DECEMBER 7, 2021

Capital Markets Day 2021

Sustainable transport

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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.

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- business risks associated with the volatile global economic environment and political conditions
- costs associated with compliance activities
- market acceptance of new products and services
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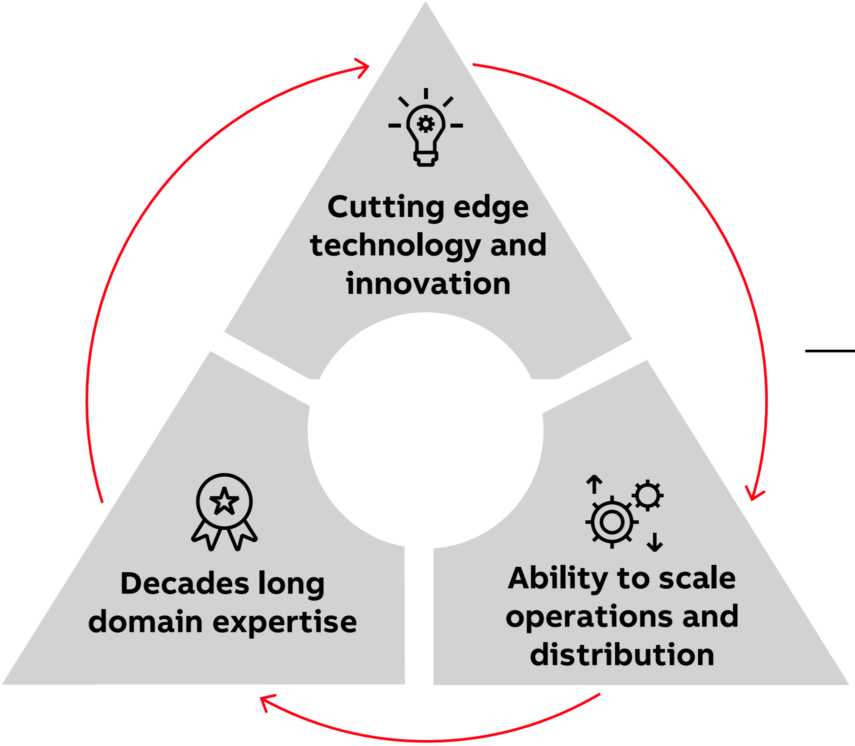
Global leader in **resource efficiency** by **excelling** in **electrification & automation**

Future-proof position aligned with global megatrends

Increasing growth and returns

Value creation through core competencies and ABB Purpose



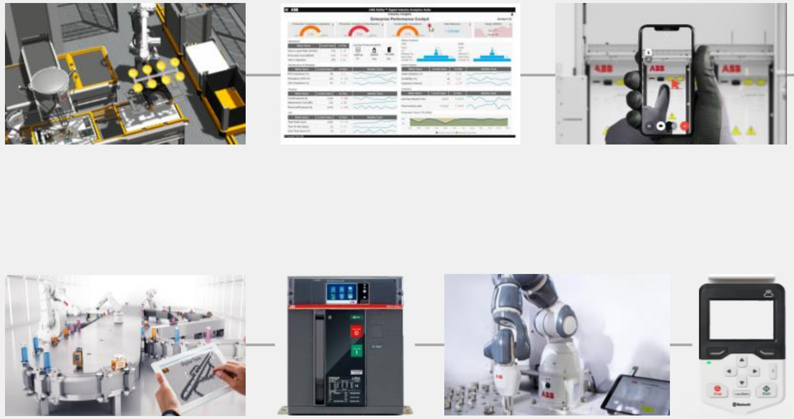
Global No. 1-2 in

Electrification

Automation

Comprehensive, modular offering creating superior customer value

Digital offering with superior software as a key differentiator



Software & digital services

+

Software-enabled products & systems

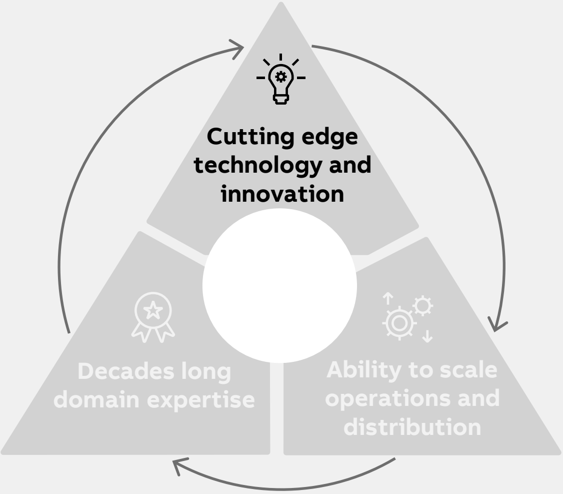
+

Traditional offering

~$500[1] mn
in orders
and growing at
a double-digit rate

1. Management estimates

Technology leadership



Total of
>$7 bn
R&D spend since 2016
excluding PG

NeoGear™ LV switchgear
Safest switchgear ever made. 25% footprint reduction, dissipates 20% less heat, 30% operational cost reduction

EC Titanium integrated motor & drive package
World's most energy efficient integrated motor & drive package

Terra 360
World's fastest electric charger

ABB IRB 6700 with SafeMove
In partnership with Zume, robotic automation helps replace single-use plastic with sustainable plant-based biodegradable packaging

ACOPOS 6D magnetic levitation
ACOPOS 6D makes it possible to move products with six degrees of freedom, offering up to four times the shuttle density of other systems on the market

ABB Ability™ Genix
Applies the combined power of industrial analytics and artificial intelligence of assets and plants - improving their safety, productivity and sustainability.

ACH580 ultra-low harmonics drives
Ultra-low harmonic drives minimizing disturbances for the grid, optimizing energy efficiency and saving space in buildings

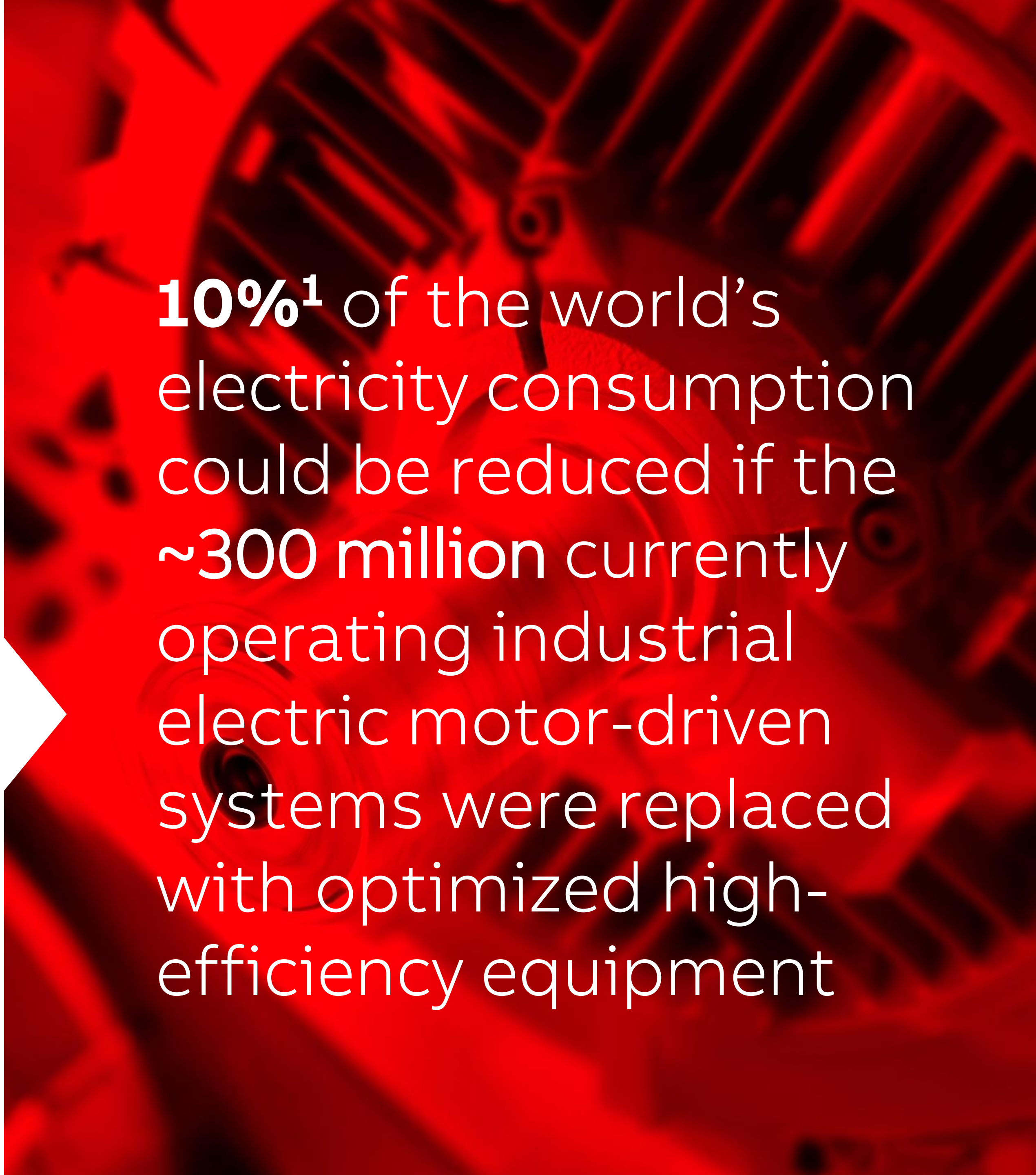
Azipod® propulsion
Azipod® units can rotate 360 degrees, increasing maneuverability and operating efficiency of vessels, while cutting fuel consumption by up to 20% compared to conventional shaft line systems

Energy efficiency is no longer an option – it's a must

45%[1] of the world's electricity is used to power electric motors

~300 million[1] motors in the field, most do not meet the latest energy efficiency standards

4 out of 5 motors are not controlled by a drive, hence running at full throttle 24/7



10%[1] of the world's electricity consumption could be reduced if the **~300 million** currently operating industrial electric motor-driven systems were replaced with optimized high-efficiency equipment

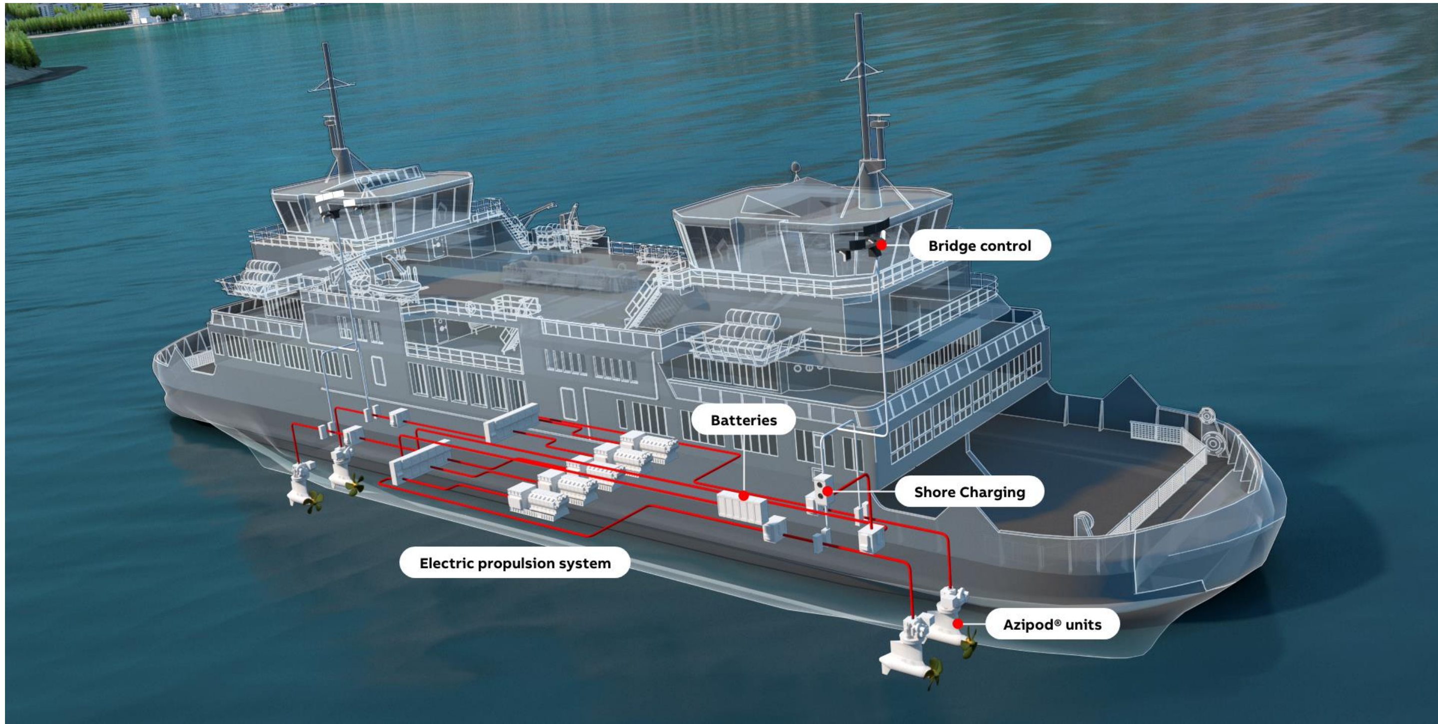
1. Source: Waide and Brunner

ABB powers ferries towards sustainable transport era

Every year 2.1[1] billion passengers are transported by ferries, excl. China

ABB's technologies are at the forefront making ferries operating close to shore more efficient and sustainable – improving living conditions by reducing emissions and noise in cities all over the world.

Our technologies will cut carbon emissions by 40% per return trip across the English Channel for P&O Ferries' two new vessels.



1. Source: Ferry Industry Facts – Interferry

ABB and Zume to accelerate transition from single-use plastics

Agreement to create 100% compostable packaging

ABB robots and software will automate production, enabling scale and speed to make compostable packaging a cost-effective alternative to single-use plastics.

Future-proof position

Core of the ABB Purpose

ELECTRIFICATION

AUTOMATION

Well aligned to sustainable global megatrends

Energy transition with **electricity demand growing 2x[1] faster** than other energy sources, and with electricity grids becoming more complex

Energy efficiency drives **>40%[2] of the reduction** in energy-related greenhouse gas emissions over the next 20 years

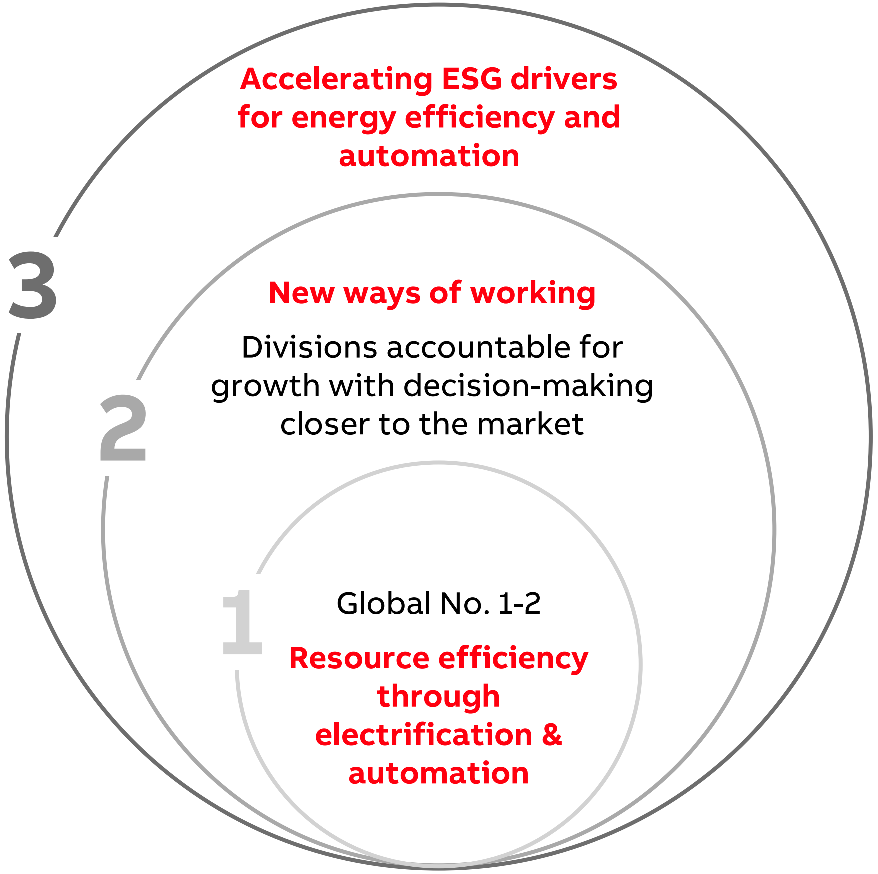
UN Sustainable Development Goals

Automation supports the **manufacturing transition** to more open and **adaptive manufacturing space**. Shift to **batch size one production**

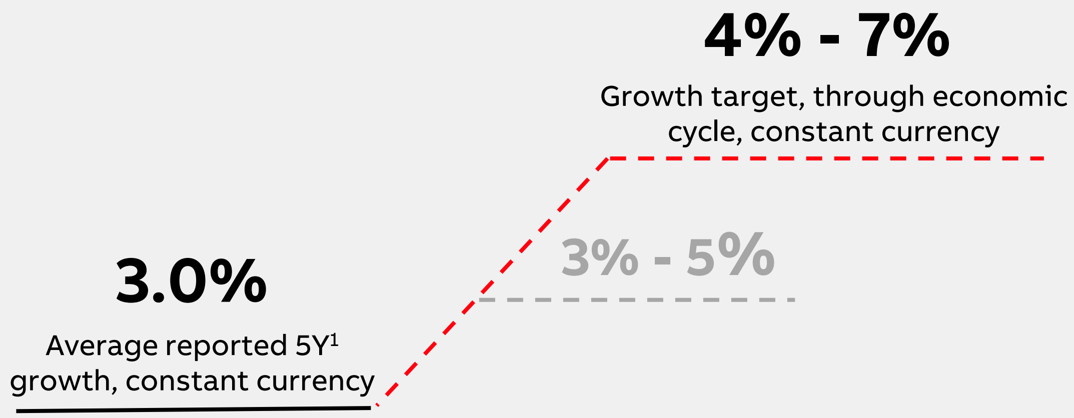
Strive for more **automation** to manage labor shortages, cost and **resource efficiency**

1. IEA, World Energy Outlook report. 2. IEA sustainable development scenario

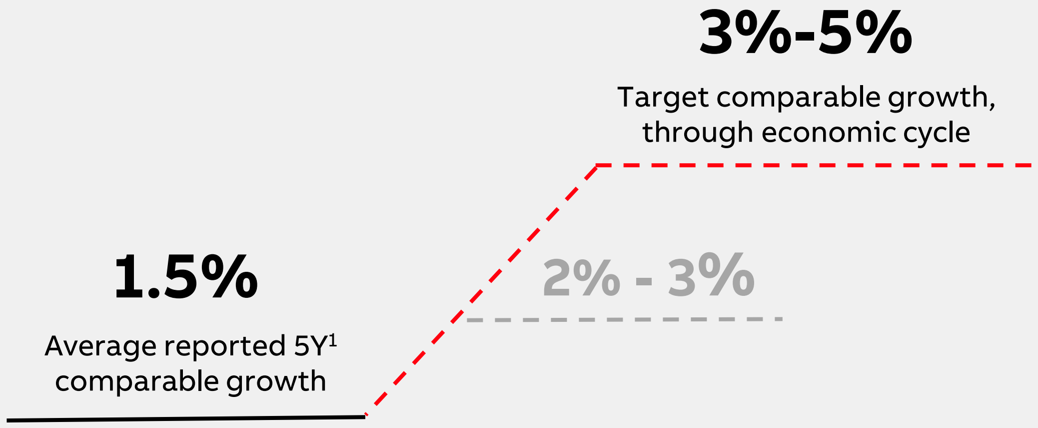
Increasing growth rates



REVENUE GROWTH, CONSTANT CURRENCY



COMPARABLE REVENUE GROWTH



1. Weighted average for 2017 – 9M 2021

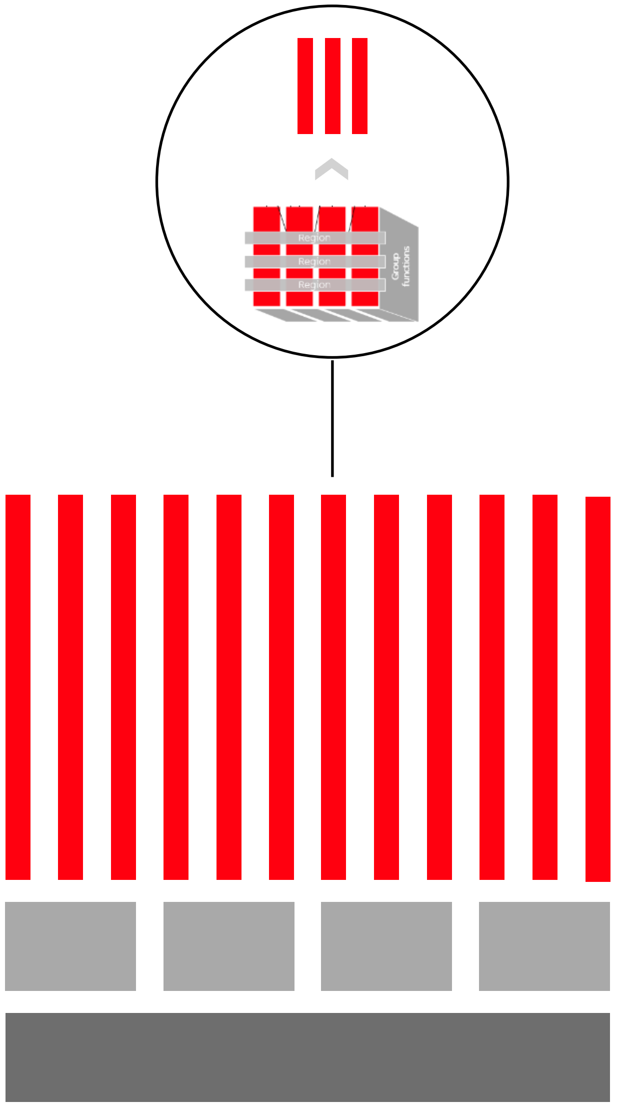
Cementing performance culture

On route to cemented performance culture

Additional actions to complete decentralized way of working

All divisions to fully align to performance culture of **accountability**, **transparency** & **speed**

Focus area in 2022



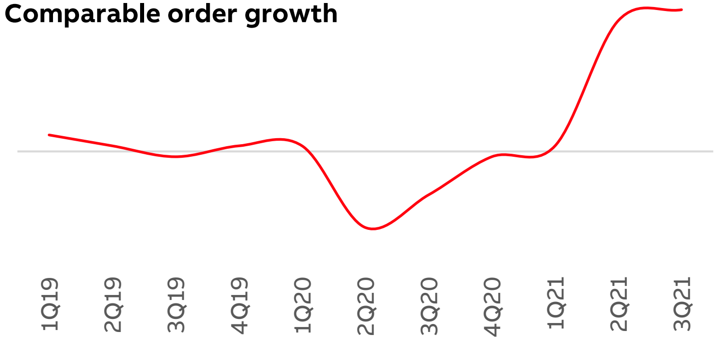
- Transparency and accountability within all divisions
- x20 divisions
- x4 business areas
- ABB corporate

Good progress towards ≥15% margin target in FY23

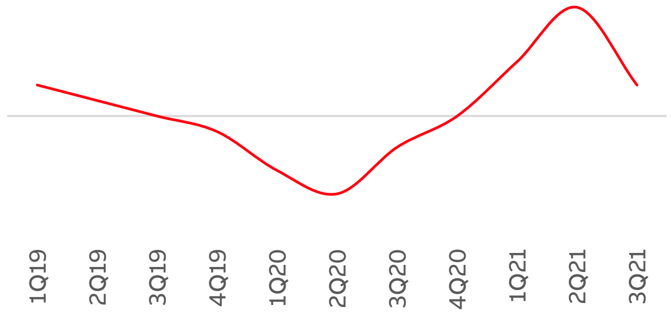
some costs still to rebalance from pandemic levels

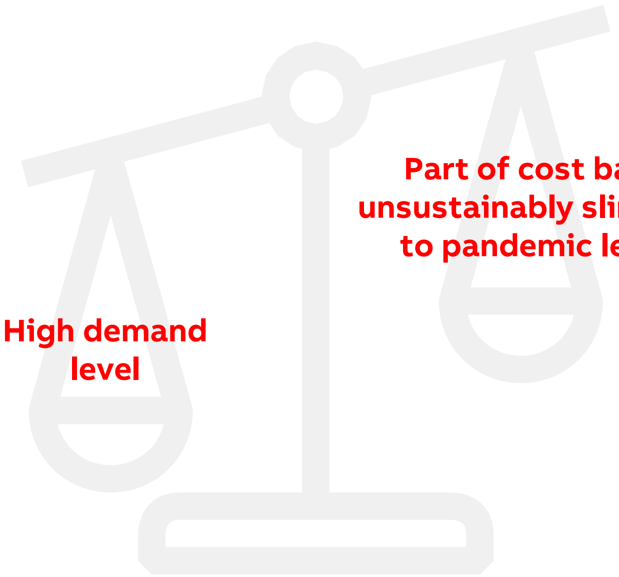
Op. EBITA margin 13.9%
Q3 2021, LTM

Comparable order growth

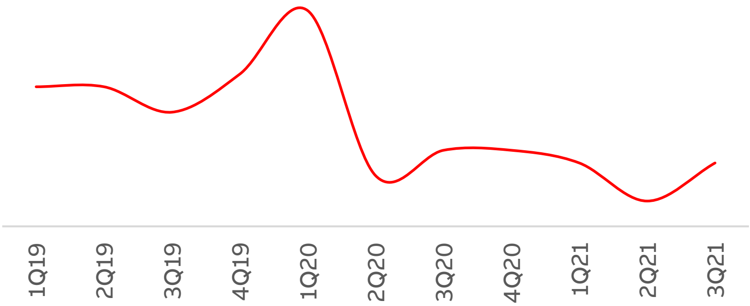


Comparable revenue growth

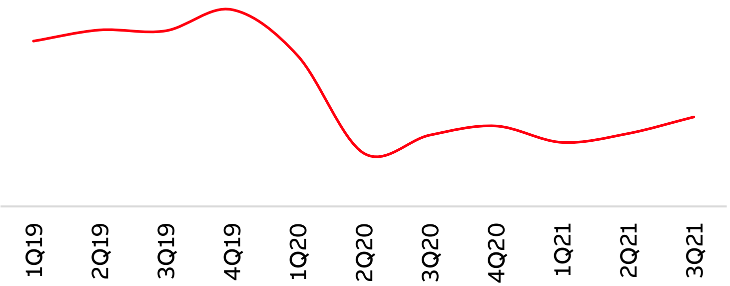




Sales expenses, % of revenues



Travel expenses, % of revenues



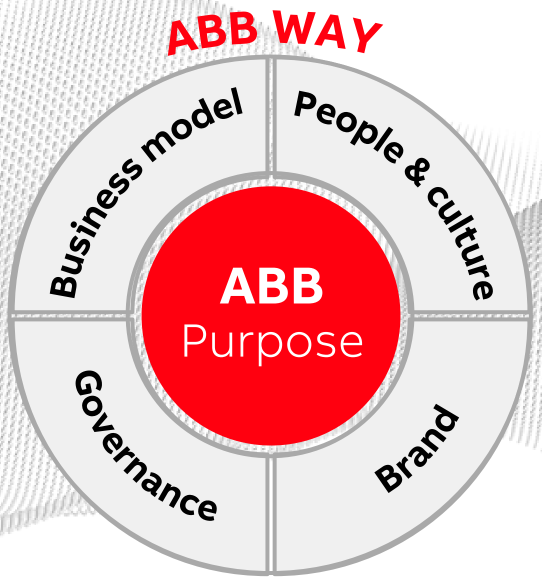
Some rebalancing to be expected

The ABB Way – the "glue" that unites our Group

Each division should benefit from being part of the Group

Decentralized setup
– full division accountability
Performance management
Portfolio management

Code of conduct
Internal control & compliance
Risk management
Regulations, processes and policies

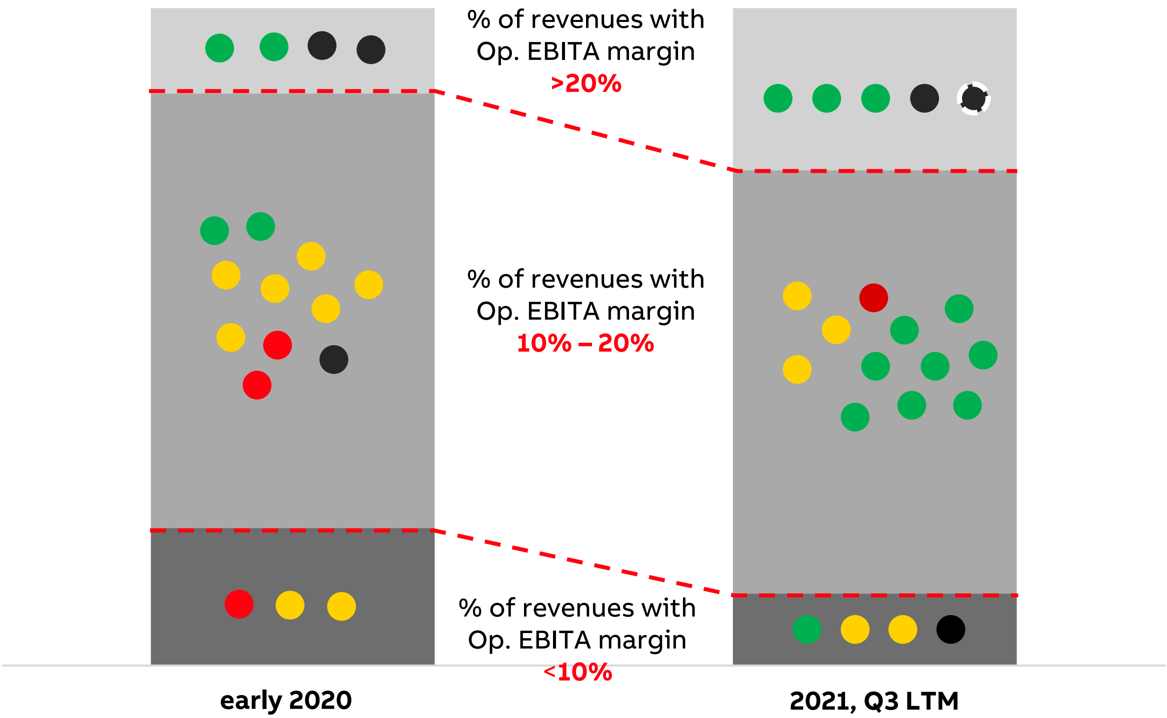


Values
People
Leadership

Positioning
Reputation management

Performance culture	Share best practices	Benchmarking through transparent performance reviews	Smart leaders cooperate

Transition through priorities of stability and profitability before growth

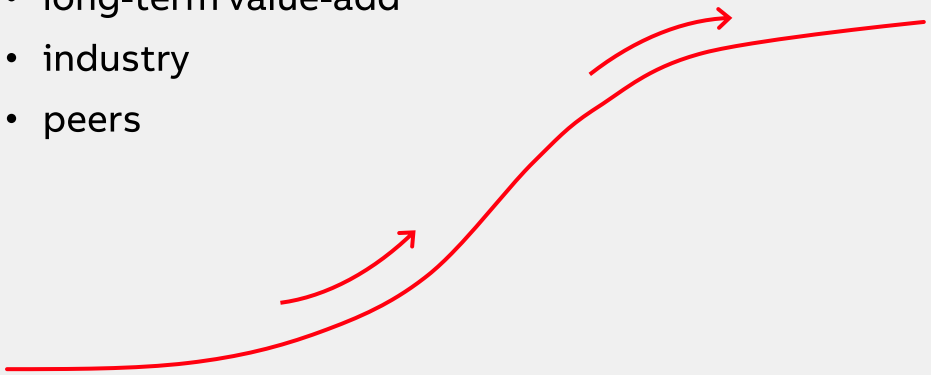


~60%[1] of revenues derived from divisions on a growth mandate

Group margin ambition of ≥15% is the sum of the parts

Divisions evaluated on performance vs:

- long-term value-add
- industry
- peers



Stability

- Set structure

Profitability

- Main focus on improving profitability
- M&A limited to fill gaps

Growth

- Main focus on growth, organic and M&A including market consolidation
- Continuous improvements in profitability

In 2020: divisions announced to be exited

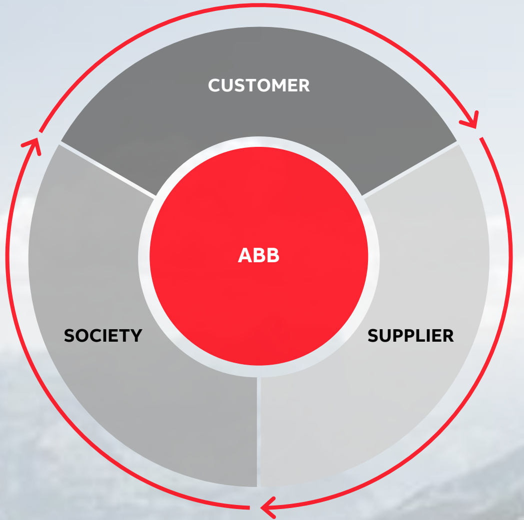
Divestment completed 1 November 2021

1. End Q3 2021 LTM

Sustainability embedded in everything we do

Theodor Swedjemark, Chief Communications & Sustainability Officer

Ambitious 2030 sustainability targets launched at 2020 CMD



Sustainable Value Chain

We enable a **low-carbon society**

- **Carbon neutrality** in own operations
- Support our customers in reducing annual CO_2 emissions by **>100 Mt**[1]
- Supply chain emission reduction

We preserve **resources**

- **80%** of ABB products & solutions covered by circularity approach
- **Zero waste** to landfill[2]
- Supplier Sustainability Framework

We promote **social progress**

- **Zero harm** to our people and contractors
- Comprehensive D&I framework[3]; **25% women** among ABB leaders
- **Top-tier** employee engagement score in our industry
- Impactful support for community-building initiatives

INTEGRITY AND TRANSPARENCY ACROSS OUR VALUE CHAIN

1. Savings in the year 2030 from solutions provided to customers 2021-30
2. Wherever local conditions allow
3. Diversity & Inclusion framework

Moving from strategy to implementation across our businesses

EXAMPLES

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C

CLIMATE GROUP
EV100 RE100 EP100

25%

Reduction in own CO_2 emissions[1]

1. Emission scopes 1 and 2, compared to 2019

15% (↗)

Women in senior management[2]

-12%

Y-o-y reduction LTIFR[3]

2. As of Q3 2021
3. Lost time injury frequency rate, compared to 2020

Accountability

Targets being integrated into performance process

Accountability and transparency by division

Governance

Embed sustainability in all decisions

Linked to senior management incentives

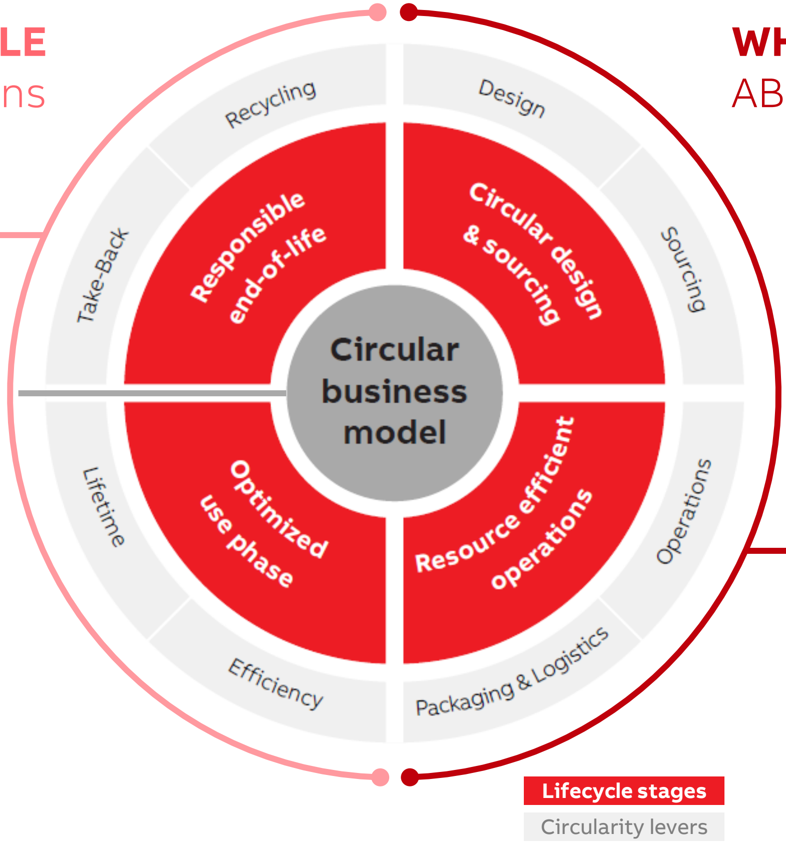
Company-wide ambition to drive industry leadership in circularity

By 2030, 80% of ABB products & solutions will be covered by common approach

WHAT WE ENABLE
Circular customer solutions

Energy efficiency monitoring of motors (Business model)

Remanufactured robots (Take-Back)



WHAT WE DO
ABB circular operations

Zero waste to landfill (Operations)

Measurability through KPIs by lever and scoring system will drive continuous improvement

Active portfolio management

Progress in portfolio management

MECHANICAL POWER TRANSMISSION (DODGE, MO)

Divestment completed on 1 Nov

TURBOCHARGING (PA)

Dual track process

Spin-off or divestment. Final decision based on value-creation.

- Internal separation ongoing
- Timing dependent on market conditions being favorable

Preliminary timeline

Summer 2022
Divestment or spin-off

E-MOBILITY (EL)

Working towards an IPO

- Internal separation ongoing
- Timing dependent on market conditions being favorable
- Listing venue Switzerland

ABB to maintain a majority ownership

Preliminary timeline

During Q1 2022
Legal separation completed

1H 2022
Separate listing

POWER CONVERSION (EL)

Plan to divest

- Performance improvement ongoing

Preliminary timeline

2H 2022
Divestment

End Q3, LTM	ABB as reported	ABB excluding MPT and Turbo
Orders, $bn	30.6	29.2
Revenues, $bn	28.6	27.2
Op. EBITA, $bn	4.0	3.6
Op. EBITA margin	13.9%	13.4%

Portfolio focused on electrification & automation

Improve performance in remaining portfolio to meet margin target

Cementing performance culture

Timo Ihamuotila, CFO

Systematic operating model

ABB Way

decentralized model

- Zero cost allocations from corporate to the divisions
- Clear roles and responsibilities
- Lean corporate headcount now approximately 800

granular portfolio management

- Focus on electrification and automation markets
- Same approach throughout the group
- Reviews in divisions part of continuous improvement

focused capital allocation

- Shaping the Group through focused capital allocation
- Divisions competing for capital
- Growing in the right areas

Long-term shift of Group to more attractive markets

Improving quality of revenues

Quality of revenues equals

1. Better gross margins
2. Less tail risks
3. Lower volatility on earnings

~33%[1]

Revenues generated through distributors in 2020, **+10%-points** since 2016[2]

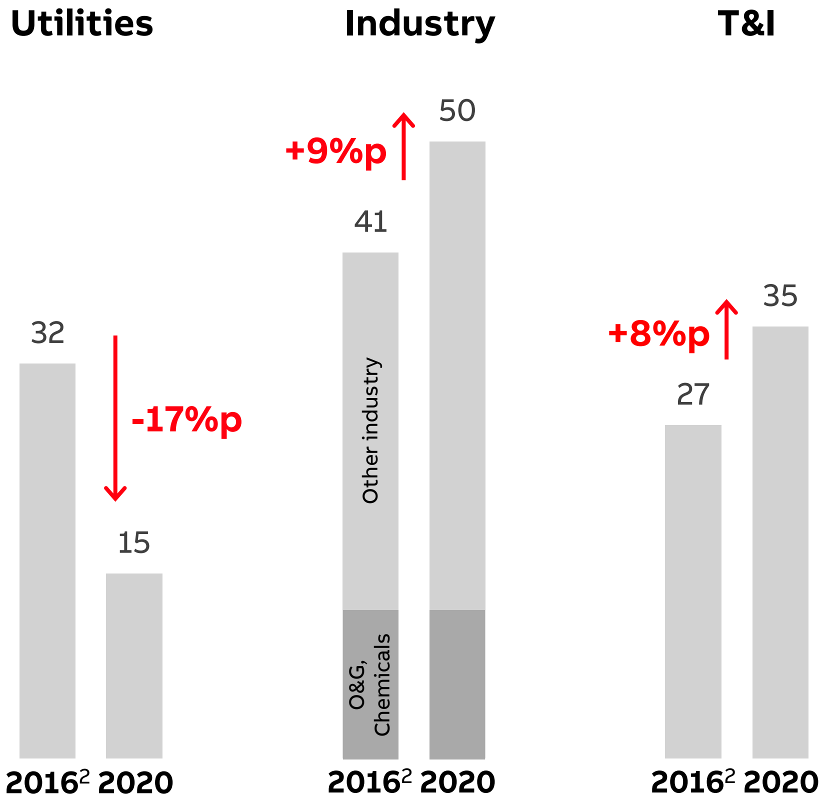
~50%[1]

Short-cycle business[3] increased in 2020, **+20%-points** since 2016[2]

1. Management estimates. 2. Includes Power Grids in continued operations. 3. Orders (excl. service) converting to revenues within three to six months.

Energizing the transformation of society and industry

% share of Group revenues, management estimates



T&I: Transport and Infrastructure

Selected high-growth segments

- Water & wastewater
- Food & beverage
- Sustainable transport
- Datacenters

Strong progress towards 2023 ambition

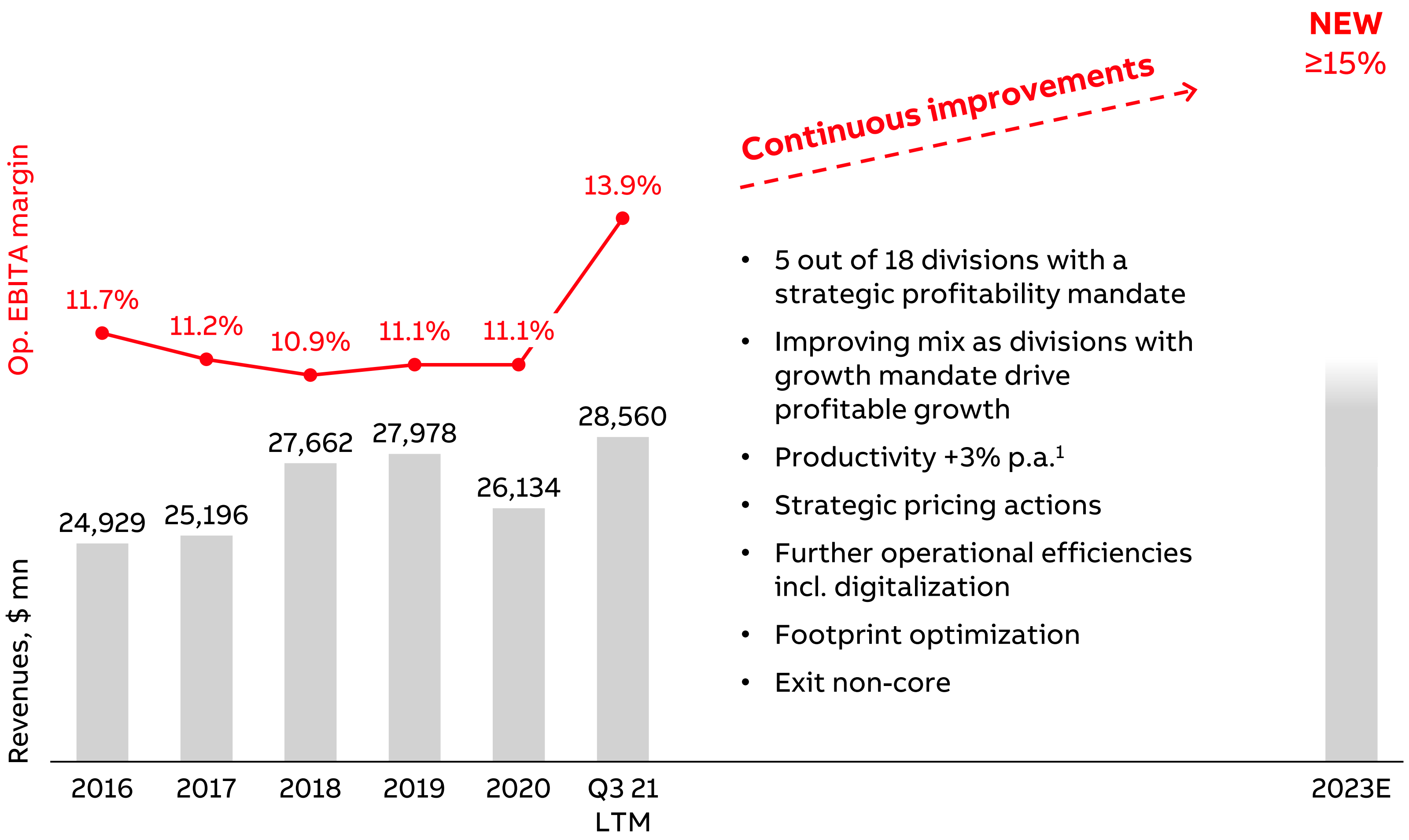
Operational EBITA

Q3 21 LTM vs. Q3 20 LTM

ABB Group
10.7% to 13.9%
+320 bps

EL	**MO**
+290 bps	+80 bps
PA	**RA**
+170 bps	+150 bps

CO +$280 mn

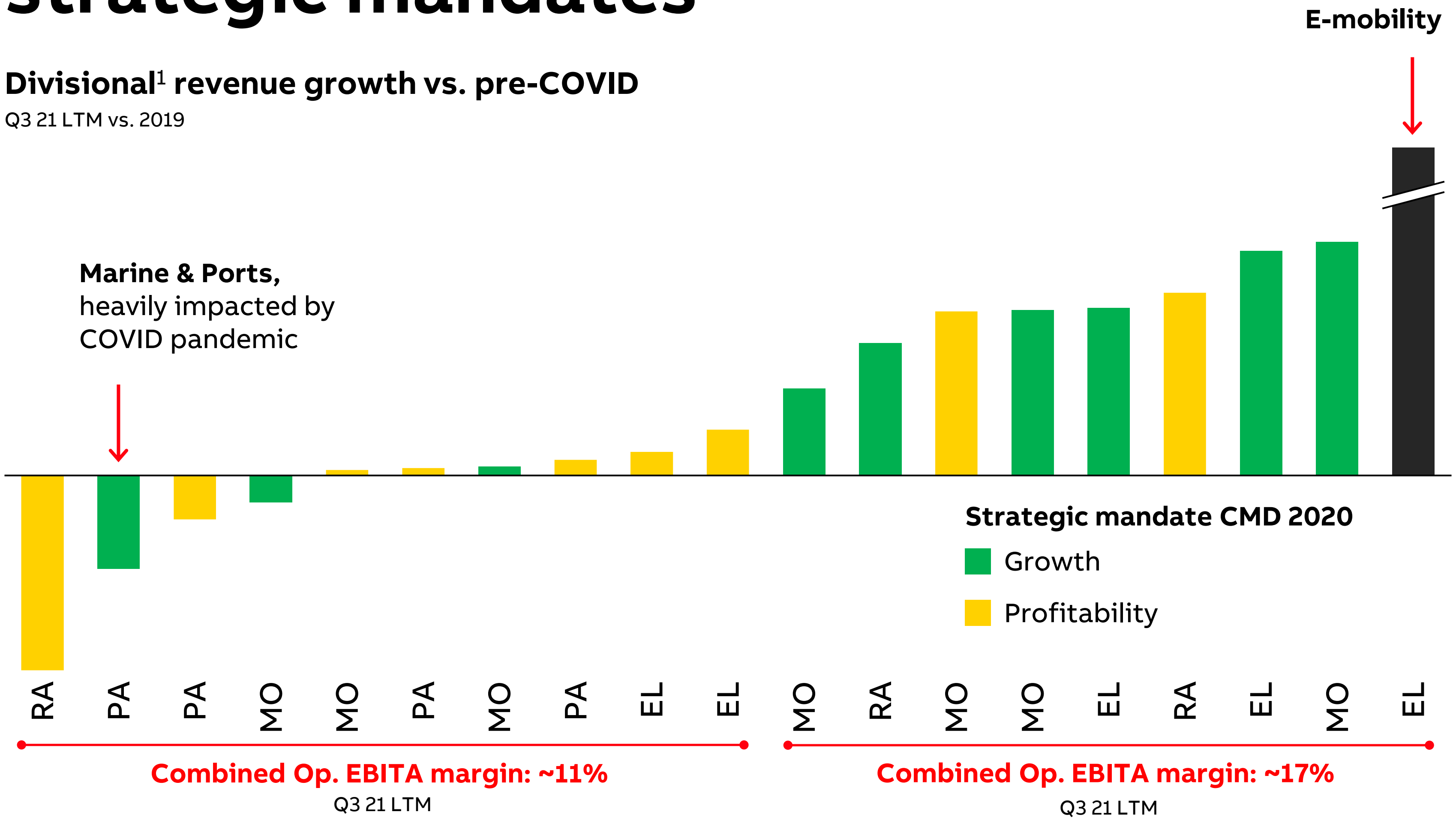


- 5 out of 18 divisions with a strategic profitability mandate
- Improving mix as divisions with growth mandate drive profitable growth
- Productivity +3% p.a.[1]
- Strategic pricing actions
- Further operational efficiencies incl. digitalization
- Footprint optimization
- Exit non-core

LTM: Last twelve months. EL: Electrification. MO: Motion. PA: Process Automation. RA: Robotics & Discrete Automation. CO: Corporate & Other. 1. Revenues / Workforce.

Driving positive mix through divisional strategic mandates

Divisional[1] revenue growth vs. pre-COVID
Q3 21 LTM vs. 2019



Delta
Revenue growth vs. pre-COVID
Q3 21 LTM vs. 2019

"Low Voltage" (Smart Power, Smart Buildings) **vs.** **"Medium Voltage"** (Distribution Solutions)
+12%-points

"Drives" (Drive Products, System Drives) **vs.** **"Motors"** (IEC Motors, Large Motors and Generators, NEMA Motors)
+6%-points

Robotics
"Non-Auto" (Electronics, General Industry, Consumer Segment & Service Robotics) **vs.** **"Auto"** (Auto OEM, Auto Tier 1)
+26%-points

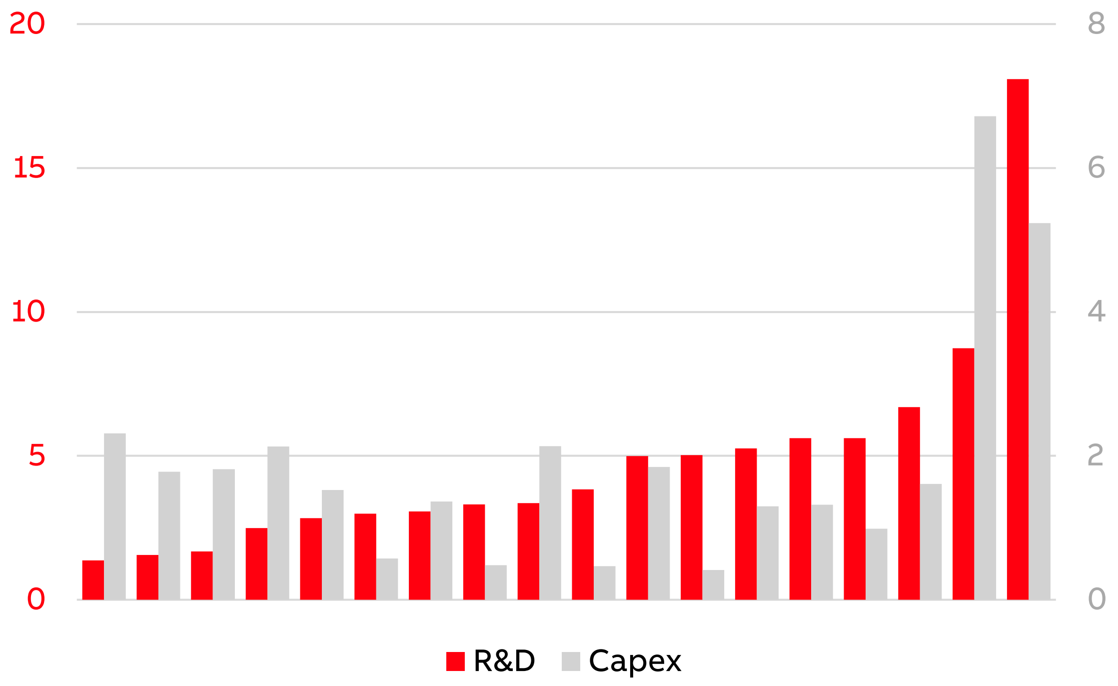
1. Excludes divisions that have been announced to be exited. Robotics division split into Automotive (Auto OEM and Tier 1) and Non-Automotive (Electronics, General Industry, Consumer Segment & Service Robotics). EL: Electrification. MO: Motion. PA: Process Automation. RA: Robotics & Discrete Automation

Investing for future growth – organic

Funding organic growth at attractive returns

Right-sized investments according to need

9M 2021 as % of revenues, per division[1]



Accelerating R&D[2] in focus areas

E-mobility

~+100%

Digital service offering

Drive Products

~+15%

Connected products, digital customer experience

Robotics

~+50%

Portfolio expansion (e.g., cobots, hygienic robots) and digital

1. Excludes divisions that have been announced to be exited. 2. Management estimates. Operational non-order related R&D expenses on a comparable basis Q3 2021 LTM vs. FY 2019.

Investing for future growth – inorganic

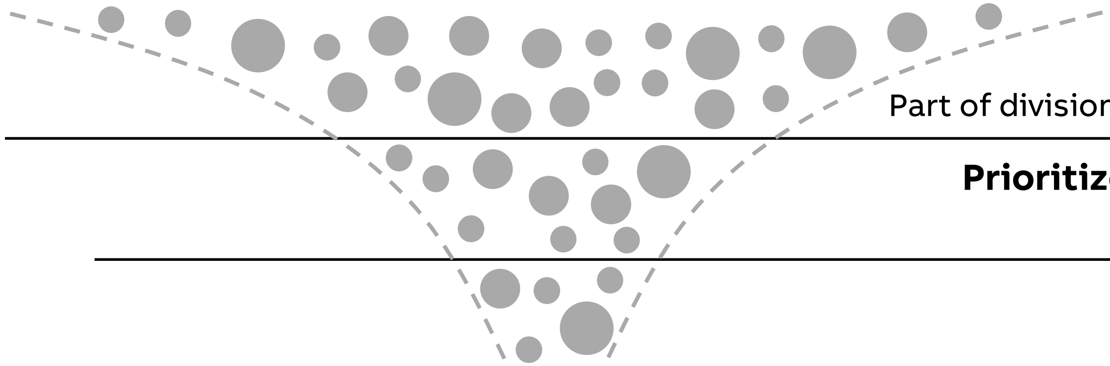
Divisions accountable to drive acquisition strategy

01. PRODUCT WHITESPACE	02. NEW SEGMENTS	03. MARKET ACCESS	04. ECONOMIES OF SCALE
Filling a **technology** gap	Complement offering for **high growth segments**	New **geographic** market opportunities	**Market consolidation**

ASTI
MOBILE ROBOTICS

ABB Technology Ventures (ATV) new investments in 2021

AFC Energy
sevensense
BRAINBOX AI
GO TO-U



Develop target longlist
Part of divisional management's 2021 incentive plans

Prioritize shortlist and availability check
Review on a continuous basis

Acquisition projects
Clear acquisition criteria

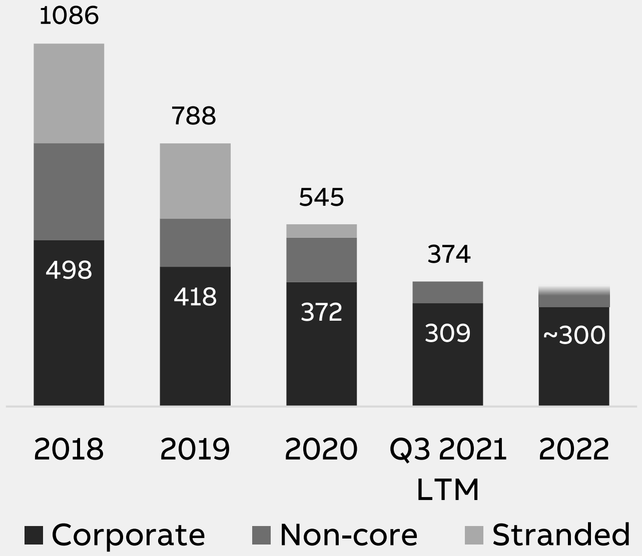
5+ small to mid-size (bolt-on) acquisitions p.a. going forward

Progress towards a lean corporate
Transparency

01. Lean corporate

Ongoing corporate costs to ~$300 mn from 2022

Corporate and other Op. EBITA ($ mn)



02. Non-core

Systematic non-core ramp down as soon as practicable

- 2 main operational exposures ongoing, below ~$300 mn[1]
- Only 5 projects operational today
- Timing of exits depends on legal proceedings; will be later than original plan for end 2021
- Further non-operational charges possible

1. Assumes current Memorandum of Understandings executed

03. Separation costs

Progress in portfolio management

- Mechanical Power Transmission: Divestment completed on November 1, 2021
- Turbocharging: Dual track process for spin-off or divestment
- E-mobility: Working towards IPO
- Power Conversion: Plan to divest

Costs relating to the announced exits and the potential E-mobility listing

- 2021E: ~$130 mn
- 2022E: ~$150 mn

Dodge and Turbocharging exits have immediate adverse margin impact

Motion

($ in millions, unless otherwise indicated)	Q3 21 LTM reported	Dodge impact
Orders	7,325	~(660)
Revenues	6,895	~(630)
Op. EBITA %	17.2%	~(60) bps

Process Automation

($ in millions, unless otherwise indicated)	Q3 21 LTM reported	Turbocharging impact
Orders	6,799	~(780)
Revenues	5,999	~(740)
Op. EBITA %	11.0%	~(180) bps

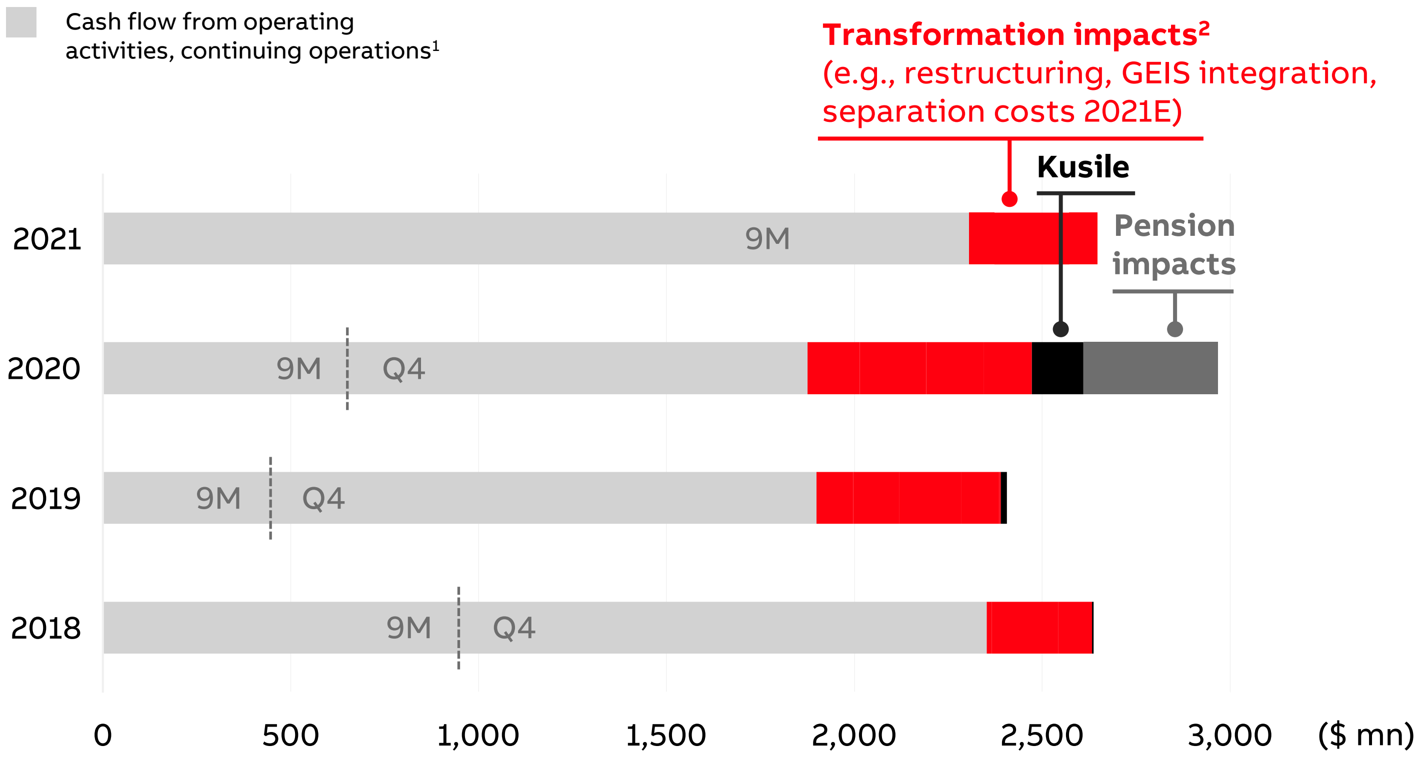
Combined adverse Operational EBITA margin impact of ~50 bps for ABB Group

Ambition for Op. EBITA margin of ≥15% in 2023

Improved cash generation

Cash flow from operating activities, continuing operations

Historic development in cash flow from operating activities



1. Excludes cash flow from operating activities in discontinued operations. 2. Management estimates.

Improved profitability from businesses with PROFITABILITY mandate

Profitable growth from businesses with GROWTH mandate

Strong focus on cash conversion

Fewer non-recurring items

Steady capex

Expect continued FCF improvement through to 2023

Capital allocation
Priorities reiterated

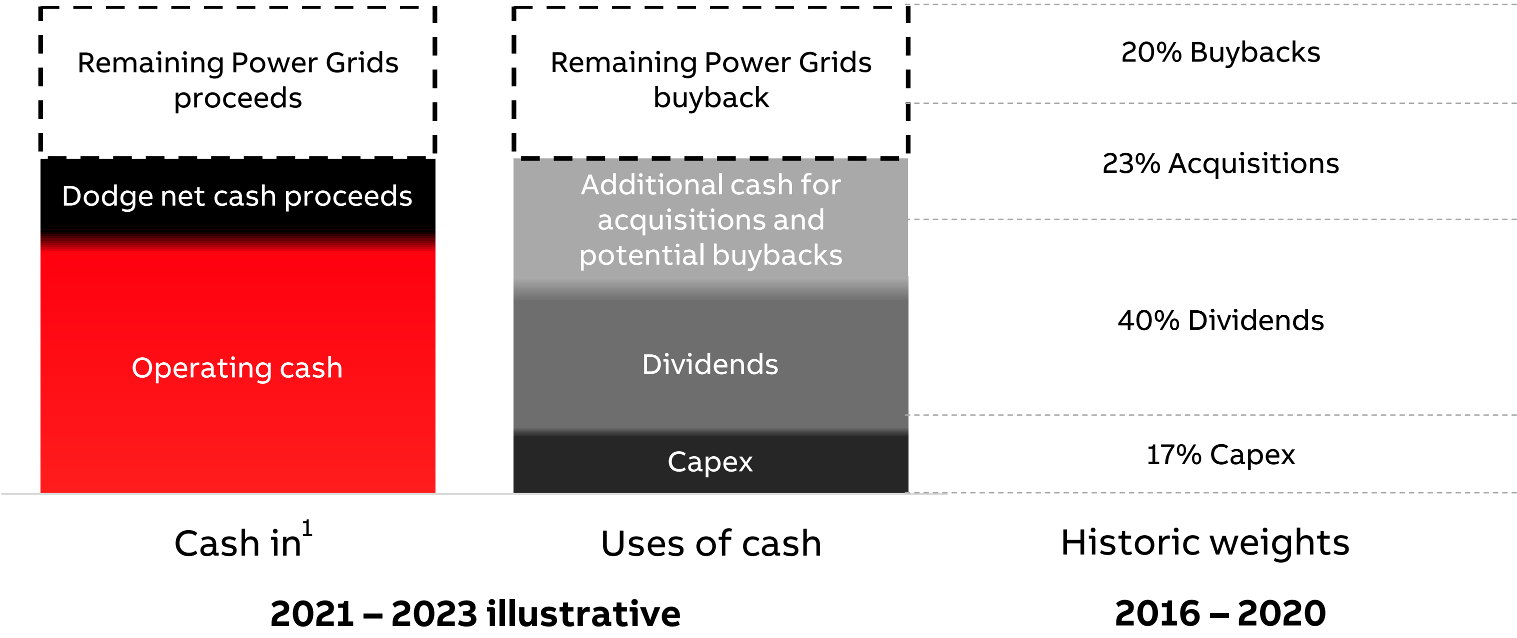
01. Fund organic growth,
R&D, capex at attractive returns

02. Rising sustainable
dividend per share over time

03. Value-creating acquisitions

04. Returning
additional cash to shareholders

But weights expected to change



Additional financial flexibility from changing long-term target credit rating from single A to strong investment grade

1. Does not include potential additional cash inflows from announced exits of Turbocharging and Power Conversion divisions, potential listing of E-mobility and potential exercise of pre-defined option to exit the retained 19.9 percent shareholding in Hitachi Energy three years after closing of the Power Grids divestment.

Financial target framework

4-7%
(from 3-5%)
Revenue growth

annual average through economic cycle[1]

3-5% comparable, 1-2% inorganic
(from ~2/3 comparable, ~1/3 inorganic)

≥15%
Operational EBITA margin

as from 2023
(from upper half of 13-16% range, target ranges removed)

15-20%
ROCE

steady improvement

~100%
FCF conversion to net income

maintain solid track record

Basic EPS growth > revenue growth

effective tax rate ~25% as from 2023

EPS rising strongly due to capital structure optimization program

1. Calculated to exclude FX impacts and transformational acquisition and divestments, includes bolt-on acquisitions and divestments within divisions

2022 in focus

2022 in focus

we anticipate a positive market momentum in 2022

manage interruptions in supply chain

continuous improvements

strong focus on performance culture

Cement performance culture

- All divisions to take ownership of performance
  - Accountability, transparency & speed
  - Transparent reviews
  - Exposure to EC & Board
- Good leaders cooperate

Focus on growth

- Focused R&D spend driven by divisions
- Efficient growth through increasing channel sales
- Building M&A pipeline
- Grow software and embedded digital sales

Improve profitability

- Improve underperforming divisions
- Focus on quality of revenues
  - Better gross margin
  - Less tail risks
  - Reduced earnings volatility
- Continuous improvements

Portfolio management

- Progress with already announced exits and IPO
- Inside divisions: review of product group portfolio
- Work towards increased pace of acquisitions
- Increased headroom in credit rating support acquisitions

Reward shareholders

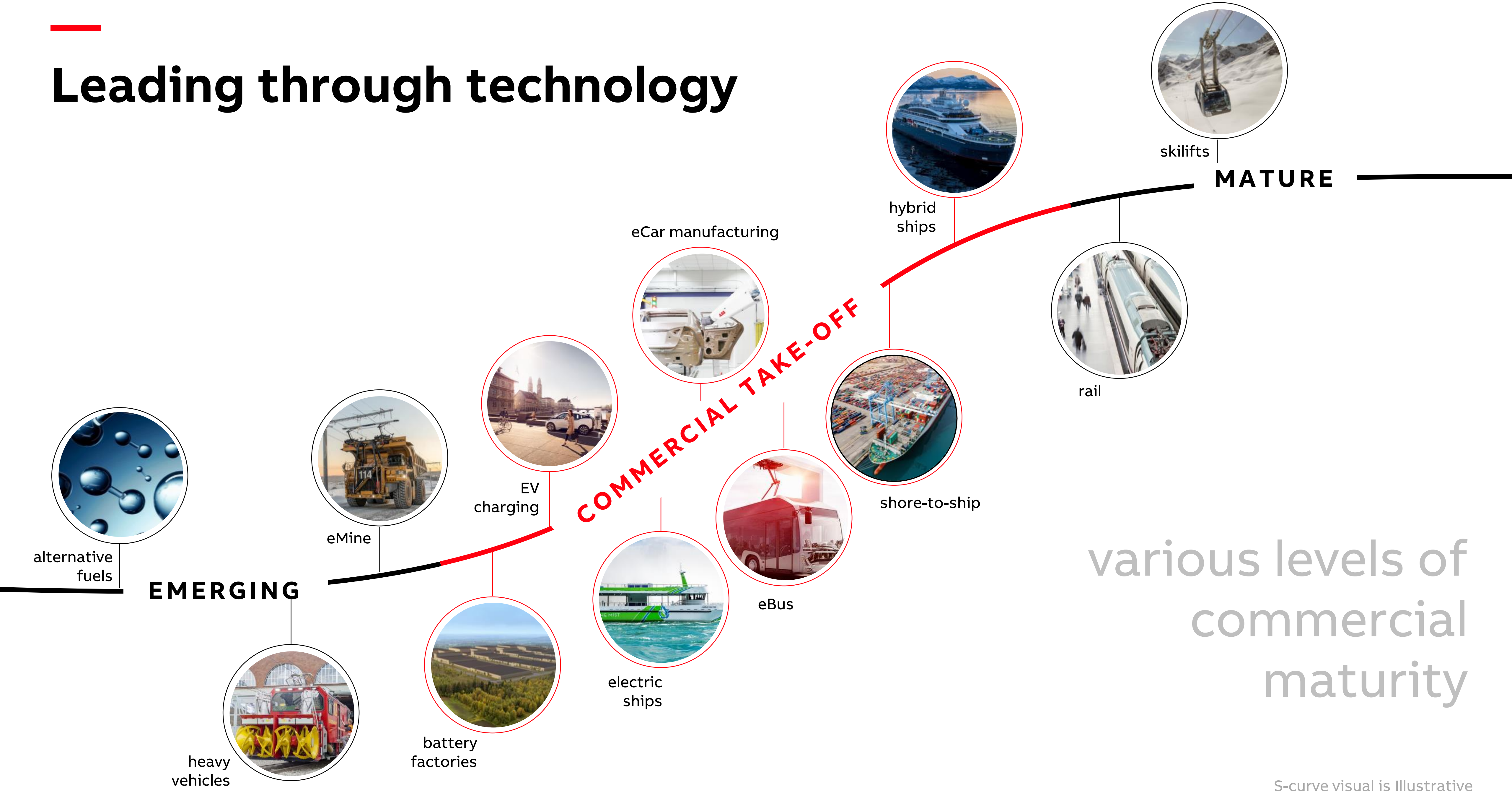
- Value creation through improved performance
- Create value by adding know-how/exposure through acquisitions
- Rising sustainable dividend per share over time
- Ongoing share buyback program

Deep dive: Sustainable transport

People & Goods

Electricity, Hybrid & Hydrogen

Leading through technology

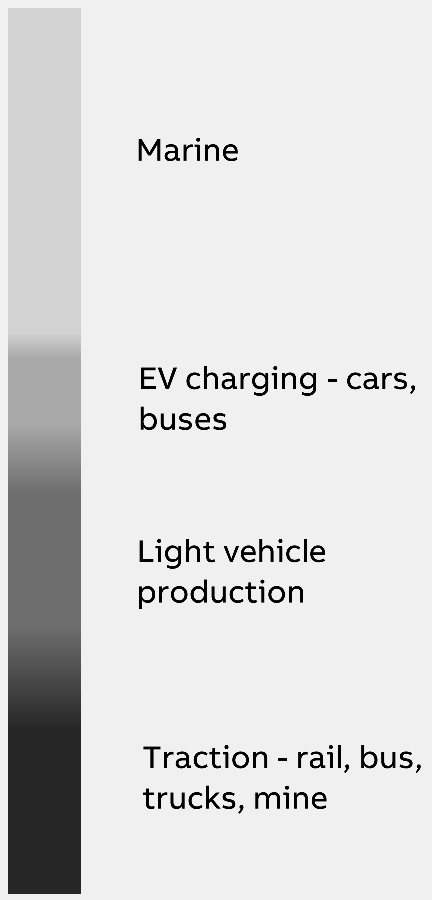


various levels of commercial maturity

S-curve visual is Illustrative

Sustainable transport is part of our business

Orders of ~$3.2 bn USD, ~10% of ABB order intake



management estimates, LTM end Q3 2021

management estimates, LTM end Q3 2021

Outgrowing a strong market
All business areas contribute

Sustainable drivers

01 Regulation

Decarbonization and greenhouse gas reductions in industries

Incentivize EV adoption

02 Technology

Increased energy efficiency

Fast charging

Battery investments and maturity

New fuels – hydrogen, fuel cells

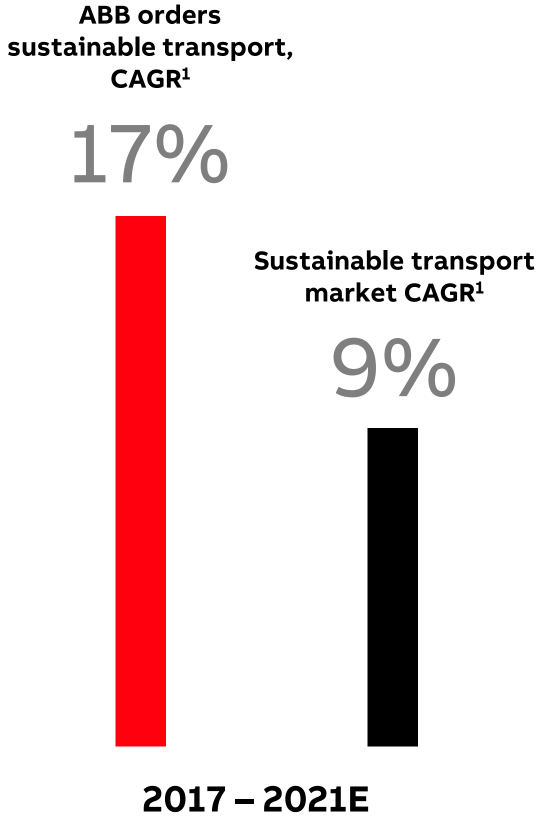
03 Changing consumer patterns

Increasing EV penetration

Preference for sustainable offerings

Emission regulations

New mobility patterns - shared and autonomous



1. Management estimates.

Sustainable transport market anticipated to grow at a double-digit rate, mid-term

We expect to continue to outgrow the market

ABB