ZURICH, SWITZERLAND | FEBRUARY 4, 2021

Q4 2020 and full-year results

Solid end to challenging year

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 U.S. 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.

Some of the planned changes might be subject to any relevant I&C processes with the Employee Council Europe and/or local employee representatives/employees.

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. Reconciliations can be found on the website under “Capital Markets Day 2020”.

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Solid end to challenging year
2020 highlights

01 Implemented ABB Way
Decentralized model – mandate and accountability for operating decisions to business areas and divisions
~$500 mn p.a. net savings from simplification, 1 year ahead of plan
2030 Sustainability targets and updated financial framework

02 Agile response to COVID challenges
#1 priority Health & Safety
Preserved and extended customer relationships, operations kept running
Strong cost mitigation efforts

03 Cultural change gained momentum
Better understanding of roles, responsibilities, accountability and purpose
Improved employee engagement
Q4 affirms upward momentum from Q2 lows

Q4 highlights

ORDERS
$7.0 bn
-1%\(^1\)

REVENUES
$7.2 bn
0%\(^1\)

Op. EBITA margin
11.5%
+140 bps
after -80 bps Kusile settlement and non-core charges

CASH FLOW
From operating activities in continuing operations
$1,225 mn
-16%
after $115 mn Kusile settlement, $85 mn pension impacts

Basic EPS
-0.04
n.a
after debt and pension optimization costs, book gain adjustments

Operational EPS continuing operations
0.26
+20%

NOTABLE DEVELOPMENTS

- Sig. wins in marine, mainly LNG
- Short-cycle products Up mid-single-digits
- New year-end high for automation design wins
- GEIS integration 2/3\(^{rd}\)s complete
- -11% SG&A\(^2\) +3% R&D\(^2\)
- Pension, debt optimization Progress on legacy issues

1. yoy comparable. Notes: $ mn reported orders and revenues are impacted by foreign exchange and changes in the business portfolio. 2. Management estimates. SG&A and non-order related R&D expenses on a comparable basis, for business areas only.
China buoyant, COVID-19 impacts evident in Americas and Europe

Q4 2020 orders

Order development yoy

Growth by region and largest country markets in $ terms

### Americas
Decline correlated to COVID-19
USA difficult:
- MO and RA broadly flat
- Tough for EL, IA

### Europe
All BAs challenged
Germany:
- EL and MO very strong
- IA and RA stable when excluding LOs

### AMEA
LOs strong, short-cycle solid. All BAs up
China:
- Excellent growth in RA (up ~90%), EL
- MO solid, IA soft

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. LO = Large orders, defined as orders >$15 million.
Stable top-line, margin higher

Q4 2020 results

Orders -1%<sup>1</sup>

Revenues 0%<sup>1</sup>

<table>
<thead>
<tr>
<th></th>
<th>Q1 19</th>
<th>Q2 19</th>
<th>Q3 19</th>
<th>Q4 19</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
<th>Q4 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>6886</td>
<td>7068</td>
<td>7068</td>
<td>7003</td>
<td>6965</td>
<td>6965</td>
<td>6965</td>
<td>7003</td>
</tr>
</tbody>
</table>

Op. EBITA margin +140 bps

<table>
<thead>
<tr>
<th></th>
<th>Q4 19</th>
<th>Q4 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Op. EBITA</td>
<td>10.1</td>
<td>11.5</td>
</tr>
<tr>
<td>Stranded costs</td>
<td>-60</td>
<td>n.a.</td>
</tr>
<tr>
<td>Non-core</td>
<td>-110</td>
<td>-35</td>
</tr>
<tr>
<td>Kusile (IA)</td>
<td>n.a.</td>
<td>-45</td>
</tr>
<tr>
<td></td>
<td>-170</td>
<td>-80</td>
</tr>
</tbody>
</table>

Operational EBITA $825 mn +16%

Operational EPS continuing operations $0.26 +20%

Basic EPS -$0.04 n.a.

Cash flow from operating activities in continuing operations $1,225 mn

n.a. after debt, pension optimization costs, book gain adjustments

1. yoy comparable. Note: $ millions reported orders and revenues are impacted by foreign exchange and changes in the business portfolio.
2. Excludes cash flow from operating activities in discontinued operations.
Q4 2020 Electrification
Strong operational momentum

**Orders $3,074 mn**
- Data centers, renewables, rail, F&B, e-mobility healthy
- Buildings mixed
- Oil & Gas challenged
- Backlog $4.4 bn (prior Q-end $4.5 bn)

**Revenues $3,356 mn**
- Strong backlog execution
- Solid short-cycle business
- Book-to-bill 0.92x

**Operational EBITA $522 mn**
- Margin yoy +250 bps
- Ongoing cost savings
- Better volumes, supportive pricing
- GEIS, ELIP progressed well
**Q4 2020 Industrial Automation**

Significant wins in LNG vessels, Kusile settlement

<table>
<thead>
<tr>
<th>Orders ($ mn)</th>
<th>Revenues ($ mn)</th>
<th>Operational EBITA $103 mn</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$1,918 mn</strong></td>
<td><strong>$1,545 mn</strong></td>
<td>Margin yoy -530 bps</td>
</tr>
<tr>
<td>Significant LOs, mainly LNG vessels</td>
<td>Broad based decline, services challenged</td>
<td>Combined -270 bps from final Kusile settlement, legacy projects in India</td>
</tr>
<tr>
<td>Wins in mining, water and wastewater</td>
<td>Book-to-bill 1.24x</td>
<td>Lower volumes, unfavorable mix predominantly services</td>
</tr>
<tr>
<td>Oil, chemicals, power gen. remained challenged</td>
<td>Backlog $5.8 bn (prior Q-end $5.2 bn)</td>
<td></td>
</tr>
</tbody>
</table>
Q4 2020 Motion
Steady delivery

Orders $1,552 mn
Tough LO comparison
Rail, water and wastewater healthy
Oil & Gas challenged
Backlog $3.3 bn (prior Q-end $3.3 bn)

Revenues $1,705 mn
Solid short-cycle products business
Strong backlog execution
Book-to-bill 0.91x

Operational EBITA $285 mn
Margin yoy +140 bps
Stable volumes, supportive mix
Good cost mitigation

LO = Large orders, defined as orders >$15 million.
Q4 2020 Robotics & Discrete Automation

Machine Automation prospers

Orders $699 mn
- 3C, machine builders strong
- Select investments in EV autos
- Sharpened approach in system business
- Backlog $1.4 bn (prior Q-end $1.4 bn)

Revenues $801 mn
- Machine Automation up
- Good backlog execution
- Book-to-bill 0.87x

Operational EBITA $59 mn
- Margin yoy -370 bps
- Unfavorable mix, particularly backlog revenues from robotics’ automotive segment
- Continued cost mitigation
- Management change in Machine Automation
### Operational EBITA analysis

<table>
<thead>
<tr>
<th></th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Q4 2020</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group operational</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBITA margin</strong></td>
<td>7.9%</td>
<td>10.1%</td>
<td>11.5%</td>
<td>10.9%</td>
<td>11.1%</td>
<td>11.1%</td>
</tr>
<tr>
<td><strong>Negative basis points</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>impact within period:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stranded costs</td>
<td>-100</td>
<td>-60</td>
<td>-110</td>
<td>-80</td>
<td>-15</td>
<td></td>
</tr>
<tr>
<td>Non-core</td>
<td>-260</td>
<td>-110</td>
<td>-35</td>
<td>-100</td>
<td>-50</td>
<td>-50</td>
</tr>
<tr>
<td>Kusile project</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Industrial Automation)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-45</td>
<td>-20</td>
<td>-40</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>2021 onwards:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;10 projects in execution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 main operational exposures ongoing, below ~$300 mn$</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timing of exit depends on legal proceedings.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Final settlement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>with Eskom in S. Africa in Q4 2020. Regulatory proceedings outside S. Africa not estimable</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
Cash generation analysis

Historic development in cash flow from operating activities

Cash flow from operating activities, continuing

Transformation impacts (ABB-OS, other restructuring programs, PG carve-out)

Kusile settlement

Pension impacts

2020 cash drivers

Cash flow from operating activities in continuing operations (CO)

+$1,875 mn

~$1 bn negative transformation, one-time impacts

Lower income from businesses

~$400 mn better trade NWC vs. prior year

Free cash flow (CO) +$1.3 bn

$694 mn capex (CO), non-essential projects postponed

Resilient cash performance, inline with guidance

1. Excludes cash flow from operating activities in discontinued operations. 2. Management estimates. ~$1 bn impact in 2020 compares to ~$500 mn negative impact in 2019 period.
Capital structure optimization largely concluded
Improved financial flexibility

<table>
<thead>
<tr>
<th>Share buyback</th>
<th>Debt and credit facilities</th>
<th>Pension structures</th>
</tr>
</thead>
<tbody>
<tr>
<td>~5% of share capital, $2.9 bn to date</td>
<td>Significant repayments</td>
<td>Certain plans transferred to 3rd party insurers¹</td>
</tr>
<tr>
<td>59.3 mn shares repurchased</td>
<td>€2 bn short-term revolving credit facility (RCF) (fully repaid Jun-Jul)</td>
<td>~$320 mn cash contribution² and ~$850 mn plan assets transferred</td>
</tr>
<tr>
<td>49.5 mn shares repurchased</td>
<td>€1 bn bond at maturity (fully repaid early Oct)</td>
<td>~$35 mn cash contribution and further ~$910 mn plan assets transferred</td>
</tr>
<tr>
<td></td>
<td>$2.8 bn commercial paper</td>
<td>Removes ~$1.3 bn obligations, underfunded by ~$450 mn³</td>
</tr>
<tr>
<td></td>
<td>$1.2 bn bonds retired early⁴</td>
<td>Removes further ~$1.2 bn obligations, underfunded by ~$320 mn³</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subsequently, €0.8 bn bond issued, 9 yrs, zero percent</td>
</tr>
</tbody>
</table>

Q3 actions
- 59.3 mn shares repurchased
- 49.5 mn shares repurchased

Q4 actions
- ~5% of share capital, $2.9 bn to date
- Debt and credit facilities
- Pension structures

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Share buyback
- ~5% of share capital, $2.9 bn to date

Debt and credit facilities
- Significant repayments
- ~$320 mn cash contribution² and ~$850 mn plan assets transferred
- Removes ~$1.3 bn obligations, underfunded by ~$450 mn³

Pension structures
- Certain plans transferred to 3rd party insurers¹
- ~$35 mn cash contribution and further ~$910 mn plan assets transferred
- Removes further ~$1.2 bn obligations, underfunded by ~$320 mn³

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Balance sheet and liquidity position, end Q4 2020

Debts
- Net debt/EBITDA: 0.04x
- Credit rating (S&P, Moody’s): A-/A3
- Total debt: $6.1 bn
- Undrawn RCF: $2 bn
- Total underfunding: $0.8 bn
- Decrease, last 12 months: $2.9 bn
- Decrease in underfunding, last 12 months: $1.1 bn

Cash & facilities
- Total cash² and undrawn facilities: $8.0 bn

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1. As a result, ABB recorded $379 mn and $141 mn non-operational pension charges in its income statement in Q3 and Q4 respectively. 2. Of which, $273 mn paid in Q3, remainder in Q4. 3. Management estimates. 4. Transactions generated finance expenses of $162 mn in Q4’s income statement. 5. Cash (including restricted) and cash equivalents plus marketable securities. 6. Short-term borrowings, current maturities of long-term debt plus long-term debt.
Robust financial performance despite COVID-induced challenges

2020 highlights

<table>
<thead>
<tr>
<th>ORDERS</th>
<th>REVENUES</th>
<th>Op. EBITA margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>$26.5 bn</td>
<td>$26.1 bn</td>
<td>11.1%</td>
</tr>
<tr>
<td>-6%(^1)</td>
<td>-5%(^1)</td>
<td>+0 bps</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOW from operating activities</th>
<th>Basic EPS</th>
<th>Operational EPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,693 bn</td>
<td>2.44</td>
<td>0.98</td>
</tr>
<tr>
<td>-27%</td>
<td>+261%</td>
<td>-21%</td>
</tr>
</tbody>
</table>

Proposed DPS CHF 0.80

1. yoy comparable. 2. Management estimates, yoy comparable. Notes: $ mn reported orders and revenues are impacted by foreign exchange and changes in the business portfolio. Base orders calculated to exclude orders >$15 mn.
Forward visibility limited
Base case for gradual recovery as 2021 progresses

ABB’s end-market outlook, 3-6 months view

<table>
<thead>
<tr>
<th>Estimated growth, (% yoy):</th>
<th>5% or higher</th>
<th>0% to 5%</th>
<th>0% to -5%</th>
<th>-5% to -15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machine builders E-mobility</td>
<td>Mining &amp; Metals</td>
<td>Residential buildings</td>
<td>Distribution utilities</td>
<td>Food &amp; Beverage</td>
</tr>
<tr>
<td></td>
<td>Rail</td>
<td>Data centers</td>
<td>Renewables</td>
<td>Select process (e.g. Pulp &amp; Paper, Water &amp; Wastewater)</td>
</tr>
<tr>
<td></td>
<td>Non-resi buildings</td>
<td>Other industry</td>
<td>Oil &amp; Gas, chemicals</td>
<td>Conv. power generation</td>
</tr>
<tr>
<td></td>
<td>Automotive</td>
<td>Marine</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Return to order growth from Q2, tough Q1 comparison
Q1 revenue growth resilient, margins to improve
FY21 comparable revenue growth in line with target range, clear margin and EPS accretion as well as solid cash delivery

Long-term market fundamentals remain intact
Estimated addressable market ($ bn)

CAGR: ~2.1%

Source: Management estimates
Improved performance in the making
Key priorities in 2021

Cement culture of accountability - transparency - speed

Steady progress towards improved profitability

1 OPERATIONAL PERFORMANCE
- Further efficiency measures, including footprint reduction
- Manage rising raw material costs
- Increased focus on value-based pricing
- #1 priority, Health & Safety

2 PORTFOLIO MANAGEMENT
- Portfolio consolidation with 3 divisions to be divested, no fire sales
- Increased focus on M&A activities
- Portfolio reviews within divisions

3 CAPITAL ALLOCATION
- Meaningful uplift in cash generation as from 2021
- Steady capex, ~$750 mn and focused growth investments in R&D
- Continue ongoing return of PG proceeds, as planned
- Proposed 2020 DPS CHF 0.80
Appendix
## Cost mitigation efforts yield results
### 2020 Business Area results

<table>
<thead>
<tr>
<th>$ mn and change yoy, unless otherwise stated</th>
<th>Group</th>
<th>Electrification</th>
<th>Industrial Automation</th>
<th>Motion</th>
<th>Robotics &amp; Discrete Automation</th>
<th>Corporate and Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>26,512</td>
<td>11,884</td>
<td>6,144</td>
<td>6,574</td>
<td>2,868</td>
<td>(958)</td>
</tr>
<tr>
<td>Comparable</td>
<td>-6%</td>
<td>-6%</td>
<td>-4%</td>
<td>-2%</td>
<td>-12%</td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>26,134</td>
<td>11,924</td>
<td>5,792</td>
<td>6,409</td>
<td>2,907</td>
<td>(898)</td>
</tr>
<tr>
<td>Comparable</td>
<td>-5%</td>
<td>-3%</td>
<td>-7%</td>
<td>-2%</td>
<td>-13%</td>
<td></td>
</tr>
<tr>
<td>Operational EBITA</td>
<td>2,899</td>
<td>1,681</td>
<td>451</td>
<td>1,075</td>
<td>237</td>
<td>(545)</td>
</tr>
<tr>
<td>-7%</td>
<td>+0%</td>
<td>-38%</td>
<td>-1%</td>
<td>-40%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operational EBITA margin</td>
<td>11.1%</td>
<td>14.1%</td>
<td>7.8%</td>
<td>16.8%</td>
<td>8.2%</td>
<td></td>
</tr>
<tr>
<td>+0 bps</td>
<td>+80 bps</td>
<td>(390) bps¹</td>
<td>+20 bps</td>
<td>(370) bps</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**Focused growth investment across BAs:**

SG&A -9%, R&D +1%

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Note: $ millions reported orders and revenues are impacted by foreign exchange and changes in the business portfolio. Corporate and Other orders and revenues primarily represent intersegment eliminations. BA = Business Area.

1. Including impacts from Kusile project of -190 bps. 2. Management estimates. SG&A and non-order related R&D expenses on a comparable basis, for business areas only.
Q4 2020 operational EBITA bridge

10.1% margin

11.5% margin

($ mn)

<table>
<thead>
<tr>
<th>Category</th>
<th>Q4 19</th>
<th>Q4 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Op. EBITA</td>
<td>710</td>
<td>825</td>
</tr>
<tr>
<td>Net Savings</td>
<td>211</td>
<td></td>
</tr>
<tr>
<td>Commodities</td>
<td>-29</td>
<td></td>
</tr>
<tr>
<td>Net Volume</td>
<td></td>
<td>56</td>
</tr>
<tr>
<td>Non-core</td>
<td></td>
<td>-47</td>
</tr>
<tr>
<td>Mix / Under-Absorption*</td>
<td></td>
<td>-40</td>
</tr>
<tr>
<td>Kusile &amp; other projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>-69</td>
<td></td>
</tr>
<tr>
<td>Forex</td>
<td></td>
<td>32</td>
</tr>
</tbody>
</table>

*Inclusive of COVID-19 related mobility constrained service activities. Others includes benefit from removal of stranded costs.
## 2021 framework

<table>
<thead>
<tr>
<th>$ mn unless otherwise stated</th>
<th>FY 2020</th>
<th>2021 framework</th>
<th>Q1 21 framework</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate and Other operational EBITA</strong></td>
<td>(545)</td>
<td>~(425)(^1)</td>
<td>~(110)</td>
</tr>
<tr>
<td><strong>Non-operating items</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring and restructuring-related (incl. ABB-OS in FY20)</td>
<td>(410)</td>
<td>~(200)</td>
<td>~(30)</td>
</tr>
<tr>
<td>GEIS integration costs</td>
<td>(48)</td>
<td>~(30)</td>
<td>~(10)</td>
</tr>
<tr>
<td>PPA-related amortization</td>
<td>(263)</td>
<td>~(254)</td>
<td>~(64)</td>
</tr>
<tr>
<td>Certain other income and expenses related to PG divestment(^2)</td>
<td>(46)</td>
<td>~(40)</td>
<td>~0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 2020</th>
<th>2021 framework</th>
<th>Q1 21 framework</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net finance expenses</strong></td>
<td>(351)</td>
<td>~(130)</td>
<td>~(30)</td>
</tr>
<tr>
<td><strong>Non-operational pension (cost) / credit</strong></td>
<td>(401)</td>
<td>~180</td>
<td>~45</td>
</tr>
<tr>
<td><strong>Effective tax rate</strong></td>
<td>59% (adjusted 25.2%)</td>
<td>~26%</td>
<td>~27%</td>
</tr>
<tr>
<td><strong>Capital expenditure</strong></td>
<td>(694)</td>
<td>~(750)</td>
<td>~(150)</td>
</tr>
</tbody>
</table>

1. Excluding 2 main operational exposures that are ongoing in the non-core business and for which exit timing is dependent on circumstances beyond ABB’s control such as legal proceedings. 2. Excluding share of net income from JV.