

Q3 2026

FIRST NINE MONTHS
PRESS RELEASE

ENGINEERED
TO OUTFIT

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

ZURICH, SWITZERLAND, OCTOBER 20, 2026

Q3 2026 results

Vibrant market environment; strong operational performance

- Orders \$12,055 million, +40%; comparable¹ +40%
- Revenues \$9,701 million, +14%; comparable¹ +14%
- Income from operations \$1,846 million; margin 19.0%
- Operational EBITA¹ \$2,026 million; margin¹ 20.8%
- Basic EPS \$0.65; -2%²
- Cash flow from operating activities \$1,862 million; +5%
- Return on Capital Employed¹ 29.9%

KEY FIGURES

(\$ millions, unless otherwise indicated)	CHANGE				CHANGE			
	Q3 2026	Q3 2025	US\$	Comparable ¹	9M 2026	9M 2025	US\$	Comparable ¹
Orders	12,055	8,606	40%	40%	35,395	26,449	34%	31%
Revenues	9,701	8,491	14%	14%	27,910	24,168	15%	12%
Gross Profit	3,939	3,498	13%		11,172	9,982	12%	
as % of revenues	40.6%	41.2%	-0.6 pts		40.0%	41.3%	-1.3 pts	
Income from operations	1,846	1,602	15%		5,211	4,542	15%	
Operational EBITA ¹	2,026	1,633	24%	24% ³	6,000	4,726	27%	23% ³
as % of operational revenues ¹	20.8%	19.2%	+1.6 pts		21.4%	19.6%	+1.8 pts	
Income from continuing operations, net of tax	1,258	1,207	4%		3,827	3,375	13%	
Net income attributable to ABB	1,181	1,208	-2%		3,736	3,461	8%	
Basic earnings per share (\$)	0.65	0.66	-2% ²		2.06	1.89	9% ²	
Cash flow from operating activities	1,862	1,777	5%		4,041	3,520	15%	
Cash flow from operating activities in continuing operations	1,888	1,683	12%		4,203	3,262	29%	
Free cash flow ¹	1,576	1,552	2%		3,707	3,049	22%	

¹ For a reconciliation of alternative performance measures, see "supplemental reconciliations and definitions" in the attached Q3 2026 Financial Information.

² EPS growth rates are computed using unrounded amounts.

³ Constant currency (not adjusted for portfolio changes).

"ABB delivered record order intake, and improved operational performance with strong cash flow and return on capital. We advanced our leading position in direct current technology and today we progressed on M&A with a new electrification joint venture with Mitsubishi Electric."

Morten Wierod, CEO

CEO summary

Our third quarter order intake reached a record \$12 billion, nudging up sequentially; a stronger outcome than the historical pattern of seasonal decline. Year-on-year, orders grew 40% (40% comparable), driven by strong growth in two of our three business areas with a positive development across the majority of customer segments. Most notably so in the data center segment where we saw a triple-digit increase. Revenues were strong, yet order intake was even stronger, yielding a book-to-bill of 1.24.

Overall, we progressed according to plan. We converted strong revenue growth of 14% (14% comparable) into a 24% increase in Operational EBITA which reached \$2 billion with margin expanding 160 basis points to 20.8%. We also materially improved Income from operations by 15% with a margin of 19.0%. Earnings per share remained virtually stable, reflecting increased Net finance expenses mainly due to the non-cash revaluation of the deal contingent FX hedge linked to the announced Rotork acquisition. We continue to deliver strong Return on capital employed which improved to 29.9%.

This was yet another solid cash flow quarter. Free cash flow of \$1.6 billion was supported by robust earnings combined with disciplined management of Trade net working capital, which more than compensated for higher capex spend. This supported a sustained solid Free cash flow margin of around 14%, on a 12-month rolling basis. At \$3.7 billion year-to-date, we are well positioned to surpass last year's annual level of \$4.6 billion.

In the current strong market environment it is essential to maintain focus and discipline, and we incrementally scale capacity to support our strong delivery track record. We already trend at a higher capex level of around \$1 billion and do not expect it to rise further in the mid-term. Our investment approach is deliberate: incremental capacity expansion, productivity through automation, and selectively leveraging third-party assembly; balancing capturing of near-term demand with long-term resilience.

A significant milestone was the launch of the Infinitus Direct Current (DC) portfolio, enabling AI data center customers to achieve higher power density and improved energy efficiency. Our portfolio comprises five building blocks that can be combined into complete systems tailored to specific architectures. This includes a Solid State Transformer commercially available in the second half of 2027. We are able to partner with our customers from source to rack across the full spectrum of DC architectures. The portfolio enables acceleration of adoption of DC architectures in data centers and other energy-intensive industries.

Our partnership with Ferrari Hypersail demonstrates our commitment to advancing DC technologies and promoting

their broader adoption across industries. The project – a 100-foot, renewable-powered full-foiling monohull yacht - is conceived as an operational proving ground for next-generation microgrid architecture. Its focus on energy management, marine electrical systems, and energy storage closely aligns with our expertise in these areas. The vessel is designed to operate as a fully self-sufficient system, integrating 800 VDC architectures. The engineering challenge central to this partnership - real-time orchestration of renewable generation, storage, and power distribution – mirrors the critical dynamics of emerging industrial microgrids.

It is also good to see our M&A activities bearing fruit. Following the Rotork announcement in July, we today announced that we will acquire a controlling 51 percent stake in a joint venture (JV) to be formed with Mitsubishi Electric's low voltage power distribution business, with an option for full ABB ownership in the mid-term. This deal will make us the low voltage market leader in Japan, one of the world's largest electrification markets, allowing us to benefit from the broad electric power trends including any local data center build-out. It also opens doors to the Asia-Pacific region. The Mitsubishi Electric business to be contributed to the JV generated around JPY 102 billion (~\$640 million) in revenues in its fiscal year 2025, with a low double-digit EBITDA margin. We expect the joint venture to improve to at least a 20 percent Operational EBITA margin within 5 years. Similar to our successful GEIS acquisition, the profitability improvement will be driven by expanding sales through combined channels, introducing ABB products and technology to Mitsubishi Electric's customer base and optimizing manufacturing. We acquire a controlling 51% stake in the newly carved out company as well as full ownership of Mitsubishi Electric's JV-related sales operations outside of Japan for a total consideration of around JPY 79 billion (~\$495 million). These sales operations outside of Japan represent approximately 15% of revenues. The transaction values the combined businesses at a total enterprise value (EV) of about \$890 million. Combined, this translates to valuation multiples of EV/Sales ~1.4 and EV/EBITDA of ~11.1 based on reported fiscal year 2025. The latter reduces into the mid- to high single-digit range when assuming realization of expected synergies. We see long-term returns well above cost of capital.



Morten Wierod
CEO

Outlook

In the fourth quarter of 2026, we expect comparable revenue growth to be broadly similar to the third quarter and Operational EBITA margin to sequentially soften although less than historical pattern. This excludes the positive impact of ~CHF240 million related to the sale of properties already completed in Q4.

In full-year 2026, we expect a positive book-to-bill, and comparable revenue growth in the "low teens" range, year-on-year. The reported Operational EBITA margin should improve by at least 270 basis points year-on-year.

Orders and revenues

In contrast to historical patterns, orders in the third quarter nudged up sequentially to the new record-level of \$12,055 million, up 40% (40% comparable) year-on-year. Book-to-bill was 1.24 and the order backlog expanded to \$32,256 million, up 35% (37% comparable).

The Electrification business area was the key growth engine, recording an order surge of 70% (70% comparable). A strong improvement of 14% (12% comparable) was recorded in the Motion business area, while Automation remained stable from last year with some hampering impact from the timing of order bookings in the quarter.

All regions improved comparable orders at a double-digit rate. The Americas was up by 71% (70% comparable), led by growth in the United States of 82% (82% comparable). Europe increased by 9% (10% comparable) with a positive development in most of the top-10 countries. Asia, Middle East and Africa was up 30% (29% comparable) including an increase of 32% (25% comparable) in China.

Transport-linked demand continued to be strong, although rail softened slightly from last year's high comparable. Both marine and ports continued their strong trend. Demand for land-based infrastructure benefited from upgrades of electrical equipment in airports, tunnels, etc.

In the industrial space, data center order growth was exceptional and growing at a triple-digit pace. Strong improvement was recorded in the utilities segment with grid investment need remaining tangible as aging assets require upgrades to not only mitigate outage risks, but to also meet accelerating power demands.

The buildings segment improved, driven by the commercial segment in all regions. This includes our strong performance in an otherwise generally soft market in China where we executed well in markets like high-end hospitality and areas benefiting from public spending such as hospitals and universities. Residential remains weak in China and broadly stable in both Europe and the United States.

Market sentiment is improving in the machine builder segment where order growth was strong.

In the energy-related business, orders were up in the oil & gas segment and activity increased among nuclear customers. Mining orders remained broadly stable although initial signs of increasing customer activity for capex spend were noted.

New all-time-high revenues amounted to \$9,701 million, up 14% (14% comparable) year-on-year. Higher volumes was the key growth driver, with added support from a positive net pricing of just above 2%. The high revenues were supported by double-digit growth in both the short-cycle businesses where orders convert to revenues within six months, as well as backlog-driven project- and systems business.

Growth

	Q3	Q3
Change year-on-year	Orders	Revenues
Comparable	40%	14%
FX	0%	0%
Portfolio changes	0%	0%
Total	40%	14%

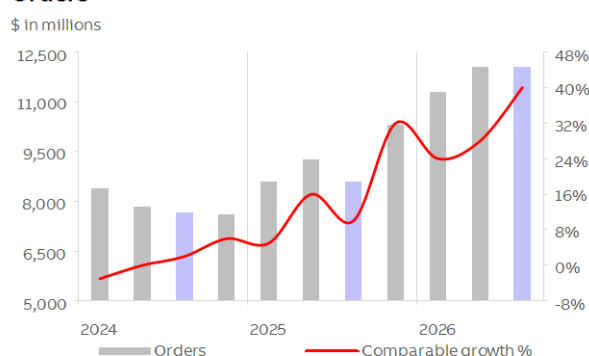
Orders by region

(\$ in millions, unless otherwise indicated)	Q3 2026	Q3 2025	CHANGE	
			US\$	Comparable
Europe	3,020	2,759	9%	10%
The Americas	5,980	3,499	71%	70%
Asia, Middle East and Africa	3,055	2,348	30%	29%
ABB Group	12,055	8,606	40%	40%

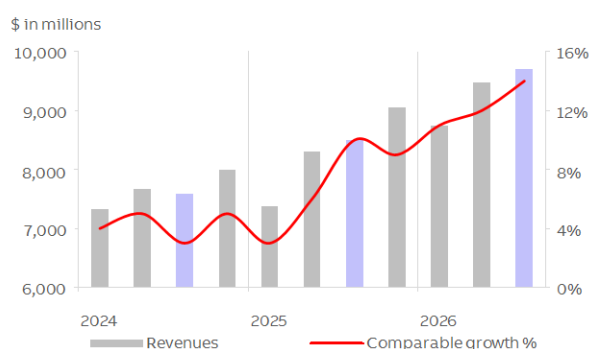
Revenues by region

(\$ in millions, unless otherwise indicated)	Q3 2026	Q3 2025	CHANGE	
			US\$	Comparable
Europe	2,982	2,891	3%	3%
The Americas	3,931	3,221	22%	21%
Asia, Middle East and Africa	2,788	2,379	17%	16%
ABB Group	9,701	8,491	14%	14%

Orders



Revenues



Earnings

Gross profit

Gross profit increased by 13% (12% in local currencies) year-on-year to \$3,939 million. This reflects a gross margin of 40.6%, down 60 basis points, with the impact from unrealized FX and commodity derivatives as the largest adverse driver.

Income from operations

Income from operations amounted to \$1,846 million, increasing 15% from last year and reflecting a margin of 19.0%, up 10 basis points. The increase in Income from operations was driven primarily by strong operational performance. This was partially offset by approximately \$80 million in increased expenses linked to foreign exchange and commodity timing differences, including the impact of unrealized losses on derivatives, which do not impact Operational EBITA. Further adverse impacts of approximately \$60 million related to the difference in certain fair value changes in equity investments year-on-year, as well as \$30 million in higher costs related to planned acquisitions and divestments.

Operational EBITA

Operational EBITA increased by 24% (24% in local currencies) to \$2,026 million, representing a margin of 20.8%. The margin improved by 160 basis points year-on-year, driven by improvements in two out of three business areas, lower losses in the E-mobility business as well as lower expenses in Corporate and other.

The higher business result was primarily due to operational leverage on higher volumes. A positive price development and operational efficiencies more than offset inflationary impacts on costs such as commodities and freight. There was no

material tariff-related net impact on earnings. Spend on Research and Development (R&D) and Selling, general & administrative (SG&A) expenses increased from last year, however, SG&A reduced in relation to revenues to 17.8% from last year's 19.1%.

Operational EBITA in Corporate and other amounted to a loss of \$132 million, an improvement from last year's loss of \$166 million. This is the total of underlying Corporate costs of \$114 million which includes Stranded costs of \$25 million, and a loss of \$18 million in the E-mobility business.

Finance net

Net finance expense amounted to \$127 million, in comparison with last year's income of \$23 million. The expenses include approximately \$115 million related to a non-cash revaluation of a deal contingent FX hedge linked to the ongoing Rotork acquisition. The remaining year-on-year change was primarily due to foreign exchange revaluations.

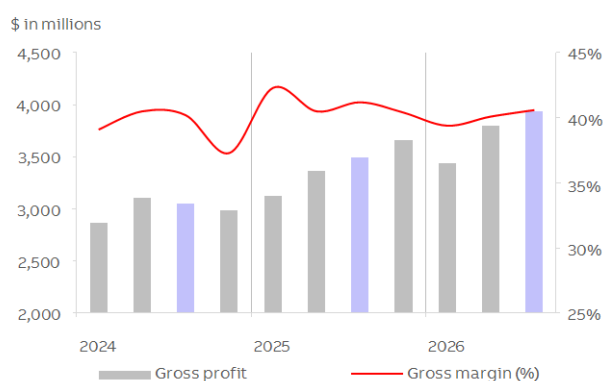
Income tax

Income tax expense was \$426 million with an effective tax rate of 25.3%.

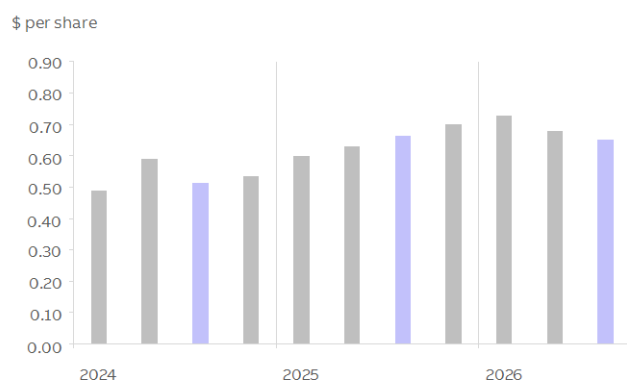
Net income and earnings per share

Net income attributable to ABB was \$1,181 million, down 2% year-on-year. The reduction is the net result of the contribution from improved business performance offset mainly by lower Finance net which included an unrealized FX hedging impact, and lower results in Discontinued operations related to a tax charge linked to the setting legal structure ahead of the Robotics divestment. Basic earnings per share softened by 2% to \$0.65, down from \$0.66 last year.

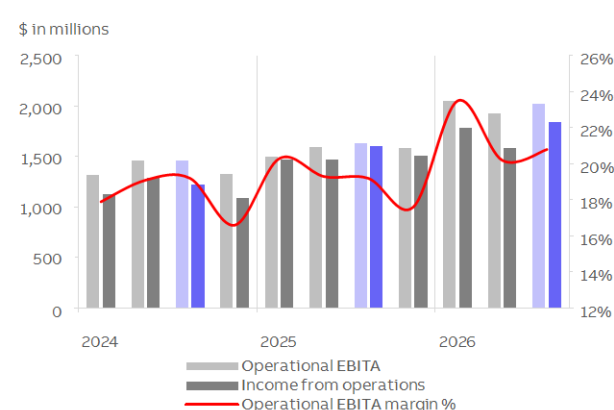
Gross profit & Gross margin



Basic EPS



Income from operations & Operational EBITA



Corporate and Other Operational EBITA

(\$ in millions)	Q3 2026	Q3 2025
Corporate and Other		
E-mobility	(18)	(26)
Stranded corporate costs	(25)	(31)
Corporate costs, intersegment eliminations and other ¹	(89)	(109)
Total	(132)	(166)

¹ Majority of which relates to underlying corporate

Balance sheet & Cash flow

Trade net working capital¹

Trade net working capital amounted to \$4,283 million and declined year-on-year from \$4,433 million. In addition to some beneficial impacts from changes in exchange rates, there was a slight operational decline as the increase in inventories and receivables was more than offset by increases in payables, customer advances and accrued expenses. The average trade net working capital as a percentage of revenues¹ was 11.3%, a reduction from 13.5% one year ago.

Capital expenditures

Purchases of property, plant and equipment and intangible assets for continuing operations during the third quarter amounted to \$251 million, representing a somewhat higher spend compared with last year's \$207 million. For ABB Group, the total cash outflow on a combined basis amounted to \$292 million, higher than last year's \$229 million.

Net debt

Net debt¹ amounted to \$1,332 million at the end of the quarter. This represents a decline from last year's level of \$2,690 million and from the prior quarter level of \$2,320 million. The sequential reduction in net debt was driven by stronger cash generation, lower short-term debt, and higher marketable securities and short-term investments.

(\$ in millions, unless otherwise indicated)	Sep. 30 2026	Sep. 30 2025	Dec. 31 2025
Short-term debt and current maturities of long-term debt	1,157	679	475
Long-term debt	6,463	7,838	7,829
Total debt	7,620	8,517	8,304
Cash & equivalents	3,810	3,937	4,640
Marketable securities and short-term investments	2,478	1,890	1,981
Cash and marketable securities	6,288	5,827	6,621
Net debt (cash)	1,332	2,690	1,683
Net debt (cash) to EBITDA ratio	0.2	0.4	0.3
Net debt (cash) to Equity ratio	0.08	0.17	0.10

* Sep. 30, 2026, Sep. 30, 2025 and Dec. 31, 2025, net debt(cash) excludes net pension (assets)/liabilities of \$(619) million, \$(385) million and \$(511) million, respectively.

Cash flows

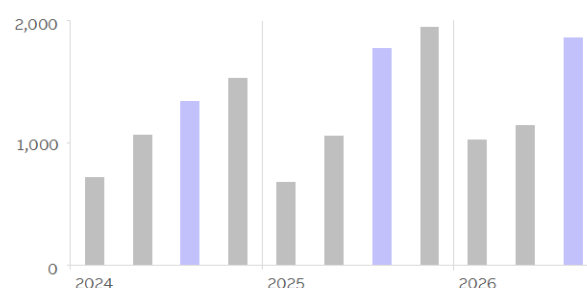
Cash flow from operating activities during the third quarter was \$1,862 million, an increase of 5% from last year's \$1,777 million. Contribution to the strong cash flow derived from higher earnings in Continuing operations. While Net income declined, the decrease was primarily attributable to non-cash charges and Discontinued operations. Free cash flow amounted to \$1,576 million, up 2% from last year's \$1,552 million.

Share buyback program

A share buyback program of up to \$2 billion was launched on February 9, 2026. During the third quarter, ABB repurchased a total of 5,726,505 shares for a total amount of approximately \$565 million. At the end of the third quarter, ABB's total number of issued shares including shares held in treasury, amounted to 1,823,154,373.

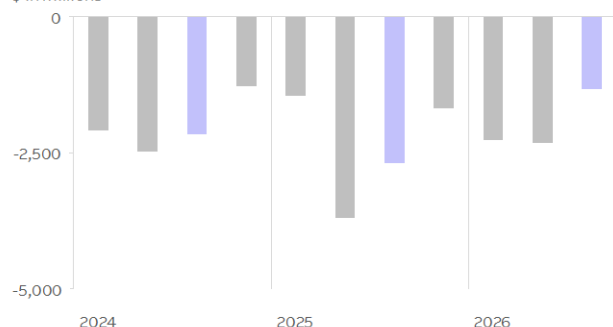
Cash flow from operating activities

\$ in millions

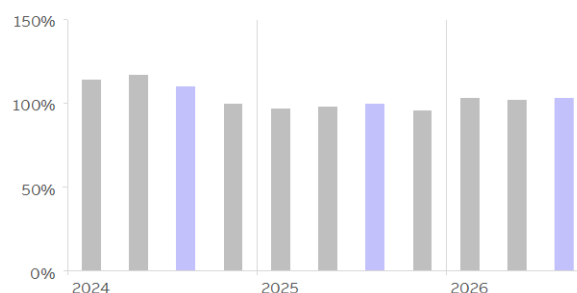


Net Cash (Net Debt) position

\$ in millions



Free cash flow conversion to net income¹, R12M



Electrification



Strong markets; record orders

Orders and revenues

New record order level of \$7,671 million, up 70% (70% comparable) year-on-year, marking the seventh consecutive quarter of sequential growth. This sustained momentum underscored the tailwind from energy expansion including the need for more electrical power, higher power density, and transition toward decarbonized solutions. Book-to-bill was 1.41 and the order backlog expanded to \$16 billion.

- Double-digit order growth across all large customer segments was led by triple-digit expansion in data centers. Utilities continue to invest in refurbishment and build-out of the electrical grid to secure power availability and efficiency. Similarly, a strong development was recorded for land-based infrastructure, such as tunnels, bridges and airports. Demand was strong for general industrial applications and it was very high in the chips and semiconductor segment. The buildings segment improved overall, as our strong performance in the commercial market outweighed the muted demand for residential segment.

Growth

	Q3 Orders	Q3 Revenues
Change year-on-year		
Comparable	70%	21%
FX	0%	1%
Portfolio changes	0%	-1%
Total	70%	21%

- The Americas increased by 117% (117% comparable). Europe was up by 19% (20% comparable). Asia, Middle East and Africa improved by 46% (46% comparable) including 45% (38% comparable) in China with growth supported by a strong quarterly performance and an easy comparable.
- Revenues amounted to \$5,424 million, representing a very strong increase of 21% (21% comparable). The current strong short-cycle demand in combination with order backlog execution resulted in growth in all divisions. Higher volumes was the main driver to the high comparable growth, complemented by a robust price contribution.

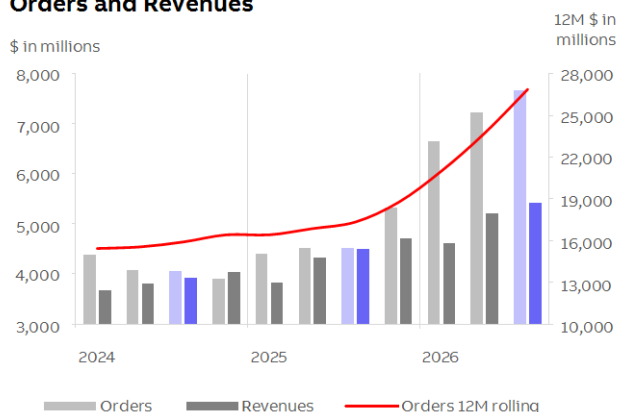
Profit

Strong increase of 27% (26% in local currencies) in Operational EBITA to \$1,394 million, representing a margin improvement of 110 basis points to 25.6%.

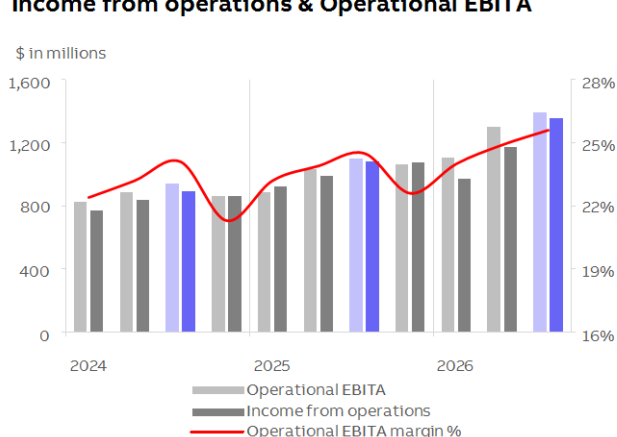
- Operational leverage on higher volumes was the main driver of the earnings improvement.
- Strong net price contribution broadly offset the impacts from commodity inflation.
- Efficiency improvements offset higher spend on R&D and SG&A, however both reduced in relation to revenues.

(\$ millions, unless otherwise indicated)	CHANGE				CHANGE			
	Q3 2026	Q3 2025	US\$	Comparable	9M 2026	9M 2025	US\$	Comparable
Orders	7,671	4,522	70%	70%	21,549	13,434	60%	58%
Order backlog	16,007	8,750	83%	85%	16,007	8,750	83%	85%
Revenues	5,424	4,499	21%	21%	15,237	12,655	20%	18%
Gross Profit	2,290	1,909	20%		6,238	5,354	17%	
as % of revenues	42.2%	42.4%	-0.2 pts		40.9%	42.3%	-1.4 pts	
Operational EBITA	1,394	1,100	27%		3,800	3,019	26%	
as % of operational revenues	25.6%	24.5%	+1.1 pts		24.9%	23.9%	+1 pts	
Cash flow from operating activities	1,608	1,340	20%		3,872	2,817	37%	
No. of employees (FTE equiv.)	56,300	52,800	7%					

Orders and Revenues



Income from operations & Operational EBITA



Motion



Orders and revenues

Similar to prior quarters, order intake sustained a trend of strong growth and amounted to \$2,455 million, representing 14% year-on-year growth (12% comparable). The increase was principally driven by strong momentum in short-cycle businesses, partially offset by order timing effects in the project and systems segments. The book-to-bill reached 1.06 and the order backlog expanded to record \$7.1 billion.

- Investments into the electrical grid remained strong. Rail is an underlying strong segment, although quarterly orders declined slightly on a high comparable. Orders increased for HVAC for commercial buildings and data center cooling. Strength was noted in food & beverage, pulp & paper, marine and mining. Oil & gas remained broadly stable while chemical demand was soft.
- The Americas was up 14% (12% comparable), with the United States up slightly at 1% (2% comparable) on a high comparable. Europe improved 8% (8% comparable) and Asia, Middle East and Africa was up 18% (15% comparable), with China at 30% (23% comparable) on strong performance in our local-for-local offering.

Growth

	Q3 Orders	Q3 Revenues
Change year-on-year		
Comparable	12%	9%
FX	1%	0%
Portfolio changes	1%	2%
Total	14%	11%

- Revenues grew 11% (9% comparable), underpinned primarily by strong short-cycle demand as well as continued backlog execution. Higher volumes was the primary growth driver, complemented by a solid price contribution. Portfolio changes added a further 2%, linked to the acquisition of Gamesa Electric in Spain.

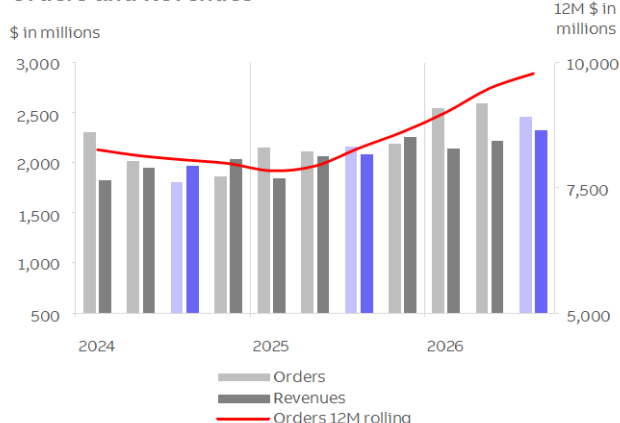
Profit

Operational EBITA improved by 7% (6% in local currencies) to \$449 million. However, the margin declined by 100 basis points to 19.1%.

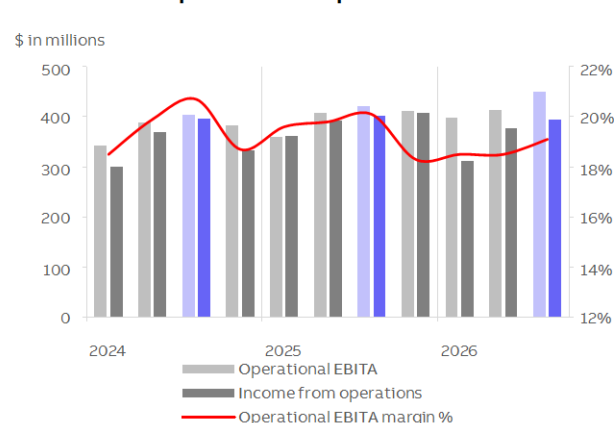
- Gross margin dropped 260 basis points, with half of the impact due to unrealized FX and commodities derivatives which however does not impact Operational EBITA margin.
- Low performance in the acquired Gamesa Electric business also weighed on gross margin, with an adverse impact of ~40 basis points on Operational EBITA margin.
- While price impact was positive in absolute terms, the margin impact was offset by inflation in commodities.

(\$ millions, unless otherwise indicated)	CHANGE				CHANGE			
	Q3 2026	Q3 2025	US\$	Comparable	9M 2026	9M 2025	US\$	Comparable
Orders	2,455	2,162	14%	12%	7,595	6,430	18%	13%
Order backlog	7,065	6,176	14%	14%	7,065	6,176	14%	14%
Revenues	2,320	2,082	11%	9%	6,679	5,987	12%	7%
Gross Profit	826	796	4%		2,417	2,317	4%	
as % of revenues	35.6%	38.2%	-2.6 pts		36.2%	38.7%	-2.5 pts	
Operational EBITA	449	421	7%		1,260	1,188	6%	
as % of operational revenues	19.1%	20.1%	-1 pts		18.7%	19.8%	-1.1 pts	
Cash flow from operating activities	516	464	11%		1,192	1,128	6%	
No. of employees (FTE equiv.)	23,800	22,300	7%					

Orders and Revenues



Income from operations & Operational EBITA



Automation



Orders and revenues

Order intake of \$2,114 million remained stable year-on-year; 1% (0% comparable). This reflects continued firm underlying demand for higher efficiency and resilience across energy-intensive industries, as well as some hampering impacts linked to the timing of order bookings. Book-to-bill of 0.99 implied that the order backlog of \$10.6 billion remained sequentially stable but increased by 11% (12% comparable) from last year.

- Demand in the marine and port segments is persistently high. Improving market sentiment in the machine builder segment supported a strong order growth. Robust demand in oil & gas was supported by markets outside of the Middle East region which was weak. High customer activity was noted related to nuclear. Similar to prior quarters, demand remains soft in the process industry-related areas like pulp & paper and chemicals. The mining segment is also muted in terms of orders, however with some initial increase in customer activity.
- As an example of activity linked to the long-term nuclear market, a Memorandum of Understanding was signed with Rolls-Royce SMR. ABB will explore how its automation, electrification, instrumentation and

Growth

	Q3 Orders	Q3 Revenues
Change year-on-year		
Comparable	0%	5%
FX	1%	1%
Portfolio changes	0%	0%
Total	1%	6%

communication solutions across its three business areas can enable Rolls-Royce SMR's projects to scale towards standardized, factory-built small modular reactors, each capable of generating 470 MW of low-carbon electricity.

- Revenues of \$2,126 million was up 6% (5% comparable). Growth was broadly supported by execution of the order backlog and a positive development in the service business, as well as in the product business.

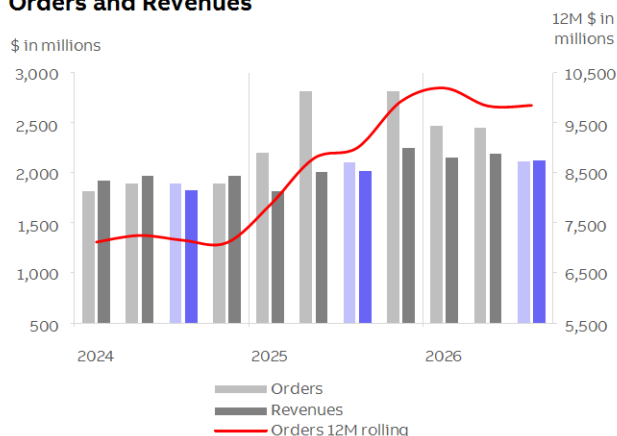
Profit

Operational EBITA improved by 13% to \$315 million, reflecting a margin of 14.8%, up 90 basis points.

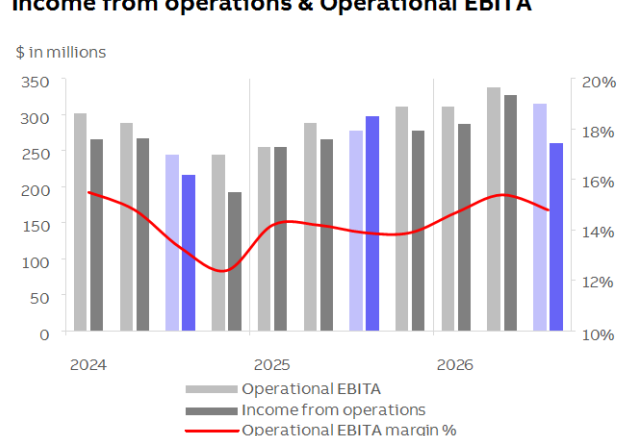
- Gross margin declined by 180 basis points, with approximately half of the decrease due mainly to the impact from unrealized FX and commodities derivatives which does not impact Operational EBITA margin.
- Pricing was positive, although did not fully compensate for the combined hampering impact from mix and input cost inflation in the quarter.
- Efficient execution of the order backlog with improved profitability supported the Operational EBITA margin.
- Combined R&D and SG&A spend increased, but reduced in relation to revenues, supporting profitability.

(\$ millions, unless otherwise indicated)	CHANGE				CHANGE			
	Q3 2026	Q3 2025	US\$	Comparable	9M 2026	9M 2025	US\$	Comparable
Orders	2,114	2,100	1%	0%	7,032	7,111	-1%	-4%
Order backlog	10,567	9,524	11%	12%	10,567	9,524	11%	12%
Revenues	2,126	2,013	6%	5%	6,466	5,841	11%	7%
Gross Profit	776	770	1%		2,405	2,254	7%	
as % of revenues	36.5%	38.3%	-1.8 pts		37.2%	38.6%	-1.4 pts	
Operational EBITA	315	278	13%		964	821	17%	
as % of operational revenues	14.8%	13.9%	+0.9 pts		14.9%	14.1%	+0.8 pts	
Cash flow from operating activities	373	483	-23%		1,022	1,040	-2%	
No. of employees (FTE equiv.)	26,300	26,100	1%					

Orders and Revenues



Income from operations & Operational EBITA



Sustainability



Events from the quarter

- ABB In July, announced it is acquiring Advantics, a France-based specialist provider of silicon carbide power conversion solutions. The acquisition expands ABB's DC portfolio and positions the company to meet accelerating demand for efficient DC solutions across data centers, industrial microgrids, power generation and EV infrastructure. Combined with ABB's expertise in protection, distribution, digital control and system-level engineering, the acquisition supports the development of DC systems that maximize efficiency energy storage and flexible power sources.
- Borussia Dortmund has chosen ABB as its energy management partner, building on years of technological collaboration at Germany's largest football stadium. Over the past years, the two organizations have worked together to modernize the stadium's electrical infrastructure, KNX-based building automation, heating, ventilation and air conditioning (HVAC), and energy management systems. As energy management partner, ABB will now build on this foundation to further optimize energy use, increase operational transparency and support Borussia Dortmund's continuous improvement in energy performance.
- ABB India is collaborating with NOVENCO, a global leader in high-efficiency fan technologies, to improve system-level energy efficiency across axial fan applications. Fan and ventilation systems rank among the largest energy consumers in many facilities. For the first time, ABB can now offer a complete axial fan package that combines NOVENCO's world-leading ZerAx® fan efficiency with ABB's IE5 permanent magnet motor and variable speed drive. In a typical data center cooling application comprising more than 1,000 fans, replacing EC fans with ABB's axial fan package can reduce annual energy consumption by 15 to 40 percent, depending on the age of the installed solution.
- ABB has achieved an industry first by obtaining Type III Environmental Product Declaration (EPD) certification for six of its industrial sensors. The sensors are key to operational efficiency and safety in industries such as chemicals, oil and gas, and water and wastewater. EPDs can help industrial companies meet sustainability ESG targets, regulatory and sustainable procurement requirements. In 2025, ABB also contributed to the development of the Industrial Sensor EPD standard.
- ABB has showcased how a multigenerational workforce drives collaboration, learning and innovation across the company. Key highlights included leadership storytelling, interactive workshops, learning and networking opportunities, and the Generations Challenge. The challenge attracted participants from more than 25 countries, recognized more than 250 colleagues and celebrated role models who empower young people, honor experience and advance AI for inclusion. Supported by Executive Committee sponsors and senior leaders, these initiatives helped raise awareness of the value that diverse experiences and career stages bring to ABB's culture and business success.

	Q3 2026 ⁴	Q3 2025 ⁴	CHANGE	12M ROLLING
CO ₂ e own operations emissions, Ktons scope 1 and 2 ¹	27	27	0%	120
Total recordable incident frequency rate (TRIFR), frequency / 1,000,000 working hours ²	1.33	1.31	2%	1.38
Proportion of women in senior management roles in % ³	24.9	21.9	+3 pts	23.9

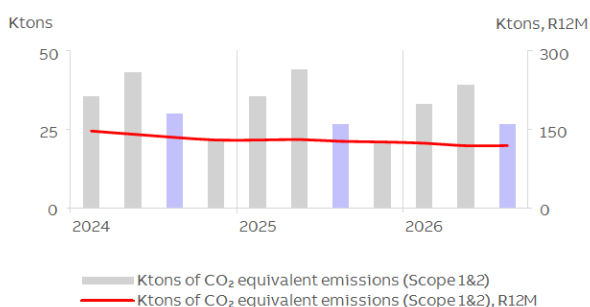
¹ CO₂ equivalent emissions from site, energy use, SF₆ and fleet, previous quarter

² To align with CSRD reporting requirements, we have replaced our primary safety KPI, Lost Time Injury Frequency Rate (LTIFR), with Total Recordable Incident Frequency Rate (TRIFR). This new measure includes all incidents and injuries except first aid cases and near misses, promoting improved system learning, enhanced transparency, and greater openness in reporting. Current quarter includes all incidents reported until October 7, 2026

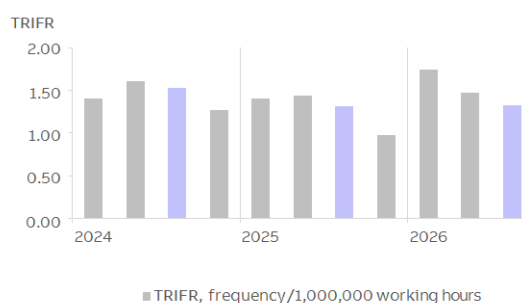
³ The above disclosure relates to countries where policies legally permit and to the extent that it does not conflict with any applicable local laws, where ABB operates

⁴ The above disclosures represent ABB Group incl. Robotics data

CO₂e Scope 1&2



Total recordable incident frequency rate (TRIFR)



Significant events

During Q3 2026

- On July 16, 2026, ABB announced that it has agreed with Rotork plc (Rotork), a well-established provider of mission-critical intelligent flow control solutions and a leading independent manufacturer of electric actuators, on the terms of a recommended cash offer for the entire issued and to be issued share capital of Rotork. The transaction is expected to further strengthen ABB's focus on electrification and automation and expand its Automation business area's offering for large and complex infrastructure and industries. Under the terms of the offer, each Rotork shareholder would be entitled to receive 503 pence in cash per Rotork share. Rotork shareholders also receive an interim dividend for the period to June 30, 2026 of up to 3 pence per Rotork share without any reduction of the offer value. Rotork is expected to add 3% to ABB's revenues with immediate accretion to Operational EBITA margin. The transaction received shareholder approval on September 3, 2026, and is expected to close in the first half of 2027 subject to customary regulatory approvals.

First nine months of 2026

Order intake increased 34% (31% comparable) year-on-year to \$35,395 million. A positive market environment supported customer activity in all three business areas. While orders in the Electrification and Motion business areas increased at a double-digit rate, orders in the Automation business area declined against a high comparable. There was a positive development across most customer segments, led by particular strength in data centers, ports, utilities and land-based infrastructure such as tunnels and airports, which benefited from electrical upgrades. The marine market is persistently strong, although orders declined against a high comparable. On the muted side, there were the process industry-related areas such as pulp & paper, chemicals and mining.

Revenues improved by 15% (12% comparable) to \$27,910 million supported by a positive development across the project, service and short-cycle businesses. Revenues were at an all-time-high, but orders were even higher, resulting in a book-to-bill of 1.27. The order backlog amounted to \$32.3 billion, up by 35% (37% comparable), year-on-year.

Income from operations amounted to \$5,211 million, up 15% year-on-year, resulting in a margin of 18.7%. The increase was mainly driven by positive impacts from improved operational business performance, with further support from a higher contribution related to real estate

After Q3 2026

- On October 13, 2026, ABB completed the sale of commercial properties in Switzerland, as these are no longer required for long-term strategic reserve purposes. Consequently, a pre-tax operational gain of ~CHF240 million will be recorded in the fourth quarter of 2026.
- On October 20, 2026, ABB announced that it has signed an agreement to take a 51% controlling ownership in a joint venture (JV) with Mitsubishi Electric's low voltage power distribution business. The Mitsubishi Electric business to be contributed to the JV generated around 102 billion yen (~\$640 million) in revenues in its fiscal year 2025, with a low double-digit EBITDA margin. We expect the joint venture to improve to at least a 20 percent Operational EBITA margin in 5 years. ABB has an option to full ownership in the mid-term. We acquire a controlling 51 stake in the newly formed company as well as full ownership of Mitsubishi Electric's related sales operations outside of Japan for a total consideration of around 79 billion yen (~\$495 million). The sales operations outside of Japan represent approximately 15 percent of revenues. The transaction values the combined businesses at a total enterprise value (EV) of about \$890 million. Combined, this translates to valuation multiples of EV/Sales ~1.4 and EV/EBITDA of ~11.1 based on reported fiscal year 2025. The latter reduces into the mid-to high single-digit range when assuming realization of expected synergies. We see long-term returns well above cost of capital.

sales. Combined, these impacts more than offset adverse impacts from unrealized FX and commodity derivatives, provisions for certain legacy claims and remediations of approximately \$100 million as well as fair value adjustments on equity investments.

Operational EBITA increased by 27% to \$6,000 million. The higher result was primarily due to the improved business performance. Moreover, an operational net gain of \$377 million relating to a real estate sale in Corporate and Other had a positive impact.

The Operational EBITA margin improved by 180 basis points to 21.4% with the main drivers being operating leverage on higher volumes, positive pricing, improved operational efficiency and the real estate sale. Corporate and other Operational EBITA amounted to -\$24 million. This includes the benefit of \$377 million from the real estate sale, a loss of \$83 million attributed to the E-mobility business and Stranded costs of \$76 million linked to the ongoing divestment of the Robotics business.

Net finance expenses amounted to \$75 million, lower than last year's income of \$69 million. Income tax expense was \$1,309 million reflecting a tax rate of 25.5%.

Net income attributable to ABB was \$3,736 million, up 8% from \$3,461 million in the prior year period. Basic earnings per share was \$2.06, representing an increase of 9% from \$1.89.

Key acquisitions and divestments, last twelve months

Acquisitions	Company/unit	Closing date	Revenues, \$ in millions ¹	No. of employees
2026				
Automation	Høglund AS	2-Sep	~32	80
Motion	Specialtrasfo S.p.A	1-Jul	~40	130
Electrification	Netcontrol Oy	4-May	~24	110
Electrification	IPEC Ltd.	1-Apr	~28	60
Electrification	Premium Power	2-Mar	~9	40
2025				
Motion	Gamesa Electric power electronics (Spain)	1-Dec	~170	400
Motion	Brightloop S.A.S.	1-Oct	~18	80

Divestments	Company/unit	Closing date	Revenues, \$ in millions ¹	No. of employees
2025				
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.

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

Additional figures

ABB Group	Q1 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025	Q1 2026	Q2 2026	Q3 2026
EBITDA, \$ in million	1,660	1,668	1,806	1,726	6,860	1,990	1,805	2,075
Return on Capital Employed, %	24.4	24.5	24.8	25.3	25.3	27.2	28.4	29.9
Net debt/Equity	0.10	0.25	0.17	0.10	0.10	0.15	0.14	0.08
Net debt/ EBITDA 12M rolling	0.3	0.6	0.4	0.3	0.3	0.3	0.3	0.2
Net working capital	3,037	3,423	2,993	2,372	2,372	2,705	3,046	2,827
Trade net working capital	4,222	4,646	4,433	4,059	4,059	4,017	4,327	4,283
Average trade net working capital as a % of revenues	14.1%	13.8%	13.5%	13.0%	13.0%	12.5%	11.9%	11.3%
Earnings per share, basic, \$	0.60	0.63	0.66	0.70	2.59	0.73	0.68	0.65
Earnings per share, diluted, \$	0.60	0.63	0.66	0.70	2.59	0.73	0.68	0.65
Dividend per share, CHF	n.a.	n.a.	n.a.	n.a.	0.94	n.a.	n.a.	n.a.
Share price at the end of period, CHF	45.22	47.31	57.32	59.22	59.22	63.24	87.58	79.42
Number of employees (FTE equivalents)	110,100	110,900	110,700	111,900	111,900	112,700	114,800	115,300
No. of shares outstanding at end of period (in millions)	1,833	1,826	1,822	1,818	1,818	1,814	1,815	1,808

Additional 2026 guidance

ABB based on discontinued operations structure

(\$ in millions, unless otherwise stated)	FY 2026 ¹	Q4 2026
Corporate and Other	~200	~140
Operational EBITA ²	from ~(100)	
of which stranded costs ⁴	~(100)	~(25)
Non-operating items		
Acquisition-related amortization	~(195)	~(45)
Separation and integration	~(100) from ~(75)	~(35)
Restructuring and related and Business transformation	~(200)	~(45)

(\$ in millions, unless otherwise stated)	FY 2026
Finance net ⁵	~0 from ~150
Effective tax rate	~25% ³
Capital Expenditure	~(1,000)

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

² Excludes Operational EBITA from E-mobility business; and includes the real estate gain of \$377 million in Q1 2026 and ~CHF240 million in Q4 2026

³ Excludes the impact of acquisitions or divestments or any significant non-operational items. Does not include expected \$2.4 billion Robotics divestment gain.

⁴ Framework assumes stranded cost for the full year. Closing of Robotics divestment expected in the fourth quarter of 2026

⁵ Including the impact of the Deal-contingent FX contract related to the Rotork acquisition

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.

Q3 results presentation on October 20, 2026

The Q3 2026 results press release and presentation slides are available on the ABB News Center at www.abb.com/news and on the Investor Relations homepage at www.abb.com/investorrelations.

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

webcast, please refer to the ABB website: www.abb.com/investorrelations.

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

Financial calendar

2027

January 28	Q4 2026 results
April 20	Q1 2027 results
July 21	Q2 2027 results
October 19	Q3 2027 results

For additional information please contact:

Media Relations

Phone: +41 43 317 71 11

Email: media.relations@ch.abb.com

Investor Relations

Phone: +41 43 317 71 11

Email: investor.relations@ch.abb.com

ABB Ltd

Affolternstrasse 44
8050 Zurich
Switzerland

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

October 20, 2026

Q3 2026

Financial Information

FINANCIAL INFORMATION

Contents

03 – 07	Key Figures
08 – 32	Consolidated Financial Information (unaudited)
33 – 48	Supplemental Reconciliations and Definitions





Key Figures

	CHANGE			
(\$ in millions, unless otherwise indicated)	Q3 2026	Q3 2025	US\$	Comparable ⁽¹⁾
Orders	12,055	8,606	40%	40%
Order backlog (end September)	32,256	23,809	35%	37%
Revenues	9,701	8,491	14%	14%
Gross Profit	3,939	3,498	13%	
as % of revenues	40.6%	41.2%	-0.6 pts	
Income from operations	1,846	1,602	15%	
Operational EBITA ⁽¹⁾	2,026	1,633	24%	24% ⁽²⁾
as % of operational revenues ⁽¹⁾	20.8%	19.2%	+1.6 pts	
Income from continuing operations, net of tax	1,258	1,207	4%	
Net income attributable to ABB	1,181	1,208	-2%	
Basic earnings per share (\$)	0.65	0.66	-2% ⁽³⁾	
Cash flow from operating activities	1,862	1,777	5%	
Free cash flow ⁽¹⁾	1,576	1,552	2%	

	CHANGE			
(\$ in millions, unless otherwise indicated)	9M 2026	9M 2025	US\$	Comparable ⁽¹⁾
Orders	35,395	26,449	34%	31%
Revenues	27,910	24,168	15%	12%
Gross Profit	11,172	9,982	12%	
as % of revenues	40.0%	41.3%	-1.3 pts	
Income from operations	5,211	4,542	15%	
Operational EBITA ⁽¹⁾	6,000	4,726	27%	23% ⁽²⁾
as % of operational revenues ⁽¹⁾	21.4%	19.6%	+1.8 pts	
Income from continuing operations, net of tax	3,827	3,375	13%	
Net income attributable to ABB	3,736	3,461	8%	
Basic earnings per share (\$)	2.06	1.89	9% ⁽³⁾	
Cash flow from operating activities	4,041	3,520	15%	
Free cash flow ⁽¹⁾	3,707	3,049	22%	

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

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

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

		CHANGE				
(\$ in millions, unless otherwise indicated)		Q3 2026	Q3 2025	US\$	Local	Comparable
Orders	ABB Group	12,055	8,606	40%	40%	40%
	Electrification	7,671	4,522	70%	70%	70%
	Motion	2,455	2,162	14%	13%	12%
	Automation	2,114	2,100	1%	0%	0%
	<i>Corporate and Other</i>	61	82			
	<i>Intersegment eliminations</i>	(246)	(260)			
Order backlog (end September)	ABB Group	32,256	23,809	35%	37%	37%
	Electrification	16,007	8,750	83%	84%	85%
	Motion	7,065	6,176	14%	17%	14%
	Automation	10,567	9,524	11%	12%	12%
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(1,383)	(641)			
Revenues	ABB Group	9,701	8,491	14%	14%	14%
	Electrification	5,424	4,499	21%	20%	21%
	Motion	2,320	2,082	11%	11%	9%
	Automation	2,126	2,013	6%	5%	5%
	<i>Corporate and Other</i>	94	124			
	<i>Intersegment eliminations</i>	(263)	(227)			
Income from operations	ABB Group	1,846	1,602			
	Electrification	1,356	1,079			
	Motion	394	402			
	Automation	261	298			
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(165)	(177)			
Income from operations %	ABB Group	19.0%	18.9%			
	Electrification	25.0%	24.0%			
	Motion	17.0%	19.3%			
	Automation	12.3%	14.8%			
Operational EBITA	ABB Group	2,026	1,633	24%	24%	
	Electrification	1,394	1,100	27%	26%	
	Motion	449	421	7%	6%	
	Automation	315	278	13%	13%	
	<i>Corporate and Other⁽¹⁾</i>					
	<i>(incl. intersegment eliminations)</i>	(132)	(166)			
Operational EBITA %	ABB Group	20.8%	19.2%			
	Electrification	25.6%	24.5%			
	Motion	19.1%	20.1%			
	Automation	14.8%	13.9%			
Cash flow from operating activities	ABB Group	1,862	1,777			
	Electrification	1,608	1,340			
	Motion	516	464			
	Automation	373	483			
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(609)	(604)			
	<i>Discontinued operations</i>	(26)	94			

(1) Corporate and Other at Q3 2026 and Q3 2025 includes Stranded corporate costs of \$25 million and \$31 million, respectively.

		CHANGE				
(\$ in millions, unless otherwise indicated)		9M 2026	9M 2025	US\$	Local	Comparable
Orders	ABB Group	35,395	26,449	34%	31%	31%
	Electrification	21,549	13,434	60%	57%	58%
	Motion	7,595	6,430	18%	15%	13%
	Automation	7,032	7,111	-1%	-4%	-4%
	<i>Corporate and Other</i>	212	320			
	<i>Intersegment eliminations</i>	(993)	(846)			
Order backlog (end September)	ABB Group	32,256	23,809	35%	37%	37%
	Electrification	16,007	8,750	83%	84%	85%
	Motion	7,065	6,176	14%	17%	14%
	Automation	10,567	9,524	11%	12%	12%
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(1,383)	(641)			
Revenues	ABB Group	27,910	24,168	15%	13%	12%
	Electrification	15,237	12,655	20%	18%	18%
	Motion	6,679	5,987	12%	9%	7%
	Automation	6,466	5,841	11%	7%	7%
	<i>Corporate and Other</i>	299	327			
	<i>Intersegment eliminations</i>	(771)	(642)			
Income from operations	ABB Group	5,211	4,542			
	Electrification	3,497	2,991			
	Motion	1,081	1,156			
	Automation	875	819			
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(242)	(424)			
Income from operations %	ABB Group	18.7%	18.8%			
	Electrification	23.0%	23.6%			
	Motion	16.2%	19.3%			
	Automation	13.5%	14.0%			
Operational EBITA	ABB Group	6,000	4,726	27%	23%	
	Electrification	3,800	3,019	26%	22%	
	Motion	1,260	1,188	6%	3%	
	Automation	964	821	17%	13%	
	<i>Corporate and Other⁽¹⁾</i>					
	<i>(incl. intersegment eliminations)</i>	(24)	(302)			
Operational EBITA %	ABB Group	21.4%	19.6%			
	Electrification	24.9%	23.9%			
	Motion	18.7%	19.8%			
	Automation	14.9%	14.1%			
Cash flow from operating activities	ABB Group	4,041	3,520			
	Electrification	3,872	2,817			
	Motion	1,192	1,128			
	Automation	1,022	1,040			
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(1,883)	(1,723)			
	<i>Discontinued operations</i>	(162)	258			

(1) Corporate and Other at 9M 2026 and 9M 2025 includes Stranded corporate costs of \$76 million and \$93 million, respectively.

Operational EBITA

	ABB		Electrification		Motion		Automation	
(\$ in millions, unless otherwise indicated)	Q3 26	Q3 25	Q3 26	Q3 25	Q3 26	Q3 25	Q3 26	Q3 25
Revenues	9,701	8,491	5,424	4,499	2,320	2,082	2,126	2,013
Foreign exchange/commodity timing differences in total revenues	47	(7)	15	(3)	29	9	6	(12)
Operational revenues	9,748	8,484	5,439	4,496	2,349	2,091	2,132	2,001
Income from operations	1,846	1,602	1,356	1,079	394	402	261	298
Acquisition-related amortization	51	48	28	27	13	8	8	11
Restructuring, related and implementation costs ⁽¹⁾	17	19	13	6	3	10	4	(1)
Gains and losses from sale of businesses	(2)	12	(1)	8	–	–	(2)	–
Acquisition- and divestment-related expenses and integration costs	40	10	10	5	5	1	25	2
Certain other non-operational items	50	–	8	1	3	3	6	(20)
Foreign exchange/commodity timing differences in income from operations	24	(58)	(20)	(26)	31	(3)	13	(12)
Operational EBITA	2,026	1,633	1,394	1,100	449	421	315	278
Operational EBITA margin (%)	20.8%	19.2%	25.6%	24.5%	19.1%	20.1%	14.8%	13.9%

	ABB		Electrification		Motion		Automation	
(\$ in millions, unless otherwise indicated)	9M 26	9M 25	9M 26	9M 25	9M 26	9M 25	9M 26	9M 25
Revenues	27,910	24,168	15,237	12,655	6,679	5,987	6,466	5,841
Foreign exchange/commodity timing differences in total revenues	71	(31)	38	(16)	51	(2)	(11)	(11)
Operational revenues	27,981	24,137	15,275	12,639	6,730	5,985	6,455	5,830
Income from operations	5,211	4,542	3,497	2,991	1,081	1,156	875	819
Acquisition-related amortization	149	139	82	82	39	26	26	28
Restructuring, related and implementation costs ⁽¹⁾	81	39	43	16	13	17	23	4
Changes in obligations related to divested businesses	(5)	(3)	–	–	–	–	–	–
Gains and losses from sale of businesses	(9)	–	(3)	(5)	–	–	(11)	–
Acquisition- and divestment-related expenses and integration costs	75	37	34	24	9	3	30	7
Certain other non-operational items	302	58	21	(28)	52	13	13	(22)
Foreign exchange/commodity timing differences in income from operations	196	(86)	126	(61)	66	(27)	8	(15)
Operational EBITA	6,000	4,726	3,800	3,019	1,260	1,188	964	821
Operational EBITA margin (%)	21.4%	19.6%	24.9%	23.9%	18.7%	19.8%	14.9%	14.1%

(1) Includes impairment of certain assets.

Depreciation and Amortization

(\$ in millions)	ABB		Electrification		Motion		Automation	
	Q3 26	Q3 25	Q3 26	Q3 25	Q3 26	Q3 25	Q3 26	Q3 25
Depreciation	164	145	90	81	33	33	19	19
Amortization	65	59	35	33	17	12	12	11
including total acquisition-related amortization of:	51	48	28	27	13	8	8	11

(\$ in millions)	ABB		Electrification		Motion		Automation	
	9M 26	9M 25	9M 26	9M 25	9M 26	9M 25	9M 26	9M 25
Depreciation	469	417	264	228	99	96	58	55
Amortization	190	175	103	101	49	34	34	31
including total acquisition-related amortization of:	149	139	82	82	39	26	26	28

Orders received and Revenues by region

(\$ in millions, unless otherwise indicated)	Orders received		CHANGE			Revenues		CHANGE		
	Q3 26	Q3 25	US\$	Local	Com-parable	Q3 26	Q3 25	US\$	Local	Com-parable
Europe	3,020	2,759	9%	10%	10%	2,982	2,891	3%	4%	3%
The Americas	5,980	3,499	71%	71%	70%	3,931	3,221	22%	22%	21%
of which United States	5,150	2,831	82%	82%	82%	3,231	2,508	29%	29%	28%
Asia, Middle East and Africa	3,055	2,348	30%	30%	29%	2,788	2,379	17%	16%	16%
of which China	1,150	873	32%	25%	25%	1,173	949	24%	17%	18%
ABB Group	12,055	8,606	40%	40%	40%	9,701	8,491	14%	14%	14%

(\$ in millions, unless otherwise indicated)	Orders received		CHANGE			Revenues		CHANGE		
	9M 26	9M 25	US\$	Local	Com-parable	9M 26	9M 25	US\$	Local	Com-parable
Europe	10,135	8,639	17%	12%	12%	8,968	8,232	9%	4%	3%
The Americas	16,292	10,256	59%	58%	57%	11,110	9,177	21%	20%	20%
of which United States	13,920	8,124	71%	71%	70%	8,974	7,149	26%	25%	25%
Asia, Middle East and Africa	8,968	7,554	19%	17%	17%	7,832	6,759	16%	14%	14%
of which China	3,435	2,902	18%	12%	12%	3,203	2,695	19%	13%	13%
ABB Group	35,395	26,449	34%	31%	31%	27,910	24,168	15%	13%	12%

Consolidated Financial Information

ABB Ltd Consolidated Income Statements (unaudited)

(\$ in millions, except per share data in \$)	Nine months ended		Three months ended	
	Sep. 30, 2026	Sep. 30, 2025	Sep. 30, 2026	Sep. 30, 2025
Sales of products	23,606	20,185	8,283	7,120
Sales of services and other	4,304	3,983	1,418	1,371
Total revenues	27,910	24,168	9,701	8,491
Cost of sales of products	(14,433)	(12,057)	(5,008)	(4,284)
Cost of services and other	(2,305)	(2,129)	(754)	(709)
Total cost of sales	(16,738)	(14,186)	(5,762)	(4,993)
Gross profit	11,172	9,982	3,939	3,498
Selling, general and administrative expenses	(5,130)	(4,824)	(1,730)	(1,619)
Non-order related research and development expenses	(1,057)	(949)	(353)	(326)
Other income (expense), net	226	333	(10)	49
Income from operations	5,211	4,542	1,846	1,602
Interest and dividend income	131	142	41	47
Interest and other finance expense	(206)	(73)	(168)	(24)
Non-operational pension (cost) credit	–	42	(35)	12
Income from continuing operations before taxes	5,136	4,653	1,684	1,637
Income tax expense	(1,309)	(1,278)	(426)	(430)
Income from continuing operations, net of tax	3,827	3,375	1,258	1,207
Income (loss) from discontinued operations, net of tax	(23)	168	(43)	37
Net income	3,804	3,543	1,215	1,244
Net income attributable to noncontrolling interests	(68)	(82)	(34)	(36)
Net income attributable to ABB	3,736	3,461	1,181	1,208
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	3,754	3,294	1,225	1,172
Income (loss) from discontinued operations, net of tax	(18)	167	(44)	36
Net income	3,736	3,461	1,181	1,208
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	2.07	1.80	0.68	0.64
Income (loss) from discontinued operations, net of tax	(0.01)	0.09	(0.02)	0.02
Net income	2.06	1.89	0.65	0.66
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	2.06	1.80	0.68	0.64
Income (loss) from discontinued operations, net of tax	(0.01)	0.09	(0.02)	0.02
Net income	2.06	1.89	0.65	0.66
Weighted-average number of shares outstanding (in millions) used to compute:				
Basic earnings per share attributable to ABB shareholders	1,815	1,830	1,812	1,823
Diluted earnings per share attributable to ABB shareholders	1,818	1,833	1,814	1,827

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

See Notes to the Consolidated Financial Information

ABB Ltd Condensed Consolidated Statements of Comprehensive Income (unaudited)

(\$ in millions)	Nine months ended		Three months ended	
	Sep. 30, 2026	Sep. 30, 2025	Sep. 30, 2026	Sep. 30, 2025
Total comprehensive income, net of tax	3,790	3,566	1,350	1,233
Total comprehensive income attributable to noncontrolling interests, net of tax	(56)	(94)	(30)	(29)
Total comprehensive income attributable to ABB shareholders, net of tax	3,734	3,472	1,320	1,204

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

See Notes to the Consolidated Financial Information

ABB Ltd Consolidated Balance Sheets (unaudited)

(\$ in millions)	Sep. 30, 2026	Dec. 31, 2025
Cash and equivalents	3,810	4,640
Marketable securities and short-term investments	2,478	1,981
Receivables, net	8,169	7,535
Contract assets	1,259	1,090
Inventories, net	7,024	5,862
Prepaid expenses	342	281
Other current assets	570	627
Current assets held for sale and in discontinued operations	4,034	3,562
Total current assets	27,686	25,578
Property, plant and equipment, net	4,749	4,692
Operating lease right-of-use assets	826	765
Investments in equity-accounted companies	340	349
Prepaid pension and other employee benefits	1,010	937
Intangible assets, net	1,104	1,119
Goodwill	9,758	9,637
Deferred taxes	1,453	1,248
Other non-current assets	479	560
Non-current assets held for sale and in discontinued operations	35	–
Total assets	47,440	44,885
Accounts payable, trade	6,294	5,210
Contract liabilities	3,712	3,221
Short-term debt and current maturities of long-term debt	1,157	475
Current operating leases	258	253
Provisions	1,491	1,477
Other current liabilities	5,261	4,677
Current liabilities held for sale and in discontinued operations	1,226	1,108
Total current liabilities	19,399	16,421
Long-term debt	6,463	7,829
Non-current operating leases	592	533
Pension and other employee benefits	602	550
Deferred taxes	835	792
Other non-current liabilities	2,396	2,101
Non-current liabilities held for sale and in discontinued operations	82	13
Total liabilities	30,369	28,239
<i>Commitments and contingencies</i>		
Stockholders' equity:		
Common stock, CHF 0.12 par value (1,823 million and 1,844 million shares issued at September 30, 2026, and December 31, 2025, respectively)	158	160
Additional paid-in capital	47	64
Retained earnings	22,810	22,606
Accumulated other comprehensive loss	(5,255)	(5,253)
Treasury stock, at cost (15 million and 26 million shares at September 30, 2026, and December 31, 2025, respectively)	(1,172)	(1,490)
Total ABB stockholders' equity	16,588	16,087
Noncontrolling interests	483	559
Total stockholders' equity	17,071	16,646
Total liabilities and stockholders' equity	47,440	44,885

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

See Notes to the Consolidated Financial Information

ABB Ltd Consolidated Statements of Cash Flows (unaudited)

(\$ in millions)	Nine months ended		Three months ended	
	Sep. 30, 2026	Sep. 30, 2025	Sep. 30, 2026	Sep. 30, 2025
Operating activities:				
Net income	3,804	3,543	1,215	1,244
Loss (income) from discontinued operations, net of tax	23	(168)	43	(37)
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	659	592	229	204
Changes in fair values of investments	72	(80)	8	(40)
Pension and other employee benefits	74	(56)	86	(16)
Deferred taxes	(192)	128	(139)	26
Net loss (gain) from derivatives and foreign exchange	228	(166)	111	(80)
Net gain from sale of property, plant and equipment	(414)	(187)	(5)	(3)
Net loss (gain) from sale of businesses	(9)	–	(2)	12
Other	99	32	37	17
Changes in operating assets and liabilities:				
Trade receivables, net	(590)	(237)	(52)	13
Contract assets and liabilities	353	193	103	119
Inventories, net	(1,318)	(118)	(593)	(66)
Accounts payable, trade	1,115	(51)	406	37
Accrued liabilities	35	(73)	364	273
Provisions, net	179	(23)	5	29
Income taxes payable and receivable	254	72	92	(111)
Other assets and liabilities, net	(169)	(139)	(20)	62
Net cash provided by operating activities – continuing operations	4,203	3,262	1,888	1,683
Net cash provided by (used in) operating activities – discontinued operations	(162)	258	(26)	94
Net cash provided by operating activities	4,041	3,520	1,862	1,777
Investing activities:				
Purchases of investments	(1,484)	(1,047)	(641)	(51)
Purchases of property, plant and equipment and intangible assets	(668)	(592)	(251)	(207)
Acquisition of businesses (net of cash acquired) and increases in cost- and equity-accounted companies	(360)	(577)	(211)	(7)
Proceeds from sales of investments	976	517	150	–
Proceeds from sales of property, plant and equipment	467	176	5	3
Proceeds from sales of businesses (net of transaction costs and cash disposed) and cost- and equity-accounted companies	34	74	6	1
Net cash from settlement of foreign currency derivatives	195	(115)	126	(112)
Other investing activities	10	(5)	–	(6)
Net cash used in investing activities – continuing operations	(830)	(1,569)	(816)	(379)
Net cash used in investing activities – discontinued operations	(137)	(69)	(42)	(27)
Net cash used in investing activities	(967)	(1,638)	(858)	(406)
Financing activities:				
Net changes in debt with original maturities of 90 days or less	1	(66)	6	(205)
Increase in debt	19	1,086	(17)	(4)
Repayment of debt	(466)	(219)	(417)	(88)
Delivery of shares	–	33	–	14
Purchase of treasury stock	(1,046)	(1,149)	(573)	(366)
Dividends paid	(2,161)	(1,907)	–	–
Dividends paid to noncontrolling shareholders	(172)	(114)	(49)	(9)
Other financing activities	(7)	(8)	13	(16)
Net cash used in financing activities – continuing operations	(3,832)	(2,344)	(1,037)	(674)
Net cash used in financing activities – discontinued operations	(2)	(1)	–	(1)
Net cash used in financing activities	(3,834)	(2,345)	(1,037)	(675)
Effects of exchange rate changes on cash and equivalents	(70)	95	(24)	(4)
Adjustment for the net change in cash and equivalents in assets held for sale	–	(21)	–	(21)
Net change in cash and equivalents	(830)	(389)	(57)	671
Cash and equivalents, beginning of period	4,640	4,326	3,867	3,266
Cash and equivalents, end of period	3,810	3,937	3,810	3,937
Supplementary disclosure of cash flow information:				
Interest paid	202	228	35	44
Income taxes paid	1,424	1,164	526	527

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

See Notes to the Consolidated Financial Information

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

(\$ in millions)	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total ABB stockholders' equity	Non-controlling interests	Total stockholders' equity
Balance at January 1, 2025	162	50	20,648	(5,350)	(1,091)	14,419	572	14,991
Net income			3,461			3,461	82	3,543
Foreign currency translation adjustments, net of tax of \$(3)				69		69	12	81
Effect of change in fair value of available-for-sale securities, net of tax of \$0				3		3		3
Unrecognized income (expense) related to pensions and other postretirement plans, net of tax of \$(24)				(64)		(64)		(64)
Change in derivative instruments and hedges, net of tax of \$1				3		3		3
Changes in noncontrolling interests						-	(9)	(9)
Dividends to noncontrolling shareholders						-	(111)	(111)
Dividends to shareholders			(1,867)			(1,867)		(1,867)
Cancellation of treasury shares	(2)	(61)	(831)		894	-		-
Share-based payment arrangements		63				63	3	66
Purchase of treasury stock					(1,146)	(1,146)		(1,146)
Delivery of shares		(25)	(77)		135	33		33
Balance at September 30, 2025	160	28	21,333	(5,339)	(1,208)	14,974	548	15,522
Balance at January 1, 2026	160	64	22,606	(5,253)	(1,490)	16,087	559	16,646
Net income			3,736			3,736	68	3,804
Foreign currency translation adjustments, net of tax of \$(9)				(109)		(109)	(12)	(121)
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 \$38				105		105		105
Change in derivative instruments and hedges, net of tax of \$0				2		2		2
Changes in noncontrolling interests		(40)				(40)	41	1
Dividends to noncontrolling shareholders						-	(175)	(175)
Dividends to shareholders			(2,146)			(2,146)		(2,146)
Cancellation of treasury shares	(2)	(41)	(1,283)		1,326	-		-
Share-based payment arrangements		73				73	2	75
Purchase of treasury stock					(1,118)	(1,118)		(1,118)
Delivery of shares		(8)	(102)		110	-		-
Balance at September 30, 2026	158	47	22,810	(5,255)	(1,172)	16,588	483	17,071

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

See Notes to the Consolidated Financial Information

Notes to the Consolidated Financial Information (unaudited)

Note 1

The Company and basis of presentation

ABB Ltd and its subsidiaries (collectively, the Company) together form a global technology leader in electrification and automation, enabling a more sustainable and resource-efficient future. By connecting its engineering and digitalization expertise, ABB helps industries run at high performance, while becoming more efficient, productive and sustainable so they outperform.

The Company's Consolidated Financial Information is prepared in accordance with United States of America generally accepted accounting principles (U.S. GAAP) for interim financial reporting. As such, the Consolidated Financial Information does not include all the information and notes required under U.S. GAAP for annual consolidated financial statements. Therefore, such financial information should be read in conjunction with the audited consolidated financial statements in the Company's Financial Report for the year ended December 31, 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 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,
- 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,
- 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.

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 fourth quarter of 2026, subject to regulatory approvals and customary closing conditions.

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)	Nine months ended		Three months ended	
	Sep. 30, 2026	Sep. 30, 2025	Sep. 30, 2026	Sep. 30, 2025
Total revenues	1,735	1,750	622	592
Total cost of sales	(1,143)	(1,158)	(416)	(393)
Gross profit	592	592	206	199
Expenses	(450)	(335)	(147)	(134)
Income from operations	142	257	59	65
Net interest and other finance expense	(17)	(23)	(7)	(9)
Non-operational pension credit	2	—	1	—
Income from discontinued operations before taxes	127	234	53	56
Income tax expense	(150)	(66)	(96)	(19)
Income (loss) from discontinued operations, net of tax	(23)	168	(43)	37

Of the total Income from discontinued operations before taxes in the table above, \$126 million and \$232 million in the nine months ended September 30, 2026 and 2025, respectively, and \$53 million and \$54 million in the three months ended September 30, 2026 and 2025, respectively, are attributable to the Company, while the remainder is attributable to noncontrolling interests.

Income from discontinued operations before taxes excludes stranded costs which were previously allocated to the Robotics division. As a result, for the nine months ended September 30, 2026 and 2025, \$76 million and \$93 million, respectively, and for the three months ended September 30, 2026 and 2025, \$25 million and \$31 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 nine and three months ended September 30, 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)	Sep. 30, 2026 ⁽¹⁾	Dec. 31, 2025 ⁽¹⁾
Receivables, net	693	489
Contract assets	194	217
Inventories, net	387	372
Property, plant and equipment, net	397	290
Operating lease right-of-use assets	140	84
Goodwill	1,819	1,847
Deferred taxes	272	123
Other assets	132	140
Current assets held for sale and in discontinued operations	4,034	3,562
Other non-current assets	35	–
Non-current assets held for sale and in discontinued operations	35	–
Accounts payable, trade	395	317
Contract liabilities	199	250
Operating leases	123	87
Other liabilities	509	454
Current liabilities held for sale and in discontinued operations	1,226	1,108
Other non-current liabilities	82	13
Non-current liabilities held for sale and in discontinued operations	82	13

(1) At September 30, 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) ⁽¹⁾	Nine months ended September 30,		Three months ended September 30,	
	2026	2025	2026	2025
Purchase price for acquisitions (net of cash acquired) ⁽²⁾	318	556	194	5
Aggregate excess of purchase price over fair value of net assets acquired ⁽³⁾	197	453	133	17
Number of acquired businesses	7	4	2	–

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

(2) Excluding changes in cost- and equity-accounted companies and settlement of pre-existing relationships.

(3) Recorded as goodwill.

In the table above, the “Purchase price for acquisitions” and “Aggregate excess of purchase price over fair value of net assets acquired” in the nine months ended September 30, 2026, relate primarily to the acquisition of Specialtrasfo S.p.A., while in the nine months ended September 30, 2025, relate primarily to the acquisitions of Sensorfact BV and the Siemens wiring accessories business in China.

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

On July 1, 2026, the Company acquired the shares of Specialtrasfo S.p.A. Specialtrasfo is an Italian manufacturer of specialized medium voltage transformers, including converter and rectifier transformers, with a worldwide installed base. The cash outflows to complete the transaction amounted to \$181 million (net of cash acquired). This acquisition strengthens the integrated powertrain portfolio and increases supply chain resilience within the Company's Motion segment.

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.

Planned Acquisition of Rotork plc

On July 16, 2026, the Company announced that it had reached an agreement to acquire Rotork plc (Rotork) for 503 pence per share (approximately GBP 4.2 billion) which was ratified by Rotork's shareholders on September 3, 2026. Rotork, headquartered in the United Kingdom, is a provider of intelligent flow control solutions and a manufacturer of electric actuators. The acquisition is expected to expand the Company's offering for large and complex infrastructure and industries within its Automation segment. While the Company expects to finance the transaction through existing cash resources and committed bank facilities, concurrent with the agreement, the Company entered into a GBP 4.2 billion bridge facility commitment letter in order to provide a backstop for the financing of the planned acquisition and to satisfy the "certain funds" requirements under the United Kingdom City Code on Takeovers and Mergers. The Company expects to complete the acquisition in the first half of 2027 subject to customary closing conditions, including regulatory clearances.

Note 5

Cash and equivalents, marketable securities and short-term investments

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

September 30, 2026						
(\$ in millions)	Cost basis	Gross unrealized gains	Gross unrealized losses	Fair value	Cash and equivalents	Marketable securities and short-term investments
Changes in fair value recorded in net income						
Cash	1,500			1,500	1,500	
Time deposits	3,424			3,424	2,310	1,114
Equity securities	1,301	67	(4)	1,364		1,364
	6,225	67	(4)	6,288	3,810	2,478
December 31, 2025						
(\$ in millions)	Cost basis	Gross unrealized gains	Gross unrealized losses	Fair value	Cash and equivalents	Marketable securities and short-term investments
Changes in fair value recorded in net income						
Cash	1,398			1,398	1,398	
Time deposits	3,804			3,804	3,242	562
Equity securities	1,348	57		1,405		1,405
	6,550	57	–	6,607	4,640	1,967
Changes in fair value recorded in other comprehensive income						
Debt securities available-for-sale:						
Other government obligations	14			14		14
	14	–	–	14	–	14
Total	6,564	57	–	6,621	4,640	1,981

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.

In connection with the planned acquisition of Rotork, the Company entered into a deal-contingent foreign exchange contract (Deal-Contingent FX Contract) to manage the foreign currency exposure associated with the purchase price denominated in British pounds. The Deal-Contingent FX Contract has a notional amount of approximately GBP 4.2 billion and settlement is contingent upon the successful closing of the transaction. Although the Deal-Contingent FX Contract is an effective economic hedge, it does not qualify for hedge accounting. At September 30, 2026, the fair value of the Deal-Contingent FX Contract was \$115 million, recorded in Other current liabilities in the Consolidated Balance Sheet, and an unrealized loss of \$115 million was recognized in the nine and three months ended September 30, 2026, reported in Interest and other finance expense in the Consolidated Income Statement. The fair value was determined by comparing the contractual foreign exchange rates to market rates, probability weighted for the likelihood and timing of when the acquisition is anticipated to close, discounted to the valuation date. The Deal-Contingent FX Contract is classified as a Level 2 instrument within the fair value hierarchy (see Note 7).

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		
	September 30, 2026	December 31, 2025	September 30, 2025
Foreign exchange contracts	24,715	14,743	13,779
Embedded foreign exchange derivatives	1,750	1,640	1,612
Cross-currency interest rate swaps	909	940	940
Interest rate contracts	567	1,644	1,457

Derivative commodity contracts

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

Type of derivative	Unit	Total notional amounts at		
		September 30, 2026	December 31, 2025	September 30, 2025
Copper swaps	metric tonnes	54,857	33,912	39,692
Silver swaps	ounces	5,199,059	2,059,055	1,965,274
Steel swaps	metric tonnes	16,647	14,198	16,602
Aluminum swaps	metric tonnes	5,525	3,850	4,450

Cash flow hedges

As noted above, the Company mainly uses forward foreign exchange contracts to manage the foreign exchange risk of its operations and commodity swaps to manage its commodity risks. The Company applies cash flow hedge accounting in only limited cases. In these cases, the effective portion of the changes in their fair value is recorded in Accumulated other comprehensive loss and subsequently reclassified into earnings in the same line item and in the same period as the underlying hedged transaction affects earnings. For the nine and three months ended September 30, 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 nine and three months ended September 30, 2026, losses of \$63 million and \$55 million, respectively, were recognized in Other comprehensive loss related to net investment hedges, while for the nine and three months ended September 30, 2025, the amounts were not significant. For the nine and three months ended September 30, 2026 and 2025, there were no significant amounts reclassified out of Accumulated other comprehensive loss into earnings related to net investment hedges, nor was there any ineffectiveness recognized. At September 30, 2026, and December 31, 2025, Accumulated other comprehensive loss included net unrealized losses of \$68 million and \$5 million, respectively, 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)		Nine months ended September 30,		Three months ended September 30,	
		2026	2025	2026	2025
Gains (losses) recognized in Interest and other finance expense:					
Interest rate contracts	Designated as fair value hedges	(21)	(5)	(19)	(4)
	Hedged item	22	5	20	4
Cross-currency interest rate swaps	Designated as fair value hedges	(6)	3	(15)	1
	Hedged item	7	(1)	16	(1)

Derivatives not designated in hedge relationships

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

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

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

Type of derivative not designated as a hedge (\$ in millions)		Gains (losses) recognized in income			
		Nine months ended September 30,		Three months ended September 30,	
	Location	2026	2025	2026	2025
Foreign exchange contracts	Total revenues	(72)	139	(54)	(1)
	Total cost of sales	(16)	(25)	2	(3)
	SG&A expenses ⁽¹⁾	10	(41)	–	10
	Interest and other finance expense	141	(191)	56	47
Embedded foreign exchange contracts	Total revenues	(47)	6	(36)	14
	Total cost of sales	(5)	6	(2)	(3)
	SG&A expenses ⁽¹⁾	(2)	–	(1)	–
Commodity contracts	Total cost of sales	43	69	60	33
Other	Interest and other finance expense	3	1	1	2
Total		55	(36)	26	99

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

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

September 30, 2026				
(\$ in millions)	Derivative assets		Derivative liabilities	
	Current in “Other current assets”	Non-current in “Other non-current assets”	Current in “Other current liabilities”	Non-current in “Other non-current liabilities”
Derivatives designated as hedging instruments:				
Foreign exchange contracts	9	–	74	–
Interest rate contracts	–	–	–	24
Cross-currency interest rate swaps	–	–	–	178
Total	9	–	74	202
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	199	23	232	24
Commodity contracts	65	2	46	–
Embedded foreign exchange derivatives	9	2	43	12
Total	273	27	321	36
Total fair value	282	27	395	238

(\$ 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”
Derivatives designated as hedging instruments:				
Foreign exchange contracts	–	–	6	–
Interest rate contracts	–	2	–	4
Cross-currency interest rate swaps	–	–	–	142
Total	–	2	6	146
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	101	23	50	5
Commodity contracts	129	–	5	–
Embedded foreign exchange derivatives	20	14	29	4
Total	250	37	84	9
Total fair value	250	39	90	155

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

Although the Company is party to close-out netting agreements with most derivative counterparties, the fair values in the tables above and in the Consolidated Balance Sheets at September 30, 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 September 30, 2026, and December 31, 2025, information related to these offsetting arrangements was as follows:

September 30, 2026					
(\$ in millions)					
Type of agreement or similar arrangement	Gross amount of recognized assets	Derivative liabilities eligible for set-off in case of default	Cash collateral received	Non-cash collateral received	Net asset exposure
Derivatives	298	(198)	–	–	100
Total	298	(198)	–	–	100

September 30, 2026					
(\$ in millions)					
Type of agreement or similar arrangement	Gross amount of recognized liabilities	Derivative liabilities eligible for set-off in case of default	Cash collateral pledged	Non-cash collateral pledged	Net liability exposure
Derivatives	578	(198)	–	–	380
Total	578	(198)	–	–	380

December 31, 2025					
(\$ in millions)					
Type of agreement or similar arrangement	Gross amount of recognized assets	Derivative liabilities eligible for set-off in case of default	Cash collateral received	Non-cash collateral received	Net asset exposure
Derivatives	255	(56)	–	–	199
Total	255	(56)	–	–	199

December 31, 2025					
(\$ in millions)					
Type of agreement or similar arrangement	Gross amount of recognized liabilities	Derivative liabilities eligible for set-off in case of default	Cash collateral pledged	Non-cash collateral pledged	Net liability exposure
Derivatives	212	(56)	–	–	156
Total	212	(56)	–	–	156

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 generally 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:

	September 30, 2026			
(\$ in millions)	Level 1	Level 2	Level 3	Total fair value
Assets				
Securities in “Marketable securities and short-term investments”:				
Equity securities		1,364		1,364
Derivative assets—current in “Other current assets”		282		282
Derivative assets—non-current in “Other non-current assets”		27		27
Total	–	1,673	–	1,673
Liabilities				
Derivative liabilities—current in “Other current liabilities”		395		395
Derivative liabilities—non-current in “Other non-current liabilities”		238		238
Total	–	633	–	633

	December 31, 2025			
(\$ in millions)	Level 1	Level 2	Level 3	Total fair value
Assets				
Securities in “Marketable securities and short-term investments”:				
Equity securities		1,405		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
Total	14	1,694	–	1,708
Liabilities				
Derivative liabilities—current in “Other current liabilities”		90		90
Derivative liabilities—non-current in “Other non-current liabilities”		155		155
Total	–	245	–	245

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 nine and three months ended September 30, 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)	September 30, 2026				
	Carrying value	Level 1	Level 2	Level 3	Total fair value
Assets					
Cash and equivalents (excluding securities with original maturities up to 3 months):					
Cash	1,500	1,500			1,500
Time deposits	2,310		2,310		2,310
Marketable securities and short-term investments (excluding securities):					
Time deposits	1,114		1,114		1,114
Liabilities					
Short-term debt and current maturities of long-term debt (excluding finance lease obligations)	1,117	1,089	28		1,117
Long-term debt (excluding finance lease obligations)	6,330	5,505	719		6,224

(\$ in millions)	December 31, 2025				
	Carrying value	Level 1	Level 2	Level 3	Total fair value
Assets					
Cash and equivalents (excluding securities with original maturities up to 3 months):					
Cash	1,398	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
Liabilities					
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)	September 30, 2026	December 31, 2025	September 30, 2025
Contract assets	1,259	1,090	1,062
Contract liabilities	3,712	3,221	3,204

Contract assets primarily relate to the Company's right to receive consideration for work completed but for which no invoice has been issued at the reporting date. Contract assets are transferred to receivables when rights to receive payment become unconditional. Management expects that the majority of the amounts will be collected within one year of the respective balance sheet date.

Contract liabilities primarily relate to up-front advances received on orders from customers as well as amounts invoiced to customers in excess of revenues recognized predominantly on long-term projects. Contract liabilities are reduced as work is performed and as revenues are recognized.

The significant changes in the Contract assets and Contract liabilities balances were as follows:

(\$ in millions)	Nine months ended September 30,			
	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		(1,635)		(1,339)
Additions to Contract liabilities - excluding amounts recognized as revenue during the period		2,170		1,664
Receivables recognized that were included in the Contract assets balance at Jan 1, 2026/2025	(575)		(500)	

The Company considers its order backlog to represent its unsatisfied performance obligations. At September 30, 2026, the Company had unsatisfied performance obligations totaling \$32,256 million and, of this amount, the Company expects to fulfill approximately 26 percent of the obligations in 2026, approximately 41 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 September 30, 2026, and December 31, 2025, the total obligation outstanding under supplier finance programs amounted to \$700 million and \$482 million, respectively.

Note 10

Debt

The Company's total debt at September 30, 2026, and December 31, 2025, amounted to \$7,620 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)	September 30, 2026	December 31, 2025
Short-term debt	33	26
Current maturities of long-term debt	1,124	449
Total	1,157	475

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

In September 2026, the Company repaid at maturity its CHF 325 million 1.965% CHF Bonds, equivalent to \$397 million on date of repayment.

Long-term debt

The Company's Long-term debt at September 30, 2026, and December 31, 2025, amounted to \$6,463 million and \$7,829 million, respectively.

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

(in millions)	September 30, 2026			December 31, 2025		
	Nominal outstanding	Carrying value ⁽¹⁾		Nominal outstanding	Carrying value ⁽¹⁾	
1.965% CHF Bonds, due 2026			CHF	325	\$	410
3.25% EUR Instruments, due 2027	EUR	500	\$	568	EUR	500
0.75% CHF Bonds, due 2027	CHF	425	\$	509	CHF	425
3.8% USD Notes, due 2028	USD	383	\$	382	USD	383
1.9775% CHF Bonds, due 2028	CHF	150	\$	180	CHF	150
3.125% EUR Instruments, due 2029	EUR	500	\$	561	EUR	500
1.0% CHF Bonds, due 2029	CHF	170	\$	204	CHF	170
0% EUR Instruments, due 2030	EUR	800	\$	800	EUR	800
2.375% CHF Bonds, due 2030	CHF	150	\$	179	CHF	150
3.375% EUR Instruments, due 2031	EUR	750	\$	844	EUR	750
Floating rate EIB R&D Loan, due 2031	USD	539	\$	539	USD	539
0.8725% CHF Bonds, due 2032	CHF	350	\$	418	CHF	350
2.1125% CHF Bonds, due 2033	CHF	275	\$	329	CHF	275
3.375% EUR Instruments, due 2034	EUR	750	\$	829	EUR	750
1.2762% CHF Bonds, due 2036	CHF	250	\$	299	CHF	250
4.375% USD Notes, due 2042	USD	609	\$	593	USD	609
Total		\$ 7,234			\$ 7,905	

(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—Environmental

The Company has been notified by the United States Environmental Protection Agency (EPA) that the Company, along with others, has been identified as a potentially responsible party at a location on the EPA's National Priorities List of Superfund sites. This site is associated with a business acquired by the Company in 2012 and the claim relates to operations of the acquired business prior to the acquisition. The Company determined that a loss related to this matter is probable. The reasonably estimable range of loss based upon currently available information is between \$31 million and \$204 million. As no amount within the range is a better estimate than any other, the Company has recorded a provision of \$31 million during the nine months ended September 30, 2026. The estimated range reflects potential exposure associated with currently identified remediation activities while a subsequent phase of remediation could result in additional losses that are not presently estimable as the related remediation strategy is yet to be defined. Although the Company believes its estimated range of potential loss is reasonable, the outcome of these matters is inherently uncertain and actual losses could exceed the amounts accrued or disclosed.

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)	September 30, 2026	December 31, 2025
Performance guarantees	1,505	1,926
Financial guarantees	41	18
Total⁽¹⁾	1,546	1,944

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

The carrying amount of liabilities recorded in the Consolidated Balance Sheets reflects the Company's best estimate of future payments, which it may incur as part of fulfilling its guarantee obligations. In respect of the above guarantees, the carrying amounts of liabilities at September 30, 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 2040, mainly consist of performance guarantees whereby (i) the Company guarantees the performance of a third party's product or service according to the terms of a contract and (ii) as member of a consortium/joint-venture that includes third parties, the Company guarantees not only its own performance but also the work of third parties. Such guarantees may include guarantees that a project will be completed within a specified time. If the third party does not fulfill the obligation, the Company will compensate the guaranteed party in cash or in kind. The original maturity dates for the majority of these performance guarantees range from one to ten years.

In conjunction with the divestment of the high-voltage cable and cables accessories businesses in 2017, the Company has entered into various performance guarantees with other parties with respect to certain liabilities of the divested business. At September 30, 2026, and December 31, 2025, the maximum potential payable under these guarantees amounted to \$574 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 September 30, 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 September 30, 2026, and December 31, 2025, amounted 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 September 30, 2026, and December 31, 2025, the total outstanding performance bonds aggregated to \$3.7 billion and \$3.6 billion, respectively; of each of these amounts, \$0.1 billion relates to discontinued operations. There have been no significant amounts reimbursed to financial institutions under these types of arrangements in the nine and three months ended September 30, 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
Balance at January 1,	1,386	1,202
Net change in warranties due to acquisitions and divestments	1	(6)
Claims paid in cash or in kind	(109)	(113)
Net increase in provision for changes in estimates, warranties issued and warranties expired	196	157
Exchange rate differences	(19)	95
Balance at September 30,	1,455	1,335
Included in:		
"Provisions"	715	667
"Other non-current liabilities"	740	668
Provisions for warranties - Total	1,455	1,335

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 25.5 percent in the nine months ended September 30, 2026, was lower than the effective tax rate of 27.5 percent in the nine months ended September 30, 2025, primarily due to the tax impact of the gain on sale of real estate in the nine months ended September 30, 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 September 30, 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.

In July 2026, the Company purchased an irrevocable group annuity contract from an insurance company for \$285 million to settle \$307 million of the outstanding defined benefit pension obligation related to certain former employees in the United States. The purchase of the group annuity contract was funded directly from the assets of the United States pension plan. As a result of this transaction, the Company remeasured the accumulated and projected benefit obligations and recognized a one-time pre-tax settlement loss of \$51 million in Non-operational pension cost (credit) during the three months ended September 30, 2026. The settlement loss is included in net periodic benefit cost (credit) as curtailments, settlements and special termination benefits.

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
Nine months ended September 30,				
Operational pension cost:				
Service cost	40	42	20	18
Operational pension cost	40	42	20	18
Non-operational pension cost (credit):				
Interest cost	19	16	108	115
Expected return on plan assets	(92)	(89)	(122)	(126)
Amortization of prior service cost (credit)	2	–	(2)	(2)
Amortization of net actuarial loss	1	1	32	42
Curtailments, settlements and special termination benefits	–	–	52	1
Non-operational pension cost (credit)	(70)	(72)	68	30
Net periodic benefit cost (credit)	(30)	(30)	88	48

(\$ in millions)	Defined pension benefits			
	Switzerland		International	
	2026	2025	2026	2025
Three months ended September 30,				
Operational pension cost:				
Service cost	12	14	7	6
Operational pension cost	12	14	7	6
Non-operational pension cost (credit):				
Interest cost	6	5	34	37
Expected return on plan assets	(30)	(30)	(38)	(43)
Amortization of prior service cost (credit)	1	–	(1)	–
Amortization of net actuarial loss	1	1	11	17
Curtailments, settlements and special termination benefits	–	–	51	1
Non-operational pension cost (credit)	(22)	(24)	57	12
Net periodic benefit cost (credit)	(10)	(10)	64	18

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 nine and three months ended September 30, 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 10 million shares in the nine months ended September 30, 2026, resulting in an increase in Treasury stock of \$981 million.

In the second quarter of 2026, the Company cancelled 21 million shares which had been purchased under its share buyback program. This resulted in a decrease in Treasury stock of \$1,326 million and a corresponding total decrease in Common stock, Additional paid-in capital and Retained earnings.

Note 15

Reclassifications out of accumulated other comprehensive loss

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

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

(\$ in millions)	Foreign currency translation adjustments	Unrealized gains (losses) on available-for-sale securities	Pension and other postretirement plan adjustments	Derivative instruments and hedges	Total OCI
Balance at January 1, 2026	(4,176)	–	(1,073)	(4)	(5,253)
Other comprehensive (loss) income:					
Other comprehensive (loss) income before reclassifications	(121)	–	41	2	(78)
Amounts reclassified from OCI	–	–	64	–	64
Total other comprehensive (loss) income	(121)	–	105	2	(14)
Less:					
Amounts attributable to noncontrolling interests	(12)	–	–	–	(12)
Balance at September 30, 2026	(4,285)	–	(968)	(2)	(5,255)

In the nine months ended September 30, 2026, Amounts reclassified from OCI related to Pension and other postretirement plan adjustments includes the impact of a pre-tax settlement loss of \$51 million recognized in Non-operational pension (cost) credit (See Note 13).

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, and certain environmental and related costs (net of insurance recoveries), as well as other items which are determined by management on a case-by-case basis.

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

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

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

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

The following tables present disaggregated segment revenues from contracts with customers, significant segment expenses, and Operational EBITA for the nine and three months ended September 30, 2026 and 2025.

Nine months ended September 30, 2026					
(\$ in millions)	Electrification	Motion	Automation	Corporate and Other	Total
Geographical markets					
Europe	4,086	1,939	2,818	125	8,968
The Americas	7,119	2,311	1,545	135	11,110
of which: United States	5,928	1,925	1,026	95	8,974
Asia, Middle East and Africa	3,798	1,939	2,075	20	7,832
of which: China	1,587	965	651	–	3,203
	15,003	6,189	6,438	280	27,910
Product type					
Products	14,041	5,277	4,073	215	23,606
Services and other	962	912	2,365	65	4,304
	15,003	6,189	6,438	280	27,910
Third-party revenues	15,003	6,189	6,438	280	27,910
Intersegment revenues	234	490	28	(752)	–
Total revenues	15,237	6,679	6,466	(472)	27,910
Operational cost of sales	(8,828)	(4,204)	(4,012)		
Operational selling, general and administrative expenses	(2,280)	(1,019)	(1,170)		
Operational non-order related research and development expenses	(407)	(263)	(321)		
Other segment items	78	67	1		
Operational EBITA	3,800	1,260	964		

Nine months ended September 30, 2025					
(\$ in millions)	Electrification	Motion	Automation	Corporate and Other	Total
Geographical markets					
Europe	3,761	1,828	2,501	142	8,232
The Americas	5,588	1,998	1,477	114	9,177
of which: United States	4,472	1,651	956	70	7,149
Asia, Middle East and Africa	3,128	1,761	1,829	41	6,759
of which: China	1,344	810	529	12	2,695
	12,477	5,587	5,807	297	24,168
Product type					
Products	11,600	4,734	3,622	229	20,185
Services and other	877	853	2,185	68	3,983
	12,477	5,587	5,807	297	24,168
Third-party revenues	12,477	5,587	5,807	297	24,168
Intersegment revenues	178	400	34	(612)	–
Total revenues	12,655	5,987	5,841	(315)	24,168
Operational cost of sales	(7,257)	(3,663)	(3,559)		
Operational selling, general and administrative expenses	(2,053)	(916)	(1,147)		
Operational non-order related research and development expenses	(344)	(230)	(301)		
Other segment items	18	10	(13)		
Operational EBITA	3,019	1,188	821		

Three months ended September 30, 2026					
(\$ in millions)	Electrification	Motion	Automation	Corporate and Other	Total
Geographical markets					
Europe	1,386	623	933	40	2,982
The Americas	2,574	822	490	45	3,931
of which: United States	2,179	694	329	29	3,231
Asia, Middle East and Africa	1,383	705	694	6	2,788
of which: China	588	348	237	–	1,173
	5,343	2,150	2,117	91	9,701
Product type					
Products	5,007	1,843	1,366	67	8,283
Services and other	336	307	751	24	1,418
	5,343	2,150	2,117	91	9,701
Third-party revenues	5,343	2,150	2,117	91	9,701
Intersegment revenues	81	170	9	(260)	–
Total revenues	5,424	2,320	2,126	(169)	9,701
Operational cost of sales	(3,141)	(1,478)	(1,336)		
Operational selling, general and administrative expenses	(774)	(342)	(386)		
Operational non-order related research and development expenses	(143)	(86)	(103)		
Other segment items	28	35	14		
Operational EBITA	1,394	449	315		

Three months ended September 30, 2025					
(\$ in millions)	Electrification	Motion	Automation	Corporate and Other	Total
Geographical markets					
Europe	1,310	669	853	59	2,891
The Americas	2,003	684	493	41	3,221
of which: United States	1,598	564	319	27	2,508
Asia, Middle East and Africa	1,119	592	653	15	2,379
of which: China	478	276	190	5	949
	4,432	1,945	1,999	115	8,491
Product type					
Products	4,119	1,639	1,274	88	7,120
Services and other	313	306	725	27	1,371
	4,432	1,945	1,999	115	8,491
Third-party revenues	4,432	1,945	1,999	115	8,491
Intersegment revenues	67	137	14	(218)	–
Total revenues	4,499	2,082	2,013	(103)	8,491
Operational cost of sales	(2,587)	(1,287)	(1,231)		
Operational selling, general and administrative expenses	(695)	(313)	(390)		
Operational non-order related research and development expenses	(121)	(79)	(104)		
Other segment items	4	18	(10)		
Operational EBITA	1,100	421	278		

The following tables present Operational EBITA, the reconciliations of consolidated Operational EBITA to Income from continuing operations before taxes, as well as Depreciation and amortization, and Capital expenditures for the nine and three months ended September 30, 2026 and 2025, and Total assets at September 30, 2026, and December 31, 2025:

(\$ in millions)	Nine months ended September 30,		Three months ended September 30,	
	2026	2025	2026	2025
Operational EBITA:				
Electrification	3,800	3,019	1,394	1,100
Motion	1,260	1,188	449	421
Automation	964	821	315	278
Corporate and Other				
– E-mobility	(83)	(115)	(18)	(26)
– Stranded corporate costs	(76)	(93)	(25)	(31)
– Corporate costs, Intersegment elimination and other	135	(94)	(89)	(109)
Total	6,000	4,726	2,026	1,633
Acquisition-related amortization	(149)	(139)	(51)	(48)
Restructuring, related and implementation costs ⁽¹⁾	(81)	(39)	(17)	(19)
Changes in obligations related to divested businesses	5	3	–	–
Gains and losses from sale of businesses	9	–	2	(12)
Acquisition- and divestment-related expenses and integration costs	(75)	(37)	(40)	(10)
Foreign exchange/commodity timing differences in income from operations:				
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(234)	106	(25)	34
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	6	(3)	1	(4)
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	32	(17)	–	28
Certain other non-operational items:				
Business transformation costs ⁽²⁾	(73)	(133)	(25)	(41)
Environmental and related costs	(98)	(6)	(4)	(5)
Certain other fair value changes, including asset impairments	(121)	72	(15)	46
Other non-operational items	(10)	9	(6)	–
Income from operations	5,211	4,542	1,846	1,602
Interest and dividend income	131	142	41	47
Interest and other finance expense	(206)	(73)	(168)	(24)
Non-operational pension (cost) credit	–	42	(35)	12
Income from continuing operations before taxes	5,136	4,653	1,684	1,637

(1) Includes impairment of certain assets.

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

Depreciation and amortization

(\$ in millions)	Nine months ended September 30,		Three months ended September 30,	
	2026	2025	2026	2025
Electrification	367	329	125	114
Motion	148	130	50	45
Automation	92	86	31	30
Corporate and Other	52	47	23	15
Consolidated	659	592	229	204

Capital expenditures

(\$ in millions)	Nine months ended September 30,		Three months ended September 30,	
	2026	2025	2026	2025
Electrification	452	328	169	130
Motion	116	140	47	50
Automation	59	54	20	9
Corporate and Other	41	70	15	18
Consolidated⁽¹⁾	668	592	251	207

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

(\$ in millions)	Total assets ⁽¹⁾	
	September 30, 2026	December 31, 2025
Electrification	17,016	15,088
Motion	8,176	7,648
Automation	7,054	7,070
Corporate and Other ⁽²⁾	15,194	15,079
Consolidated	47,440	44,885

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

(2) At September 30, 2026, and December 31, 2025, Corporate and Other includes \$4,069 million and \$3,562 million, respectively, of assets reported in discontinued operations (see Note 3).

Note 17

Subsequent events

Sale of commercial properties

On October 13, 2026, the Company completed the sale of commercial properties located in Switzerland for proceeds of approximately CHF 253 million, resulting in an estimated gain of CHF 240 million before tax. The Company has evaluated this subsequent event and determined that it does not require adjustment to the financial statements for the nine and three months ended September 30, 2026.

Planned acquisition

On October 20, 2026, the Company announced that it had reached an agreement with Mitsubishi Electric Corporation (Mitsubishi Electric) to acquire a 51 percent controlling interest in what will be a newly formed company, comprised of Mitsubishi Electric's low-voltage power distribution business, as well as 100 percent of Mitsubishi Electric's related sales operations of low-voltage power distribution products outside of Japan, for approximately JPY 79 billion (\$495 million). The acquisition will strengthen the Company's position within the Asia-Pacific electrification market and expand its low-voltage product offerings worldwide. Upon closing, the results and financial position of the newly formed company will be fully consolidated into the Company's consolidated financial statements. The Company expects to complete the acquisition in the second half of 2027, following the receipt of regulatory approvals and the fulfillment of customary closing conditions.

Supplemental Reconciliations and Definitions

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

While ABB's management believes that the measures herein are useful in evaluating ABB's operating results, this information should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with U.S. GAAP. Therefore these measures should not be viewed in isolation but considered together with the Consolidated Financial Information (unaudited) prepared in accordance with U.S. GAAP as of and for the nine and three months ended September 30, 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	Q3 2026 compared to Q3 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	70%	0%	0%	70%	21%	-1%	1%	21%
Motion	14%	-1%	-1%	12%	11%	0%	-2%	9%
Automation	1%	-1%	0%	0%	6%	-1%	0%	5%
ABB Group	40%	0%	0%	40%	14%	0%	0%	14%

Business Area	9M 2026 compared to 9M 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	60%	-3%	1%	58%	20%	-2%	0%	18%
Motion	18%	-3%	-2%	13%	12%	-3%	-2%	7%
Automation	-1%	-3%	0%	-4%	11%	-4%	0%	7%
ABB Group	34%	-3%	0%	31%	15%	-2%	-1%	12%

Regional comparable growth rate reconciliation
Regional comparable growth rate reconciliation for ABB Group - Quarter

Q3 2026 compared to Q3 2025								
Region	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	9%	1%	0%	10%	3%	1%	-1%	3%
The Americas	71%	0%	-1%	70%	22%	0%	-1%	21%
of which: United States	82%	0%	0%	82%	29%	0%	-1%	28%
Asia, Middle East and Africa	30%	0%	-1%	29%	17%	-1%	0%	16%
of which: China	32%	-7%	0%	25%	24%	-7%	1%	18%
ABB Group	40%	0%	0%	40%	14%	0%	0%	14%

Regional comparable growth rate reconciliation by business area - Quarter

Q3 2026 compared to Q3 2025								
Region	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	19%	1%	0%	20%	6%	1%	0%	7%
The Americas	117%	0%	0%	117%	29%	-1%	0%	28%
of which: United States	136%	1%	0%	137%	36%	0%	0%	36%
Asia, Middle East and Africa	46%	0%	0%	46%	24%	-2%	1%	23%
of which: China	45%	-8%	1%	38%	23%	-7%	1%	17%
Electrification	70%	0%	0%	70%	21%	-1%	1%	21%

Q3 2026 compared to Q3 2025								
Region	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	8%	1%	-1%	8%	-3%	2%	-2%	-3%
The Americas	14%	0%	-2%	12%	19%	-1%	-2%	16%
of which: United States	1%	1%	0%	2%	22%	0%	-3%	19%
Asia, Middle East and Africa	18%	-1%	-2%	15%	19%	-1%	-1%	17%
of which: China	30%	-7%	0%	23%	26%	-7%	-1%	18%
Motion	14%	-1%	-1%	12%	11%	0%	-2%	9%

Q3 2026 compared to Q3 2025								
Region	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	-5%	1%	0%	-4%	9%	1%	0%	10%
The Americas	2%	-1%	0%	1%	-2%	0%	0%	-2%
of which: United States	9%	1%	0%	10%	2%	1%	0%	3%
Asia, Middle East and Africa	8%	-2%	0%	6%	6%	-1%	0%	5%
of which: China	7%	-5%	0%	2%	25%	-5%	0%	20%
Automation	1%	-1%	0%	0%	6%	-1%	0%	5%

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

Region	9M 2026 compared to 9M 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%	-5%	0%	12%	9%	-5%	-1%	3%
The Americas	59%	-1%	-1%	57%	21%	-1%	0%	20%
of which: United States	71%	0%	-1%	70%	26%	-1%	0%	25%
Asia, Middle East and Africa	19%	-2%	0%	17%	16%	-2%	0%	14%
of which: China	18%	-6%	0%	12%	19%	-6%	0%	13%
ABB Group	34%	-3%	0%	31%	15%	-2%	-1%	12%

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

Region	9M 2026 compared to 9M 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	24%	-5%	0%	19%	9%	-5%	0%	4%
The Americas	105%	-1%	0%	104%	27%	0%	0%	27%
of which: United States	124%	-1%	0%	123%	33%	0%	0%	33%
Asia, Middle East and Africa	31%	-2%	0%	29%	22%	-2%	0%	20%
of which: China	27%	-7%	0%	20%	18%	-7%	1%	12%
Electrification	60%	-3%	1%	58%	20%	-2%	0%	18%

Region	9M 2026 compared to 9M 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	14%	-6%	-1%	7%	8%	-5%	-4%	-1%
The Americas	27%	-2%	-3%	22%	15%	-1%	-2%	12%
of which: United States	25%	-1%	-3%	21%	16%	0%	-2%	14%
Asia, Middle East and Africa	13%	-2%	0%	11%	12%	-2%	-1%	9%
of which: China	16%	-7%	0%	9%	20%	-7%	0%	13%
Motion	18%	-3%	-2%	13%	12%	-3%	-2%	7%

Region	9M 2026 compared to 9M 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	14%	-6%	0%	8%	12%	-5%	0%	7%
The Americas	-21%	-1%	0%	-22%	4%	-1%	0%	3%
of which: United States	-22%	-1%	0%	-23%	7%	0%	0%	7%
Asia, Middle East and Africa	1%	-2%	0%	-1%	13%	-2%	0%	11%
of which: China	4%	-4%	0%	0%	23%	-6%	0%	17%
Automation	-1%	-3%	0%	-4%	11%	-4%	0%	7%

Order backlog growth rate reconciliation

September 30, 2026 compared to September 30, 2025				
Business Area	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Electrification	83%	1%	1%	85%
Motion	14%	3%	-3%	14%
Automation	11%	1%	0%	12%
ABB Group	35%	2%	0%	37%

Other growth rate reconciliations

Q3 2026 compared to Q3 2025									
Business Area	Service orders growth rate				Services revenues growth rate				
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	
Electrification	16%	0%	0%	16%	7%	0%	0%	7%	
Motion	20%	-1%	-2%	17%	0%	0%	-1%	-1%	
Automation	8%	0%	0%	8%	4%	-1%	0%	3%	
ABB Group	11%	0%	0%	11%	3%	0%	0%	3%	

9M 2026 compared to 9M 2025									
Business Area	Service orders growth rate				Services revenues growth rate				
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	
Electrification	21%	-3%	0%	18%	10%	-3%	0%	7%	
Motion	12%	-4%	-1%	7%	7%	-3%	-1%	3%	
Automation	-13%	-2%	0%	-15%	8%	-3%	0%	5%	
ABB Group	-2%	-3%	0%	-5%	8%	-3%	0%	5%	

Operational EBITA as % of operational revenues (Operational EBITA margin)

Definition

Operational EBITA margin

Operational EBITA margin is Operational EBITA as a percentage of operational revenues.

Operational EBITA

Operational earnings before interest, taxes and acquisition-related amortization (Operational EBITA) represents Income from operations excluding:

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

Certain other non-operational items generally includes certain regulatory, compliance and legal costs, certain asset write downs/impairments and certain other fair value changes, and certain environmental and related costs (net of insurance recoveries), 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 acquisition.

Restructuring, related and implementation costs

Restructuring, related and implementation costs consists of restructuring and other related expenses, as well as internal and external costs relating to the implementation of group-wide restructuring programs.

Operational revenues

The Company presents operational revenues solely for the purpose of allowing the computation of Operational EBITA margin. Operational revenues are Total revenues adjusted for foreign exchange/commodity timing differences in total revenues of: (i) unrealized gains and losses on derivatives, (ii) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, and (iii) unrealized foreign exchange movements on receivables (and related assets). Operational revenues are not intended to be an alternative measure to Total revenues, which represent our revenues measured in accordance with U.S. GAAP.

Reconciliation

The following tables provide reconciliations of consolidated Operational EBITA to Net Income and Operational EBITA margin by business.

Reconciliation of consolidated Operational EBITA to Net Income

(\$ in millions)	Nine months ended September 30,		Three months ended September 30,	
	2026	2025	2026	2025
Operational EBITA	6,000	4,726	2,026	1,633
Acquisition-related amortization	(149)	(139)	(51)	(48)
Restructuring, related and implementation costs ⁽¹⁾	(81)	(39)	(17)	(19)
Changes in obligations related to divested businesses	5	3	–	–
Gains and losses from sale of businesses	9	–	2	(12)
Acquisition- and divestment-related expenses and integration costs	(75)	(37)	(40)	(10)
Certain other non-operational items	(302)	(58)	(50)	–
Foreign exchange/commodity timing differences in income from operations	(196)	86	(24)	58
Income from operations	5,211	4,542	1,846	1,602
Interest and dividend income	131	142	41	47
Interest and other finance expense	(206)	(73)	(168)	(24)
Non-operational pension (cost) credit	–	42	(35)	12
Income from continuing operations before taxes	5,136	4,653	1,684	1,637
Income tax expense	(1,309)	(1,278)	(426)	(430)
Income from continuing operations, net of tax	3,827	3,375	1,258	1,207
Income (loss) from discontinued operations, net of tax	(23)	168	(43)	37
Net income	3,804	3,543	1,215	1,244

(1) Includes impairment of certain assets.

Reconciliation of Operational EBITA margin by business

(\$ in millions, unless otherwise indicated)	Three months ended September 30, 2026				
	Electrification	Motion	Automation	Corporate and	Consolidated
				Other and Intersegment elimination	
Total revenues	5,424	2,320	2,126	(169)	9,701
Foreign exchange/commodity timing differences in total revenues:					
Unrealized gains and losses on derivatives	27	31	5	–	63
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	–	3	(4)	–	(1)
Unrealized foreign exchange movements on receivables (and related assets)	(12)	(5)	5	(3)	(15)
Operational revenues	5,439	2,349	2,132	(172)	9,748
Income (loss) from operations	1,356	394	261	(165)	1,846
Acquisition-related amortization	28	13	8	2	51
Restructuring, related and implementation costs ⁽¹⁾	13	3	4	(3)	17
Gains and losses from sale of businesses	(1)	–	(2)	1	(2)
Acquisition- and divestment-related expenses and integration costs	10	5	25	–	40
Certain other non-operational items	8	3	6	33	50
Foreign exchange/commodity timing differences in income from operations:					
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(17)	34	7	1	25
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(1)	2	(2)	–	(1)
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(2)	(5)	8	(1)	–
Operational EBITA	1,394	449	315	(132)	2,026
Operational EBITA margin (%)	25.6%	19.1%	14.8%	n.a.	20.8%

(1) Includes impairment of certain assets.

In the three months ended September 30, 2026, Certain other non-operational items in the table above includes the following:

(\$ in millions, unless otherwise indicated)	Three months ended September 30, 2026				
	Electrification	Motion	Automation	Corporate and Other	Consolidated
Certain other non-operational items:					
Business transformation costs	6	3	5	11	25
Environmental and related costs	1	–	–	3	4
Certain other fair values changes, including asset impairments	1	–	1	13	15
Other non-operational items	–	–	–	6	6
Total	8	3	6	33	50

	Three months ended September 30, 2025				
				Corporate and Other and Intersegment elimination	Consolidated
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Automation		
Total revenues	4,499	2,082	2,013	(103)	8,491
Foreign exchange/commodity timing differences in total revenues:					
Unrealized gains and losses on derivatives	9	11	(7)	3	16
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 (and related assets)	(13)	(2)	(6)	(4)	(25)
Operational revenues	4,496	2,091	2,001	(104)	8,484
Income (loss) from operations	1,079	402	298	(177)	1,602
Acquisition-related amortization	27	8	11	2	48
Restructuring, related and implementation costs ⁽¹⁾	6	10	(1)	4	19
Gains and losses from sale of businesses	8	–	–	4	12
Acquisition- and divestment-related expenses and integration costs	5	1	2	2	10
Certain other non-operational items	1	3	(20)	16	–
Foreign exchange/commodity timing differences in income from operations:					
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(16)	(1)	(5)	(12)	(34)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	2	–	2	–	4
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(12)	(2)	(9)	(5)	(28)
Operational EBITA	1,100	421	278	(166)	1,633
Operational EBITA margin (%)	24.5%	20.1%	13.9%	n.a.	19.2%

(1) Includes impairment of certain assets.

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

	Three months ended September 30, 2025				
				Corporate and Other	Consolidated
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Automation		
Certain other non-operational items:					
Business transformation costs ⁽¹⁾	–	2	–	39	41
Environmental and related costs	–	–	–	5	5
Certain other fair values changes, including asset impairments	2	1	(21)	(28)	(46)
Other non-operational items	(1)	–	1	–	–
Total	1	3	(20)	16	–

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

	Nine months ended September 30, 2026				
				Corporate and Other and Intersegment elimination	Consolidated
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Automation		
Total revenues	15,237	6,679	6,466	(472)	27,910
Foreign exchange/commodity timing differences in total revenues:					
Unrealized gains and losses on derivatives	74	52	4	2	132
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(1)	3	(10)	–	(8)
Unrealized foreign exchange movements on receivables (and related assets)	(35)	(4)	(5)	(9)	(53)
Operational revenues	15,275	6,730	6,455	(479)	27,981
Income (loss) from operations	3,497	1,081	875	(242)	5,211
Acquisition-related amortization	82	39	26	2	149
Restructuring, related and implementation costs ⁽¹⁾	43	13	23	2	81
Changes in obligations related to divested businesses	–	–	–	(5)	(5)
Gains and losses from sale of businesses	(3)	–	(11)	5	(9)
Acquisition- and divestment-related expenses and integration costs	34	9	30	2	75
Certain other non-operational items	21	52	13	216	302
Foreign exchange/commodity timing differences in income from operations:					
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	149	70	18	(3)	234
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(1)	3	(9)	1	(6)
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(22)	(7)	(1)	(2)	(32)
Operational EBITA	3,800	1,260	964	(24)	6,000
Operational EBITA margin (%)	24.9%	18.7%	14.9%	n.a.	21.4%

(1) Includes impairment of certain assets.

In the nine months ended September 30, 2026, Certain other non-operational items in the table above includes the following:

	Nine months ended September 30, 2026				
				Corporate and Other	Consolidated
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Automation		
Certain other non-operational items:					
Business transformation costs	15	10	14	34	73
Environmental and related costs	1	–	–	97	98
Certain other fair values changes, including asset impairments	3	41	(1)	78	121
Other non-operational items	2	1	–	7	10
Total	21	52	13	216	302

	Nine months ended September 30, 2025				
				Corporate and Other and Intersegment	
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Automation	elimination	Consolidated
Total revenues	12,655	5,987	5,841	(315)	24,168
Foreign exchange/commodity timing differences in total revenues:					
Unrealized gains and losses on derivatives	(44)	(5)	(10)	–	(59)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	–	–	(5)	(1)	(6)
Unrealized foreign exchange movements on receivables (and related assets)	28	3	4	(1)	34
Operational revenues	12,639	5,985	5,830	(317)	24,137
Income (loss) from operations	2,991	1,156	819	(424)	4,542
Acquisition-related amortization	82	26	28	3	139
Restructuring, related and implementation costs ⁽¹⁾	16	17	4	2	39
Changes in obligations related to divested businesses	–	–	–	(3)	(3)
Gains and losses from sale of businesses	(5)	–	–	5	–
Acquisition- and divestment-related expenses and integration costs	24	3	7	3	37
Certain other non-operational items	(28)	13	(22)	95	58
Foreign exchange/commodity timing differences in income from operations:					
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(80)	(32)	(14)	20	(106)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	3	1	–	(1)	3
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	16	4	(1)	(2)	17
Operational EBITA	3,019	1,188	821	(302)	4,726
Operational EBITA margin (%)	23.9%	19.8%	14.1%	n.a.	19.6%

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

	Nine months ended September 30, 2025				
				Corporate and Other	
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Automation		Consolidated
Certain other non-operational items:					
Business transformation costs ⁽¹⁾	1	7	–	125	133
Environmental and related costs	–	–	–	6	6
Certain other fair values changes, including asset impairments	(23)	5	(23)	(31)	(72)
Other non-operational items	(6)	1	1	(5)	(9)
Total	(28)	13	(22)	95	58

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

Net debt

Definition

Net debt

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

Total debt

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

Cash and marketable securities

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

Reconciliation

(\$ in millions)	September 30, 2026	December 31, 2025
Short-term debt and current maturities of long-term debt	1,157	475
Long-term debt	6,463	7,829
Total debt	7,620	8,304
Cash and equivalents	3,810	4,640
Marketable securities and short-term investments	2,478	1,981
Cash and marketable securities	6,288	6,621
Net debt	1,332	1,683

Net debt/Equity ratio

Definition

Net debt/Equity ratio

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

Equity

Equity is defined as Total stockholders' equity.

Reconciliation

(\$ in millions, unless otherwise indicated)	September 30, 2026	December 31, 2025
Total stockholders' equity	17,071	16,646
Net debt (see above)	1,332	1,683
Net debt / Equity ratio	0.08	0.10

Net debt/EBITDA ratio

Definition

Net debt/EBITDA ratio

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

EBITDA

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

Reconciliation

(\$ in millions, unless otherwise indicated)	September 30, 2026	September 30, 2025
Income from operations for the three months ended:		
December 31, 2025 / 2024	1,505	1,094
March 31, 2026 / 2025	1,780	1,474
June 30, 2026 / 2025	1,585	1,466
September 30, 2026 / 2025	1,846	1,602
Depreciation and Amortization for the three months ended:		
December 31, 2025 / 2024	221	194
March 31, 2026 / 2025	210	186
June 30, 2026 / 2025	220	202
September 30, 2026 / 2025	229	204
EBITDA	7,596	6,422
Net debt (as defined above)	1,332	2,690
Net debt / EBITDA ratio	0.18	0.42

Net working capital

Definition

Net working capital

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

Reconciliation

(\$ in millions, unless otherwise indicated)	September 30, 2026	September 30, 2025
Net working capital:		
Receivables, net	8,169	7,485
Contract assets	1,259	1,062
Inventories, net	7,024	6,051
Prepaid expenses	342	321
Accounts payable, trade	(6,294)	(4,936)
Contract liabilities	(3,712)	(3,204)
Other current liabilities ⁽¹⁾	(3,961)	(3,777)
Net working capital in assets and liabilities held for sale	–	(9)
Net working capital	2,827	2,993

- (1) Amounts exclude \$1,300 million and \$749 million at September 30, 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 and (e) liabilities related to certain restructuring-related activities.

Average trade net working capital as a percentage of revenues

Definition

Average trade net working capital as a percentage of revenues

Average trade net working capital as a percentage of revenues is calculated as Average trade net working capital divided by Total revenues for the trailing twelve months (being 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)	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
Trade net working capital:					
Trade receivables, net	7,483	7,400	6,959	6,884	6,838
Contract assets	1,259	1,189	1,152	1,090	1,062
Inventories, net	7,024	6,471	6,056	5,862	6,051
Accounts payable, trade	(6,294)	(5,868)	(5,423)	(5,210)	(4,936)
Contract liabilities	(3,712)	(3,545)	(3,475)	(3,221)	(3,204)
Accrued expenses, operating	(1,477)	(1,320)	(1,252)	(1,346)	(1,370)
Trade net working capital in assets and liabilities held for sale	–	–	–	–	(8)
Trade net working capital	4,283	4,327	4,017	4,059	4,433
Average of opening and closing Trade net working capital	4,305	4,172	4,038	4,246	
Average trade net working capital	4,190				
Total revenues for the three months ended:					
December 31, 2025	9,052				
March 31, 2026	8,734				
June 30, 2026	9,475				
September 30, 2026	9,701				
Total revenues for the trailing twelve months	36,962				
Average trade net working capital as a percentage of revenues	11.3%				

(\$ in millions, unless otherwise indicated)	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024
Trade net working capital:					
Trade receivables, net	6,838	6,837	6,401	6,277	6,360
Contract assets	1,062	1,083	992	889	967
Inventories, net	6,051	6,007	5,680	5,420	6,100
Accounts payable, trade	(4,936)	(4,918)	(4,676)	(4,681)	(4,798)
Contract liabilities	(3,204)	(3,109)	(2,986)	(2,704)	(2,795)
Accrued expenses, operating	(1,370)	(1,254)	(1,189)	(1,234)	(1,327)
Trade net working capital in assets and liabilities held for sale	(8)	–	–	–	20
Trade net working capital	4,433	4,646	4,222	3,967	4,527
Average of opening and closing Trade net working capital	4,540	4,434	4,095	4,247	
Average trade net working capital	4,329				
Total revenues for the three months ended:					
December 31, 2024	7,996				
March 31, 2025	7,382				
June 30, 2025	8,295				
September 30, 2025	8,491				
Total revenues for the trailing twelve months	32,164				
Average trade net working capital as a percentage of revenues	13.5%				

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)	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
Adjusted total fixed assets:					
Property, plant and equipment, net	4,749	4,700	4,605	4,692	4,443
Goodwill	9,758	9,636	9,585	9,637	9,522
Intangible assets, net	1,104	1,075	1,088	1,119	1,096
Investments in equity-accounted companies	340	340	321	349	381
Operating lease right-of-use assets	826	783	785	765	754
Fixed assets included in assets held for sale	–	–	–	–	9
Total fixed assets	16,777	16,534	16,384	16,562	16,205
Less: Deferred taxes recognized in certain acquisitions ⁽¹⁾	(166)	(177)	(188)	(199)	(210)
Adjusted total fixed assets	16,611	16,357	16,196	16,363	15,995
Net working capital - (as defined above)	2,827	3,046	2,705	2,372	2,993
Capital employed	19,438	19,403	18,901	18,735	18,988
 Average of opening and closing Capital employed	 19,421	 19,152	 18,818	 18,862	
 Operational EBITA for the three months ended	 2,026	 1,925	 2,049	 1,588	
 Operational EBITA for the trailing twelve months	 7,588				
Notional tax on Operational EBITA	(1,897)				
Operational EBITA after tax for the trailing twelve months	5,691				
 Average Capital employed (4 quarters)	 19,063				
 Return on Capital Employed (ROCE)	 29.9%				

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

	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024
(\$ in millions, unless otherwise indicated)					
Adjusted total fixed assets:					
Property, plant and equipment, net	4,443	4,396	4,099	3,986	4,050
Goodwill	9,522	9,507	9,305	8,801	8,774
Intangible assets, net	1,096	1,140	1,134	999	981
Investments in equity-accounted companies	381	369	361	351	172
Operating lease right-of-use assets	754	761	765	752	779
Fixed assets included in assets held for sale	9	–	–	–	176
Total fixed assets	16,205	16,173	15,664	14,889	14,932
Less: Deferred taxes recognized in certain acquisitions ⁽¹⁾	(210)	(220)	(231)	(242)	(253)
Adjusted total fixed assets	15,995	15,953	15,433	14,647	14,679
Net working capital - (as defined above)	2,993	3,423	3,037	2,403	3,231
Capital employed	18,988	19,376	18,470	17,050	17,910
Average of opening and closing Capital employed	19,182	18,923	17,760	17,480	
Operational EBITA for the three months ended	1,633	1,598	1,495	1,330	
Operational EBITA for the trailing twelve months	6,056				
Notional tax on Operational EBITA	(1,514)				
Operational EBITA after tax for the trailing twelve months	4,542				
Average Capital employed (4 quarters)	18,336				
Return on Capital Employed (ROCE)	24.8%				

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

Free cash flow

Definition

Free cash flow

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

Reconciliation

(\$ in millions, unless otherwise indicated)	Nine months ended September 30,		Three months ended September 30,	
	2026	2025	2026	2025
Net cash provided by operating activities – continuing operations	4,203	3,262	1,888	1,683
Adjusted for the effects of continuing operations:				
Purchases of property, plant and equipment and intangible assets	(668)	(592)	(251)	(207)
Proceeds from sale of property, plant and equipment	467	176	5	3
Free cash flow – continuing operations	4,002	2,846	1,642	1,479
Net cash provided by (used in) operating activities – discontinued operations	(162)	258	(26)	94
Adjusted for the effects of discontinued operations:				
Purchases of property, plant and equipment and intangible assets	(134)	(56)	(41)	(22)
Proceeds from sale of property, plant and equipment	1	1	1	1
Free cash flow – discontinued operations	(295)	203	(66)	73
Free cash flow	3,707	3,049	1,576	1,552

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	
	September 30, 2026	December 31, 2025
Net cash provided by operating activities	5,990	5,469
Adjusted for the effects of continuing operations:		
Purchases of property, plant and equipment and intangible assets	(1,077)	(1,001)
Proceeds from sale of property, plant and equipment	485	194
Adjusted for the effects of discontinued operations:		
Purchases of property, plant and equipment and intangible assets	(176)	(98)
Proceeds from sale of property, plant and equipment	2	2
Free cash flow	5,224	4,566
Adjusted net income⁽¹⁾	5,084	4,757
Free cash flow conversion to net income	103%	96%

(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 September 30, 2026

(\$ in millions)	Continuing operations			Discontinued operations			Adjusted net income
	Net cash provided by operating activities	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		
Q4 2025	1,949	(409)	18	(42)	1		1,280
Q1 2026	1,029	(181)	437	(35)	–		1,333
Q2 2026	1,150	(236)	25	(58)	–		1,256
Q3 2026	1,862	(251)	5	(41)	1		1,215
Total for the trailing twelve months to September 30, 2026	5,990	(1,077)	485	(176)	2		5,084

Net finance income (expense)

Definition

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

Reconciliation

(\$ in millions)	Nine months ended September 30,		Three months ended September 30,	
	2026	2025	2026	2025
Interest and dividend income	131	142	41	47
Interest and other finance expense	(206)	(73)	(168)	(24)
Net finance income (expense)	(75)	69	(127)	23

Book-to-bill ratio

Definition

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

Reconciliation

(\$ in millions, except Book-to-bill presented as a ratio)	Nine months ended September 30,					
	2026			2025		
	Orders	Revenues	Book-to-bill	Orders	Revenues	Book-to-bill
Electrification	21,549	15,237	1.41	13,434	12,655	1.06
Motion	7,595	6,679	1.14	6,430	5,987	1.07
Automation	7,032	6,466	1.09	7,111	5,841	1.22
Corporate and Other <i>(incl. intersegment eliminations)</i>	(781)	(472)	n.a.	(526)	(315)	n.a.
ABB Group	35,395	27,910	1.27	26,449	24,168	1.09

(\$ in millions, except Book-to-bill presented as a ratio)	Three months ended September 30,					
	2026			2025		
	Orders	Revenues	Book-to-bill	Orders	Revenues	Book-to-bill
Electrification	7,671	5,424	1.41	4,522	4,499	1.01
Motion	2,455	2,320	1.06	2,162	2,082	1.04
Automation	2,114	2,126	0.99	2,100	2,013	1.04
Corporate and Other <i>(incl. intersegment eliminations)</i>	(185)	(169)	n.a.	(178)	(103)	n.a.
ABB Group	12,055	9,701	1.24	8,606	8,491	1.01



ABB Ltd

Corporate Communications

P.O. Box 8131

8050 Zurich

Switzerland

Tel: +41 (0)43 317 71 11

www.abb.com