ZURICH, SWITZERLAND | OCTOBER 23, 2020

Q3 2020 results

Strong underlying performance

Björn Rosengren, CEO | Timo Ihamuotila, CFO

Important notices

This presentation includes forward-looking information and statements including statements concerning the outlook for our businesses.

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 Ltd. These expectations, estimates and projections are generally identifiable by statements containing words such as “expects,” “believes,” “estimates,” “targets,” “plans,” “outlook,” “on track,” “framework” or similar expressions.

There are numerous 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 presentation and which could affect our ability to achieve any or all of our stated targets.

The important factors that could cause such differences include, among others:

- business risks associated with the volatile global economic environment and political conditions
- costs associated with compliance activities
- market acceptance of new products and services
- changes in governmental regulations and currency exchange rates, and
- such other factors as may be discussed from time to time in ABB Ltd’s filings with the US Securities and Exchange Commission, including its Annual Reports on Form 20-F

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.**

This presentation contains non-GAAP measures of performance. Definitions of these measures and reconciliations between these measures and their US GAAP counterparts can be found in the “Supplemental reconciliations and definitions” section of “Financial Information” under “Quarterly results and annual reports” on our website at www.abb.com/investorrelations

Q3 2020 key take-aways

1

Strong underlying performance

Q3 margins >16% in EL, >17% in MO

COVID-19 continues to weigh on top-line

Uncertainties remain

2

Health & safety foremost, operations adapted

Ongoing focus on business continuity

3

Capital structure optimization program continues, executing share buyback as planned

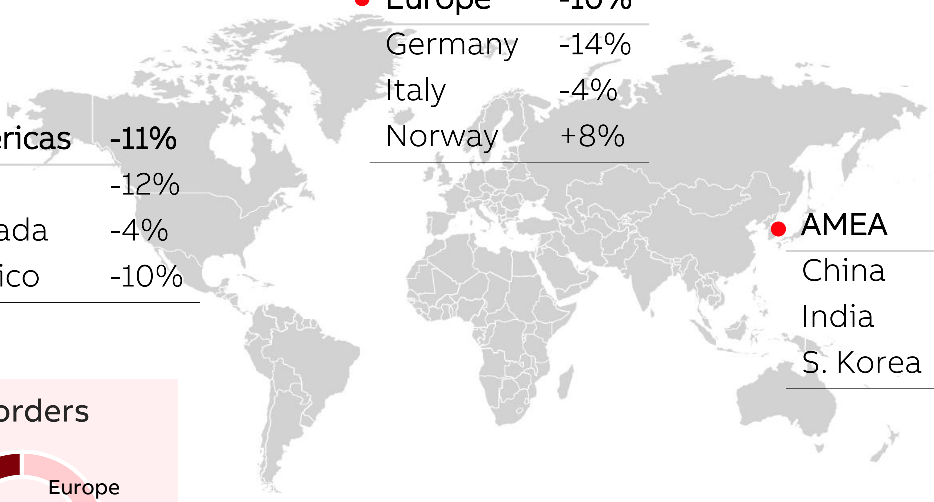


Q3 2020 orders

US, Europe strongly impacted; China recovery continues

Order development yoy

Growth by region and largest 3 country markets in $ terms

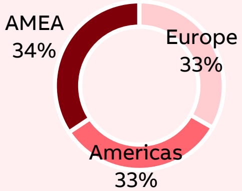


Americas	-11%
USA	-12%
Canada	-4%
Mexico	-10%

Europe	-10%
Germany	-14%
Italy	-4%
Norway	+8%

AMEA	-2%
China	+8%
India	-11%
S. Korea	+29%

As % of orders



All data presented on a yoy comparable basis; all growth comments refer to comparable growth trends
AMEA = Asia, Middle East and Africa, EL = Electrification, IA = Industrial Automation, MO = Motion,
RA = Robotics & Discrete Automation. BA = Business Area

Americas

Decline correlated to ongoing COVID-19 pandemic

USA: MO robust, EL and RA subdued, steep fall in IA

Europe

Mixed, lower large orders weigh

Germany: EL resilient

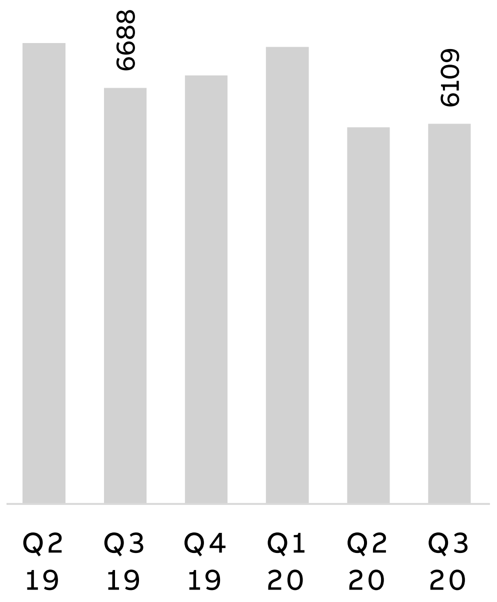
AMEA

IA, EL weakness partially offset by robust MO and strong RA performance

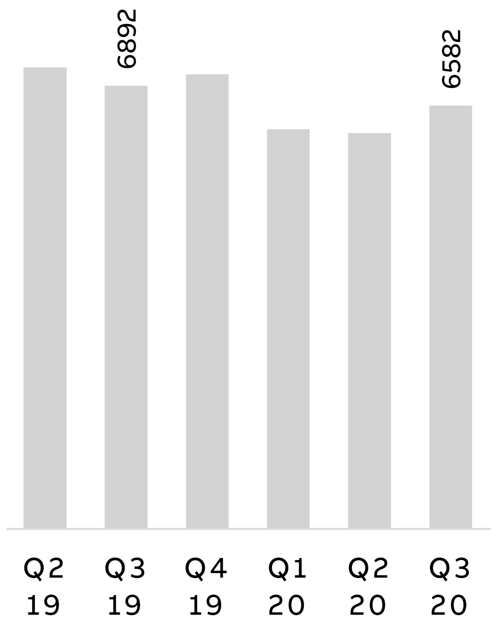
China: RA very strong, EL and MO strong

Q3 2020 results summary

Orders -8%[1]



Revenues -4%[1]



Operational EBITA margin +30 bps

(% or bps)	Q3 19	Q3 20
Op. EBITA margin	**11.7**	**12.0**
Stranded costs	-70	n.a.
Non-core	-30	-130
IA project	-90	-80
	-190	**-210**

Operational EPS
$0.21

-36%

Basic EPS
$2.14

+785%

incl. $5.3 bn PG book gain (pre-tax)

Cash flow
from operating activities[2]

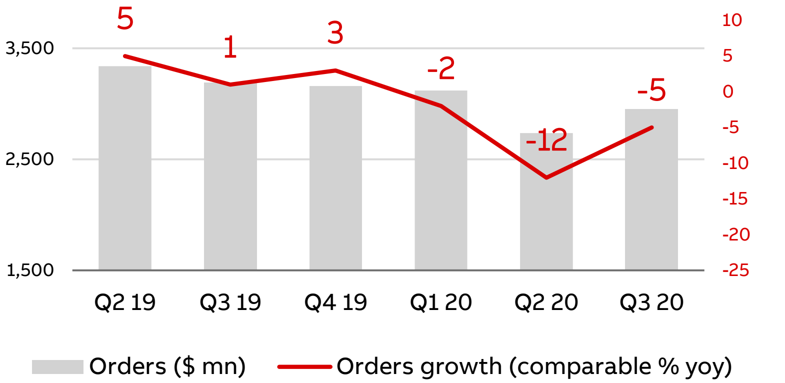
$408 mn

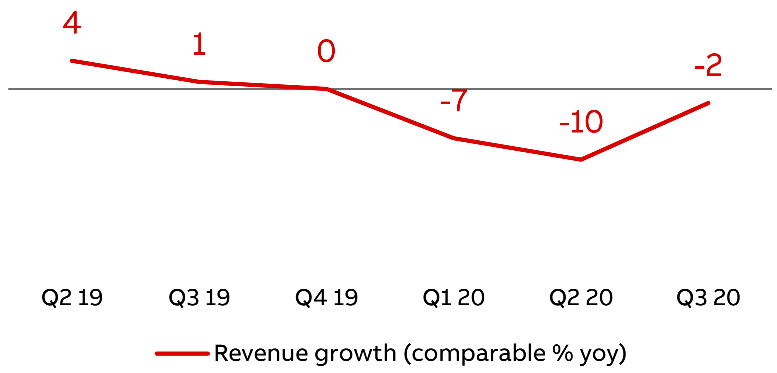
after $273 mn negative pension impact

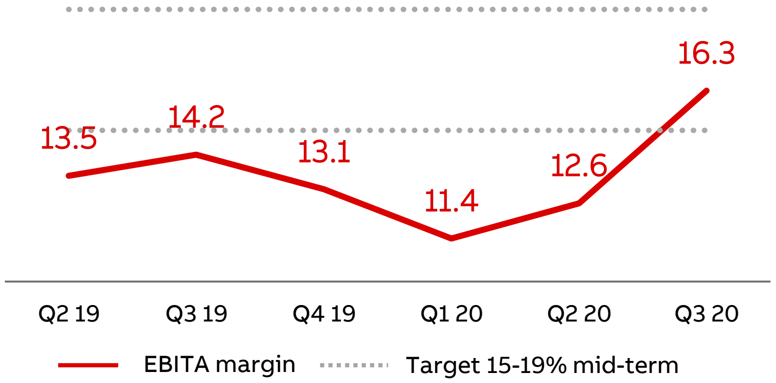
1. yoy comparable. Note: USD reported orders and revenues are impacted by foreign exchange and changes in the business portfolio
2. Cash flow from operating activities, continuing and discontinued operations

ABB

Q3 2020 Electrification
In target margin corridor







Orders $2,952 mn

Lower large orders

Buildings mixed, material decline in O&G

Utilities, data centers, F&B, wind & transport buoyant

Backlog $4.5 bn (prior Q-end $4.5 bn)

Revenues $3,031 mn

Resilient short-cycle business

Constrained project activities, mainly US

Book-to-bill 0.97x

Operational EBITA $493 mn

Margin yoy +210 bps

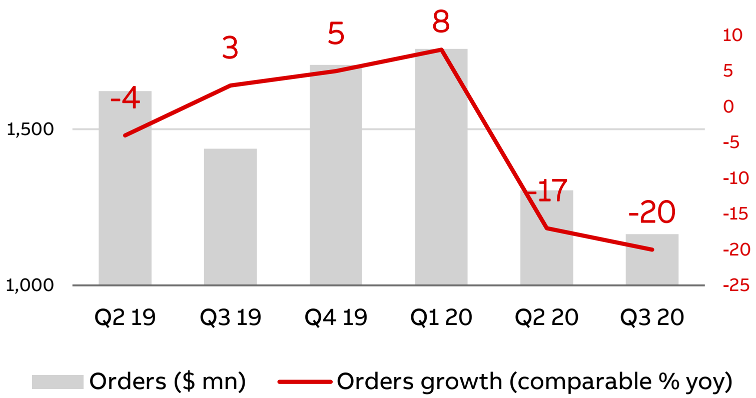
Good cost mitigation, supportive pricing actions

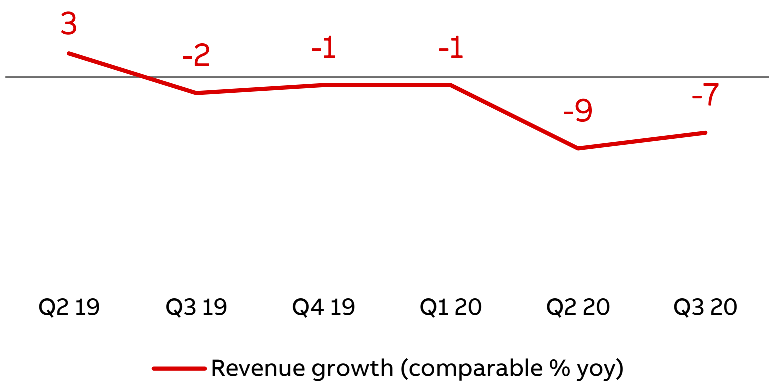
Improved Installation Products, GEIS; exit of solar inverter business

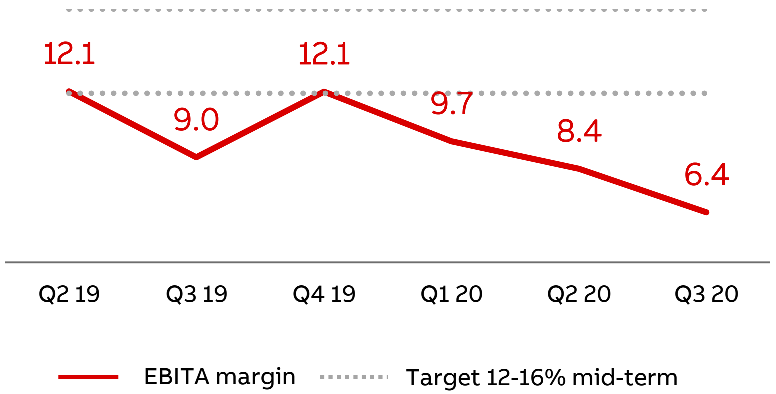
Q3 20 result reflects ~100 bps benefit from items that may not repeat

Q3 2020 Industrial Automation

COVID-19 continues to impact services







Orders $1,164 mn

Energy and marine segments depressed

Pulp & Paper resilient

Backlog $5.2 bn (prior Q-end $5.2 bn)

Revenues $1,403 mn

Substantial drop in book-and-bill, particularly due to mobility constraints

Book-to-bill 0.83x

Operational EBITA $89 mn

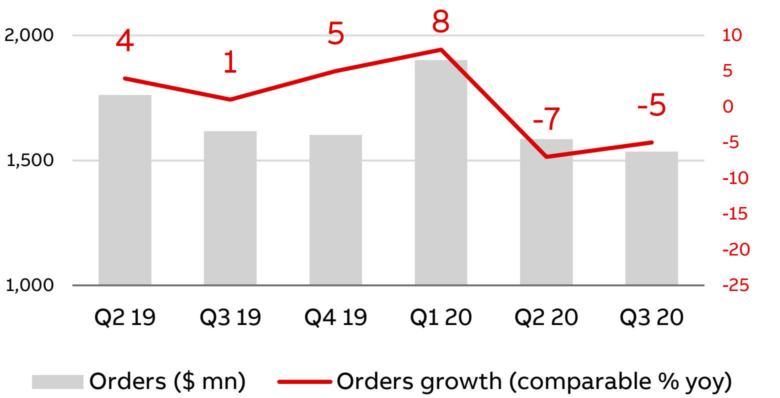
Margin yoy -260 bps

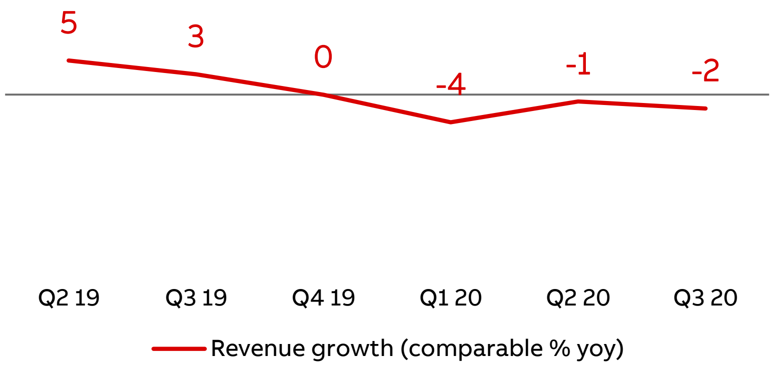
Lower volumes, unfavorable mix particularly services

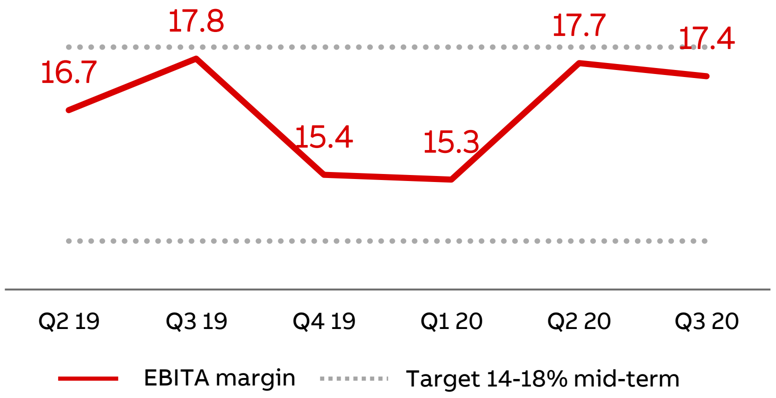
Q3 20 result incl. ~400 bps impact in relation to the Kusile project

Q3 2020 Motion

Maintaining solid track record







Orders $1,535 mn

Continued downturn in select sectors e.g. oil & gas

Rail strong

Backlog $3.3 bn (prior Q-end $3.4 bn)

Revenues $1,611 mn

Resilience in short-cycle products business

Good backlog execution

Book-to-bill 0.95x

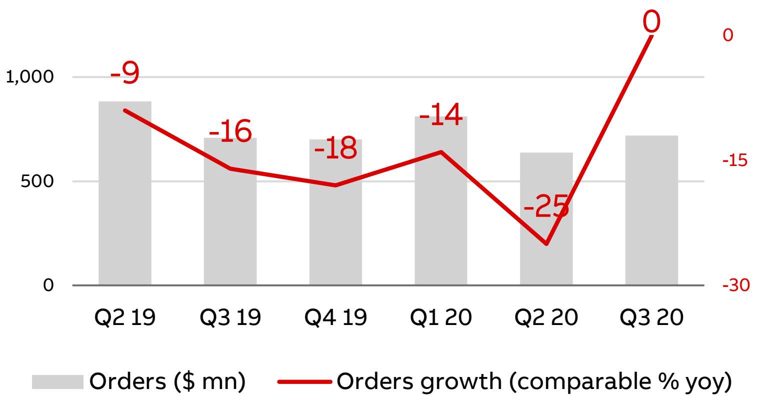
Operational EBITA $281 mn

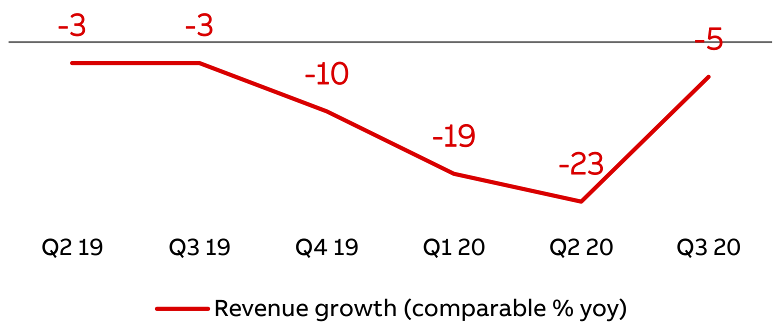
Margin yoy -40 bps, tough comparison

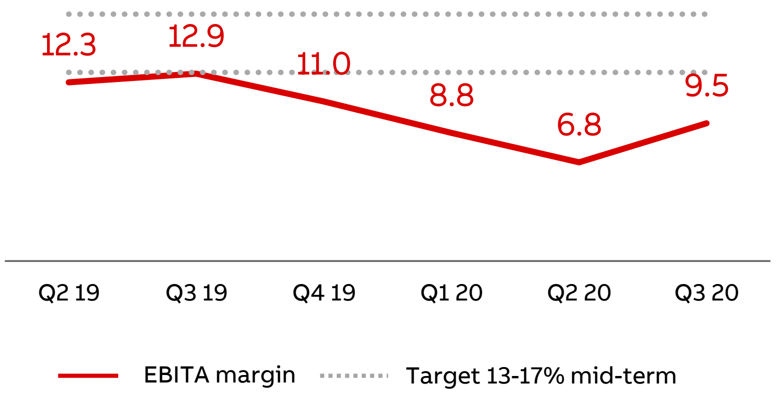
Supportive mix, good cost mitigation

Q3 2020 Robotics & Discrete Automation

Order recovery led by China







Orders $720 mn

Select investments in 3C, autos

Strength in F&B, logistics

Machine builders weak

Backlog $1.4 bn (prior Q-end $1.5 bn)

Revenues $806 mn

Good backlog execution

Catch-up in robotics automotive and general industry

Book-to-bill 0.89x

Operational EBITA $76 mn

Margin yoy -340 bps

Lower volumes, adverse mix

Continued cost savings

Q3 2020 net income drivers

Moving through most significant transformation steps

In $ mn, unless stated otherwise

787
Operational EBITA

~(100) restructuring & GEIS integration expenses

~(110) other items, incl. PPA amortization

~(200) changes in obligations to divested businesses

~(300) goodwill impairment

71
Income from operations

~(70) net finance expense

~(340) non-operational pension cost, pre-tax

~(160) tax

~5.3 bn book gain from Power Grids disposal, pre-tax[1]
~(250) mn tax and other[1]

4,530
Net Income

1. Included within $5.0 bn income from discontinued operations, net of tax

ABB

Capital structure optimization program

Improved financial flexibility

Phase 1	Share buyback	Debt and credit facilities	Pension structures
Q3 actions	59.3 mn shares repurchased (Jul 23-Sep 30 incl.)	Significant repayments	Certain plans transferred to 3rd party insurers[1]
	~3% of share capital	€2 bn short-term revolving credit facility (RCF) (fully repaid Jun-Jul)	~$320 mn cash contribution[2] and ~$850 mn plan assets transferred
	~CHF 1.4 bn	$2.8 bn commercial paper	Removes ~$1.3 bn[3] obligations, underfunded by ~$450 mn[3]
Q4 actions	Ongoing	€1 bn bond at maturity (fully repaid early Oct) Further assessment ongoing[4]	Potential ~$90 mn[3,4] additional cash contribution Thereafter, risk of further costs and charges declines materially

1. As a result, ABB recorded ~$340 mn non-operational pension cost in its income statement in Q3
2. Of which, $273 mn paid, remainder in Q4
3. Management estimates
4. Transaction(s) may generate non-operational costs and expenses totaling ~$330 mn in Q4

Balance sheet and liquidity position, end Q3 2020

Debts
Net debt/EBITDA

-0.4x

A/A3

Credit rating
(S&P, Moody's)

Cash & facilities
Total cash[5] and undrawn facilities

$11.6 bn

$2 bn

Undrawn RCF

Total debt[6]

$(8.7) bn

$4 bn

Decrease, last 6 months

Pensions
Total underfunding

$(1.2) bn

$0.4 bn

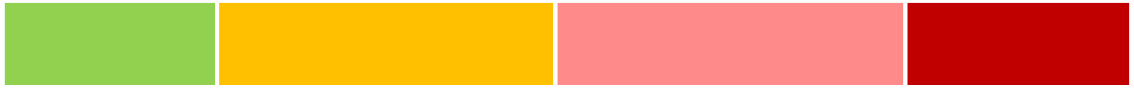
Decrease in underfunding, last 6 months

5. cash (including restricted) and cash equivalents plus marketable securities
6. short-term borrowings, current maturities of long-term debt plus long-term debt

Outlook & priorities

Short-term outlook, by end-market

End Q3



Estimated growth, (% yoy): 0% or higher | 0% to -5% | -5% to -15% | -15% or lower

Food & Beverage
Select process (e.g. Pulp & Paper, Water & Wastewater)
Select transport, infrastructure (e.g. e-mobility, wind, rail)
Data centers
3C, semiconductors

Buildings
Distribution utilities
Metals
Mining & Minerals

Conv. power generation
Other industry (e.g. chemicals, plastics)
Machine builders

Automotive
Oil & Gas
Marine

1 Strong underlying performance, operations adapting

- #1 priority, Health & Safety
- Staying close to customers
- Reducing costs, sustainably
- Resilient cash delivery anticipated for FY20

2 Accelerated transformation

- Improving profitability in underperforming businesses
- Faster delivery of ABB-OS cost savings
- Active portfolio review

3 Attractive returns to shareholders

- Buyback continues
- Improving balance sheet strength

Appendix

2020 framework

Key ⇩ ⇧ New or revised guidance

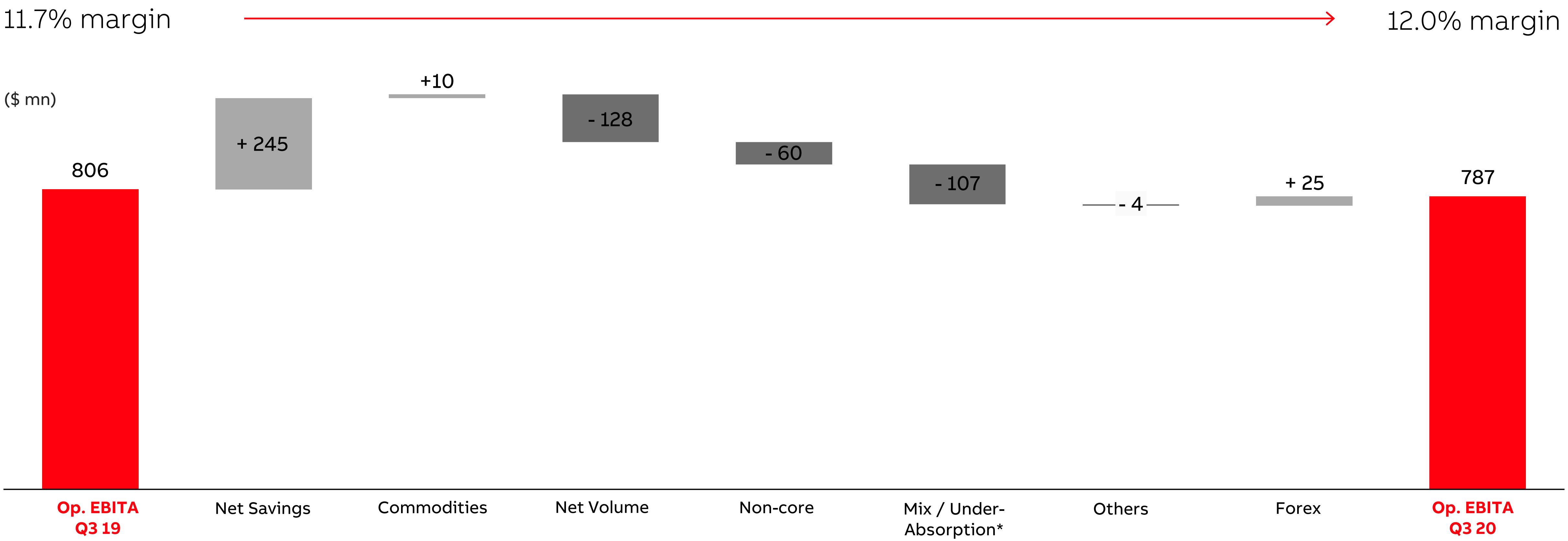
$ mn unless otherwise stated		FY 2020 framework	9M 2020	Q4 2020 framework
Corporate and Other operational EBITA		~(550)	(401)	~(150)
Non-operating items				
Normal restructuring	⇧	~(130)	(57)	~(70)
Simplification program[1]	⇩	~(200)	(133)	~(65)
Transaction and separation related costs (PG, solar inverters)		~(211)	(211)[2]	-
GEIS acquisition related expenses and integration costs		~(30)	(20)	~(10)
PPA-related amortization		~(260)	(197)	~(65)
Certain other income and expenses related to PG divestment[3]		~(50)	(22)	~(25)

		FY 2020 framework	9M 2020	Q4 2020 framework
Net finance expenses	⇧	~(380)	(152)	~(230)
Non-operational pension (cost) / credit[4]		~(370)	(272)	~(100)
Effective tax rate		~27%	63.1% (27.0% excl. special items[5])	~27% (adjusted)
PG tax impact		(246)	(246)[6]	-
Capital expenditure *(continuing)*	⇩	~(650)	(434)	~(220)

1. ABB-OS simplification program expected to incur ~$285 million restructuring (previously $350 million) and ~$165 million related implementation costs (previously $150 million) over ~2 years from Q4 18. As at end Q3 2020, $240 million restructuring and $143 million related implementation costs have been recorded on a cumulative basis
2. Including amounts booked in discontinued operations of $87 million
3. Excluding share of net income from JV
4. Cash flow from operating activities is expected to include an additional cash contribution of $90 million in Q4 2020 due to pension structure changes
5. Primarily goodwill impairment, non-operational pension costs, changes in obligations to divested businesses
6. Includes tax related to continuing operations, discontinued operations as well as certain non-income taxes

ABB

Q3 2020 operational EBITA bridge



*Inclusive of COVID-19 related mobility constrained service activities
Others includes benefit from removal of stranded costs

ABB