

The Company designates forward foreign exchange contracts used to reduce the foreign currency exchange risk related to its net investment in certain foreign subsidiaries as net investment hedges. Accordingly, the gains and losses on the derivatives are recorded in Accumulated other comprehensive loss as part of Foreign currency translation adjustments. The accumulated gains and losses associated with these instruments will remain in Accumulated other comprehensive loss until the foreign subsidiaries are sold or substantially liquidated, at which point they will be reclassified into earnings. The cash flows associated with derivatives designated as net investment hedges are recorded within investing activities in the Consolidated Statements of Cash Flows. For the three months ended March 31, 2026 and 2025, there were no significant amounts recognized in or reclassified out of Accumulated other comprehensive loss related to net investment hedges. In addition, in the three months ended March 31, 2026 and 2025, the Company did not have any ineffectiveness related to net investment hedges.

#### Fair value hedges

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

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

(\$ in millions)		Three months ended March 31,	
		2026	2025
<b>Gains (losses) recognized in Interest and other finance expense:</b>			
Interest rate contracts	Designated as fair value hedges	(8)	(5)
	Hedged item	8	5
Cross-currency interest rate swaps	Designated as fair value hedges	(4)	(1)
	Hedged item	4	2

#### Derivatives not designated in hedge relationships

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

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

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

Type of derivative not designated as a hedge (\$ in millions)	Location	Gains (losses) recognized in income	
		Three months ended March 31,	
		2026	2025
Foreign exchange contracts	Total revenues	(8)	74
	Total cost of sales	(4)	(14)
	SG&A expenses <sup>(1)</sup>	4	(18)
	Interest and other finance expense	23	50
Embedded foreign exchange contracts	Total revenues	3	(3)
	Total cost of sales	(2)	3
Commodity contracts	Total cost of sales	(13)	41
Other	Interest and other finance expense	1	-
<b>Total</b>		<b>4</b>	<b>133</b>

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

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

(\$ in millions)	March 31, 2026			
	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"
<b>Derivatives designated as hedging instruments:</b>				
Foreign exchange contracts	3	-	3	-
Interest rate contracts	-	-	-	10
Cross-currency interest rate swaps	-	-	-	167
<b>Total</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>177</b>
<b>Derivatives not designated as hedging instruments:</b>				
Foreign exchange contracts	130	28	64	10
Commodity contracts	73	-	37	-
Embedded foreign exchange derivatives	24	9	21	10
<b>Total</b>	<b>227</b>	<b>37</b>	<b>122</b>	<b>20</b>
<b>Total fair value</b>	<b>230</b>	<b>37</b>	<b>125</b>	<b>197</b>

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

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

Although the Company is party to close-out netting agreements with most derivative counterparties, the fair values in the tables above and in the Consolidated Balance Sheets at March 31, 2026, and December 31, 2025, have been presented on a gross basis.

The Company's netting agreements and other similar arrangements allow net settlements under certain conditions. At March 31, 2026, and December 31, 2025, information related to these offsetting arrangements was as follows:

(\$ in millions)	March 31, 2026				
	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	234	(85)	-	-	149
<b>Total</b>	<b>234</b>	<b>(85)</b>	<b>-</b>	<b>-</b>	<b>149</b>

(\$ in millions)	March 31, 2026				
	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	291	(85)	-	-	206
<b>Total</b>	<b>291</b>	<b>(85)</b>	<b>-</b>	<b>-</b>	<b>206</b>

(\$ in millions)	December 31, 2025				
	Gross amount of recognized assets	Derivative liabilities eligible for set-off in case of default	Cash collateral received	Non-cash collateral received	Net asset exposure
Derivatives	255	(56)	-	-	199
<b>Total</b>	<b>255</b>	<b>(56)</b>	<b>-</b>	<b>-</b>	<b>199</b>

(\$ in millions)	December 31, 2025				
	Gross amount of recognized liabilities	Derivative liabilities eligible for set-off in case of default	Cash collateral pledged	Non-cash collateral pledged	Net liability exposure
Derivatives	212	(56)	-	-	156
<b>Total</b>	<b>212</b>	<b>(56)</b>	<b>-</b>	<b>-</b>	<b>156</b>

## Note 7

### Fair values

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

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

The levels of the fair value hierarchy are as follows:

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

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

**Level 3:** Valuation inputs are based on the Company's assumptions which require significant judgement or estimation (unobservable input).

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

#### Recurring fair value measures

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

(\$ in millions)	March 31, 2026			Total fair value
	Level 1	Level 2	Level 3	
<b>Assets</b>				
Securities in "Marketable securities and short-term investments":				
Equity securities		1,924		1,924
Debt securities—Other government obligations	7			7
Derivative assets—current in "Other current assets"		230		230
Derivative assets—non-current in "Other non-current assets"		37		37
<b>Total</b>	<b>7</b>	<b>2,191</b>	<b>–</b>	<b>2,198</b>
<b>Liabilities</b>				
Derivative liabilities—current in "Other current liabilities"		125		125
Derivative liabilities—non-current in "Other non-current liabilities"		197		197
<b>Total</b>	<b>–</b>	<b>322</b>	<b>–</b>	<b>322</b>

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

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

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

#### Non-recurring fair value measures

There were no significant non-recurring fair value measurements during the three months ended March 31, 2026 and 2025.

#### Disclosure about financial instruments carried on a cost basis

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

(\$ in millions)	March 31, 2026				Total fair value
	Carrying value	Level 1	Level 2	Level 3	
<b>Assets</b>					
Cash and equivalents (excluding securities with original maturities up to 3 months):					
Cash	1,656	1,656			1,656
Time deposits	1,669		1,669		1,669
Marketable securities and short-term investments (excluding securities):					
Time deposits	670		670		670
<b>Liabilities</b>					
Short-term debt and current maturities of long-term debt (excluding finance lease obligations)					
	1,594	1,555	39		1,594
Long-term debt (excluding finance lease obligations)	6,432	6,295	712		7,007

(\$ in millions)	December 31, 2025				Total fair value
	Carrying value	Level 1	Level 2	Level 3	
<b>Assets</b>					
Cash and equivalents (excluding securities with original maturities up to 3 months):					
Cash	1,398	1,398			1,398
Time deposits	3,242		3,242		3,242
Marketable securities and short-term investments (excluding securities):					
Time deposits	562		562		562
<b>Liabilities</b>					
Short-term debt and current maturities of long-term debt (excluding finance lease obligations)					
	448	416	32		448
Long-term debt (excluding finance lease obligations)	7,681	7,013	733		7,746

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 8

### Contract assets and liabilities

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

(\$ in millions)	March 31, 2026	December 31, 2025	March 31, 2025
Contract assets	1,152	1,090	992
Contract liabilities	3,475	3,221	2,986

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)	Three months ended March 31,			
	2026		2025	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Revenue recognized, which was included in the Contract liabilities balance at Jan 1, 2026/2025		(834)		(583)
Additions to Contract liabilities - excluding amounts recognized as revenue during the period		1,124		794
Receivables recognized that were included in the Contract assets balance at Jan 1, 2026/2025	(392)		(300)	

The Company considers its order backlog to represent its unsatisfied performance obligations. At March 31, 2026, the Company had unsatisfied performance obligations totaling \$27,515 million and, of this amount, the Company expects to fulfill approximately 58 percent of the obligations in 2026, approximately 22 percent of the obligations in 2027 and the balance thereafter.

## Note 9

### Supplier finance programs

The Company has several supplier finance programs, all with similar characteristics, with various financial institutions acting as paying agent. These programs allow qualifying suppliers access to bank facilities which permit earlier payment at a cost to the supplier. The Company's payment terms related to suppliers' finance programs are not impacted by the suppliers' decisions to sell amounts under the arrangements and are typically consistent with local market practices. Outstanding supplier finance obligations are included in Accounts payable, trade in the Consolidated Balance Sheets and are reported as operating or investing (if capitalized) activities in the Consolidated Statements of Cash Flows when paid. At March 31, 2026, and December 31, 2025, the total obligation outstanding under supplier finance programs amounted to \$510 million and \$482 million, respectively.

## Note 10

### Debt

The Company's total debt at March 31, 2026, and December 31, 2025, amounted to \$8,194 million and \$8,304 million, respectively.

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

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

(\$ in millions)	March 31, 2026	December 31, 2025
Short-term debt	76	26
Current maturities of long-term debt	1,545	449
<b>Total</b>	<b>1,621</b>	<b>475</b>

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

#### Long-term debt

The Company's Long-term debt at March 31, 2026, and December 31, 2025, amounted to \$6,573 million and \$7,829 million, respectively.

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

(in millions)	March 31, 2026		December 31, 2025	
	Nominal outstanding	Carrying value <sup>(1)</sup>	Nominal outstanding	Carrying value <sup>(1)</sup>
1.965% CHF Bonds, due 2026	CHF 325	\$ 406	CHF 325	\$ 410
3.25% EUR Instruments, due 2027	EUR 500	\$ 572	EUR 500	\$ 586
0.75% CHF Bonds, due 2027	CHF 425	\$ 530	CHF 425	\$ 535
3.8% USD Notes, due 2028	USD 383	\$ 382	USD 383	\$ 382
1.9775% CHF Bonds, due 2028	CHF 150	\$ 187	CHF 150	\$ 189
3.125% EUR Instruments, due 2029	EUR 500	\$ 570	EUR 500	\$ 588
1.0% CHF Bonds, due 2029	CHF 170	\$ 212	CHF 170	\$ 214
0% EUR Instruments, due 2030	EUR 800	\$ 812	EUR 800	\$ 838
2.375% CHF Bonds, due 2030	CHF 150	\$ 187	CHF 150	\$ 189
3.375% EUR Instruments, due 2031	EUR 750	\$ 851	EUR 750	\$ 871
Floating rate EIB R&D Loan, due 2031	USD 539	\$ 539	USD 539	\$ 539
0.8725% CHF Bonds, due 2032	CHF 350	\$ 435	CHF 350	\$ 440
2.1125% CHF Bonds, due 2033	CHF 275	\$ 342	CHF 275	\$ 346
3.375% EUR Instruments, due 2034	EUR 750	\$ 847	EUR 750	\$ 872
1.2762% CHF Bonds, due 2036	CHF 250	\$ 311	CHF 250	\$ 314
4.375% USD Notes, due 2042	USD 609	\$ 592	USD 609	\$ 592
<b>Total</b>		<b>\$ 7,775</b>		<b>\$ 7,905</b>

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

## Note 11

### Commitments and contingencies

#### Contingencies—Regulatory, Compliance and Legal

##### General

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

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; however, the Company does not expect the resolution of current matters to have a material adverse effect on its financial statements.

#### Guarantees

##### General

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

Maximum potential payments (\$ in millions)	March 31, 2026	December 31, 2025
Performance guarantees	1,599	1,926
Financial guarantees	17	18
<b>Total<sup>(1)</sup></b>	<b>1,616</b>	<b>1,944</b>

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

The carrying amount of liabilities recorded in the Consolidated Balance Sheets reflects the Company's best estimate of future payments, which it may incur as part of fulfilling its guarantee obligations. In respect of the above guarantees, the carrying amounts of liabilities at March 31, 2026, and December 31, 2025, were not significant.

The Company is party to various guarantees providing financial or performance assurances to certain third parties. These guarantees, which have various maturities up to 2032, mainly consist of performance guarantees whereby (i) the Company guarantees the performance of a third party's product or service according to the terms of a contract and (ii) as member of a consortium/joint-venture that includes third parties, the Company guarantees not only its own performance but also the work of third parties. Such guarantees may include guarantees that a project will be completed within a specified time. If the third party does not fulfill the obligation, the Company will compensate the guaranteed party in cash or in kind. The original maturity dates for the majority of these performance guarantees range from one to ten years.

In conjunction with the divestment of the high-voltage cable and cables accessories businesses in 2017, the Company has entered into various performance guarantees with other parties with respect to certain liabilities of the divested business. At March 31, 2026, and December 31, 2025, the maximum potential payable under these guarantees amounts to \$662 million and \$681 million, respectively, and these guarantees have various original maturities up to ten years.

The Company retained obligations for financial and performance guarantees related to its former Power Grids business (reported as discontinued operations prior to its sale to Hitachi Ltd in 2020), which at both March 31, 2026, and December 31, 2025, have been fully indemnified by Hitachi Ltd. These guarantees, having various maturities up to 2032, primarily consist of bank guarantees, standby letters of credit, business performance guarantees and other trade-related guarantees, the majority of which have original maturity dates ranging from one to ten years. The maximum amount payable under these guarantees at both March 31, 2026, and December 31, 2025, amounts to approximately \$0.9 billion.

#### 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 both March 31, 2026, and December 31, 2025, the total outstanding performance bonds aggregated to \$3.6 billion, of which \$0.1 billion relate to discontinued operations. There have been no significant amounts reimbursed to financial institutions under these types of arrangements in the three months ended March 31, 2026 and 2025.

#### 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)	2026	2025
<b>Balance at January 1,</b>	<b>1,386</b>	<b>1,202</b>
Claims paid in cash or in kind	(34)	(39)
Net increase in provision for changes in estimates, warranties issued and warranties expired	52	55
Exchange rate differences	(14)	28
<b>Balance at March 31,</b>	<b>1,390</b>	<b>1,246</b>
Included in:		
"Provisions"	676	658
"Other non-current liabilities"	714	588
<b>Provisions for warranties - Total</b>	<b>1,390</b>	<b>1,246</b>

## Note 12

### Income taxes

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

The effective tax rate of 25.7 percent in the three months ended March 31, 2026, was lower than the effective tax rate of 29.6 percent in the three months ended March 31, 2025, primarily due to the tax impact of the gain on sale of real estate in the three months ended March 31, 2026, which is taxed at a rate lower than the Company's weighted-average tax rate.

## Note 13

### Employee benefits

The Company operates defined benefit pension plans, defined contribution pension plans, and termination indemnity plans, in accordance with local regulations and practices. At March 31, 2026, 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.

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

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

(\$ in millions)	Defined pension benefits			
	Switzerland		International	
	2026	2025	2026	2025
<b>Three months ended March 31,</b>				
<b>Operational pension cost:</b>				
Service cost	14	13	7	6
<b>Operational pension cost</b>	<b>14</b>	<b>13</b>	<b>7</b>	<b>6</b>
<b>Non-operational pension cost (credit):</b>				
Interest cost	7	5	36	38
Expected return on plan assets	(32)	(27)	(42)	(41)
Amortization of prior service cost (credit)	1	–	(1)	(1)
Amortization of net actuarial loss	–	–	12	12
<b>Non-operational pension cost (credit)</b>	<b>(24)</b>	<b>(22)</b>	<b>5</b>	<b>8</b>
<b>Net periodic benefit cost (credit)</b>	<b>(10)</b>	<b>(9)</b>	<b>12</b>	<b>14</b>

The components of net periodic benefit cost other than the service cost component are included in the line Non-operational pension cost (credit) in the Consolidated Income Statements. Net periodic benefit cost (credit) related to discontinued operations for the three months ended March 31, 2026 and 2025, is not significant.

## Note 14

### Stockholders' equity

At the Annual General Meeting of Shareholders on March 19, 2026, shareholders approved the proposal of the Board of Directors to distribute 0.94 Swiss francs per share to shareholders. The declared dividend amounted to \$2,146 million.

In January 2026, the Company announced the completion of its share buyback program of up to \$1.5 billion that was launched in February 2025. This program was executed on a second trading line on the SIX Swiss Exchange. In February 2026, the Company launched a new share buyback program of up to \$2.0 billion, as announced in January 2026. This program, which is being executed on a second trading line on the SIX Swiss Exchange, is planned to run until January 2027. Under these buyback programs, the Company purchased approximately 3 million shares in the three months ended March 31, 2026, resulting in an increase in Treasury stock of \$268 million.

## 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
<b>Balance at January 1, 2025</b>	<b>(4,248)</b>	<b>(3)</b>	<b>(1,091)</b>	<b>(8)</b>	<b>(5,350)</b>
Other comprehensive (loss) income:					
Other comprehensive (loss) income before reclassifications	188	3	(26)	(1)	164
Amounts reclassified from OCI	-	-	8	3	11
<b>Total other comprehensive (loss) income</b>	<b>188</b>	<b>3</b>	<b>(18)</b>	<b>2</b>	<b>175</b>
Less:					
Amounts attributable to noncontrolling interests	6	-	-	-	6
<b>Balance at March 31, 2025</b>	<b>(4,066)</b>	<b>-</b>	<b>(1,109)</b>	<b>(6)</b>	<b>(5,181)</b>

(\$ 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
<b>Balance at January 1, 2026</b>	<b>(4,176)</b>	<b>-</b>	<b>(1,073)</b>	<b>(4)</b>	<b>(5,253)</b>
Other comprehensive (loss) income:					
Other comprehensive (loss) income before reclassifications	(201)	-	15	1	(185)
Amounts reclassified from OCI	-	-	9	-	9
<b>Total other comprehensive (loss) income</b>	<b>(201)</b>	<b>-</b>	<b>24</b>	<b>1</b>	<b>(176)</b>
Less:					
Amounts attributable to noncontrolling interests	(11)	-	-	-	(11)
<b>Balance at March 31, 2026</b>	<b>(4,366)</b>	<b>-</b>	<b>(1,049)</b>	<b>(3)</b>	<b>(5,418)</b>

The amounts reclassified out of OCI for the three months ended March 31, 2026 and 2025, 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 and Automation. The remaining operations of the Company are included in Corporate and Other.

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

- **Electrification:** manufactures and sells electrical products and solutions which are designed to provide 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: Motion High Power, Drive Products, Motion Services, Traction, IEC LV Motors and NEMA Motors.
- **Automation:** offers a broad range of industry-specific, integrated automation, electrification and digital solutions, as well as lifecycle services for the process, hybrid and marine industries. The product portfolio includes control technologies; process, machine and factory automation; industrial software; advanced analytics; sensing and measurement technology; and marine propulsion systems. In addition, Automation offers a comprehensive range of services, from repair to advanced digital capabilities such as remote monitoring, preventive maintenance, asset performance management, emission monitoring and cybersecurity. The products and services are currently delivered through five operating divisions: Energy Industries, Process Industries, Marine & Ports, Measurement & Analytics and Machine Automation.

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

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

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

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

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

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

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

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

The following tables present disaggregated segment revenues from contracts with customers, significant segment expenses, and Operational EBITA for the three months ended March 31, 2026 and 2025.

Three months ended March 31, 2026					
(\$ in millions)	Electrification	Motion	Automation	Corporate and Other	Total
<b>Geographical markets</b>					
Europe	1,323	663	967	39	2,992
The Americas	2,127	719	514	31	3,391
of which: United States	1,746	592	335	23	2,696
Asia, Middle East and Africa	1,099	592	654	6	2,351
of which: China	470	284	195	–	949
	<b>4,549</b>	<b>1,974</b>	<b>2,135</b>	<b>76</b>	<b>8,734</b>
<b>Product type</b>					
Products	4,260	1,685	1,339	55	7,339
Services and other	289	289	796	21	1,395
	<b>4,549</b>	<b>1,974</b>	<b>2,135</b>	<b>76</b>	<b>8,734</b>
Third-party revenues	4,549	1,974	2,135	76	8,734
Intersegment revenues	64	168	12	(244)	–
<b>Total revenues</b>	<b>4,613</b>	<b>2,142</b>	<b>2,147</b>	<b>(168)</b>	<b>8,734</b>
Operational cost of sales	(2,662)	(1,338)	(1,322)		
Operational selling, general and administrative expenses	(741)	(334)	(380)		
Operational non-order related research and development expenses	(122)	(84)	(103)		
Other segment items	17	12	(31)		
<b>Operational EBITA</b>	<b>1,105</b>	<b>398</b>	<b>311</b>		

Three months ended March 31, 2025					
(\$ in millions)	Electrification	Motion	Automation	Corporate and Other	Total
<b>Geographical markets</b>					
Europe	1,154	540	815	39	2,548
The Americas	1,692	635	453	30	2,810
of which: United States	1,357	524	296	20	2,197
Asia, Middle East and Africa	935	536	541	12	2,024
of which: China	408	243	154	4	809
	<b>3,781</b>	<b>1,711</b>	<b>1,809</b>	<b>81</b>	<b>7,382</b>
<b>Product type</b>					
Products	3,522	1,456	1,108	70	6,156
Services and other	259	255	701	11	1,226
	<b>3,781</b>	<b>1,711</b>	<b>1,809</b>	<b>81</b>	<b>7,382</b>
Third-party revenues	3,781	1,711	1,809	81	7,382
Intersegment revenues	44	129	9	(182)	–
<b>Total revenues</b>	<b>3,825</b>	<b>1,840</b>	<b>1,818</b>	<b>(101)</b>	<b>7,382</b>
Operational cost of sales	(2,189)	(1,113)	(1,088)		
Operational selling, general and administrative expenses	(650)	(289)	(361)		
Operational non-order related research and development expenses	(105)	(73)	(97)		
Other segment items	5	(5)	(17)		
<b>Operational EBITA</b>	<b>886</b>	<b>360</b>	<b>255</b>		

The following tables present Operational EBITA, the reconciliations of consolidated Operational EBITA to Income from continuing operations before taxes, as well as Depreciation and amortization, and Capital expenditures for the three months ended March 31, 2026 and 2025, and Total assets at March 31, 2026, and December 31, 2025:

(\$ in millions)	Three months ended	
	March 31,	
	2026	2025
<b>Operational EBITA:</b>		
Electrification	1,105	886
Motion	398	360
Automation	311	255
Corporate and Other		
– E-mobility	(47)	(47)
– Stranded corporate costs	(26)	(29)
– Corporate costs, intersegment eliminations and other	308	70
<b>Total</b>	<b>2,049</b>	<b>1,495</b>
Acquisition-related amortization	(47)	(43)
Restructuring, related and implementation costs <sup>(1)</sup>	(48)	(13)
Changes in obligations related to divested businesses	5	1
Gains and losses from sale of businesses	2	11
Acquisition- and divestment-related expenses and integration costs	(12)	(8)
Foreign exchange/commodity timing differences in income from operations:		
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(114)	76
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	1	–
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	25	(25)
Certain other non-operational items:		
Business transformation costs <sup>(2)</sup>	(26)	(44)
Certain other fair value changes, including asset impairments	(53)	16
Other non-operational items	(2)	8
<b>Income from operations</b>	<b>1,780</b>	<b>1,474</b>
Interest and dividend income	49	54
Interest and other finance expense	(29)	(43)
Non-operational pension (cost) credit	18	14
<b>Income from continuing operations before taxes</b>	<b>1,818</b>	<b>1,499</b>

(1) Includes impairment of certain assets.

(2) Amount includes ABB Way process transformation costs of \$43 million for the three months ended March 31, 2025.

(\$ in millions)	Depreciation and			
	amortization		Capital expenditures <sup>(1)</sup>	
	2026	2025	2026	2025
<b>Three months ended March 31,</b>				
Electrification	119	103	119	79
Motion	47	42	29	46
Automation	30	28	20	22
Corporate and Other	14	13	13	36
<b>Consolidated</b>	<b>210</b>	<b>186</b>	<b>181</b>	<b>183</b>

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

(\$ in millions)	Total assets <sup>(1)</sup>	
	March 31, 2026	December 31, 2025
Electrification	15,510	15,088
Motion	7,781	7,648
Automation	6,959	7,070
Corporate and Other <sup>(2)</sup>	14,379	15,079
<b>Consolidated</b>	<b>44,629</b>	<b>44,885</b>

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

(2) At March 31, 2026, and December 31, 2025, Corporate and Other includes \$3,779 million and \$3,562 million, respectively, of assets reported in discontinued operations (see Note 3).



# Supplemental Reconciliations and Definitions

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

While ABB's management believes that the measures herein are useful in evaluating ABB's operating results, this information should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with U.S. GAAP. Therefore these measures should not be viewed in isolation but considered together with the Consolidated Financial Information (unaudited) prepared in accordance with U.S. GAAP as of and for the three months ended March 31, 2026.

## 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	Q1 2026 compared to Q1 2025							
	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	51%	-7%	0%	44%	21%	-6%	0%	15%
Motion	18%	-6%	-3%	9%	16%	-6%	-3%	7%
Automation	12%	-7%	0%	5%	18%	-8%	0%	10%
<b>ABB Group</b>	<b>32%</b>	<b>-7%</b>	<b>-1%</b>	<b>24%</b>	<b>18%</b>	<b>-6%</b>	<b>-1%</b>	<b>11%</b>

**Regional comparable growth rate reconciliation**

Regional comparable growth rate reconciliation for ABB Group - Quarter

Region	Q1 2026 compared to Q1 2025							
	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	26%	-13%	0%	13%	17%	-12%	-2%	3%
The Americas	52%	-3%	-1%	48%	21%	-2%	-1%	18%
of which: United States	70%	-1%	-2%	67%	23%	-1%	0%	22%
Asia, Middle East and Africa	14%	-3%	-1%	10%	16%	-3%	-1%	12%
of which: China	9%	-5%	-1%	3%	17%	-5%	-1%	11%
<b>ABB Group</b>	<b>32%</b>	<b>-7%</b>	<b>-1%</b>	<b>24%</b>	<b>18%</b>	<b>-6%</b>	<b>-1%</b>	<b>11%</b>

**Regional comparable growth rate reconciliation by business area - Quarter**

Region	Q1 2026 compared to Q1 2025							
	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	35%	-15%	0%	20%	15%	-12%	0%	3%
The Americas	82%	-2%	0%	80%	26%	-2%	0%	24%
of which: United States	99%	-1%	0%	98%	29%	0%	0%	29%
Asia, Middle East and Africa	26%	-3%	-1%	22%	18%	-3%	-1%	14%
of which: China	20%	-6%	-2%	12%	15%	-5%	-2%	8%
<b>Electrification</b>	<b>51%</b>	<b>-7%</b>	<b>0%</b>	<b>44%</b>	<b>21%</b>	<b>-6%</b>	<b>0%</b>	<b>15%</b>

Region	Q1 2026 compared to Q1 2025							
	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%	-11%	-1%	5%	21%	-12%	-8%	1%
The Americas	22%	-4%	-7%	11%	15%	-3%	-1%	11%
of which: United States	25%	-2%	-9%	14%	14%	-1%	-1%	12%
Asia, Middle East and Africa	16%	-3%	0%	13%	13%	-3%	-1%	9%
of which: China	9%	-5%	0%	4%	21%	-6%	0%	15%
<b>Motion</b>	<b>18%</b>	<b>-6%</b>	<b>-3%</b>	<b>9%</b>	<b>16%</b>	<b>-6%</b>	<b>-3%</b>	<b>7%</b>

Region	Q1 2026 compared to Q1 2025							
	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	33%	-14%	0%	19%	18%	-12%	0%	6%
The Americas	2%	-3%	0%	-1%	14%	-4%	0%	10%
of which: United States	29%	-1%	0%	28%	14%	-2%	0%	12%
Asia, Middle East and Africa	-7%	-3%	0%	-10%	21%	-4%	0%	17%
of which: China	-8%	-3%	0%	-11%	26%	-6%	0%	20%
<b>Automation</b>	<b>12%</b>	<b>-7%</b>	<b>0%</b>	<b>5%</b>	<b>18%</b>	<b>-8%</b>	<b>0%</b>	<b>10%</b>

**Order backlog growth rate reconciliation**

Business Area	March 31, 2026 compared to March 31, 2025			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Electrification	40%	-3%	1%	<b>38%</b>
Motion	15%	-4%	-3%	<b>8%</b>
Automation	25%	-4%	0%	<b>21%</b>
<b>ABB Group</b>	<b>27%</b>	<b>-4%</b>	<b>-1%</b>	<b>22%</b>

**Other growth rate reconciliations**

Business Area	Q1 2026 compared to Q1 2025							
	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	16%	-6%	0%	<b>10%</b>	12%	-6%	0%	<b>6%</b>
Motion	9%	-7%	0%	<b>2%</b>	14%	-8%	-1%	<b>5%</b>
Automation	8%	-7%	0%	<b>1%</b>	14%	-8%	0%	<b>6%</b>
<b>ABB Group</b>	<b>9%</b>	<b>-7%</b>	<b>0%</b>	<b>2%</b>	<b>14%</b>	<b>-7%</b>	<b>0%</b>	<b>7%</b>

## 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)	Three months ended March 31,	
	2026	2025
<b>Operational EBITA</b>	<b>2,049</b>	<b>1,495</b>
Acquisition-related amortization	(47)	(43)
Restructuring, related and implementation costs <sup>(1)</sup>	(48)	(13)
Changes in obligations related to divested businesses	5	1
Gains and losses from sale of businesses	2	11
Acquisition- and divestment-related expenses and integration costs	(12)	(8)
Certain other non-operational items	(81)	(20)
Foreign exchange/commodity timing differences in income from operations	(88)	51
<b>Income from operations</b>	<b>1,780</b>	<b>1,474</b>
Interest and dividend income	49	54
Interest and other finance expense	(29)	(43)
Non-operational pension (cost) credit	18	14
<b>Income from continuing operations before taxes</b>	<b>1,818</b>	<b>1,499</b>
Income tax expense	(467)	(444)
<b>Income from continuing operations, net of tax</b>	<b>1,351</b>	<b>1,055</b>
Income (loss) from discontinued operations, net of tax	(18)	63
<b>Net income</b>	<b>1,333</b>	<b>1,118</b>

(1) Includes impairment of certain assets.

Reconciliation of Operational EBITA margin by business

(\$ in millions, unless otherwise indicated)	Three months ended March 31, 2026				
	Electrification	Motion	Automation	Corporate and Other and Intersegment elimination	Consolidated
<b>Total revenues</b>	<b>4,613</b>	<b>2,142</b>	<b>2,147</b>	<b>(168)</b>	<b>8,734</b>
Foreign exchange/commodity timing differences in total revenues:					
Unrealized gains and losses on derivatives	29	12	(11)	4	<b>34</b>
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	-	-	(4)	1	<b>(3)</b>
Unrealized foreign exchange movements on receivables (and related assets)	(29)	(8)	(10)	(5)	<b>(52)</b>
<b>Operational revenues</b>	<b>4,613</b>	<b>2,146</b>	<b>2,122</b>	<b>(168)</b>	<b>8,713</b>
<b>Income from operations</b>	<b>969</b>	<b>311</b>	<b>287</b>	<b>213</b>	<b>1,780</b>
Acquisition-related amortization	27	11	9	-	<b>47</b>
Restructuring, related and implementation costs <sup>(1)</sup>	26	7	13	2	<b>48</b>
Changes in obligations related to divested businesses	-	-	-	(5)	<b>(5)</b>
Gains and losses from sale of businesses	-	-	-	(2)	<b>(2)</b>
Acquisition- and divestment-related expenses and integration costs	7	2	2	1	<b>12</b>
Certain other non-operational items	6	46	5	24	<b>81</b>
Foreign exchange/commodity timing differences in income from operations:					
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	85	25	5	(1)	<b>114</b>
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	-	-	(4)	3	<b>(1)</b>
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(15)	(4)	(6)	-	<b>(25)</b>
<b>Operational EBITA</b>	<b>1,105</b>	<b>398</b>	<b>311</b>	<b>235</b>	<b>2,049</b>
<b>Operational EBITA margin (%)</b>	<b>24.0%</b>	<b>18.5%</b>	<b>14.7%</b>	<b>n.a.</b>	<b>23.5%</b>

(1) Includes impairment of certain assets.

In the three months ended March 31, 2026, Certain other non-operational items in the table above includes the following:

(\$ in millions, unless otherwise indicated)	Three months ended March 31, 2026				
	Electrification	Motion	Automation	Corporate and Other	Consolidated
<b>Certain other non-operational items:</b>					
Business transformation costs	5	3	4	14	<b>26</b>
Certain other fair values changes, including asset impairments	(2)	41	-	14	<b>53</b>
Other non-operational items	3	2	1	(4)	<b>2</b>
<b>Total</b>	<b>6</b>	<b>46</b>	<b>5</b>	<b>24</b>	<b>81</b>

(\$ in millions, unless otherwise indicated)	Three months ended March 31, 2025				
	Electrification	Motion	Automation	Corporate and Other and Intersegment elimination	Consolidated
<b>Total revenues</b>	<b>3,825</b>	<b>1,840</b>	<b>1,818</b>	<b>(101)</b>	<b>7,382</b>
Foreign exchange/commodity timing differences in total revenues:					
Unrealized gains and losses on derivatives	(34)	(9)	(23)	(3)	(69)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(1)	1	(5)	–	(5)
Unrealized foreign exchange movements on receivables (and related assets)	30	5	11	3	49
<b>Operational revenues</b>	<b>3,820</b>	<b>1,837</b>	<b>1,801</b>	<b>(101)</b>	<b>7,357</b>
<b>Income (loss) from operations</b>	<b>922</b>	<b>361</b>	<b>255</b>	<b>(64)</b>	<b>1,474</b>
Acquisition-related amortization	26	9	8	–	43
Restructuring, related and implementation costs <sup>(1)</sup>	6	2	4	1	13
Changes in obligations related to divested businesses	–	–	–	(1)	(1)
Gains and losses from sale of businesses	(11)	–	–	–	(11)
Acquisition- and divestment-related expenses and integration costs	10	1	1	(4)	8
Certain other non-operational items	(31)	6	(2)	47	20
Foreign exchange/commodity timing differences in income from operations:					
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(57)	(23)	(18)	22	(76)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	1	1	(2)	–	–
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	20	3	9	(7)	25
<b>Operational EBITA</b>	<b>886</b>	<b>360</b>	<b>255</b>	<b>(6)</b>	<b>1,495</b>
<b>Operational EBITA margin (%)</b>	<b>23.2%</b>	<b>19.6%</b>	<b>14.2%</b>	<b>n.a.</b>	<b>20.3%</b>

(1) Includes impairment of certain assets.

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

(\$ in millions, unless otherwise indicated)	Three months ended March 31, 2025				
	Electrification	Motion	Automation	Corporate and Other	Consolidated
<b>Certain other non-operational items:</b>					
Business transformation costs <sup>(1)</sup>	1	2	–	41	44
Certain other fair values changes, including asset impairments	(25)	3	(2)	8	(16)
Other non-operational items	(7)	1	–	(2)	(8)
<b>Total</b>	<b>(31)</b>	<b>6</b>	<b>(2)</b>	<b>47</b>	<b>20</b>

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

## Net debt

### Definition

#### Net debt

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

#### Total debt

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

#### Cash and marketable securities

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

### Reconciliation

(\$ in millions)	March 31, 2026	December 31, 2025
Short-term debt and current maturities of long-term debt	1,621	475
Long-term debt	6,573	7,829
<b>Total debt</b>	<b>8,194</b>	<b>8,304</b>
Cash and equivalents	3,325	4,640
Marketable securities and short-term investments	2,601	1,981
<b>Cash and marketable securities</b>	<b>5,926</b>	<b>6,621</b>
<b>Net debt</b>	<b>2,268</b>	<b>1,683</b>

## Net debt/Equity ratio

### Definition

#### Net debt/Equity ratio

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

#### Equity

Equity is defined as Total stockholders' equity.

### Reconciliation

(\$ in millions, unless otherwise indicated)	March 31, 2026	December 31, 2025
Total stockholders' equity	15,367	16,646
Net debt (see above)	2,268	1,683
<b>Net debt / Equity ratio</b>	<b>0.15</b>	<b>0.10</b>

## Net debt/EBITDA ratio

### Definition

#### Net debt/EBITDA ratio

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

#### EBITDA

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

### Reconciliation

(\$ in millions, unless otherwise indicated)	March 31, 2026	March 31, 2025
<b>Income from operations for the three months ended:</b>		
June 30, 2025 / 2024	1,466	1,292
September 30, 2025 / 2024	1,602	1,225
December 31, 2025 / 2024	1,505	1,094
March 31, 2026 / 2025	1,780	1,474
<b>Depreciation and Amortization for the three months ended:</b>		
June 30, 2025 / 2024	202	192
September 30, 2025 / 2024	204	184
December 31, 2025 / 2024	221	194
March 31, 2026 / 2025	210	186
<b>EBITDA</b>	<b>7,190</b>	<b>5,841</b>
<b>Net debt (as defined above)</b>	<b>2,268</b>	<b>1,453</b>
<b>Net debt / EBITDA ratio</b>	<b>0.32</b>	<b>0.25</b>

## Net working capital

### Definition

#### Net working capital

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

### Reconciliation

(\$ in millions, unless otherwise indicated)	March 31, 2026	March 31, 2025
<b>Net working capital:</b>		
Receivables, net	7,606	7,068
Contract assets	1,152	992
Inventories, net	6,056	5,680
Prepaid expenses	363	347
Accounts payable, trade	(5,423)	(4,676)
Contract liabilities	(3,475)	(2,986)
Other current liabilities <sup>(1)</sup>	(3,574)	(3,388)
<b>Net working capital</b>	<b>2,705</b>	<b>3,037</b>

- (1) Amounts exclude \$1,514 million and \$910 million at March 31, 2026 and 2025, 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, (e) dividends payable and (f) 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 total revenues for the twelve months preceding the relevant balance sheet date).

#### Average trade net working capital

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

#### Trade net working capital

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

### Reconciliation

(\$ in millions, unless otherwise indicated)	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
<b>Trade net working capital:</b>					
Trade receivables, net	6,959	6,884	6,838	6,837	6,401
Contract assets	1,152	1,090	1,062	1,083	992
Inventories, net	6,056	5,862	6,051	6,007	5,680
Accounts payable, trade	(5,423)	(5,210)	(4,936)	(4,918)	(4,676)
Contract liabilities	(3,475)	(3,221)	(3,204)	(3,109)	(2,986)
Accrued expenses, operating	(1,252)	(1,346)	(1,370)	(1,254)	(1,189)
Trade net working capital in assets and liabilities held for sale	–	–	(8)	–	–
<b>Trade net working capital</b>	<b>4,017</b>	<b>4,059</b>	<b>4,433</b>	<b>4,646</b>	<b>4,222</b>
Average of opening and closing Trade net working capital	4,038	4,246	4,540	4,434	
<b>Average trade net working capital</b>	<b>4,315</b>				
<b>Total revenues for the three months ended:</b>					
June 30, 2025	8,295				
September 30, 2025	8,491				
December 31, 2025	9,052				
March 31, 2026	8,734				
<b>Total revenues for the trailing twelve months</b>	<b>34,572</b>				
<b>Average trade net working capital as a percentage of revenues</b>	<b>12.5%</b>				

(\$ in millions, unless otherwise indicated)	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
<b>Trade net working capital:</b>					
Trade receivables, net	6,401	6,277	6,360	6,415	6,329
Contract assets	992	889	967	868	889
Inventories, net	5,680	5,420	6,100	5,809	5,687
Accounts payable, trade	(4,676)	(4,681)	(4,798)	(4,759)	(4,673)
Contract liabilities	(2,986)	(2,704)	(2,795)	(2,682)	(2,577)
Accrued expenses, operating	(1,189)	(1,234)	(1,327)	(1,228)	(1,265)
Trade net working capital in assets and liabilities held for sale	–	–	20	–	–
<b>Trade net working capital</b>	<b>4,222</b>	<b>3,967</b>	<b>4,527</b>	<b>4,423</b>	<b>4,390</b>
Average of opening and closing Trade net working capital	4,095	4,247	4,475	4,407	
<b>Average trade net working capital</b>	<b>4,306</b>				
<b>Total revenues for the three months ended:</b>					
June 30, 2024	7,663				
September 30, 2024	7,591				
December 31, 2024	7,996				
March 31, 2025	7,382				
<b>Total revenues for the trailing twelve months</b>	<b>30,632</b>				
<b>Average trade net working capital as a percentage of revenues</b>	<b>14.1%</b>				

## Return on Capital employed (ROCE)

### 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) intangible assets, net, (iv) investments in equity-accounted companies, (v) operating lease right-of-use assets, and (vi) fixed assets included in assets held for sale, less (vii) deferred tax liabilities recognized in certain acquisitions.

#### Notional tax on Operational EBITA

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

### Reconciliation

(\$ in millions, unless otherwise indicated)	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
<b>Adjusted total fixed assets:</b>					
Property, plant and equipment, net	4,605	4,692	4,443	4,396	4,099
Goodwill	9,585	9,637	9,522	9,507	9,305
Intangible assets, net	1,088	1,119	1,096	1,140	1,134
Investments in equity-accounted companies	321	349	381	369	361
Operating lease right-of-use assets	785	765	754	761	765
Fixed assets included in assets held for sale	-	-	9	-	-
<b>Total fixed assets</b>	<b>16,384</b>	<b>16,562</b>	<b>16,205</b>	<b>16,173</b>	<b>15,664</b>
Less: Deferred taxes recognized in certain acquisitions <sup>(1)</sup>	(188)	(199)	(210)	(220)	(231)
<b>Adjusted total fixed assets</b>	<b>16,196</b>	<b>16,363</b>	<b>15,995</b>	<b>15,953</b>	<b>15,433</b>
<b>Net working capital - (as defined above)</b>	<b>2,705</b>	<b>2,372</b>	<b>2,993</b>	<b>3,423</b>	<b>3,037</b>
<b>Capital employed</b>	<b>18,901</b>	<b>18,735</b>	<b>18,988</b>	<b>19,376</b>	<b>18,470</b>
Average of opening and closing Capital employed	18,818	18,862	19,182	18,923	
<b>Operational EBITA for the three months ended</b>	<b>2,049</b>	<b>1,588</b>	<b>1,633</b>	<b>1,598</b>	
Operational EBITA for the trailing twelve months	6,868				
Notional tax on Operational EBITA	(1,717)				
<b>Operational EBITA after tax for the trailing twelve months</b>	<b>5,151</b>				
<b>Average Capital employed (4 quarters)</b>	<b>18,946</b>				
<b>Return on Capital Employed (ROCE)</b>	<b>27.2%</b>				

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

(\$ in millions, unless otherwise indicated)	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
<b>Adjusted total fixed assets:</b>					
Property, plant and equipment, net	4,099	3,986	4,050	3,911	3,864
Goodwill	9,305	8,801	8,774	8,752	8,716
Intangible assets, net	1,134	999	981	1,034	1,073
Investments in equity-accounted companies	361	351	172	173	162
Operating lease right-of-use assets	765	752	779	772	772
Fixed assets included in assets held for sale	-	-	176	-	-
<b>Total fixed assets</b>	<b>15,664</b>	<b>14,889</b>	<b>14,932</b>	<b>14,642</b>	<b>14,587</b>
Less: Deferred taxes recognized in certain acquisitions <sup>(1)</sup>	(231)	(242)	(253)	(265)	(281)
<b>Adjusted total fixed assets</b>	<b>15,433</b>	<b>14,647</b>	<b>14,679</b>	<b>14,377</b>	<b>14,306</b>
<b>Net working capital - (as defined above)</b>	<b>3,037</b>	<b>2,403</b>	<b>3,231</b>	<b>3,213</b>	<b>3,159</b>
<b>Capital employed</b>	<b>18,470</b>	<b>17,050</b>	<b>17,910</b>	<b>17,590</b>	<b>17,465</b>
Average of opening and closing Capital employed	17,760	17,480	17,750	17,528	
<b>Operational EBITA for the three months ended</b>	<b>1,495</b>	<b>1,330</b>	<b>1,457</b>	<b>1,463</b>	
Operational EBITA for the trailing twelve months	5,745				
Notional tax on Operational EBITA	(1,436)				
<b>Operational EBITA after tax for the trailing twelve months</b>	<b>4,309</b>				
<b>Average Capital employed (4 quarters)</b>	<b>17,629</b>				
<b>Return on Capital Employed (ROCE)</b>	<b>24.4%</b>				

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

## Free cash flow

### Definition

#### Free cash flow

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

### Reconciliation

(\$ in millions, unless otherwise indicated)	Three months ended March 31,	
	2026	2025
<b>Net cash provided by operating activities – continuing operations</b>	<b>1,011</b>	<b>608</b>
Adjusted for the effects of continuing operations:		
Purchases of property, plant and equipment and intangible assets	(181)	(183)
Proceeds from sale of property, plant and equipment	437	163
<b>Free cash flow – continuing operations</b>	<b>1,267</b>	<b>588</b>
<b>Net cash provided by operating activities – discontinued operations</b>	<b>18</b>	<b>76</b>
Adjusted for the effects of discontinued operations:		
Purchases of property, plant and equipment and intangible assets	(35)	(12)
<b>Free cash flow – discontinued operations</b>	<b>(17)</b>	<b>64</b>
<b>Free cash flow</b>	<b>1,250</b>	<b>652</b>

## Free cash flow conversion to net income

### Definition

#### Free cash flow conversion to net income

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

#### Adjusted net income

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

#### Free cash flow for the trailing twelve months

Free cash flow for the trailing twelve months is defined as Free cash flow for the twelve months preceding the relevant balance sheet date.

#### Adjusted net income for the trailing twelve months

Adjusted net income for the trailing twelve months is defined as Adjusted net income for the twelve months preceding the relevant balance sheet date.

### Reconciliation

(\$ in millions, unless otherwise indicated)	Trailing twelve months to	
	March 31, 2026	December 31, 2025
<b>Net cash provided by operating activities</b>	<b>5,796</b>	<b>5,469</b>
Adjusted for the effects of continuing operations:		
Purchases of property, plant and equipment and intangible assets	(999)	(1,001)
Proceeds from sale of property, plant and equipment	468	194
Adjusted for the effects of discontinued operations:		
Purchases of property, plant and equipment and intangible assets	(121)	(98)
Proceeds from sale of property, plant and equipment	2	2
<b>Free cash flow</b>	<b>5,146</b>	<b>4,566</b>
<b>Adjusted net income<sup>(1)</sup></b>	<b>5,009</b>	<b>4,757</b>
<b>Free cash flow conversion to net income</b>	<b>103%</b>	<b>96%</b>

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

### Reconciliation of the trailing twelve months to March 31, 2026

(\$ in millions)	Net cash provided by operating activities	Continuing operations		Discontinued operations		Adjusted net income <sup>(1)</sup>
		Purchases of property, plant and equipment and intangible assets	Proceeds from sale of property, plant and equipment	Purchases of property, plant and equipment and intangible assets	Proceeds from sale of property, plant and equipment	
Q2 2025	1,059	(202)	10	(22)	–	1,181
Q3 2025	1,777	(207)	3	(22)	1	1,215
Q4 2025	1,949	(409)	18	(42)	1	1,280
Q1 2026	1,011	(181)	437	(35)	–	1,333
<b>Total for the trailing twelve months to March 31, 2026</b>	<b>5,796</b>	<b>(999)</b>	<b>468</b>	<b>(121)</b>	<b>2</b>	<b>5,009</b>

(1) Adjusted net income for 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)	Three months ended March 31,	
	2026	2025
Interest and dividend income	49	54
Interest and other finance expense	(29)	(43)
<b>Net finance income</b>	<b>20</b>	<b>11</b>

## 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)	Three months ended March 31,					
	2026			2025		
	Orders	Revenues	Book-to-bill	Orders	Revenues	Book-to-bill
Electrification	6,647	4,613	1.44	4,394	3,825	1.15
Motion	2,548	2,142	1.19	2,156	1,840	1.17
Automation	2,464	2,147	1.15	2,197	1,818	1.21
Corporate and Other <i>(incl. intersegment eliminations)</i>	(361)	(168)	n.a.	(158)	(101)	n.a.
<b>ABB Group</b>	<b>11,298</b>	<b>8,734</b>	<b>1.29</b>	<b>8,589</b>	<b>7,382</b>	<b>1.16</b>



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