Q2 2026

FIRST SIX MONTHS
PRESS RELEASE

ENGINEERED
TO OUTRUN

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

ZURICH, SWITZERLAND, JULY 16, 2026

Q2 2026 results

Record-high orders, strong operational execution and value creation through M&A

- Orders $12,042 million, +30%; comparable[1] +28%
- Revenues $9,475 million, +14%; comparable[1] +12%
- Income from operations $1,585 million; margin 16.7%
- Operational EBITA[1] $1,925 million; margin[1] 20.2%
- Basic EPS $0.68; +8%[2]
- Cash flow from operating activities $1,150 million; +9%
- Return on Capital Employed[1] 28.4%

KEY FIGURES

($ millions, unless otherwise indicated)	Q2 2026	Q2 2025	CHANGE US$	CHANGE Comparable[1]	H1 2026	H1 2025	CHANGE US$	CHANGE Comparable[1]
Orders	12,042	9,254	30%	28%	23,340	17,843	31%	26%
Revenues	9,475	8,295	14%	12%	18,209	15,677	16%	12%
Gross Profit	3,793	3,362	13%		7,233	6,484	12%	
as % of revenues	40.0%	40.5%	-0.5 pts		39.7%	41.4%	-1.7 pts	
Income from operations	1,585	1,466	8%		3,365	2,940	14%	
Operational EBITA[1]	1,925	1,598	20%	18%[3]	3,974	3,093	28%	23%[3]
as % of operational revenues[1]	20.2%	19.3%	+0.9 pts		21.8%	19.8%	+2 pts	
Income from continuing operations, net of tax	1,218	1,113	9%		2,569	2,168	18%	
Net income attributable to ABB	1,231	1,151	7%		2,555	2,253	13%	
Basic earnings per share ($)	0.68	0.63	8%[2]		1.41	1.23	14%[2]	
Cash flow from operating activities	1,150	1,059	9%		2,179	1,743	25%	
Cash flow from operating activities in continuing operations	1,303	971	34%		2,315	1,579	47%	
Free cash flow[1]	881	845	4%		2,131	1,497	42%	

1 For a reconciliation of alternative performance measures, see "supplemental reconciliations and definitions" in the attached Q2 2026 Financial Information.
2 EPS growth rates are computed using unrounded amounts.
3 Constant currency (not adjusted for portfolio changes).

"Q2 reflects the strength of ABB's performance and position at the core of electrification and automation megatrends. With the acquisition of Rotork, we expect to create further value by expanding our automation portfolio."

Morten Wierod, CEO

CEO summary

Our second quarter results reflect high demand in the majority of our customer segments, strong execution and solid cash flow. In my view, we show great overall progress and I want to acknowledge the commitment from the ABB team.

We achieved a new record-high order intake of $12 billion. It was good to see the quarter developing according to plan with strong comparable revenue growth of 12% and an Operational EBITA margin increase of 90 basis points to 20.2%. In total, we improved Operational EBITA by 20% and Earnings per share by 8%.

The strong earnings increase combined with disciplined Trade net working capital management contributed to Free cash flow of $881 million. We are tracking well towards improved annual Free cash flow in 2026.

The combined technology strengths of our business areas – the Power of ABB – were exemplified by Motion and Automation. They extended the partnership with VoltaGrid, a US-based microgrid power generation company. Under this agreement, Motion will supply their industry-leading synchronous condensers with flywheel technology that act like shock absorbers for the grid to keep electricity stable. These go alongside associated prefabricated eHouse units delivered by Automation, including their leading electrical distribution panels for low voltage and medium voltage distribution, variable frequency converters and PLCs for power control. These systems act as critical stabilization assets within VoltaGrid's behind-the-meter power solutions, enabling the voltage stability required by next-generation AI chips.

We are at the forefront of medium voltage technology. It is good to see Electrification strengthening our position further by introducing HiPerGuard 34.5kV, a new version of its market breakthrough medium voltage UPS (Uninterrupted Power Supply). This enables data centers to connect directly to the grid without voltage conversion, cutting conversion energy losses and reducing infrastructure complexity. With this latest innovation, HiPerGuard's microgrid-ready architecture enables flexible integration of battery storage, gas turbines, and renewables with grid support and peak shaving capabilities.

ABB is positioned at the core of secular electrification and automation trends. To remain a reliable supplier and support long-term organic growth we will invest approximately $200 million in our medium-voltage manufacturing capabilities across Europe over the next three years. This will expand our production capacity, accelerate the transition to next-generation technologies for power distribution and strengthen supply for customers that are modernizing their power infrastructure.

Additional capital allocation decisions include the three recently announced acquisitions which combined would add approximately 3.5% to 2025 revenues. The largest being the offer to acquire Rotork plc ("Rotork"), representing an important step to expand the ABB Automation portfolio. Adding actuators and building on ABB's broad market reach will further strengthen our competitive position and enhance ability to support our customers through increasingly digital, connected and autonomous solutions across energy and process industries. Some of the customer benefits with electric actuators are the higher precision and accuracy in control of position, speed and force, they are energy efficient as they consume power only in the actual movement and they facilitate a higher level of digital diagnostics. In our view, there is a strong strategic fit between Rotork and the ABB purpose and our leading position in electrification and automation. This deal will bring together two businesses with highly complementary technology portfolios and similar customer relationships, geographic footprints and strong installed bases.

The offer of 503 pence per share – representing a total cash deal of ~$5.5 billion – is recommended by the Rotork Board of Directors. There would be an immediate positive impact on the ABB Operational EBITA margin and it should be EPS accretive in the second year after integration. From a funding perspective, we would redeploy the expected ~$4.8 billion in net cash proceeds from the divestment of ABB Robotics, anticipated to be completed in the second half of 2026. Consequently, our balance sheet remains strong – Net debt/EBITDA of 0.3 at end of the second quarter – leaving headroom for additional acquisitions and utilization of the share buyback program of up to $2 billion.

Morten Wierod
CEO

Outlook

In the **third quarter of 2026**, we expect a low- to mid-teens growth in comparable revenues, year-on-year. The Operational EBITA margin should show sequential improvement from the second quarter.

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

Orders and revenues

A strong performance in a favorable market environment drove order intake to a new quarterly all-time-high level of $12,042 million. Strong order growth of 30% (28% comparable) was underpinned by sustained customer investments across the secular megatrends of energy expansion, energy efficiency, and energy resilience — areas where ABB's portfolio is well positioned to deliver.

Both the Electrification and Motion business areas recorded surging order improvements of 60% (58% comparable) and 23% (20% comparable), respectively. In contrast, orders in the Automation business area declined by 13% (14% comparable) as the current quarter's general robust order activity still did not meet last year's very high level, which was supported by a large order booking of approximately $600 million.

Revenues were record-high but orders even stronger, leaving the book-to-bill at 1.27, supported by a positive development in all three business areas. The order backlog amounted to $30,007 million, up 27% (28% comparable) year-on-year.

All regions improved orders at a double-digit rate. Americas was up by 53% (52% comparable), led by growth in the United States of 62% (62% comparable). Europe increased by 16% (12% comparable) with strong growth in several large countries. Asia, Middle East and Africa was up 13% (12% comparable) including an increase of 17% (10% comparable) in China.

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	28%	12%
FX	2%	2%
Portfolio changes	0%	0%
Total	**30%**	**14%**

Orders by region

($ in millions, unless otherwise indicated)	Q2 2026	Q2 2025	CHANGE US$	CHANGE Comparable
Europe	3,360	2,903	16%	12%
The Americas	5,728	3,746	53%	52%
Asia, Middle East and Africa	2,954	2,605	13%	12%
ABB Group	**12,042**	**9,254**	**30%**	**28%**

Revenues by region

($ in millions, unless otherwise indicated)	Q2 2026	Q2 2025	CHANGE US$	CHANGE Comparable
Europe	2,994	2,793	7%	3%
The Americas	3,788	3,146	20%	19%
Asia, Middle East and Africa	2,693	2,356	14%	13%
ABB Group	**9,475**	**8,295**	**14%**	**12%**

Transport-linked demand continued to be strong, although quarterly marine orders declined against last year's very high comparable. Rail continued its 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. Quarterly orders in the utilities segment remained stable on last year's high comparable, with grid investment need remaining tangible as aging assets require upgrades to not only mitigate outage risks, but to also meet the accelerating power demands.

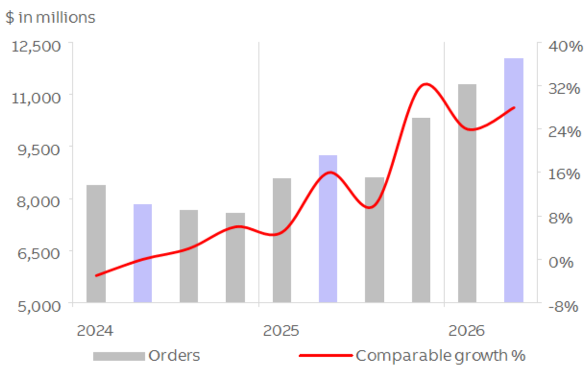
The buildings segment improved, driven by commercial investments in the United States and Europe, offsetting broad weakness in the residential area.

Orders in the machine builder segment increased sharply although volumes remain low at pre-covid levels.

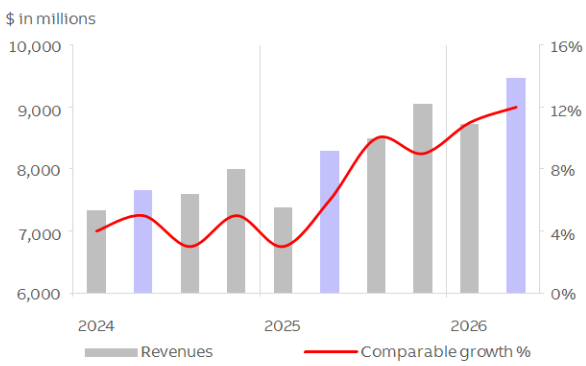
Sentiment in the oil & gas segment remained solid, although orders declined due to timing impacts. Activity increased among nuclear customers. Mining orders remained broadly stable in a generally capex-muted market environment.

New all-time-high revenues amounted to $9,475 million, up 14% (12% comparable) year-on-year. A well-functioning supply chain supports deliveries from the order backlog as well as a strong short-cycle demand. Higher volumes was the key growth driver, with added support from a positive pricing of close to 2%. Favorable changes in exchange rates contributed 2%.

Orders



Revenues



Earnings

Gross profit
Gross profit increased by 13% (10% local currencies) year-on-year to $3,793 million, reflecting a gross margin of 40.0%, down 50 basis points. The gross margin decline was primarily due to the impact from unrealized FX and commodity derivatives. This hampered the gross margin in two out of three business areas.

Income from operations
Income from operations amounted to $1,585 million, increasing 8% from last year and reflecting a margin of 16.7%, down 100 basis points. The increase in Income from operations was driven primarily by strong operational performance, partially offset by approximately $60 million increased expenses linked to mark-to-market of unrealized FX and commodity derivatives. Additional adverse impacts include certain non-operational items of approximately $100 million in provisions for unasserted legacy claims and remediations, as well as an expense of approximately $30 million related to fair value adjustment of an equity investment.

Operational EBITA
Operational EBITA increased by 20% (18% in local currencies) to $1,925 million, representing a margin of 20.2%. The margin improved by 90 basis points year-on-year, driven by improvements in two out of three business areas as well as by lower losses in the E-mobility business.

The higher business result was primarily due to operational leverage on higher volumes, which combined with positive pricing more than offset the higher expenses related to commodities and tariffs, Research and Development (R&D) and Selling, general & administrative (SG&A). SG&A declined in relation to revenues to 18.2% from last year's 20.1%.

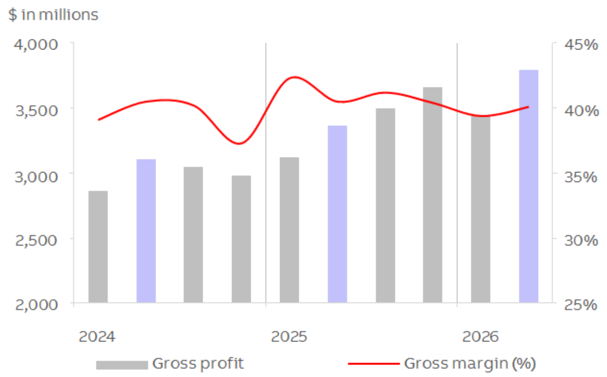
Operational EBITA in Corporate and other amounted to -$127 million, consistent with last year's loss of $130 million. This is the total of underlying Corporate costs of $109 million which includes Stranded costs of $25 million, and a loss of $18 million in the E-mobility business.

Finance net
Net finance income contributed $32 million to results, slightly less compared with last year's $35 million.

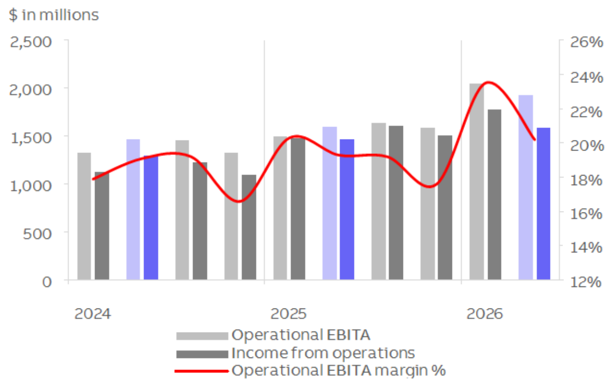
Income tax
Income tax expense was $416 million and effective tax rate 25.5%.

Net income and earnings per share
Net income attributable to ABB was $1,231 million, up 7% year-on-year, with the key driver being contribution from improved business performance which more than compensated for certain higher non-operational items. Basic earnings per share increased by 8% to $0.68, up from $0.63 last year.

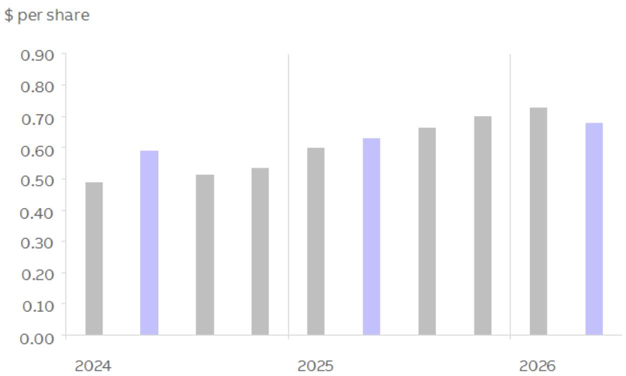
Gross profit & Gross margin



Income from operations & Operational EBITA



Basic EPS



Corporate and Other Operational EBITA

($ in millions)	Q2 2026	Q2 2025
Corporate and Other		
E-mobility	(18)	(42)
Stranded corporate costs	(25)	(33)
Corporate costs, intersegment eliminations and other[1]	(84)	(55)
Total	**(127)**	**(130)**

1 Majority of which relates to underlying corporate

Balance sheet & Cash flow

Trade net working capital[1]

Trade net working capital amounted to $4,327 million and declined year-on-year from $4,646 million. The increase in inventories and receivables was more than compensated for by higher increases in payables and customer advances. The average trade net working capital as a percentage of revenues[1] was 11.9%, a reduction from 13.8% one year ago.

Capital expenditures

Purchases of property, plant and equipment and intangible assets for continuing operations during the second quarter amounted to $236 million, representing a somewhat higher spend in buildout to meet demand, compared with last year's $202 million. For ABB Group, the total cash outflow on a combined basis amounted to $294 million, higher than last year's $224 million.

Net debt

Net debt[1] amounted to $2,320 million at the end of the quarter. This represents a decline from last year's level of $3,694 million and a slight sequential increase from $2,268 million in the first quarter.

Cash flows

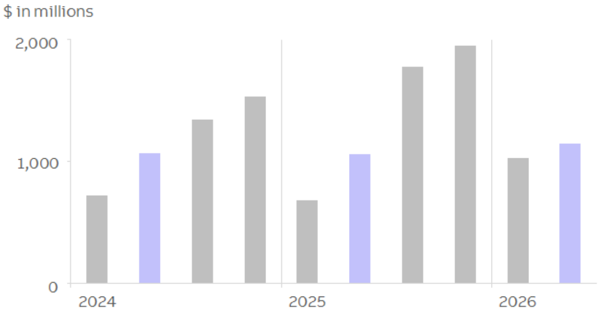
Cash flow from operating activities during the second quarter was $1,150 million, an increase of 9% from last year's $1,059 million. Contribution to the strong cash flow derived from an improvement in Continuing operations, supported by stronger earnings, year-on-year. Free cash flow amounted to $881 million, just above last year's $845 million.

Share buyback program

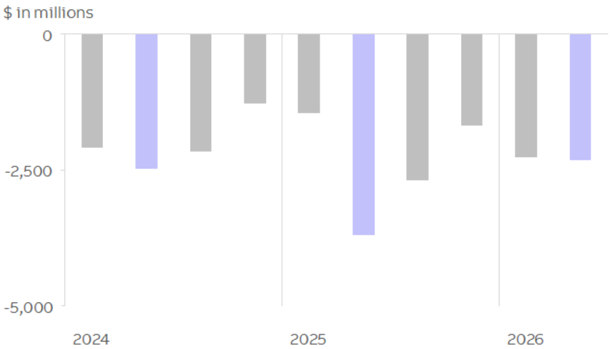
A share buyback program of up to $2 billion was launched on February 9, 2026. During the second quarter, ABB repurchased a total of 1,528,217 shares for a total amount of approximately $147 million. At the end of the second quarter, ABB's total number of issued shares including shares held in treasury, amounted to 1,823,154,373.

($ in millions, unless otherwise indicated)	Jun. 30 2026	Jun. 30 2025	Dec. 31 2025
Short-term debt and current maturities of long-term debt	1,610	557	475
Long-term debt	6,567	8,249	7,829
Total debt	**8,177**	**8,806**	**8,304**
Cash & equivalents	3,867	3,266	4,640
Marketable securities and short-term investments	1,990	1,846	1,981
Cash and marketable securities	**5,857**	**5,112**	**6,621**
Net debt (cash)	**2,320**	**3,694**	**1,683**
Net debt (cash) to EBITDA ratio	**0.3**	**0.6**	**0.3**
Net debt (cash) to Equity ratio	**0.14**	**0.25**	**0.10**

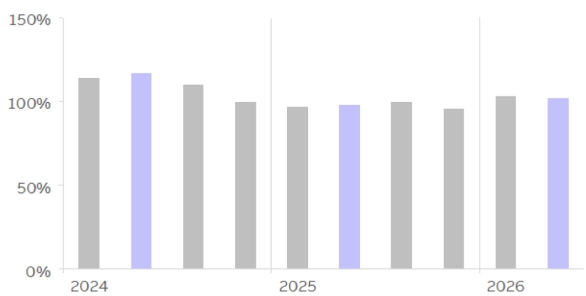
Cash flow from operating activities



Net Cash (Net Debt) position



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



Electrification

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	58%	19%
FX	2%	2%
Portfolio changes	0%	-1%
Total	**60%**	**20%**

Orders and revenues

Demand advanced from an already strong trajectory, and for the first time order intake surpassed the $7 billion mark. At $7,231 million, orders improved by 60% (58% comparable), reflecting a strong underlying market with no indications of pre-ordering.

- Orders improved at a strong double-digit rate in both short-cycle and project businesses. Our resilient supply chain supports consistent delivery performance.
- Market sentiment is strong in all major segments. Rapidly expanding investments in data center build-out remained a primary catalyst, driving exceptional triple-digit growth in the segment. In the utility market, the underlying demand and long-term investment need remained strong, although order growth was limited against the high prior-year comparable. The buildings segment improved driven by the commercial area in the United States and Europe. Orders aimed at modernizing electrical infrastructure for land-based transport maintained a strong trend.
- The Americas increased by 114% (114% comparable). Europe was up by 19% (16% comparable). Asia, Middle East and Africa improved by 21% (20% comparable) including 20% (14% comparable) in China.
- Revenues increased by 20% (19% comparable) to $5,200 million, equally supported by strong improvement in both the short-cycle and project businesses. Majority of the growth was due to higher volumes, but also from a solid price contribution. Changes in exchange rates added 2%.

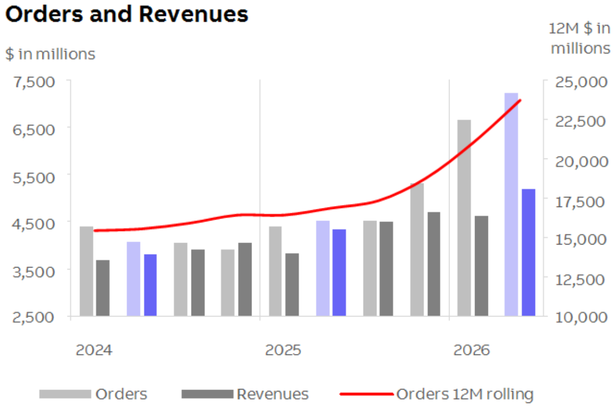
Profit

Strong increase of 26% (23% in local currencies) in Operational EBITA to $1,301 million, representing a margin improvement of 100 basis points to 24.9%.

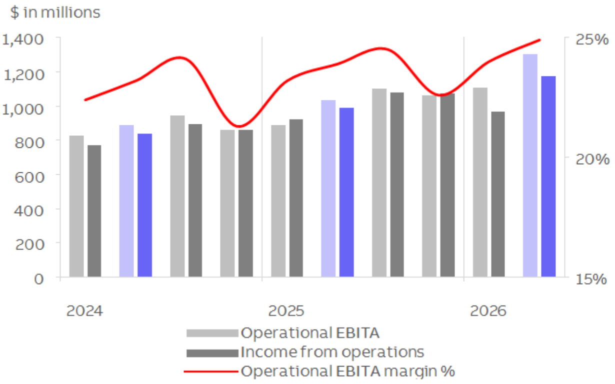
- Gross margin declined by 140 basis points. Almost half the decline was due to the impact from unrealized FX and commodities derivatives. As expected, there was also some pressure from the price/cost gap as pricing did not yet fully offset higher input expenses for raw materials.
- Increase in Operational EBITA margin was supported by operational leverage on higher volumes, operational efficiency improvements and stringent management of SG&A expenses which declined in relation to revenues.

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	Q2 2026	Q2 2025	US$	Comparable	H1 2026	H1 2025	US$	Comparable
Orders	7,231	4,518	60%	58%	13,878	8,912	56%	51%
Order backlog	13,676	8,685	57%	59%	13,676	8,685	57%	59%
Revenues	5,200	4,331	20%	19%	9,813	8,156	20%	17%
Gross Profit	2,097	1,807	16%		3,948	3,445	15%	
as % of revenues	40.3%	41.7%	-1.4 pts		40.2%	42.2%	-2 pts	
Operational EBITA	1,301	1,033	26%		2,406	1,919	25%	
as % of operational revenues	24.9%	23.9%	+1 pts		24.5%	23.6%	+0.9 pts	
Cash flow from operating activities	1,253	956	31%		2,264	1,477	53%	
No. of employees (FTE equiv.)	55,800	52,800	6%					

Orders and Revenues



Income from operations & Operational EBITA



Motion

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	20%	4%
FX	3%	2%
Portfolio changes	0%	1%
Total	**23%**	**7%**

Orders and revenues

A strong development in both the short-cycle and the project businesses offset the usual pattern of lower sequential orders in the second quarter. A new record-high order intake of $2,592 million was achieved, representing an increase of 23% (20% comparable) year-on-year.

- Motion's synchronous condensers with flywheel technology constitute an industry-leading solution, with instant inertia acting like a shock absorber for the grid to keep electricity stable. In the second quarter, a large order of approximately $150 million was recorded.
- Along with strong grid investments, there was persistent strength in rail. Positive trend in HVAC for commercial buildings and data center cooling. Strength was noted in food & beverage, marine, mining and low carbon areas like nuclear and wind. Oil & gas remained broadly stable while chemical and pulp & paper demand was soft.
- The Americas was up 46% (44% comparable), with strong improvement of 52% (51% comparable) in the United States. Europe increased 15% (9% comparable) and Asia, Middle East and Africa was up 6% (5% comparable), with China at 9% (3% comparable).
- Revenues increased by 7% (4% comparable) driven mainly by higher volumes and positive pricing. Portfolio changes added 1% to growth, related to the fairly recent acquisition of Gamesa Electric in Spain. And lastly, favorable changes in exchanges rates added 2%.

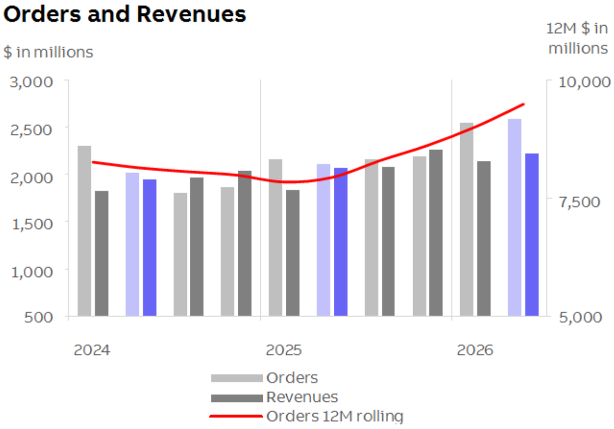
Profit

Operational EBITA remained virtually stable at $413 million, with a margin decline of 130 basis points to 18.5%, with just more than half of the impact linked to portfolio changes.

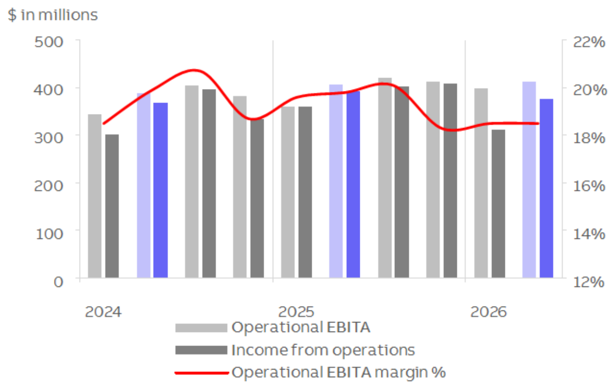
- Gross margin drop of 120 basis points was primarily due to the impacts from weak performance in the Gamesa acquisition and unrealized FX and commodities derivatives.
- Operational EBITA margin was positively impacted by operational leverage on comparable growth. This was more than offset by lower profitability in the High Power division, including 70 basis points linked to the Gamesa acquisition as well as lower profitability in the Traction division due to delayed production volumes.

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	**Q2 2026**	**Q2 2025**	**US$**	**Comparable**	**H1 2026**	**H1 2025**	**US$**	**Comparable**
Orders	2,592	2,112	23%	20%	5,140	4,268	20%	14%
Order backlog	6,953	6,102	14%	14%	6,953	6,102	14%	14%
Revenues	2,217	2,065	7%	4%	4,359	3,905	12%	5%
Gross Profit	820	788	4%		1,591	1,521	5%	
as % of revenues	37.0%	38.2%	-1.2 pts		36.5%	39.0%	-2.5 pts	
Operational EBITA	413	407	1%		811	767	6%	
as % of operational revenues	18.5%	19.8%	-1.3 pts		18.5%	19.7%	-1.2 pts	
Cash flow from operating activities	370	354	5%		676	664	2%	
No. of employees (FTE equiv.)	23,800	22,600	5%					

Orders and Revenues



Income from operations & Operational EBITA



Automation

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	-14%	7%
FX	1%	2%
Portfolio changes	0%	0%
Total	**-13%**	**9%**

Orders and revenues

Continued investments in higher efficiency and resilience across energy-intensive industries resulted in order intake of $2,454 million, one of the strongest quarters on record. The order backlog increased by 12% (13% comparable) to $10.5 billion.

- The underlying market environment remains robust and order intake remained stable from the prior quarter. However, orders declined by 13% (14% comparable) from last year's very high comparable, which included the extraordinarily large booking of $600 million.
- Persistently high customer activity was linked to marine and port automation and electrification. Orders from machine builders increased sharply from last year, and the market has seemingly stabilized, although volumes remain low at a pre-covid level. Customer activity in the oil & gas segment is solid, with softness linked to the Middle-East conflict remaining contained to the local market. Customer activity in the nuclear segment increased. Demand remains softer in the process industry-related markets like pulp & paper and chemicals as well as mining where capex spend to extend existing mines or greenfield projects remains muted.
- Revenues amounted to $2,193 million and improved by 9% (7% comparable). Strong backlog execution and a positive trend in both the service and product businesses all contributed to higher revenues. Additional support of 2% related to favorable changes in exchange rates.

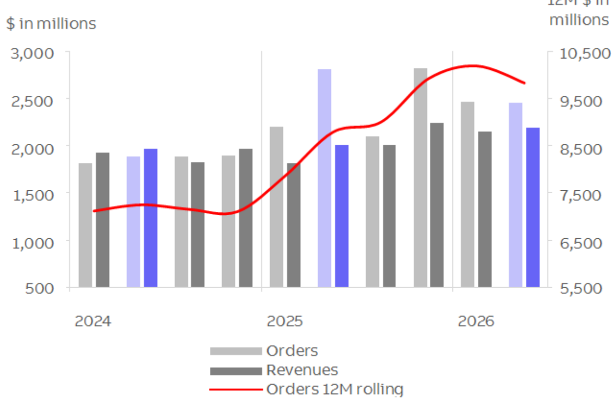
Profit

Operational EBITA improved by 17% (14% in local currencies) to $338 million, reflecting a margin improvement of 120 basis points to 15.4%.

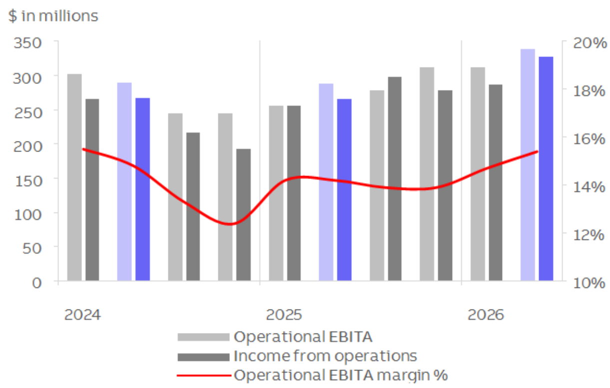
- Gross margin softened slightly by 10 basis points due to an adverse mix with a higher share of revenues derived from the project- and system integration business.
- While R&D spend increased in relation to revenues, a stringent cost control reduced the SG&A ratio, supporting the improvement in the Operational EBITA margin.
- Additional earnings support was derived from a project settlement triggering a provision release of ~$15 million.

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	**Q2 2026**	**Q2 2025**	**US$**	**Comparable**	**H1 2026**	**H1 2025**	**US$**	**Comparable**
Orders	2,454	2,814	-13%	-14%	4,918	5,011	-2%	-6%
Order backlog	10,544	9,450	12%	13%	10,544	9,450	12%	13%
Revenues	2,193	2,010	9%	7%	4,340	3,828	13%	8%
Gross Profit	835	767	9%		1,629	1,484	10%	
as % of revenues	38.1%	38.2%	-0.1 pts		37.5%	38.8%	-1.3 pts	
Operational EBITA	338	288	17%		649	543	20%	
as % of operational revenues	15.4%	14.2%	+1.2 pts		15.0%	14.2%	+0.8 pts	
Cash flow from operating activities	356	286	24%		649	557	17%	
No. of employees (FTE equiv.)	26,200	25,900	1%					

Orders and Revenues



Income from operations & Operational EBITA



Sustainability

Events from the quarter

- Rockwool was able to advance its sustainability agenda and reduce energy consumption and emissions thanks to ABB services and technology. Following an energy appraisal the company upgraded legacy motors to IE4/IE5 SynRM motors with ACS880 drives. The project saves 738 MWh of electricity and avoids 142 tons of CO_2 annually while meeting the customer's payback target, demonstrating how targeted motor modernization can deliver both sustainability and financial value.

- ABB modernized the propulsion drives of CoolCo's nine LNG carriers, extending their operational lifetime by more than 10 years through targeted upgrades rather than full replacement. The project improved fleet reliability and availability while reducing material use, preserving embodied carbon, and demonstrating how lifecycle services can deliver both circularity and business value.

- India's Cochin Shipyard awarded ABB a contract to supply power and propulsion systems for two electric tugs. Due for delivery to Polestar Maritime in 2027 as part of India's Green Tug Transition Programme (GTTP), the vessels will operate out of India's largest container port, which accounts for around 50 percent of the total containerized cargo volume across the major ports of the country. The GTTP aims to transition India's harbor tug fleet from conventional diesel-powered vessels to greener alternatives in five phases from 2024 to 2040.

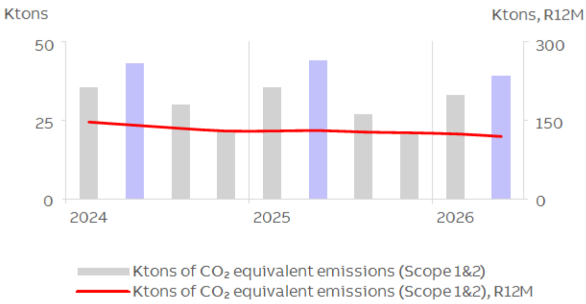
- ABB has signed a Memorandum of Understanding with Swedish textile impact company Syre to jointly explore technologies to support the development of Syre's first textile-to-textile recycling plant in Vietnam aiming to produce circular polyester at industrial scale. With the challenges associated with industrializing textile-to-textile recycling ABB will bring automation, electrification and digital technologies to the project that can contribute to safe, efficient and scalable operations.

- ABB also continued to make progress towards its sustainability targets at several of its own sites. In Porvoo, Finland, where ABB manufactures installation products, the company achieved the UL Platinum certification for Zero Waste to Landfill. In addition, further sites in the US qualified for its Mission to Zero program, ABB's journey to achieve net-zero emissions in our own operations and operate more sustainably, with the addition of electrification manufacturing plants in Florence, South Carolina, and Vega Baja, Puerto Rico.

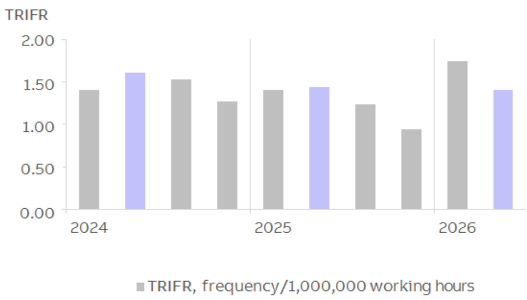
	Q2 2026[4]	Q2 2025[4]	CHANGE	12M ROLLING
CO_2e own operations emissions, Ktons scope 1 and 2[1]	39	44	-11%	120
Total recordable incident frequency rate (TRIFR), frequency / 1,000,000 working hours[2]	1.41	1.44	-2%	1.36
Proportion of women in senior management roles in %[3]	24.6	23.0	+1.6 pts	23.1

1 CO_2 equivalent emissions from site, energy use, SF_6 and fleet, previous quarter
2 To align with CSRD reporting requirements, we have replaced our primary safety KPI, Lost Time Injury Frequency Rate (LTIFR), with Total Recordable Incident Frequency Rate (TRIFR). This new measure includes all incidents and injuries except first aid cases and near misses, promoting improved system learning, enhanced transparency, and greater openness in reporting. Current quarter Includes all incidents reported until July 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

CO_2e Scope 1&2



Total recordable incident frequency rate (TRIFR)



Significant events

During Q2 2026

- On April 30, 2026, ABB announced it had cancelled shares during the month. As authorized under the company's capital band, ABB's Board of Directors resolved to cancel 20,744,831 shares of ABB Ltd repurchased under ABB's 2025 share buyback program. The new total number of issued shares and votes of ABB Ltd after cancellation was 1,823,154,373, compared with 1,843,899,204 before cancellation.

  As of April 29, 2026, the company's holding of own shares amounted to 7,576,598, which corresponded to 0.42 percent of the total number of issued shares in the company. This included 3,445,104 shares purchased for capital reduction.

- On May 11, 2026, ABB announced it is investing around $200 million in its medium-voltage manufacturing capabilities across Europe over the next three years. This is to expand production capacity, accelerate the transition to next-generation technologies for power distribution and strengthen supply for customers that are modernizing their power infrastructure. This includes utilities, industry, and rapidly growing data center markets.

After Q2 2026

- On July 16, 2026, ABB announced that it has agreed with Rotork, a well-established provider of mission-critical intelligent flow control solutions and a leading independent manufacturer of electric actuators, 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 will also be entitled to receive an interim dividend for the period to June 30, 2026 of up to 3 pence per Rotork share. Rotork is expected to add 3% to ABB's revenues with immediate accretion to Operational EBITA margin. The transaction is expected to close in the first half of 2027 and is subject to shareholder vote and customary regulatory approvals.

First six months of 2026

Order intake increased 31% (26% comparable) year-on-year to $23,340 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. 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 16% (12% comparable) to $18,209 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 1.28. The order backlog amounted to $30.0 billion, up by 27% (28% comparable), year-on-year.

Income from operations amounted to $3,365 million, up 14% year-on-year, resulting in a margin of 18.5%. The increase was mainly driven by the positive impacts from improved operational business performance, with further support from a higher contribution related to a real estate sale. Combined, these impacts more than offset adverse impacts from unrealized FX and commodity derivatives, from provisions for certain legacy claims and remediations of approximately $100 million as well as fair value adjustments on equity investments.

Operational EBITA increased by 28% to $3,974 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 200 basis points to 21.8% 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 contributed with $108 million. This includes the benefit of $377 million from the real estate sale, a loss of $65 million attributed to the E-mobility business and Stranded costs of $51 million linked to the ongoing divestment of the Robotics business.

Net finance contributed to results with $52 million, similar to last year's income of $46 million. Income tax expense was $883 million reflecting a tax rate of 25.6%.

Net income attributable to ABB was $2,555 million, up from $2,253 million in the prior year period. Basic earnings per share was $1.41, representing an increase of 14%.

Key acquisitions and divestments, last twelve months

Acquisitions	Company/unit	Closing date	Revenues, $ in millions[1]	No. of employees
2026				
Electrification	Netcontrol Oy	4-May	~24	109
Electrification	IPEC Ltd.	1-Apr	~28	58
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
EBITDA, $ in million	1,660	1,668	1,806	1,726	6,860	1,990	1,805
Return on Capital Employed, %	24.4	24.5	24.8	25.3	25.3	27.2	28.4
Net debt/Equity	0.10	0.25	0.17	0.10	0.10	0.15	0.14
Net debt/ EBITDA 12M rolling	0.3	0.6	0.4	0.3	0.3	0.3	0.3
Net working capital	3,037	3,423	2,993	2,372	2,372	2,705	3,046
Trade net working capital	4,222	4,646	4,433	4,059	4,059	4,017	4,327
Average trade net working capital as a % of revenues	14.1%	13.8%	13.5%	13.0%	13.0%	12.5%	11.9%
Earnings per share, basic, $	0.60	0.63	0.66	0.70	2.59	0.73	0.68
Earnings per share, diluted, $	0.60	0.63	0.66	0.70	2.59	0.73	0.68
Dividend per share, CHF	n.a.	n.a.	n.a.	n.a.	0.94	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
Number of employees (FTE equivalents)	110,100	110,900	110,700	111,900	111,900	112,700	114,800
No. of shares outstanding at end of period (in millions)	1,833	1,826	1,822	1,818	1,818	1,814	1,815

Additional 2026 guidance

ABB based on discontinued operations structure

($ in millions, unless otherwise stated)	FY 2026[1]	Q3 2026
Corporate and Other Operational EBITA[2]	~(100)	~(125)
of which stranded costs[4]	~(100)	~(25)
Non-operating items		
Acquisition-related amortization	~(195)	~(50)
Separation and integration	~(75) from ~(60)	~(25)
Restructuring and related and Business transformation	~(200)	~(50)

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

1 Excludes one project estimated to a total of ~$100 million, that is ongoing in the non-core business. Exact exit timing is difficult to assess due to legal proceedings etc.
2 Excludes Operational EBITA from E-mobility business; and includes the real estate gain of $377 million in Q1 2026
3 Excludes the impact of acquisitions or divestments or any significant non-operational items
4 Framework assumes stranded cost for the full year. Closing of Robotics divestment expected in the second half of the year, as earlier announced

Important notice about forward-looking information

This press release includes forward-looking information and statements as well as other statements concerning the outlook for our business, including those in the sections of this release titled "CEO summary," "Outlook," "Sustainability" "Significant events" and "Additional 2026 guidance". These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions and the economic conditions of the regions and industries that are major markets for ABB. These expectations, estimates and projections are generally identifiable by statements containing words such as "anticipates," "expects," "estimates," "intends," "plans," "targets," "guidance," or similar expressions. However, there are many risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this press release and which could affect our ability to achieve any or all of our stated targets. These include, among others, business risks associated with the volatile global economic environment and political conditions, market acceptance of new products and services, changes in governmental regulations and currency exchange rates. Although ABB Ltd believes that its expectations reflected in any such forward looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

Q2 results presentation on July 16, 2026

The Q2 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

2026	
September 24	Webcast on ABB portfolio of Direct Current technology solutions for high-power data centers
October 20	Q3 2026 results
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

July 16, 2026

Q2 2026

Financial Information

ENGINEERED
TO OUTRUN

FINANCIAL INFORMATION
Contents

Key Figures

($ in millions, unless otherwise indicated)	Q2 2026	Q2 2025	CHANGE US$	CHANGE Comparable[1]
Orders	12,042	9,254	30%	28%
Order backlog (end June)	30,007	23,670	27%	28%
Revenues	9,475	8,295	14%	12%
Gross Profit	3,793	3,362	13%	
as % of revenues	40.0%	40.5%	-0.5 pts	
Income from operations	1,585	1,466	8%	
Operational EBITA[1]	1,925	1,598	20%	18%[2]
as % of operational revenues[1]	20.2%	19.3%	+0.9 pts	
Income from continuing operations, net of tax	1,218	1,113	9%	
Net income attributable to ABB	1,231	1,151	7%	
Basic earnings per share ($)	0.68	0.63	8%[3]	
Cash flow from operating activities	1,150	1,059	9%	
Free cash flow[1]	881	845	4%	

($ in millions, unless otherwise indicated)	H1 2026	H1 2025	CHANGE US$	CHANGE Comparable[1]
Orders	23,340	17,843	31%	26%
Revenues	18,209	15,677	16%	12%
Gross Profit	7,233	6,484	12%	
as % of revenues	39.7%	41.4%	-1.7 pts	
Income from operations	3,365	2,940	14%	
Operational EBITA[1]	3,974	3,093	28%	23%[2]
as % of operational revenues[1]	21.8%	19.8%	+2 pts	
Income from continuing operations, net of tax	2,569	2,168	18%	
Net income attributable to ABB	2,555	2,253	13%	
Basic earnings per share ($)	1.41	1.23	14%[3]	
Cash flow from operating activities	2,179	1,743	25%	
Free cash flow[1]	2,131	1,497	42%	

(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.

($ in millions, unless otherwise indicated)		Q2 2026	Q2 2025	CHANGE US$	Local	Comparable
Orders	**ABB Group**	**12,042**	**9,254**	**30%**	**28%**	**28%**
	Electrification	7,231	4,518	60%	58%	58%
	Motion	2,592	2,112	23%	20%	20%
	Automation	2,454	2,814	-13%	-14%	-14%
	Corporate and Other	79	110			
	Intersegment eliminations	(314)	(300)			
Order backlog (end June)	**ABB Group**	**30,007**	**23,670**	**27%**	**28%**	**28%**
	Electrification	13,676	8,685	57%	59%	59%
	Motion	6,953	6,102	14%	16%	14%
	Automation	10,544	9,450	12%	13%	13%
	Corporate and Other (incl. intersegment eliminations)	(1,166)	(567)			
Revenues	**ABB Group**	**9,475**	**8,295**	**14%**	**12%**	**12%**
	Electrification	5,200	4,331	20%	18%	19%
	Motion	2,217	2,065	7%	5%	4%
	Automation	2,193	2,010	9%	7%	7%
	Corporate and Other	117	107			
	Intersegment eliminations	(252)	(218)			
Income from operations	**ABB Group**	**1,585**	**1,466**			
	Electrification	1,172	990			
	Motion	376	393			
	Automation	327	266			
	Corporate and Other (incl. intersegment eliminations)	(290)	(183)			
Income from operations %	**ABB Group**	**16.7%**	**17.7%**			
	Electrification	22.5%	22.9%			
	Motion	17.0%	19.0%			
	Automation	14.9%	13.2%			
Operational EBITA	**ABB Group**	**1,925**	**1,598**	**20%**	**18%**	
	Electrification	1,301	1,033	26%	23%	
	Motion	413	407	1%	-1%	
	Automation	338	288	17%	14%	
	Corporate and Other[(1)] (incl. intersegment eliminations)	(127)	(130)			
Operational EBITA %	**ABB Group**	**20.2%**	**19.3%**			
	Electrification	24.9%	23.9%			
	Motion	18.5%	19.8%			
	Automation	15.4%	14.2%			
Cash flow from operating activities	**ABB Group**	**1,150**	**1,059**			
	Electrification	1,253	956			
	Motion	370	354			
	Automation	356	286			
	Corporate and Other (incl. intersegment eliminations)	(676)	(625)			
	Discontinued operations	(153)	88			

(1) Corporate and Other at Q2 2026 and Q2 2025 includes Stranded corporate costs of $25 million and $33 million, respectively.

($ in millions, unless otherwise indicated)		H1 2026	H1 2025	CHANGE US$	Local	Comparable
Orders	**ABB Group**	**23,340**	**17,843**	**31%**	**27%**	**26%**
	Electrification	13,878	8,912	56%	51%	51%
	Motion	5,140	4,268	20%	16%	14%
	Automation	4,918	5,011	-2%	-6%	-6%
	Corporate and Other	151	238			
	Intersegment eliminations	(747)	(586)			
Order backlog (end June)	**ABB Group**	**30,007**	**23,670**	**27%**	**28%**	**28%**
	Electrification	13,676	8,685	57%	59%	59%
	Motion	6,953	6,102	14%	16%	14%
	Automation	10,544	9,450	12%	13%	13%
	Corporate and Other (incl. intersegment eliminations)	(1,166)	(567)			
Revenues	**ABB Group**	**18,209**	**15,677**	**16%**	**12%**	**12%**
	Electrification	9,813	8,156	20%	17%	17%
	Motion	4,359	3,905	12%	8%	5%
	Automation	4,340	3,828	13%	8%	8%
	Corporate and Other	205	203			
	Intersegment eliminations	(508)	(415)			
Income from operations	**ABB Group**	**3,365**	**2,940**			
	Electrification	2,141	1,912			
	Motion	687	754			
	Automation	614	521			
	Corporate and Other (incl. intersegment eliminations)	(77)	(247)			
Income from operations %	**ABB Group**	**18.5%**	**18.8%**			
	Electrification	21.8%	23.4%			
	Motion	15.8%	19.3%			
	Automation	14.1%	13.6%			
Operational EBITA	**ABB Group**	**3,974**	**3,093**	**28%**	**23%**	
	Electrification	2,406	1,919	25%	20%	
	Motion	811	767	6%	1%	
	Automation	649	543	20%	13%	
	Corporate and Other[1] *(incl. intersegment eliminations)*	108	(136)			
Operational EBITA %	**ABB Group**	**21.8%**	**19.8%**			
	Electrification	24.5%	23.6%			
	Motion	18.5%	19.7%			
	Automation	15.0%	14.2%			
Cash flow from operating activities	**ABB Group**	**2,179**	**1,743**			
	Electrification	2,264	1,477			
	Motion	676	664			
	Automation	649	557			
	Corporate and Other (incl. intersegment eliminations)	(1,274)	(1,119)			
	Discontinued operations	(136)	164			

(1) Corporate and Other at H1 2026 and H1 2025 includes Stranded corporate costs of $51 million and $62 million, respectively.

Operational EBITA

($ in millions, unless otherwise indicated)	ABB		Electrification		Motion		Automation	
	Q2 26	**Q2 25**	**Q2 26**	**Q2 25**	**Q2 26**	**Q2 25**	**Q2 26**	**Q2 25**
Revenues	**9,475**	**8,295**	**5,200**	**4,331**	**2,217**	**2,065**	**2,193**	**2,010**
Foreign exchange/commodity timing differences in total revenues	45	1	23	(8)	18	(8)	8	18
Operational revenues	**9,520**	**8,296**	**5,223**	**4,323**	**2,235**	**2,057**	**2,201**	**2,028**
Income from operations	**1,585**	**1,466**	**1,172**	**990**	**376**	**393**	**327**	**266**
Acquisition-related amortization	51	48	27	29	15	9	9	9
Restructuring, related and implementation costs(1)	16	7	4	4	3	5	6	1
Changes in obligations related to divested businesses	–	(2)	–	–	–	–	–	–
Gains and losses from sale of businesses	(5)	(1)	(2)	(2)	–	–	(9)	–
Acquisition- and divestment-related expenses and integration costs	23	19	17	9	2	1	3	4
Certain other non-operational items	171	38	7	2	3	4	2	–
Foreign exchange/commodity timing differences in income from operations	84	23	76	1	14	(5)	–	8
Operational EBITA	**1,925**	**1,598**	**1,301**	**1,033**	**413**	**407**	**338**	**288**
Operational EBITA margin (%)	**20.2%**	**19.3%**	**24.9%**	**23.9%**	**18.5%**	**19.8%**	**15.4%**	**14.2%**

($ in millions, unless otherwise indicated)	ABB		Electrification		Motion		Automation	
	H1 26	**H1 25**	**H1 26**	**H1 25**	**H1 26**	**H1 25**	**H1 26**	**H1 25**
Revenues	**18,209**	**15,677**	**9,813**	**8,156**	**4,359**	**3,905**	**4,340**	**3,828**
Foreign exchange/commodity timing differences in total revenues	24	(24)	23	(13)	22	(11)	(17)	1
Operational revenues	**18,233**	**15,653**	**9,836**	**8,143**	**4,381**	**3,894**	**4,323**	**3,829**
Income from operations	**3,365**	**2,940**	**2,141**	**1,912**	**687**	**754**	**614**	**521**
Acquisition-related amortization	98	91	54	55	26	18	18	17
Restructuring, related and implementation costs(1)	64	20	30	10	10	7	19	5
Changes in obligations related to divested businesses	(5)	(3)	–	–	–	–	–	–
Gains and losses from sale of businesses	(7)	(12)	(2)	(13)	–	–	(9)	–
Acquisition- and divestment-related expenses and integration costs	35	27	24	19	4	2	5	5
Certain other non-operational items	252	58	13	(29)	49	10	7	(2)
Foreign exchange/commodity timing differences in income from operations	172	(28)	146	(35)	35	(24)	(5)	(3)
Operational EBITA	**3,974**	**3,093**	**2,406**	**1,919**	**811**	**767**	**649**	**543**
Operational EBITA margin (%)	**21.8%**	**19.8%**	**24.5%**	**23.6%**	**18.5%**	**19.7%**	**15.0%**	**14.2%**

(1) Includes impairment of certain assets.

Depreciation and Amortization

($ in millions)	ABB Q2 26	ABB Q2 25	Electrification Q2 26	Electrification Q2 25	Motion Q2 26	Motion Q2 25	Automation Q2 26	Automation Q2 25
Depreciation	155	141	88	76	33	32	20	18
Amortization	65	61	35	36	18	11	11	10
including total acquisition-related amortization of:	51	48	27	29	15	9	9	9

($ in millions)	ABB H1 26	ABB H1 25	Electrification H1 26	Electrification H1 25	Motion H1 26	Motion H1 25	Automation H1 26	Automation H1 25
Depreciation	305	272	174	147	66	63	39	36
Amortization	125	116	68	68	32	22	22	20
including total acquisition-related amortization of:	98	91	54	55	26	18	18	17

Orders received and Revenues by region

	Orders received		CHANGE			Revenues		CHANGE		
($ in millions, unless otherwise indicated)	Q2 26	Q2 25	US$	Local	Com-parable	Q2 26	Q2 25	US$	Local	Com-parable
Europe	3,360	2,903	16%	12%	12%	2,994	2,793	7%	4%	3%
The Americas	5,728	3,746	53%	52%	52%	3,788	3,146	20%	19%	19%
of which United States	4,917	3,027	62%	62%	62%	3,047	2,444	25%	25%	24%
Asia, Middle East and Africa	2,954	2,605	13%	12%	12%	2,693	2,356	14%	13%	13%
of which China	1,133	972	17%	10%	10%	1,081	937	15%	9%	10%
ABB Group	**12,042**	**9,254**	**30%**	**28%**	**28%**	**9,475**	**8,295**	**14%**	**12%**	**12%**

	Orders received		CHANGE			Revenues		CHANGE		
($ in millions, unless otherwise indicated)	H1 26	H1 25	US$	Local	Com-parable	H1 26	H1 25	US$	Local	Com-parable
Europe	7,115	5,880	21%	13%	12%	5,986	5,341	12%	5%	3%
The Americas	10,312	6,757	53%	51%	50%	7,179	5,956	21%	19%	19%
of which United States	8,770	5,293	66%	65%	64%	5,743	4,641	24%	23%	23%
Asia, Middle East and Africa	5,913	5,206	14%	12%	11%	5,044	4,380	15%	13%	13%
of which China	2,285	2,029	13%	7%	6%	2,030	1,746	16%	10%	10%
ABB Group	**23,340**	**17,843**	**31%**	**27%**	**26%**	**18,209**	**15,677**	**16%**	**12%**	**12%**

Consolidated Financial Information

ABB Ltd Consolidated Income Statements (unaudited)

	Six months ended		Three months ended	
($ in millions, except per share data in $)	Jun. 30, 2026	Jun. 30, 2025	Jun. 30, 2026	Jun. 30, 2025
Sales of products	15,323	13,065	7,984	6,909
Sales of services and other	2,886	2,612	1,491	1,386
Total revenues	**18,209**	**15,677**	**9,475**	**8,295**
Cost of sales of products	(9,425)	(7,773)	(4,919)	(4,185)
Cost of services and other	(1,551)	(1,420)	(763)	(748)
Total cost of sales	**(10,976)**	**(9,193)**	**(5,682)**	**(4,933)**
Gross profit	**7,233**	**6,484**	**3,793**	**3,362**
Selling, general and administrative expenses	(3,400)	(3,205)	(1,725)	(1,671)
Non-order related research and development expenses	(704)	(623)	(371)	(320)
Other income (expense), net	236	284	(112)	95
Income from operations	**3,365**	**2,940**	**1,585**	**1,466**
Interest and dividend income	90	95	41	41
Interest and other finance expense	(38)	(49)	(9)	(6)
Non-operational pension (cost) credit	35	30	17	16
Income from continuing operations before taxes	**3,452**	**3,016**	**1,634**	**1,517**
Income tax expense	(883)	(848)	(416)	(404)
Income from continuing operations, net of tax	**2,569**	**2,168**	**1,218**	**1,113**
Income from discontinued operations, net of tax	20	131	38	68
Net income	**2,589**	**2,299**	**1,256**	**1,181**
Net income attributable to noncontrolling interests	(34)	(46)	(25)	(30)
Net income attributable to ABB	**2,555**	**2,253**	**1,231**	**1,151**
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	2,529	2,122	1,192	1,083
Income from discontinued operations, net of tax	26	131	39	68
Net income	2,555	2,253	1,231	1,151
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.39	1.16	0.66	0.59
Income from discontinued operations, net of tax	0.01	0.07	0.02	0.04
Net income	1.41	1.23	0.68	0.63
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.39	1.16	0.66	0.59
Income from discontinued operations, net of tax	0.01	0.07	0.02	0.04
Net income	1.40	1.23	0.68	0.63
Weighted-average number of shares outstanding (in millions) used to compute:				
Basic earnings per share attributable to ABB shareholders	1,816	1,833	1,815	1,830
Diluted earnings per share attributable to ABB shareholders	1,819	1,836	1,818	1,832

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)

	Six months ended		Three months ended	
($ in millions)	Jun. 30, 2026	Jun. 30, 2025	Jun. 30, 2026	Jun. 30, 2025
Total comprehensive income, net of tax	**2,440**	**2,333**	**1,283**	**1,040**
Total comprehensive income attributable to noncontrolling interests, net of tax	(26)	(65)	(28)	(43)
Total comprehensive income attributable to ABB shareholders, net of tax	**2,414**	**2,268**	**1,255**	**997**

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)	Jun. 30, 2026	Dec. 31, 2025
Cash and equivalents	3,867	4,640
Marketable securities and short-term investments	1,990	1,981
Receivables, net	8,033	7,535
Contract assets	1,189	1,090
Inventories, net	6,471	5,862
Prepaid expenses	358	281
Other current assets	512	627
Current assets held for sale and in discontinued operations	3,931	3,562
Total current assets	**26,351**	**25,578**
Property, plant and equipment, net	4,700	4,692
Operating lease right-of-use assets	783	765
Investments in equity-accounted companies	340	349
Prepaid pension and other employee benefits	982	937
Intangible assets, net	1,075	1,119
Goodwill	9,636	9,637
Deferred taxes	1,344	1,248
Other non-current assets	490	560
Non-current assets held for sale and in discontinued operations	35	–
Total assets	**45,736**	**44,885**
Accounts payable, trade	5,868	5,210
Contract liabilities	3,545	3,221
Short-term debt and current maturities of long-term debt	1,610	475
Current operating leases	252	253
Provisions	1,492	1,477
Other current liabilities	4,518	4,677
Current liabilities held for sale and in discontinued operations	1,155	1,108
Total current liabilities	**18,440**	**16,421**
Long-term debt	6,567	7,829
Non-current operating leases	553	533
Pension and other employee benefits	552	550
Deferred taxes	827	792
Other non-current liabilities	2,309	2,101
Non-current liabilities held for sale and in discontinued operations	83	13
Total liabilities	**29,331**	**28,239**
Commitments and contingencies		
Stockholders' equity:		
Common stock, CHF 0.12 par value (1,823 million and 1,844 million shares issued at June 30, 2026, and December 31, 2025, respectively)	158	160
Additional paid-in capital	23	64
Retained earnings	21,630	22,606
Accumulated other comprehensive loss	(5,394)	(5,253)
Treasury stock, at cost (8 million and 26 million shares at June 30, 2026, and December 31, 2025, respectively)	(518)	(1,490)
Total ABB stockholders' equity	**15,899**	**16,087**
Noncontrolling interests	506	559
Total stockholders' equity	**16,405**	**16,646**
Total liabilities and stockholders' equity	**45,736**	**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)

	Six months ended		Three months ended	
($ in millions)	Jun. 30, 2026	Jun. 30, 2025	Jun. 30, 2026	Jun. 30, 2025
Operating activities:				
Net income	2,589	2,299	1,256	1,181
Income from discontinued operations, net of tax	(20)	(131)	(38)	(68)
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	430	388	220	202
Changes in fair values of investments	64	(40)	34	(28)
Pension and other employee benefits	(12)	(40)	4	(19)
Deferred taxes	(53)	102	(67)	73
Net loss (gain) from derivatives and foreign exchange	117	(86)	75	(29)
Net gain from sale of property, plant and equipment	(409)	(184)	(17)	(51)
Net gain from sale of businesses	(7)	(12)	(5)	(1)
Other	62	15	18	24
Changes in operating assets and liabilities:				
Trade receivables, net	(538)	(250)	(433)	(194)
Contract assets and liabilities	250	74	33	(58)
Inventories, net	(725)	(52)	(457)	33
Accounts payable, trade	709	(88)	462	15
Accrued liabilities	(329)	(346)	202	139
Provisions, net	174	(52)	138	(6)
Income taxes payable and receivable	162	183	70	(29)
Other assets and liabilities, net	(149)	(201)	(192)	(213)
Net cash provided by operating activities – continuing operations	2,315	1,579	1,303	971
Net cash provided by (used in) operating activities – discontinued operations	(136)	164	(153)	88
Net cash provided by operating activities	**2,179**	**1,743**	**1,150**	**1,059**
Investing activities:				
Purchases of investments	(843)	(996)	(10)	(150)
Purchases of property, plant and equipment and intangible assets	(417)	(385)	(236)	(202)
Acquisition of businesses (net of cash acquired) and increases in cost- and equity-accounted companies	(149)	(570)	(122)	(18)
Proceeds from sales of investments	826	517	634	188
Proceeds from sales of property, plant and equipment	462	173	25	10
Proceeds from sales of businesses (net of transaction costs and cash disposed) and cost- and equity-accounted companies	28	73	27	23
Net cash from settlement of foreign currency derivatives	69	(3)	63	(113)
Other investing activities	10	1	11	(1)
Net cash provided by (used in) investing activities – continuing operations	(14)	(1,190)	392	(263)
Net cash used in investing activities – discontinued operations	(95)	(42)	(61)	(23)
Net cash provided by (used in) investing activities	**(109)**	**(1,232)**	**331**	**(286)**
Financing activities:				
Net changes in debt with original maturities of 90 days or less	(5)	139	(32)	(261)
Increase in debt	36	1,090	13	795
Repayment of debt	(49)	(131)	(19)	(124)
Delivery of shares	–	19	–	19
Purchase of treasury stock	(473)	(783)	(225)	(494)
Dividends paid	(2,161)	(1,907)	(547)	(1,907)
Dividends paid to noncontrolling shareholders	(123)	(105)	(123)	(105)
Other financing activities	(20)	8	(5)	7
Net cash used in financing activities – continuing operations	(2,795)	(1,670)	(938)	(2,070)
Net cash used in financing activities – discontinued operations	(2)	–	(5)	–
Net cash used in financing activities	**(2,797)**	**(1,670)**	**(943)**	**(2,070)**
Effects of exchange rate changes on cash and equivalents	(46)	99	4	69
Net change in cash and equivalents	**(773)**	**(1,060)**	**542**	**(1,228)**
Cash and equivalents, beginning of period	4,640	4,326	3,325	4,494
Cash and equivalents, end of period	**3,867**	**3,266**	**3,867**	**3,266**
Supplementary disclosure of cash flow information:				
Interest paid	167	184	57	66
Income taxes paid	898	637	498	379

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			2,253			**2,253**	46	**2,299**
Foreign currency translation adjustments, net of tax of $(3)				91		**91**	19	**110**
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 $(27)				(82)		**(82)**		**(82)**
Change in derivative instruments and hedges, net of tax of $0				3		**3**		**3**
Changes in noncontrolling interests						**–**	(8)	**(8)**
Dividends to noncontrolling shareholders						**–**	(105)	**(105)**
Dividends to shareholders			(1,867)			**(1,867)**		**(1,867)**
Cancellation of treasury shares	(2)	(61)	(831)		894	**–**		**–**
Share-based payment arrangements		37				**37**	2	**39**
Purchase of treasury stock					(802)	**(802)**		**(802)**
Delivery of shares		(13)	(77)		109	**19**		**19**
Balance at June 30, 2025	**160**	**15**	**20,125**	**(5,335)**	**(890)**	**14,075**	**525**	**14,600**
Balance at January 1, 2026	**160**	**64**	**22,606**	**(5,253)**	**(1,490)**	**16,087**	**559**	**16,646**
Net income			2,555			**2,555**	34	**2,589**
Foreign currency translation adjustments, net of tax of $0				(180)		**(180)**	(8)	**(188)**
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 $12				38		**38**		**38**
Change in derivative instruments and hedges, net of tax of $0				1		**1**		**1**
Changes in noncontrolling interests		(40)				**(40)**	41	**1**
Dividends to noncontrolling shareholders						**–**	(123)	**(123)**
Dividends to shareholders			(2,146)			**(2,146)**		**(2,146)**
Cancellation of treasury shares	(2)	(41)	(1,283)		1,326	**–**		**–**
Share-based payment arrangements		48				**48**	1	**49**
Purchase of treasury stock					(462)	**(462)**		**(462)**
Delivery of shares		(6)	(102)		108	**–**		**–**
Balance at June 30, 2026	**158**	**23**	**21,630**	**(5,394)**	**(518)**	**15,899**	**506**	**16,405**

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

See Notes to the Consolidated Financial Information

Note 1
The Company and basis of presentation

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

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

Adjustments related to prior periods
In the three months ended June 30, 2026, the Company identified certain errors in its previously issued financial statements that were corrected through cumulative out-of-period adjustments. The errors were identified by management and related to provisions for unasserted asbestos claims, as well as environmental remediation matters (see Note 11), resulting in additional expenses of $65 million and $31 million, respectively, in Other income (expense) in the Consolidated Income Statement for the three months ended June 30, 2026. The Company evaluated the impact of the corrections on both a quantitative and qualitative basis under the guidance of ASC 250, Accounting Changes and Error Corrections, and determined there were no material impacts to the consolidated financial statements for the six and three months ended June 30, 2026, as well as previously issued annual financial statements.

—

Note 2

Recent accounting pronouncements

Applicable for future periods

Disaggregation of Income Statement expenses

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

Targeted Improvements to the Accounting for Internal-Use Software

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

—

Note 3

Discontinued operations

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

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

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

Operating results of the discontinued operations are summarized as follows:

	Six months ended		Three months ended	
($ in millions)	**Jun. 30, 2026**	**Jun. 30, 2025**	**Jun. 30, 2026**	**Jun. 30, 2025**
Total revenues	1,113	1,158	576	605
Total cost of sales	(727)	(765)	(386)	(398)
Gross profit	**386**	**393**	**190**	**207**
Expenses	(303)	(201)	(143)	(105)
Income from operations	**83**	**192**	**47**	**102**
Net interest and other finance expense	(10)	(14)	(1)	(10)
Non-operational pension credit	1	–	–	–
Income from discontinued operations before taxes	**74**	**178**	**46**	**92**
Income tax expense	(54)	(47)	(8)	(24)
Income from discontinued operations, net of tax	**20**	**131**	**38**	**68**

Of the total Income from discontinued operations before taxes in the table above, $73 million and $178 million in the six months ended June 30, 2026 and 2025, respectively, and $46 million and $92 million in the three months ended June 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 six months ended June 30, 2026 and 2025, $51 million and $62 million, respectively, and for the three months ended June 30, 2026 and 2025, $25 million and $33 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 six and three months ended June 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)	Jun. 30, 2026[1]	Dec. 31, 2025[1]
Receivables, net	598	489
Contract assets	204	217
Inventories, net	425	372
Property, plant and equipment, net	363	290
Operating lease right-of-use assets	133	84
Goodwill	1,823	1,847
Deferred taxes	254	123
Other assets	131	140
Current assets held for sale and in discontinued operations	**3,931**	**3,562**
Other non-current assets	35	–
Non-current assets held for sale and in discontinued operations	**35**	**–**
Accounts payable, trade	373	317
Contract liabilities	216	250
Operating leases	125	87
Other liabilities	441	454
Current liabilities held for sale and in discontinued operations	**1,155**	**1,108**
Other non-current liabilities	83	13
Non-current liabilities held for sale and in discontinued operations	**83**	**13**

(1) At June 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]	Six months ended June 30, 2026	Six months ended June 30, 2025	Three months ended June 30, 2026	Three months ended June 30, 2025
Purchase price for acquisitions (net of cash acquired)[2]	124	551	108	10
Aggregate excess of purchase price over fair value of net assets acquired[3]	64	436	58	10
Number of acquired businesses	5	4	3	1

(1) Amounts include adjustments arising during the measurement period of acquisitions.
(2) Excluding changes in cost- and equity-accounted companies.
(3) Recorded as goodwill.

In the table above, the "Purchase price for acquisitions" and "Aggregate excess of purchase price over fair value of net assets acquired" in the six months ended June 30, 2026, were not significant, while in the six months ended June 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 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.

Subsequent events

Completed 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. To complete the transaction, the Company's cash outflows amounted to $183 million. This acquisition closes a gap in the Company's industrial automation portfolio. The initial accounting and disclosures for this acquisition are incomplete as Specialtrasfo was only recently acquired.

Planned acquisition

On July 16, 2026, the Company announced that it had reached an agreement on the terms of a recommended cash offer for the entire issued and to be issued share capital of Rotork plc (Rotork) for 503 pence per share (approximately $5.5 billion based on issued share capital at June 30, 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 business area. The Company expects to complete the acquisition in the first half of 2027 subject to approval by Rotork's shareholders and 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:

	June 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	1,659			**1,659**	1,659	
Time deposits	2,826			**2,826**	2,208	618
Equity securities	1,315	57		**1,372**		1,372
Total	**5,800**	**57**	**–**	**5,857**	**3,867**	**1,990**

	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.

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	Total notional amounts at		
($ in millions)	June 30, 2026	December 31, 2025	June 30, 2025
Foreign exchange contracts	17,877	14,743	16,810
Embedded foreign exchange derivatives	1,874	1,640	1,524
Cross-currency interest rate swaps	912	940	938
Interest rate contracts	570	1,644	1,762

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:

		Total notional amounts at		
Type of derivative	Unit	June 30, 2026	December 31, 2025	June 30, 2025
Copper swaps	metric tonnes	45,945	33,912	35,997
Silver swaps	ounces	4,761,561	2,059,055	2,430,081
Steel swaps	metric tonnes	15,604	14,198	18,144
Aluminum swaps	metric tonnes	5,275	3,850	4,700

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 six and three months ended June 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 six and three months ended June 30, 2026 and 2025, there were no significant amounts recognized in or reclassified out of Accumulated other comprehensive loss related to net investment hedges. In addition, in the six and three months ended June 30, 2026 and 2025, the Company did not have any ineffectiveness related to net investment hedges.

Fair value hedges

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

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

($ in millions)		Six months ended June 30, 2026	2025	Three months ended June 30, 2026	2025
Gains (losses) recognized in Interest and other finance expense:					
Interest rate contracts	Designated as fair value hedges	(2)	(1)	6	4
	Hedged item	2	1	(6)	(4)
Cross-currency interest rate swaps	Designated as fair value hedges	9	2	13	3
	Hedged item	(9)	–	(13)	(2)

Derivatives not designated in hedge relationships

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

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

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

Type of derivative not designated as a hedge ($ in millions)	Location	Gains (losses) recognized in income: Six months ended June 30, 2026	2025	Three months ended June 30, 2026	2025
Foreign exchange contracts	Total revenues	(18)	140	(10)	66
	Total cost of sales	(18)	(22)	(14)	(8)
	SG&A expenses(1)	10	(51)	6	(33)
	Interest and other finance expense	85	(238)	62	(288)
Embedded foreign exchange contracts	Total revenues	(11)	(8)	(14)	(5)
	Total cost of sales	(3)	9	(1)	6
	SG&A expenses(1)	(1)	–	(1)	–
Commodity contracts	Total cost of sales	(17)	36	(4)	(5)
Other	Interest and other finance expense	2	(1)	1	(1)
Total		**29**	**(135)**	**25**	**(268)**

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

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

($ in millions)	June 30, 2026 Derivative assets: Current in "Other current assets"	Non-current in "Other non-current assets"	Derivative liabilities: Current in "Other current liabilities"	Non-current in "Other non-current liabilities"
Derivatives designated as hedging instruments:				
Foreign exchange contracts	1	–	16	–
Interest rate contracts	–	–	–	4
Cross-currency interest rate swaps	–	–	–	160
Total	**1**	**–**	**16**	**164**
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	140	27	73	17
Commodity contracts	51	–	73	–
Embedded foreign exchange derivatives	19	8	35	8
Total	**210**	**35**	**181**	**25**
Total fair value	**211**	**35**	**197**	**189**

($ 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 June 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 June 30, 2026, and December 31, 2025, information related to these offsetting arrangements was as follows:

($ in millions)	June 30, 2026				
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	219	(107)	–	–	**112**
Total	**219**	**(107)**	**–**	**–**	**112**

($ in millions)	June 30, 2026				
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	343	(107)	–	–	**236**
Total	**343**	**(107)**	**–**	**–**	**236**

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

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

	June 30, 2026			
($ in millions)	Level 1	Level 2	Level 3	Total fair value
Assets				
Securities in "Marketable securities and short-term investments":				
Equity securities		1,372		**1,372**
Derivative assets—current in "Other current assets"		211		**211**
Derivative assets—non-current in "Other non-current assets"		35		**35**
Total	**–**	**1,618**	**–**	**1,618**
Liabilities				
Derivative liabilities—current in "Other current liabilities"		197		**197**
Derivative liabilities—non-current in "Other non-current liabilities"		189		**189**
Total	**–**	**386**	**–**	**386**

	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 six and three months ended June 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:

		June 30, 2026			
($ in millions)	Carrying value	Level 1	Level 2	Level 3	Total fair value
Assets					
Cash and equivalents (excluding securities with original maturities up to 3 months):					
Cash	1,659	1,659			**1,659**
Time deposits	2,208		2,208		**2,208**
Marketable securities and short-term investments (excluding securities):					
Time deposits	618		618		**618**
Liabilities					
Short-term debt and current maturities of long-term debt (excluding finance lease obligations)	1,560	1,512	48		**1,560**
Long-term debt (excluding finance lease obligations)	6,429	6,310	726		**7,036**

		December 31, 2025			
($ in millions)	Carrying value	Level 1	Level 2	Level 3	Total fair value
Assets					
Cash and equivalents (excluding securities with original maturities up to 3 months):					
Cash	1,398	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)	June 30, 2026	December 31, 2025	June 30, 2025
Contract assets	1,189	1,090	1,083
Contract liabilities	3,545	3,221	3,109

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:

	Six months ended June 30,			
	2026		2025	
($ in millions)	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Revenue recognized, which was included in the Contract liabilities balance at Jan 1, 2026/2025		(1,296)		(1,127)
Additions to Contract liabilities - excluding amounts recognized as revenue during the period		1,654		1,332
Receivables recognized that were included in the Contract assets balance at Jan 1, 2026/2025	(521)		(443)	

The Company considers its order backlog to represent its unsatisfied performance obligations. At June 30, 2026, the Company had unsatisfied performance obligations totaling $30,007 million and, of this amount, the Company expects to fulfill approximately 47 percent of the obligations in 2026, approximately 33 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 June 30, 2026, and December 31, 2025, the total obligation outstanding under supplier finance programs amounted to $627 million and $482 million, respectively.

Note 10
Debt

The Company's total debt at June 30, 2026, and December 31, 2025, amounted to $8,177 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)	June 30, 2026	December 31, 2025
Short-term debt	56	26
Current maturities of long-term debt	1,554	449
Total	**1,610**	**475**

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

Long-term debt
The Company's Long-term debt at June 30, 2026, and December 31, 2025, amounted to $6,567 million and $7,829 million, respectively.

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

	June 30, 2026				December 31, 2025			
(in millions)	Nominal outstanding		Carrying value(1)		Nominal outstanding		Carrying value(1)	
1.965% CHF Bonds, due 2026	CHF	325	$	402	CHF	325	$	410
3.25% EUR Instruments, due 2027	EUR	500	$	569	EUR	500	$	586
0.75% CHF Bonds, due 2027	CHF	425	$	525	CHF	425	$	535
3.8% USD Notes, due 2028	USD	383	$	382	USD	383	$	382
1.9775% CHF Bonds, due 2028	CHF	150	$	185	CHF	150	$	189
3.125% EUR Instruments, due 2029	EUR	500	$	569	EUR	500	$	588
1.0% CHF Bonds, due 2029	CHF	170	$	210	CHF	170	$	214
0% EUR Instruments, due 2030	EUR	800	$	819	EUR	800	$	838
2.375% CHF Bonds, due 2030	CHF	150	$	185	CHF	150	$	189
3.375% EUR Instruments, due 2031	EUR	750	$	846	EUR	750	$	871
Floating rate EIB R&D Loan, due 2031	USD	539	$	539	USD	539	$	539
0.8725% CHF Bonds, due 2032	CHF	350	$	431	CHF	350	$	440
2.1125% CHF Bonds, due 2033	CHF	275	$	339	CHF	275	$	346
3.375% EUR Instruments, due 2034	EUR	750	$	847	EUR	750	$	872
1.2762% CHF Bonds, due 2036	CHF	250	$	308	CHF	250	$	314
4.375% USD Notes, due 2042	USD	609	$	593	USD	609	$	592
Total			**$**	**7,749**			**$**	**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 three months ended June 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)	June 30, 2026	December 31, 2025
Performance guarantees	1,594	1,926
Financial guarantees	17	18
Total(1)	**1,611**	**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 June 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 2032, mainly consist of performance guarantees whereby (i) the Company guarantees the performance of a third party's product or service according to the terms of a contract and (ii) as member of a consortium/joint-venture that includes third parties, the Company guarantees not only its own performance but also the work of third parties. Such guarantees may include guarantees that a project will be completed within a specified time. If the third party does not fulfill the obligation, the Company will compensate the guaranteed party in cash or in kind. The original maturity dates for the majority of these performance guarantees range from one to ten years.

In conjunction with the divestment of the high-voltage cable and cables accessories businesses in 2017, the Company has entered into various performance guarantees with other parties with respect to certain liabilities of the divested business. At June 30, 2026, and December 31, 2025, the maximum potential payable under these guarantees amounted to $657 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 June 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 June 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 both June 30, 2026, and December 31, 2025, the total outstanding performance bonds aggregated to $3.6 billion, of which $0.1 billion relate to discontinued operations. There have been no significant amounts reimbursed to financial institutions under these types of arrangements in the six and three months ended June 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	2	–
Claims paid in cash or in kind	(77)	(78)
Net increase in provision for changes in estimates, warranties issued and warranties expired	125	106
Exchange rate differences	(14)	93
Balance at June 30,	**1,422**	**1,323**
Included in:		
"Provisions"	685	698
"Other non-current liabilities"	737	625
Provisions for warranties - Total	**1,422**	**1,323**

—

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 25.6 percent in the six months ended June 30, 2026, was lower than the effective tax rate of 28.1 percent in the six months ended June 30, 2025, primarily due to the tax impact of the gain on sale of real estate in the six months ended June 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 June 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.

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	
Six months ended June 30,	**2026**	**2025**	**2026**	**2025**
Operational pension cost:				
Service cost	28	28	13	12
Operational pension cost	**28**	**28**	**13**	**12**
Non-operational pension cost (credit):				
Interest cost	13	11	74	78
Expected return on plan assets	(62)	(59)	(84)	(83)
Amortization of prior service cost (credit)	1	–	(1)	(2)
Amortization of net actuarial loss	–	–	21	25
Curtailments, settlements and special termination benefits	–	–	1	–
Non-operational pension cost (credit)	**(48)**	**(48)**	**11**	**18**
Net periodic benefit cost (credit)	**(20)**	**(20)**	**24**	**30**

($ in millions)	Defined pension benefits			
	Switzerland		International	
Three months ended June 30,	**2026**	**2025**	**2026**	**2025**
Operational pension cost:				
Service cost	14	15	6	6
Operational pension cost	**14**	**15**	**6**	**6**
Non-operational pension cost (credit):				
Interest cost	6	6	38	40
Expected return on plan assets	(30)	(32)	(42)	(42)
Amortization of prior service cost (credit)	–	–	–	(1)
Amortization of net actuarial loss	–	–	9	13
Curtailments, settlements and special termination benefits	–	–	1	–
Non-operational pension cost (credit)	**(24)**	**(26)**	**6**	**10**
Net periodic benefit cost (credit)	**(10)**	**(11)**	**12**	**16**

The components of net periodic benefit cost other than the service cost component are included in the line Non-operational pension cost (credit) in the Consolidated Income Statements. Net periodic benefit cost (credit) related to discontinued operations for the six and three months ended June 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 5 million shares in the six months ended June 30, 2026, resulting in an increase in Treasury stock of $415 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	110	3	(98)	–	**15**
Amounts reclassified from OCI	–	–	16	3	**19**
Total other comprehensive (loss) income	**110**	**3**	**(82)**	**3**	**34**
Less:					
Amounts attributable to noncontrolling interests	19	–	–	–	**19**
Balance at June 30, 2025	**(4,157)**	**–**	**(1,173)**	**(5)**	**(5,335)**

($ 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	(188)	–	22	1	**(165)**
Amounts reclassified from OCI	–	–	16	–	**16**
Total other comprehensive (loss) income	**(188)**	**–**	**38**	**1**	**(149)**
Less:					
Amounts attributable to noncontrolling interests	(8)	–	–	–	**(8)**
Balance at June 30, 2026	**(4,356)**	**–**	**(1,035)**	**(3)**	**(5,394)**

The amounts reclassified out of OCI for the six and three months ended June 30, 2026 and 2025, were not significant.

—

Note 16
Operating segment data

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

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

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

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

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

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

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

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

Certain other non-operational items generally includes certain regulatory, compliance and legal costs, certain asset write downs/impairments and certain other fair value changes, 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 six and three months ended June 30, 2026 and 2025.

	Six months ended June 30, 2026				
($ in millions)	**Electrification**	**Motion**	**Automation**	**Corporate and Other**	**Total**
Geographical markets					
Europe	2,700	1,316	1,885	85	**5,986**
The Americas	4,545	1,489	1,055	90	**7,179**
of which: United States	3,749	1,231	697	66	**5,743**
Asia, Middle East and Africa	2,415	1,234	1,381	14	**5,044**
of which: China	999	617	414	–	**2,030**
	9,660	**4,039**	**4,321**	**189**	**18,209**
Product type					
Products	9,034	3,434	2,707	148	**15,323**
Services and other	626	605	1,614	41	**2,886**
	9,660	**4,039**	**4,321**	**189**	**18,209**
Third-party revenues	9,660	4,039	4,321	189	**18,209**
Intersegment revenues	153	320	19	(492)	**–**
Total revenues	**9,813**	**4,359**	**4,340**	**(303)**	**18,209**
Operational cost of sales	(5,687)	(2,726)	(2,676)		
Operational selling, general and administrative expenses	(1,506)	(677)	(784)		
Operational non-order related research and development expenses	(264)	(177)	(218)		
Other segment items	50	32	(13)		
Operational EBITA	**2,406**	**811**	**649**		

	Six months ended June 30, 2025				
($ in millions)	**Electrification**	**Motion**	**Automation**	**Corporate and Other**	**Total**
Geographical markets					
Europe	2,451	1,159	1,648	83	**5,341**
The Americas	3,585	1,314	984	73	**5,956**
of which: United States	2,874	1,087	637	43	**4,641**
Asia, Middle East and Africa	2,009	1,169	1,176	26	**4,380**
of which: China	866	534	339	7	**1,746**
	8,045	**3,642**	**3,808**	**182**	**15,677**
Product type					
Products	7,481	3,095	2,348	141	**13,065**
Services and other	564	547	1,460	41	**2,612**
	8,045	**3,642**	**3,808**	**182**	**15,677**
Third-party revenues	8,045	3,642	3,808	182	**15,677**
Intersegment revenues	111	263	20	(394)	**–**
Total revenues	**8,156**	**3,905**	**3,828**	**(212)**	**15,677**
Operational cost of sales	(4,670)	(2,376)	(2,328)		
Operational selling, general and administrative expenses	(1,358)	(603)	(757)		
Operational non-order related research and development expenses	(223)	(151)	(197)		
Other segment items	14	(8)	(3)		
Operational EBITA	**1,919**	**767**	**543**		

($ in millions)	Three months ended June 30, 2026 Electrification	Motion	Automation	Corporate and Other	Total
Geographical markets					
Europe	1,377	653	918	46	**2,994**
The Americas	2,418	770	541	59	**3,788**
of which: United States	2,003	639	362	43	**3,047**
Asia, Middle East and Africa	1,316	642	727	8	**2,693**
of which: China	529	333	219	–	**1,081**
	5,111	**2,065**	**2,186**	**113**	**9,475**
Product type					
Products	4,774	1,749	1,368	93	**7,984**
Services and other	337	316	818	20	**1,491**
	5,111	**2,065**	**2,186**	**113**	**9,475**
Third-party revenues	5,111	2,065	2,186	113	**9,475**
Intersegment revenues	89	152	7	(248)	**–**
Total revenues	**5,200**	**2,217**	**2,193**	**(135)**	**9,475**
Operational cost of sales	(3,025)	(1,388)	(1,354)		
Operational selling, general and administrative expenses	(765)	(343)	(404)		
Operational non-order related research and development expenses	(142)	(93)	(115)		
Other segment items	33	20	18		
Operational EBITA	**1,301**	**413**	**338**		

($ in millions)	Three months ended June 30, 2025 Electrification	Motion	Automation	Corporate and Other	Total
Geographical markets					
Europe	1,297	619	833	44	**2,793**
The Americas	1,893	679	531	43	**3,146**
of which: United States	1,517	563	341	23	**2,444**
Asia, Middle East and Africa	1,074	633	635	14	**2,356**
of which: China	458	291	185	3	**937**
	4,264	**1,931**	**1,999**	**101**	**8,295**
Product type					
Products	3,959	1,639	1,240	71	**6,909**
Services and other	305	292	759	30	**1,386**
	4,264	**1,931**	**1,999**	**101**	**8,295**
Third-party revenues	4,264	1,931	1,999	101	**8,295**
Intersegment revenues	67	134	11	(212)	**–**
Total revenues	**4,331**	**2,065**	**2,010**	**(111)**	**8,295**
Operational cost of sales	(2,481)	(1,263)	(1,240)		
Operational selling, general and administrative expenses	(708)	(314)	(396)		
Operational non-order related research and development expenses	(118)	(78)	(100)		
Other segment items	9	(3)	14		
Operational EBITA	**1,033**	**407**	**288**		

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 six and three months ended June 30, 2026 and 2025, and Total assets at June 30, 2026, and December 31, 2025:

	Six months ended June 30,		Three months ended June 30,	
($ in millions)	**2026**	**2025**	**2026**	**2025**
Operational EBITA:				
Electrification	2,406	1,919	1,301	1,033
Motion	811	767	413	407
Automation	649	543	338	288
Corporate and Other				
– E-mobility	(65)	(89)	(18)	(42)
– Stranded corporate costs	(51)	(62)	(25)	(33)
– Corporate costs, Intersegment elimination and other	224	15	(84)	(55)
Total	**3,974**	**3,093**	**1,925**	**1,598**
Acquisition-related amortization	(98)	(91)	(51)	(48)
Restructuring, related and implementation costs[1]	(64)	(20)	(16)	(7)
Changes in obligations related to divested businesses	5	3	–	2
Gains and losses from sale of businesses	7	12	5	1
Acquisition- and divestment-related expenses and integration costs	(35)	(27)	(23)	(19)
Foreign exchange/commodity timing differences in income from operations:				
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(209)	72	(95)	(4)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	5	1	4	1
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	32	(45)	7	(20)
Certain other non-operational items:				
Business transformation costs[2]	(48)	(92)	(20)	(48)
Environmental and related costs	(94)	(1)	(94)	(1)
Certain other fair value changes, including asset impairments	(106)	26	(53)	10
Other non-operational items	(4)	9	(4)	1
Income from operations	**3,365**	**2,940**	**1,585**	**1,466**
Interest and dividend income	90	95	41	41
Interest and other finance expense	(38)	(49)	(9)	(6)
Non-operational pension (cost) credit	35	30	17	16
Income from continuing operations before taxes	**3,452**	**3,016**	**1,634**	**1,517**

(1) Includes impairment of certain assets.
(2) Amount includes ABB Way process transformation costs of $86 million and $43 million for the six and three months ended June 30, 2025, respectively.

Depreciation and amortization

	Six months ended June 30,		Three months ended June 30,	
($ in millions)	**2026**	**2025**	**2026**	**2025**
Electrification	242	215	123	112
Motion	98	85	51	43
Automation	61	56	31	28
Corporate and Other	29	32	15	19
Consolidated	**430**	**388**	**220**	**202**

Capital expenditures

	Six months ended June 30,		Three months ended June 30,	
($ in millions)	**2026**	**2025**	**2026**	**2025**
Electrification	283	198	164	119
Motion	69	90	40	44
Automation	39	45	19	23
Corporate and Other	26	52	13	16
Consolidated[1]	**417**	**385**	**236**	**202**

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

	Total assets[1]	
($ in millions)	June 30, 2026	December 31, 2025
Electrification	16,401	15,088
Motion	7,909	7,648
Automation	6,957	7,070
Corporate and Other[2]	14,469	15,079
Consolidated	**45,736**	**44,885**

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

(2) At June 30, 2026, and December 31, 2025, Corporate and Other includes $3,966 million and $3,562 million, respectively, of assets reported in discontinued operations (see Note 3).

Supplemental Reconciliations and Definitions

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

While ABB's management believes that the measures herein are useful in evaluating ABB's operating results, this information s hould 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 Informatio n (unaudited) prepared in accordance with U.S. GAAP as of and for the six and three months ended June 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

	Q2 2026 compared to Q2 2025							
	Order growth rate				Revenue growth rate			
Business Area	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Electrification	60%	-2%	0%	**58%**	20%	-2%	1%	**19%**
Motion	23%	-3%	0%	**20%**	7%	-2%	-1%	**4%**
Automation	-13%	-1%	0%	**-14%**	9%	-2%	0%	**7%**
ABB Group	**30%**	**-2%**	**0%**	**28%**	**14%**	**-2%**	**0%**	**12%**

	H1 2026 compared to H1 2025							
	Order growth rate				Revenue growth rate			
Business Area	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Electrification	56%	-5%	0%	**51%**	20%	-3%	0%	**17%**
Motion	20%	-4%	-2%	**14%**	12%	-4%	-3%	**5%**
Automation	-2%	-4%	0%	**-6%**	13%	-5%	0%	**8%**
ABB Group	**31%**	**-4%**	**-1%**	**26%**	**16%**	**-4%**	**0%**	**12%**

Regional comparable growth rate reconciliation

Regional comparable growth rate reconciliation for ABB Group - Quarter

	Q2 2026 compared to Q2 2025							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	16%	-4%	0%	**12%**	7%	-3%	-1%	**3%**
The Americas	53%	-1%	0%	**52%**	20%	-1%	0%	**19%**
of which: United States	62%	0%	0%	**62%**	25%	0%	-1%	**24%**
Asia, Middle East and Africa	13%	-1%	0%	**12%**	14%	-1%	0%	**13%**
of which: China	17%	-7%	0%	**10%**	15%	-6%	1%	**10%**
ABB Group	**30%**	**-2%**	**0%**	**28%**	**14%**	**-2%**	**0%**	**12%**

Regional comparable growth rate reconciliation by business area - Quarter

	Q2 2026 compared to Q2 2025							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	19%	-3%	0%	**16%**	6%	-3%	0%	**3%**
The Americas	114%	0%	0%	**114%**	28%	-1%	0%	**27%**
of which: United States	132%	0%	0%	**132%**	32%	0%	0%	**32%**
Asia, Middle East and Africa	21%	-2%	1%	**20%**	24%	-2%	1%	**23%**
of which: China	20%	-7%	1%	**14%**	15%	-6%	2%	**11%**
Electrification	**60%**	**-2%**	**0%**	**58%**	**20%**	**-2%**	**1%**	**19%**

	Q2 2026 compared to Q2 2025							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	15%	-4%	-2%	**9%**	6%	-3%	-3%	**0%**
The Americas	46%	-1%	-1%	**44%**	12%	-1%	-2%	**9%**
of which: United States	52%	-1%	0%	**51%**	13%	0%	-3%	**10%**
Asia, Middle East and Africa	6%	-1%	0%	**5%**	3%	-1%	-1%	**1%**
of which: China	9%	-6%	0%	**3%**	13%	-6%	0%	**7%**
Motion	**23%**	**-3%**	**0%**	**20%**	**7%**	**-2%**	**-1%**	**4%**

	Q2 2026 compared to Q2 2025							
	Order growth rate				Revenue growth rate			
Region	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	11%	-4%	0%	**7%**	10%	-4%	0%	**6%**
The Americas	-46%	-1%	0%	**-47%**	2%	-2%	0%	**0%**
of which: United States	-55%	0%	0%	**-55%**	6%	0%	0%	**6%**
Asia, Middle East and Africa	4%	0%	0%	**4%**	14%	-1%	0%	**13%**
of which: China	21%	-7%	0%	**14%**	18%	-5%	0%	**13%**
Automation	**-13%**	**-1%**	**0%**	**-14%**	**9%**	**-2%**	**0%**	**7%**

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

	H1 2026 compared to H1 2025							
	Order growth rate				Revenue growth rate			
Region	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**
Europe	21%	-8%	-1%	**12%**	12%	-7%	-2%	**3%**
The Americas	53%	-2%	-1%	**50%**	21%	-2%	0%	**19%**
of which: United States	66%	-1%	-1%	**64%**	24%	-1%	0%	**23%**
Asia, Middle East and Africa	14%	-2%	-1%	**11%**	15%	-2%	0%	**13%**
of which: China	13%	-6%	-1%	**6%**	16%	-6%	0%	**10%**
ABB Group	**31%**	**-4%**	**-1%**	**26%**	**16%**	**-4%**	**0%**	**12%**

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

	H1 2026 compared to H1 2025							
	Order growth rate				Revenue growth rate			
Region	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**
Europe	27%	-9%	0%	**18%**	10%	-7%	0%	**3%**
The Americas	99%	-2%	0%	**97%**	27%	-1%	0%	**26%**
of which: United States	116%	0%	0%	**116%**	31%	0%	0%	**31%**
Asia, Middle East and Africa	23%	-2%	0%	**21%**	21%	-3%	1%	**19%**
of which: China	20%	-7%	0%	**13%**	15%	-6%	1%	**10%**
Electrification	**56%**	**-5%**	**0%**	**51%**	**20%**	**-3%**	**0%**	**17%**

	H1 2026 compared to H1 2025							
	Order growth rate				Revenue growth rate			
Region	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**
Europe	16%	-8%	-2%	**6%**	13%	-7%	-5%	**1%**
The Americas	34%	-2%	-4%	**28%**	13%	-1%	-2%	**10%**
of which: United States	39%	-2%	-4%	**33%**	14%	-1%	-2%	**11%**
Asia, Middle East and Africa	11%	-2%	0%	**9%**	8%	-2%	-1%	**5%**
of which: China	10%	-7%	0%	**3%**	17%	-6%	0%	**11%**
Motion	**20%**	**-4%**	**-2%**	**14%**	**12%**	**-4%**	**-3%**	**5%**

	H1 2026 compared to H1 2025							
	Order growth rate				Revenue growth rate			
Region	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**
Europe	22%	-9%	0%	**13%**	14%	-8%	0%	**6%**
The Americas	-30%	-2%	0%	**-32%**	8%	-3%	0%	**5%**
of which: United States	-36%	0%	0%	**-36%**	10%	-1%	0%	**9%**
Asia, Middle East and Africa	-2%	-2%	0%	**-4%**	17%	-2%	0%	**15%**
of which: China	3%	-4%	0%	**-1%**	22%	-6%	0%	**16%**
Automation	**-2%**	**-4%**	**0%**	**-6%**	**13%**	**-5%**	**0%**	**8%**

Order backlog growth rate reconciliation

Business Area	June 30, 2026 compared to June 30, 2025 US$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Electrification	57%	2%	0%	**59%**
Motion	14%	2%	-2%	**14%**
Automation	12%	1%	0%	**13%**
ABB Group	**27%**	**1%**	**0%**	**28%**

Other growth rate reconciliations

	Q2 2026 compared to Q2 2025							
	Service orders growth rate				Services revenues growth rate			
Business Area	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**
Electrification	31%	-2%	0%	**29%**	10%	-1%	0%	**9%**
Motion	8%	-2%	-1%	**5%**	8%	-3%	0%	**5%**
Automation	-36%	-2%	0%	**-38%**	8%	-3%	0%	**5%**
ABB Group	**-18%**	**-2%**	**0%**	**-20%**	**8%**	**-3%**	**0%**	**5%**

	H1 2026 compared to H1 2025							
	Service orders growth rate				Services revenues growth rate			
Business Area	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**	**US$ (as reported)**	**Foreign exchange impact**	**Portfolio changes**	**Comparable**
Electrification	23%	-4%	0%	**19%**	11%	-3%	0%	**8%**
Motion	9%	-5%	-1%	**3%**	11%	-5%	-1%	**5%**
Automation	-20%	-3%	0%	**-23%**	11%	-5%	0%	**6%**
ABB Group	**-7%**	**-4%**	**0%**	**-11%**	**10%**	**-4%**	**0%**	**6%**

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

	Six months ended June 30,		Three months ended June 30,	
($ in millions)	**2026**	**2025**	**2026**	**2025**
Operational EBITA	**3,974**	**3,093**	**1,925**	**1,598**
Acquisition-related amortization	(98)	(91)	(51)	(48)
Restructuring, related and implementation costs(1)	(64)	(20)	(16)	(7)
Changes in obligations related to divested businesses	5	3	–	2
Gains and losses from sale of businesses	7	12	5	1
Acquisition- and divestment-related expenses and integration costs	(35)	(27)	(23)	(19)
Certain other non-operational items	(252)	(58)	(171)	(38)
Foreign exchange/commodity timing differences in income from operations	(172)	28	(84)	(23)
Income from operations	**3,365**	**2,940**	**1,585**	**1,466**
Interest and dividend income	90	95	41	41
Interest and other finance expense	(38)	(49)	(9)	(6)
Non-operational pension (cost) credit	35	30	17	16
Income from continuing operations before taxes	**3,452**	**3,016**	**1,634**	**1,517**
Income tax expense	(883)	(848)	(416)	(404)
Income from continuing operations, net of tax	**2,569**	**2,168**	**1,218**	**1,113**
Income from discontinued operations, net of tax	20	131	38	68
Net income	**2,589**	**2,299**	**1,256**	**1,181**

(1) Includes impairment of certain assets.

Reconciliation of Operational EBITA margin by business

($ in millions, unless otherwise indicated)	Three months ended June 30, 2026 Electrification	Motion	Automation	Corporate and Other and Intersegment elimination	Consolidated
Total revenues	**5,200**	**2,217**	**2,193**	**(135)**	**9,475**
Foreign exchange/commodity timing differences in total revenues:					
Unrealized gains and losses on derivatives	18	9	10	(2)	**35**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(1)	–	(2)	(1)	**(4)**
Unrealized foreign exchange movements on receivables (and related assets)	6	9	–	(1)	**14**
Operational revenues	**5,223**	**2,235**	**2,201**	**(139)**	**9,520**
Income (loss) from operations	**1,172**	**376**	**327**	**(290)**	**1,585**
Acquisition-related amortization	27	15	9	–	**51**
Restructuring, related and implementation costs(1)	4	3	6	3	**16**
Gains and losses from sale of businesses	(2)	–	(9)	6	**(5)**
Acquisition- and divestment-related expenses and integration costs	17	2	3	1	**23**
Certain other non-operational items	7	3	2	159	**171**
Foreign exchange/commodity timing differences in income from operations:					
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	81	11	6	(3)	**95**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	–	1	(3)	(2)	**(4)**
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(5)	2	(3)	(1)	**(7)**
Operational EBITA	**1,301**	**413**	**338**	**(127)**	**1,925**
Operational EBITA margin (%)	**24.9%**	**18.5%**	**15.4%**	**n.a.**	**20.2%**

(1) Includes impairment of certain assets.

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

($ in millions, unless otherwise indicated)	Three months ended June 30, 2026 Electrification	Motion	Automation	Corporate and Other	Consolidated
Certain other non-operational items:					
Business transformation costs	2	3	4	11	**20**
Environmental and related costs	–	–	–	94	**94**
Certain other fair values changes, including asset impairments	4	–	(2)	51	**53**
Other non-operational items	1	–	–	3	**4**
Total	**7**	**3**	**2**	**159**	**171**

($ in millions, unless otherwise indicated)	Three months ended June 30, 2025 Electrification	Motion	Automation	Corporate and Other and Intersegment elimination	Consolidated
Total revenues	**4,331**	**2,065**	**2,010**	**(111)**	**8,295**
Foreign exchange/commodity timing differences in total revenues:					
Unrealized gains and losses on derivatives	(19)	(7)	20	–	**(6)**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	–	(1)	(1)	(1)	**(3)**
Unrealized foreign exchange movements on receivables (and related assets)	11	–	(1)	–	**10**
Operational revenues	**4,323**	**2,057**	**2,028**	**(112)**	**8,296**
Income (loss) from operations	**990**	**393**	**266**	**(183)**	**1,466**
Acquisition-related amortization	29	9	9	1	**48**
Restructuring, related and implementation costs(1)	4	5	1	(3)	**7**
Changes in obligations related to divested businesses	–	–	–	(2)	**(2)**
Gains and losses from sale of businesses	(2)	–	–	1	**(1)**
Acquisition- and divestment-related expenses and integration costs	9	1	4	5	**19**
Certain other non-operational items	2	4	–	32	**38**
Foreign exchange/commodity timing differences in income from operations:					
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(7)	(8)	9	10	**4**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	–	–	–	(1)	**(1)**
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	8	3	(1)	10	**20**
Operational EBITA	**1,033**	**407**	**288**	**(130)**	**1,598**
Operational EBITA margin (%)	**23.9%**	**19.8%**	**14.2%**	**n.a.**	**19.3%**

(1) Includes impairment of certain assets.

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

($ in millions, unless otherwise indicated)	Three months ended June 30, 2025 Electrification	Motion	Automation	Corporate and Other	Consolidated
Certain other non-operational items:					
Business transformation costs	–	3	–	45	**48**
Environmental and related costs	–	–	–	1	**1**
Certain other fair values changes, including asset impairments	–	1	–	(11)	**(10)**
Other non-operational items	2	–	–	(3)	**(1)**
Total	**2**	**4**	**–**	**32**	**38**

(1) Amounts include ABB Way process transformation costs of $43 million for the three months ended June 30, 2025.

($ in millions, unless otherwise indicated)	Six months ended June 30, 2026 Electrification	Motion	Automation	Corporate and Other and Intersegment elimination	Consolidated
Total revenues	**9,813**	**4,359**	**4,340**	**(303)**	**18,209**
Foreign exchange/commodity timing differences in total revenues:					
Unrealized gains and losses on derivatives	47	21	(1)	2	**69**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(1)	–	(6)	–	**(7)**
Unrealized foreign exchange movements on receivables (and related assets)	(23)	1	(10)	(6)	**(38)**
Operational revenues	**9,836**	**4,381**	**4,323**	**(307)**	**18,233**
Income (loss) from operations	**2,141**	**687**	**614**	**(77)**	**3,365**
Acquisition-related amortization	54	26	18	–	**98**
Restructuring, related and implementation costs(1)	30	10	19	5	**64**
Changes in obligations related to divested businesses	–	–	–	(5)	**(5)**
Gains and losses from sale of businesses	(2)	–	(9)	4	**(7)**
Acquisition- and divestment-related expenses and integration costs	24	4	5	2	**35**
Certain other non-operational items	13	49	7	183	**252**
Foreign exchange/commodity timing differences in income from operations:					
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	166	36	11	(4)	**209**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	–	1	(7)	1	**(5)**
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(20)	(2)	(9)	(1)	**(32)**
Operational EBITA	**2,406**	**811**	**649**	**108**	**3,974**
Operational EBITA margin (%)	**24.5%**	**18.5%**	**15.0%**	**n.a.**	**21.8%**

(1) Includes impairment of certain assets.

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

($ in millions, unless otherwise indicated)	Six months ended June 30, 2026 Electrification	Motion	Automation	Corporate and Other	Consolidated
Certain other non-operational items:					
Business transformation costs	9	7	9	23	**48**
Environmental and related costs	–	–	–	94	**94**
Certain other fair values changes, including asset impairments	2	41	(2)	65	**106**
Other non-operational items	2	1	–	1	**4**
Total	**13**	**49**	**7**	**183**	**252**

($ in millions, unless otherwise indicated)	Six months ended June 30, 2025 Electrification	Motion	Automation	Corporate and Other and Intersegment elimination	Consolidated
Total revenues	**8,156**	**3,905**	**3,828**	**(212)**	**15,677**
Foreign exchange/commodity timing differences in total revenues:					
Unrealized gains and losses on derivatives	(53)	(16)	(3)	(3)	**(75)**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(1)	–	(6)	(1)	**(8)**
Unrealized foreign exchange movements on receivables (and related assets)	41	5	10	3	**59**
Operational revenues	**8,143**	**3,894**	**3,829**	**(213)**	**15,653**
Income (loss) from operations	**1,912**	**754**	**521**	**(247)**	**2,940**
Acquisition-related amortization	55	18	17	1	**91**
Restructuring, related and implementation costs(1)	10	7	5	(2)	**20**
Changes in obligations related to divested businesses	–	–	–	(3)	**(3)**
Gains and losses from sale of businesses	(13)	–	–	1	**(12)**
Acquisition- and divestment-related expenses and integration costs	19	2	5	1	**27**
Certain other non-operational items	(29)	10	(2)	79	**58**
Foreign exchange/commodity timing differences in income from operations:					
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(64)	(31)	(9)	32	**(72)**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	1	1	(2)	(1)	**(1)**
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	28	6	8	3	**45**
Operational EBITA	**1,919**	**767**	**543**	**(136)**	**3,093**
Operational EBITA margin (%)	**23.6%**	**19.7%**	**14.2%**	**n.a.**	**19.8%**

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

($ in millions, unless otherwise indicated)	Six months ended June 30, 2025 Electrification	Motion	Automation	Corporate and Other	Consolidated
Certain other non-operational items:					
Business transformation costs(1)	1	5	–	86	**92**
Environmental and related costs	–	–	–	1	**1**
Certain other fair values changes, including asset impairments	(25)	4	(2)	(3)	**(26)**
Other non-operational items	(5)	1	–	(5)	**(9)**
Total	**(29)**	**10**	**(2)**	**79**	**58**

(1) Amounts include ABB Way process transformation costs of $86 million for the six months ended June 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)	June 30, 2026	December 31, 2025
Short-term debt and current maturities of long-term debt	1,610	475
Long-term debt	6,567	7,829
Total debt	**8,177**	**8,304**
Cash and equivalents	3,867	4,640
Marketable securities and short-term investments	1,990	1,981
Cash and marketable securities	**5,857**	**6,621**
Net debt	**2,320**	**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)	June 30, 2026	December 31, 2025
Total stockholders' equity	16,405	16,646
Net debt (see above)	2,320	1,683
Net debt / Equity ratio	**0.14**	**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)	June 30, 2026	June 30, 2025
Income from operations for the three months ended:		
September 30, 2025 / 2024	1,602	1,225
December 31, 2025 / 2024	1,505	1,094
March 31, 2026 / 2025	1,780	1,474
June 30, 2026 / 2025	1,585	1,466
Depreciation and Amortization for the three months ended:		
September 30, 2025 / 2024	204	184
December 31, 2025 / 2024	221	194
March 31, 2026 / 2025	210	186
June 30, 2026 / 2025	220	202
EBITDA	**7,327**	**6,025**
Net debt (as defined above)	**2,320**	**3,694**
Net debt / EBITDA ratio	**0.32**	**0.61**

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)	June 30, 2026	June 30, 2025
Net working capital:		
Receivables, net	8,033	7,461
Contract assets	1,189	1,083
Inventories, net	6,471	6,007
Prepaid expenses	358	354
Accounts payable, trade	(5,868)	(4,918)
Contract liabilities	(3,545)	(3,109)
Other current liabilities[(1)]	(3,592)	(3,455)
Net working capital	**3,046**	**3,423**

(1) Amounts exclude $926 million and $1,027 million at June 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, (e) dividends payable and (f) liabilities related to certain restructuring-related activities.

Average trade net working capital as a percentage of revenues

Definition

Average trade net working capital as a percentage of revenues

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

Average trade net working capital

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

Trade net working capital

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

Reconciliation

($ in millions, unless otherwise indicated)	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
Trade net working capital:					
Trade receivables, net	7,400	6,959	6,884	6,838	6,837
Contract assets	1,189	1,152	1,090	1,062	1,083
Inventories, net	6,471	6,056	5,862	6,051	6,007
Accounts payable, trade	(5,868)	(5,423)	(5,210)	(4,936)	(4,918)
Contract liabilities	(3,545)	(3,475)	(3,221)	(3,204)	(3,109)
Accrued expenses, operating	(1,320)	(1,252)	(1,346)	(1,370)	(1,254)
Trade net working capital in assets and liabilities held for sale	–	–	–	(8)	–
Trade net working capital	**4,327**	**4,017**	**4,059**	**4,433**	**4,646**
Average of opening and closing Trade net working capital	4,172	4,038	4,246	4,540	
Average trade net working capital	**4,249**				
Total revenues for the three months ended:					
September 30, 2025	8,491				
December 31, 2025	9,052				
March 31, 2026	8,734				
June 30, 2026	9,475				
Total revenues for the trailing twelve months	**35,752**				
Average trade net working capital as a percentage of revenues	**11.9%**				

($ in millions, unless otherwise indicated)	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Trade net working capital:					
Trade receivables, net	6,837	6,401	6,277	6,360	6,415
Contract assets	1,083	992	889	967	868
Inventories, net	6,007	5,680	5,420	6,100	5,809
Accounts payable, trade	(4,918)	(4,676)	(4,681)	(4,798)	(4,759)
Contract liabilities	(3,109)	(2,986)	(2,704)	(2,795)	(2,682)
Accrued expenses, operating	(1,254)	(1,189)	(1,234)	(1,327)	(1,228)
Trade net working capital in assets and liabilities held for sale	–	–	–	20	–
Trade net working capital	**4,646**	**4,222**	**3,967**	**4,527**	**4,423**
Average of opening and closing Trade net working capital	4,434	4,095	4,247	4,475	
Average trade net working capital	**4,313**				
Total revenues for the three months ended:					
September 30, 2024	7,591				
December 31, 2024	7,996				
March 31, 2025	7,382				
June 30, 2025	8,295				
Total revenues for the trailing twelve months	**31,264**				
Average trade net working capital as a percentage of revenues	**13.8%**				

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)	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
Adjusted total fixed assets:					
Property, plant and equipment, net	4,700	4,605	4,692	4,443	4,396
Goodwill	9,636	9,585	9,637	9,522	9,507
Intangible assets, net	1,075	1,088	1,119	1,096	1,140
Investments in equity-accounted companies	340	321	349	381	369
Operating lease right-of-use assets	783	785	765	754	761
Fixed assets included in assets held for sale	–	–	–	9	–
Total fixed assets	**16,534**	**16,384**	**16,562**	**16,205**	**16,173**
Less: Deferred taxes recognized in certain acquisitions[1]	(177)	(188)	(199)	(210)	(220)
Adjusted total fixed assets	**16,357**	**16,196**	**16,363**	**15,995**	**15,953**
Net working capital - (as defined above)	**3,046**	**2,705**	**2,372**	**2,993**	**3,423**
Capital employed	**19,403**	**18,901**	**18,735**	**18,988**	**19,376**
Average of opening and closing Capital employed	19,152	18,818	18,862	19,182	
Operational EBITA for the three months ended	1,925	2,049	1,588	1,633	
Operational EBITA for the trailing twelve months	7,195				
Notional tax on Operational EBITA	(1,799)				
Operational EBITA after tax for the trailing twelve months	**5,396**				
Average Capital employed (4 quarters)	**19,003**				
Return on Capital Employed (ROCE)	**28.4%**				

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

($ in millions, unless otherwise indicated)	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Adjusted total fixed assets:					
Property, plant and equipment, net	4,396	4,099	3,986	4,050	3,911
Goodwill	9,507	9,305	8,801	8,774	8,752
Intangible assets, net	1,140	1,134	999	981	1,034
Investments in equity-accounted companies	369	361	351	172	173
Operating lease right-of-use assets	761	765	752	779	772
Fixed assets included in assets held for sale	–	–	–	176	–
Total fixed assets	**16,173**	**15,664**	**14,889**	**14,932**	**14,642**
Less: Deferred taxes recognized in certain acquisitions[1]	(220)	(231)	(242)	(253)	(265)
Adjusted total fixed assets	**15,953**	**15,433**	**14,647**	**14,679**	**14,377**
Net working capital - (as defined above)	**3,423**	**3,037**	**2,403**	**3,231**	**3,213**
Capital employed	**19,376**	**18,470**	**17,050**	**17,910**	**17,590**

Average of opening and closing Capital employed	18,923	17,760	17,480	17,750
Operational EBITA for the three months ended	1,598	1,495	1,330	1,457

Operational EBITA for the trailing twelve months	5,880
Notional tax on Operational EBITA	(1,470)
Operational EBITA after tax for the trailing twelve months	**4,410**
Average Capital employed (4 quarters)	**17,978**
Return on Capital Employed (ROCE)	**24.5%**

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

Free cash flow

Definition

Free cash flow

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

Reconciliation

($ in millions, unless otherwise indicated)	Six months ended June 30, 2026	Six months ended June 30, 2025	Three months ended June 30, 2026	Three months ended June 30, 2025
Net cash provided by operating activities – continuing operations	**2,315**	**1,579**	**1,303**	**971**
Adjusted for the effects of continuing operations:				
Purchases of property, plant and equipment and intangible assets	(417)	(385)	(236)	(202)
Proceeds from sale of property, plant and equipment	462	173	25	10
Free cash flow – continuing operations	**2,360**	**1,367**	**1,092**	**779**
Net cash provided by (used in) operating activities – discontinued operations	**(136)**	**164**	**(153)**	**88**
Adjusted for the effects of discontinued operations:				
Purchases of property, plant and equipment and intangible assets	(93)	(34)	(58)	(22)
Free cash flow – discontinued operations	**(229)**	**130**	**(211)**	**66**
Free cash flow	**2,131**	**1,497**	**881**	**845**

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 June 30, 2026	Trailing twelve months to December 31, 2025
Net cash provided by operating activities	**5,887**	**5,469**
Adjusted for the effects of continuing operations:		
Purchases of property, plant and equipment and intangible assets	(1,033)	(1,001)
Proceeds from sale of property, plant and equipment	483	194
Adjusted for the effects of discontinued operations:		
Purchases of property, plant and equipment and intangible assets	(157)	(98)
Proceeds from sale of property, plant and equipment	2	2
Free cash flow	**5,182**	**4,566**
Adjusted net income(1)	**5,084**	**4,757**
Free cash flow conversion to net income	**102%**	**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 June 30, 2026

($ in millions)	Net cash provided by operating activities	Continuing operations: Purchases of property, plant and equipment and intangible assets	Continuing operations: Proceeds from sale of property, plant and equipment	Discontinued operations: Purchases of property, plant and equipment and intangible assets	Discontinued operations: Proceeds from sale of property, plant and equipment	Adjusted net income(1)
Q3 2025	1,777	(207)	3	(22)	1	1,215
Q4 2025	1,949	(409)	18	(42)	1	1,280
Q1 2026	1,011	(181)	437	(35)	–	1,333
Q2 2026	1,150	(236)	25	(58)	–	1,256
Total for the trailing twelve months to June 30, 2026	**5,887**	**(1,033)**	**483**	**(157)**	**2**	**5,084**

(1) Adjusted net income for Q3 2025 is adjusted to exclude adjustments to the gain on sale of Power Grids of $13 million and $16 million of gains arising on sale of certain intangible assets.

Net finance income (expense)

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

Reconciliation

	Six months ended June 30,		Three months ended June 30,	
($ in millions)	2026	2025	2026	2025
Interest and dividend income	90	95	41	41
Interest and other finance expense	(38)	(49)	(9)	(6)
Net finance income	**52**	**46**	**32**	**35**

Book-to-bill ratio

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

Reconciliation

	Six months ended June 30,					
	2026			2025		
($ in millions, except Book-to-bill presented as a ratio)	Orders	Revenues	Book-to-bill	Orders	Revenues	Book-to-bill
Electrification	13,878	9,813	**1.41**	8,912	8,156	**1.09**
Motion	5,140	4,359	**1.18**	4,268	3,905	**1.09**
Automation	4,918	4,340	**1.13**	5,011	3,828	**1.31**
Corporate and Other *(incl. intersegment eliminations)*	(596)	(303)	**n.a.**	(348)	(212)	**n.a.**
ABB Group	**23,340**	**18,209**	**1.28**	**17,843**	**15,677**	**1.14**

	Three months ended June 30,					
	2026			2025		
($ in millions, except Book-to-bill presented as a ratio)	Orders	Revenues	Book-to-bill	Orders	Revenues	Book-to-bill
Electrification	7,231	5,200	**1.39**	4,518	4,331	**1.04**
Motion	2,592	2,217	**1.17**	2,112	2,065	**1.02**
Automation	2,454	2,193	**1.12**	2,814	2,010	**1.40**
Corporate and Other *(incl. intersegment eliminations)*	(235)	(135)	**n.a.**	(190)	(111)	**n.a.**
ABB Group	**12,042**	**9,475**	**1.27**	**9,254**	**8,295**	**1.12**

ABB Ltd
Corporate Communications
P.O. Box 8131
8050 Zurich
Switzerland
Tel: +41 (0)43 317 71 11

www.abb.com