Q2 2022
First six months
Press Release

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

ZURICH, SWITZERLAND, JULY 21, 2022

Q2 2022 results
Strong demand and good operational performance

- Orders $8.8 billion, +10%; comparable[1] +20%
- Revenues $7.3 billion, -3%; comparable +6%
- Income from operations $587 million; margin 8.1%
- Operational EBITA[1] $1,136 million; margin[1] 15.5%
- Basic EPS $0.20; -47%[2]
- Cash flow from operating activities $382 million

KEY FIGURES

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	**Q2 2022**	**Q2 2021**	**US$**	**Comparable[1]**	**H1 2022**	**H1 2021**	**US$**	**Comparable[1]**
Orders	8,807	7,989	10%	20%	18,180	15,745	15%	24%
Revenues	7,251	7,449	-3%	6%	14,216	14,350	-1%	7%
Gross Profit	2,290	2,508	-9%		4,571	4,776	-4%	
as % of revenues	31.6%	33.7%	-2.1 pts		32.2%	33.3%	-1.1 pts	
Income from operations	587	1,094	-46%		1,444	1,891	-24%	
Operational EBITA[1]	1,136	1,113	2%	9%[3]	2,133	2,072	3%	9%[3]
as % of operational revenues[1]	15.5%	15.0%	+0.5 pts		14.9%	14.4%	+0.5 pts	
Income from continuing operations, net of tax	406	789	-49%		1,049	1,340	-22%	
Net income attributable to ABB	379	752	-50%		983	1,254	-22%	
Basic earnings per share ($)	0.20	0.37	-47%[2]		0.51	0.62	-18%[2]	
Cash flow from operating activities[4]	382	663	-42%		(191)	1,206	n.a.	
Cash flow from operating activities in continuing operations	385	663	-42%		(179)	1,186	-115%	

1 For a reconciliation of non-GAAP measures, see "supplemental reconciliations and definitions" in the attached Q2 2022 Financial Information.
2 EPS growth rates are computed using unrounded amounts.
3 Constant currency (not adjusted for portfolio changes).
4 Amount represents total for both continuing and discontinued operations.

"I am pleased with our performance and that we have taken yet another step toward our long-term margin target. I am also delighted that we are moving ahead with the spin-off of Accelleron and its planned listing in Switzerland."

Björn Rosengren, CEO

CEO summary

Overall, I am pleased with how the teams delivered strong order growth as well as a margin in line with our long-term target. This was achieved despite the pressure from a tight supply chain, Covid-enforced lockdowns in China and the inflationary environment. Cash flow came in higher than in the first quarter, and I expect a good momentum in the second half of the year.

We achieved a strong order growth of 10% (20% comparable) and we saw a positive development in all major customer segments. While changes in exchange rates weighed on the total, comparable orders increased at a double-digit rate in all regions. With all business areas in double-digit growth, order intake amounted to $8,807 million and a record-high order backlog of $19.5 billion.

In total, revenues declined by 3% (up 6% comparable), year-on-year. Negative impact from changes in exchange rates and portfolio changes outweighed the positives of strong price execution and increased volumes, with the latter somewhat held back by the strained supply chain. Comparable revenues increased in all business areas except for Robotics & Discrete Automation which together with the Distribution Solutions division in Electrification, are where customer deliveries were materially slowed by component shortages. Overall, the supply chain constraints slightly eased compared with the previous quarter, however we saw temporary pressure on customer deliveries in China where lockdowns slowed down logistics somewhat more than expected. We anticipate further easing of component supply in the coming quarters.

I am pleased that we managed to improve the Operational EBITA margin to 15.5%. Notably, our teams successfully offset inflationary effects such as input costs and freight through strong pricing execution and higher volumes. Process Automation noted a sharp 180 basis point improvement to its margin, year-on-year. I am also pleased with the performance levels in Electrification and Motion, although margins declined from last year's high levels. Robotics & Discrete Automation is the area with operational underperformance, triggered by customer deliveries materially hampered by lockdowns in China and semiconductor shortages. Additionally, results were supported by lower than anticipated costs in Corporate and Other including a positive margin impact of approximately 60 basis points related to the exit of a legacy project and a real estate sale which came through sooner than expected.

Looking at Income from operations, it included items impacting comparability of approximately $250 million. These include the earlier mentioned charge of $195 million triggered by us exiting the largest legacy project exposure in non-core operations, namely the full-train retrofit business. It also includes the financial impact of our decision to exit the Russian market, triggered by the ongoing war in Ukraine and impact of related international sanctions. We have started the process of winding down the remaining activities in Russia. This triggered a charge of $57 million, of which $23 million will impact cash flow in the third quarter.

The balance sheet is robust, although year-on-year the cash flow from operating activities in continuing operations declined to $385 million, mainly on a higher build-up of net working capital. That said, we have continued to execute on our share buyback program, and just after the close of the second quarter we successfully delivered on our promise to return to shareholders the remaining $1.2 billion - out of the total of $7.8 billion - from the Power Grids proceeds. We will now continue with the execution of our ongoing buyback program of up to $3 billion.

On the back of the volatile financial markets, we decided to postpone the planned IPO of our E-mobility business. We will monitor the market conditions and are fully committed to proceed with a listing on the SIX Swiss Exchange as and when market conditions are constructive. Meanwhile, building on the earlier seed stage investment three years ago, the E-mobility team has agreed to acquire a controlling interest in Numocity, a leading digital platform for EV charging in India. This deal allows E-mobility to leverage on the regional opportunity from increasing demand for charging solutions for two and three-wheelers, cars and light commercial vehicles. After the close of the second quarter, we decided to spin off the Accelleron business (Turbocharging) with a planned listing on SIX Swiss Exchange on October 3, subject to approval by the Extraordinary General Meeting. I am pleased about this as it allows for shareholders to realize the full value of Accelleron while allowing ABB to focus on its core areas of electrification and automation.

Björn Rosengren
CEO

Outlook

In the **third quarter of 2022**, we anticipate double-digit comparable revenue growth and the Operational EBITA margin to sequentially improve, excluding the 60 basis points positive impact from special items in the second quarter.

In full-year 2022, we expect a steady margin improvement towards the 2023 target of at least 15%, supported by increased efficiency as we fully incorporate the decentralized operating model and performance culture in all our divisions. Furthermore, we expect support from a positive market momentum and our strong order backlog.

Orders and revenues

Demand was strong across all customer segments and all business areas reported double-digit order growth in the second quarter, supported by virtually all divisions. Demand remained strong throughout the period. Service-related orders increased by 4% (12% comparable). In total, high demand more than offset the adverse impact from changes in exchange rates and order intake improved by 10% (20% comparable) to $8,807 million.

The positive development was very strong in the segments of machine building, food & beverage and in general industries as well as in the automotive segment due to accelerating investments in the EV segment.

In transport and infrastructure, the order development was strong in the renewables and e-mobility businesses. In the buildings segment there was a positive development in both the non-residential and residential areas, although some softness in residential building in China was noted. In the marine segment a positive development was noted for cruising as well as general marine & port demand.

The process-related business improved across the customer segments.

Customer activity was strong across the regions but changes in exchange rates weighed on reported order intake. Europe was stable at 0% (15% comparable). The Americas improved by 23% (33% comparable), supported by a stellar 21% (32% comparable) in the United States. In Asia, Middle East and Africa orders increased by 9% (15% comparable), including an increase in China of 7% (10% comparable).

Revenues were adversely impacted by changes in exchange rates which more than offset benefits from a strong price development and slightly higher volumes. While component constraints eased somewhat, mainly semiconductors, they still impacted customer deliveries, above all noticeable in Robotics & Discrete Automation and in the Distribution Solutions division in Electrification. An added challenge to customer deliveries stemmed from the Covid-related lockdowns in China which in addition to forcing Robotics to close its Shanghai production for five weeks followed by a gradual re-opening, also triggered a general slow-down of local logistics for part of the quarter. In total, the revenue decline in Robotics & Discrete Automation was however more than offset by strong comparable improvements in the other business areas. In total, ABB Group revenues declined by -3% (up 6% comparable) and amounted to $7,251 million.

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	20%	6%
FX	-7%	-7%
Portfolio changes	-3%	-2%
Total	**10%**	**-3%**

Orders by region

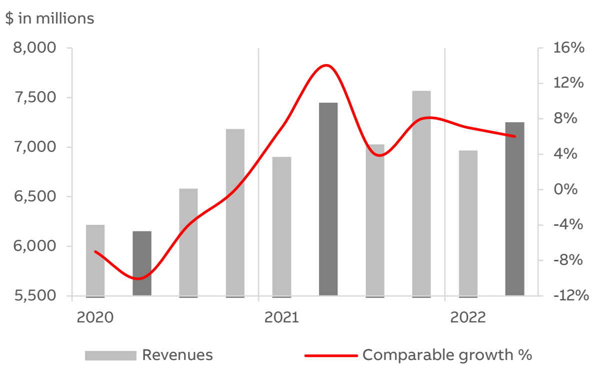
($ in millions, unless otherwise indicated)	Q2 2022	Q2 2021	CHANGE US$	CHANGE Comparable
Europe	2,958	2,954	0%	15%
The Americas	3,050	2,473	23%	33%
Asia, Middle East and Africa	2,799	2,562	9%	15%
ABB Group	**8,807**	**7,989**	**10%**	**20%**

Revenues by region

($ in millions, unless otherwise indicated)	Q2 2022	Q2 2021	CHANGE US$	CHANGE Comparable
Europe	2,508	2,697	-7%	7%
The Americas	2,397	2,284	5%	14%
Asia, Middle East and Africa	2,346	2,468	-5%	0%
ABB Group	**7,251**	**7,449**	**-3%**	**6%**

Orders

Revenues



Earnings

Gross profit

Gross profit decreased by 9% to $2,290 million, primarily due to changes in exchange rates. Gross margin was 31.6%, a decline of 210 basis points from last year's very high level driven primarily by mark to market losses on commodity derivatives as well as under-absorption of fixed costs in Robotics & Discrete Automation.

Income from operations

Income from operations amounted to $587 million, declining by $507 million, or 46%. The decline was primarily related to charges totaling approximately $250 million triggered by the exit of a legacy project in non-core operations and the decision to exit Russian operations. Additional adverse impact related to changes in exchange rates, commodity timing differences and significantly less support from fair value adjustments of equity investments.

Operational EBITA

Operational EBITA of $1,136 million was 2% higher (9% constant currency) year-on-year, as contribution from operational performance offset the adverse impact from mainly changes in exchange rates and portfolio changes.

The Operational EBITA margin increased by 50 basis points to 15.5% despite year-on-year headwind from less support from raw material hedges, mainly in Electrification. A positive contribution stemmed from operations successfully offsetting inflationary effects such as input costs and freight with impacts from strong pricing execution and slightly higher volumes. Additional support was due to the lower than anticipated costs in Corporate and Other which was up by $79 million to -$13 million including a positive margin impact of approximately 60 basis points related to the exit of a legacy project and a real estate sale. Operational EBITA margin for the second quarter last year was 15.0%, including 20 basis points from the now divested Mechanical Power Transmission business.

Net finance expenses

Net finance expenses remained stable at $20 million compared with $21 million a year ago, primarily reflecting lower interest charges on borrowings and lower interest on tax risks offset by certain fair value adjustments on investments.

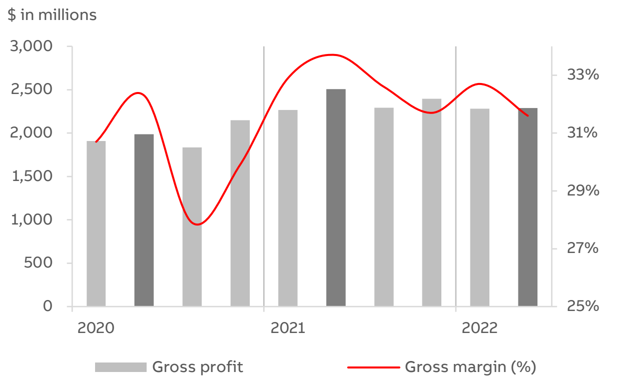
Income tax

Income tax expense was $193 million with an effective tax rate of 32.2%, including a 7.2% adverse tax impact from the non-deductibility of certain non-operational charges.

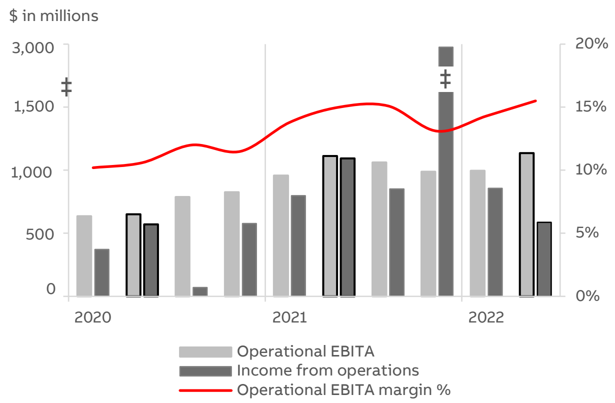
Net income and earnings per share

Net income attributable to ABB was $379 million and decreased by 50% from last year, with the decline primarily related to the lower Income from operations.
Basic earnings per share was $0.20, and declined from $0.37, year-on-year, adversely impacted by charges mainly related to the exit of the legacy full-train retrofit project and the decision to wind-down operations in Russia, but also by commodity timing differences.

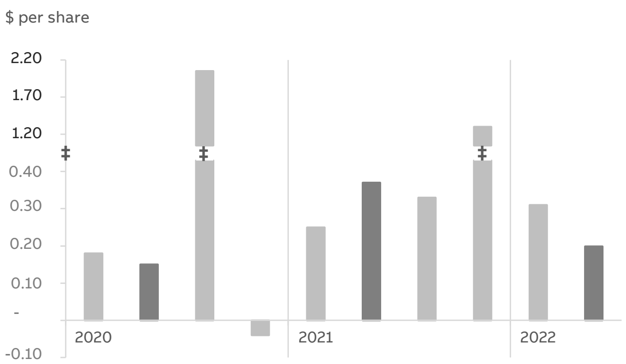
Gross profit & Gross margin



Income from operations & Operational EBITA



Basic EPS



Balance sheet & Cash flow

Net working capital
Net working capital amounted to $3,663 million, increasing both year-on-year from $3,251 million and sequentially from $3,461 million. The sequential increase was driven primarily by inventories to support future deliveries to help meet the strong market demand, as well as receivables. Net working capital as a percentage of revenues[1] was 12.8%.

Capital expenditures
Purchases of property, plant and equipment and intangible assets amounted to $151 million.

Net debt
Net debt[1] amounted to $4,235 million at the end of the quarter, and increased from $2,259 million, year-on-year. Sequentially, it increased from $2,772 million, mainly due to paid dividend and share buybacks.

Cash flows
Cash flow from operating activities in continuing operations was $385 million and declined year-on-year from $663 million. The year-on-year decline was driven by a higher build-up of trade net working capital, mainly related to inventories to support future deliveries and payables. ABB expects a solid cash flow delivery in 2022.

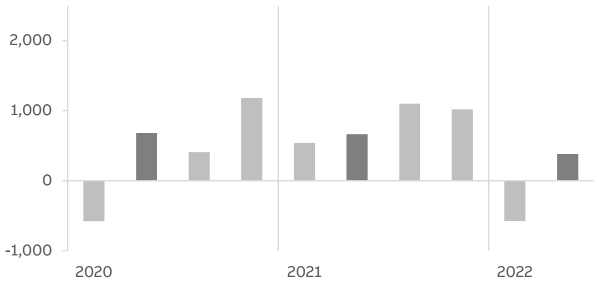
Share buyback program
ABB launched a new share buyback program of up to $3 billion on April 1. As part of this program, ABB completed just after the close of the second quarter, the return to its shareholders of the remaining $1.2 billion out of the $7.8 billion of cash proceeds from the Power Grids divestment. During the second quarter, 33,852,000 shares were repurchased on the second trading line for the amount of approximately $1,016 million. The total number of ABB Ltd's issued shares is 1,964,745,075, after the cancellation of 88,403,189 shares in June, as approved at ABB's 2022 AGM.

($ millions, unless otherwise indicated)	Jun. 30 2022	Jun. 30 2021	Dec. 31 2021
Short term debt and current maturities of long-term debt	2,830	2,117	1,384
Long-term debt	5,086	4,375	4,177
Total debt	**7,916**	**6,492**	**5,561**
Cash & equivalents	2,412	2,860	4,159
Restricted cash - current	23	71	30
Marketable securities and short-term investments	945	1,002	1,170
Restricted cash - non-current	301	300	300
Cash and marketable securities	**3,681**	**4,233**	**5,659**
Net debt (cash)*	**4,235**	**2,259**	**(98)**
Net debt (cash)* to EBITDA ratio	**0.7**	**0.7**	**(0.01)**
Net debt (cash)* to Equity ratio	**0.34**	**0.16**	**(0.01)**

* At Jun. 30, 2022, Jun. 30, 2021 and Dec. 31, 2021, net debt(cash) excludes net pension (assets)/liabilities of $(72) million, $633 million and $45 million, respectively.

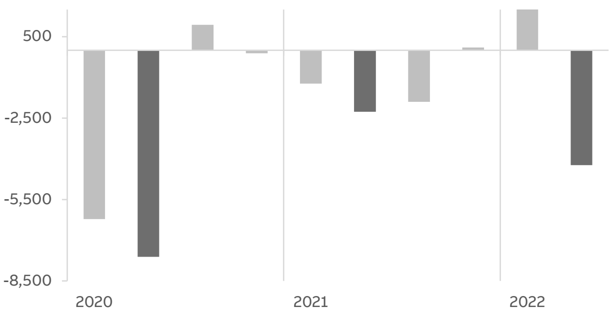
Cash flow from operating activities

$ in millions

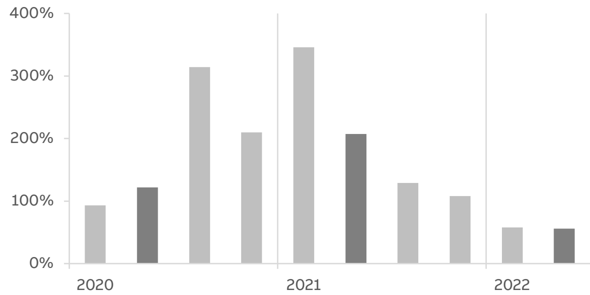


Net Cash (Net Debt) position

$ in millions



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



Electrification

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	16%	10%
FX	-7%	-6%
Portfolio changes	0%	0%
Total	**9%**	**4%**

Orders and revenues

Order intake was strong with a stable trend throughout the quarter except for some temporary weakness in China which recovered towards the end of the second quarter. Order intake amounted to $4,037 million, improving by 9% (16% comparable), year-on-year. The order backlog extended to a record level of $6.7 billion.

- Customer activity was strong in most segments with softness noted only in the residential construction-related segment in China.
- Orders in the Asia, Middle East and Africa region improved by 1% (7% comparable), weighed down by China which declined by 7% (5% comparable). China came off from the high comparable last year on lower demand in the residential construction segment, but also by a temporary general dampening of customer activity during the Covid-related lockdowns that started in April. A recovery was noted during the quarter as restrictions progressively eased. In Europe customer activity was strong across the major countries, however changes in exchange rates weighed on the total which was down by 4% (up 10% comparable). The Americas improved sharply by 29% (30% comparable).
- Revenues improved by 4% (10% comparable) to $3,531 million with strong pricing execution as the main driver of comparable revenue growth. Double-digit growth in comparable revenues was reported in the Americas and Europe, while Asia, Middle East and Africa increased at a mid-single digit rate. In contrast to the other divisions, volume growth was negative in Distribution Solutions which was held back by supply constraints mainly related to semiconductors. Additional challenges stemmed from the lockdowns in China which slowed down local logistics, although it gradually improved as the quarter progressed.

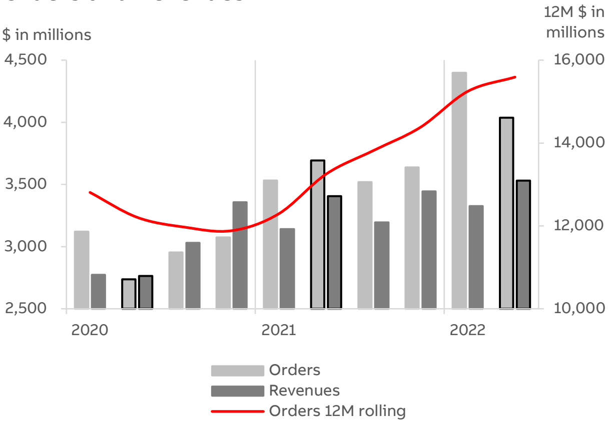
Profit

Operational EBITA was $599 million, remaining stable as a reported headline number but improving by 9% in constant currency. Operational EBITA margin declined by 50 basis points to 16.9%.

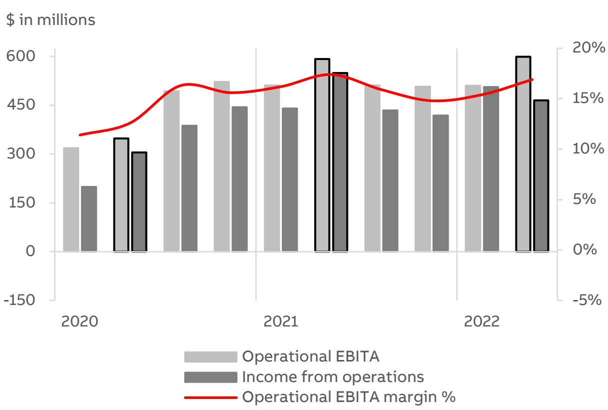
- Under-absorption of fixed costs in the large Distribution Solutions division triggered by component shortages that hampered customer deliveries was the primary driver for the business area's margin decline.

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	**Q2 2022**	**Q2 2021**	**US$**	**Comparable**	**H1 2022**	**H1 2021**	**US$**	**Comparable**
Orders	4,037	3,693	9%	16%	8,434	7,224	17%	22%
Order backlog	6,706	5,029	33%	42%	6,706	5,029	33%	42%
Revenues	3,531	3,406	4%	10%	6,858	6,546	5%	10%
Operational EBITA	599	592	1%		1,109	1,103	1%	
as % of operational revenues	16.9%	17.4%	-0.5 pts		16.1%	16.8%	-0.7 pts	
Cash flow from operating activities	393	511	-23%		432	830	-48%	
No. of employees (FTE equiv.)	51,600	51,700	0%					

Orders and Revenues



Income from operations & Operational EBITA



Motion

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	26%	3%
FX	-7%	-6%
Portfolio changes	-12%	-9%
Total	**7%**	**-12%**

Orders and revenues

The second quarter was another +$2 billion quarter with orders up by 7% (26% comparable) to $2,079 million, despite the adverse impacts from portfolio changes and changes in exchange rates. Both base orders and large orders increased year-on-year.

- Strong demand was seen in all the customer segments for the electrical motors, drives and service offerings and all divisions reported double-digit order growth.
- Demand was strong in all major regions, although reported order growth was hampered by changes in exchange rates and portfolio changes. Orders increased in Europe by 1% (17% comparable) and by 17% (24% comparable) in Asia, Middle East and Africa with no material impact on customer order patterns from the Covid-related lockdowns. The Americas reported orders up by 3% (38% comparable) reflecting the divestment of Mechanical Power Transmission (Dodge).
- The divestment of Dodge and changes in exchange rates weighed on reported revenue growth which decreased by 12% (up 3% comparable). Strong price execution drove comparable growth, but volumes were hampered by the lockdowns in China which slowed down local logistics. That said, a gradual easing was noted as the quarter progressed. The order backlog expanded to record-high $4.6 billion.

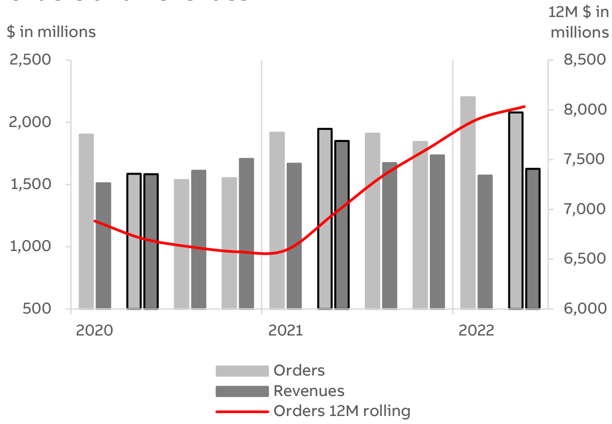
Profit

Operational EBITA amounted to $266 million and declined from last year due to adverse impacts from low volumes, portfolio changes and changes in exchange rates. Operational EBITA margin was 16.4%, with about half of the 130 basis points year-on-year decline relating to the divestment of the Dodge business.

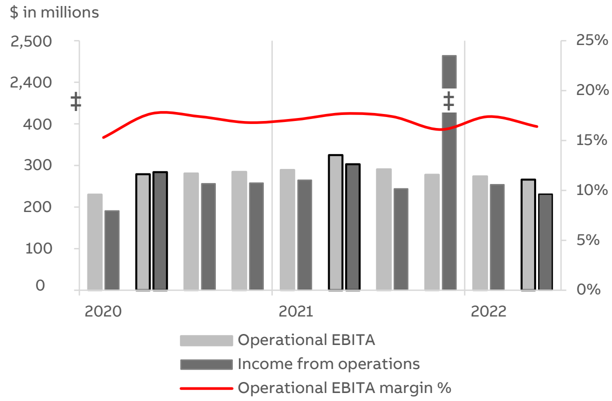
- Strong pricing execution offset the increased costs related to such as commodities and freight.
- The Covid-related lockdowns in China hampered customer and supplier deliveries and triggered under-absorption of fixed costs.
- In addition, there was an adverse divisional mix in revenues.

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	**Q2 2022**	**Q2 2021**	**US$**	**Comparable**	**H1 2022**	**H1 2021**	**US$**	**Comparable**
Orders	2,079	1,947	7%	26%	4,281	3,864	11%	29%
Order backlog	4,568	3,558	28%	43%	4,568	3,558	28%	43%
Revenues	1,626	1,850	-12%	3%	3,198	3,517	-9%	6%
Operational EBITA	266	325	-18%		540	614	-12%	
as % of operational revenues	16.4%	17.7%	-1.3 pts		16.9%	17.4%	-0.5 pts	
Cash flow from operating activities	241	223	8%		239	547	-56%	
No. of employees (FTE equiv.)	20,800	21,500	-3%					

Orders and Revenues



Income from operations & Operational EBITA



Process Automation

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	25%	7%
FX	-8%	-8%
Portfolio changes	0%	0%
Total	**17%**	**-1%**

Orders and revenues

Customer demand was strong across the segments which resulted in an order growth of 17% (25% comparable), although the headline number was weighed down by changes in exchange rates. Strong demand was noted for the product, systems and service businesses.

- Double-digit order increases were reported for all of the divisions, supported by base orders but also by a higher contribution from large orders, year-on-year.
- Demand was strong across all customer segments, with a particularly strong development in the metals & mining and marine segment. High customer activity in the oil & gas segment included also the LNG business. While hydrogen is still a small part of the business, customer interest was high. Service orders increased by 4% (12% comparable).
- All regions improved, and comparable order intake increased at a double-digit rate. Europe was up by 8% (22% comparable) and the Americas by 53% (55% comparable). Asia, Middle East and Africa was up by 4% (11% comparable).
- Revenues declined by 1% (up 7% comparable) adversely impacted by changes in exchange rates which more than offset the positive impact of increased volumes and positive pricing. All divisions contributed to comparable revenue growth.

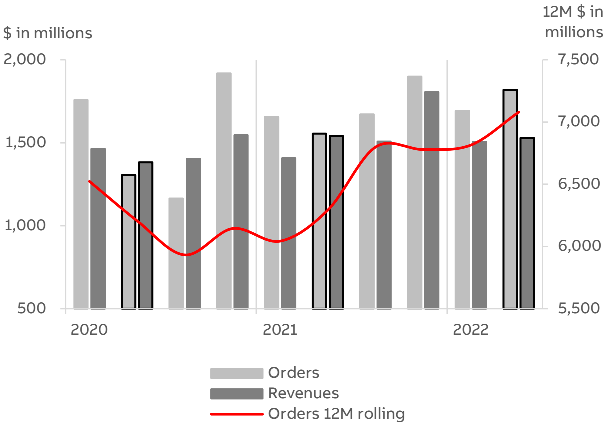
Profit

Most divisions reported double-digit Operational EBITA margin with both profit and profitability improvements, year-on-year. Operational EBITA increased by 17% (28% constant currency), to $224 million, and the Operational EBITA margin improved by 180 basis points to 14.3%.

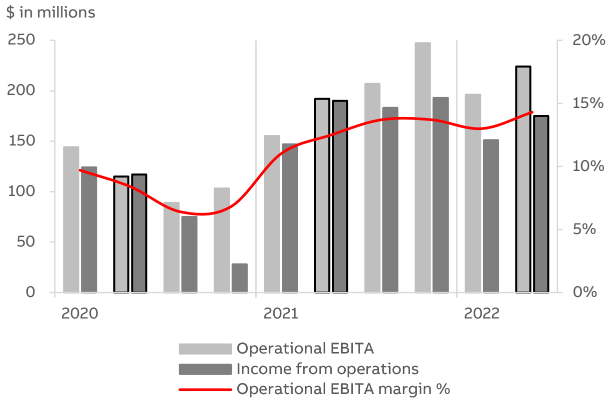
- Performance improvements were driven by higher volumes and efficiency measures, which more than offset cost inflation mainly in electrical components, and freight as well as a slight negative divisional mix.

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	**Q2 2022**	**Q2 2021**	**US$**	**Comparable**	**H1 2022**	**H1 2021**	**US$**	**Comparable**
Orders	1,819	1,555	17%	25%	3,511	3,211	9%	15%
Order backlog	6,170	5,980	3%	12%	6,170	5,980	3%	12%
Revenues	1,529	1,540	-1%	7%	3,035	2,947	3%	9%
Operational EBITA	224	192	17%		420	347	21%	
as % of operational revenues	14.3%	12.5%	+1.8 pts		13.7%	11.8%	+1.9 pts	
Cash flow from operating activities	193	228	-15%		253	461	-45%	
No. of employees (FTE equiv.)	22,200	21,900	2%					

Orders and Revenues



Income from operations & Operational EBITA



Robotics & Discrete Automation

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	23%	-5%
FX	-9%	-7%
Portfolio changes	1%	0%
Total	**15%**	**-12%**

Orders and revenues

On high customer demand, order intake improved by 15% (23% comparable) to $1,109 million. However, revenues were significantly hampered by both general supply chain constraints as well as Covid-related lockdowns in China. Consequently, the order backlog reached a record-high level of $2.7 billion. Semiconductor constraints are expected to ease in the third quarter.

- Both divisions noted strong momentum and reported double-digit rates in order growth. Demand was stable throughout the quarter.
- Customer activity increased in all segments with particularly strong momentum in general industry as well as automotive which was supported by a strong development in EV investments in China.
- Order momentum was very strong in Europe at 9% (22% comparable) and Asia, Middle East and Africa at 30% (36% comparable), including orders in China which improved by 40% (43% comparable). The Americas declined by 3% (3% comparable) from a high comparable last year due to large orders received.
- Revenues declined by 12% (5% comparable) adversely impacted by changes in exchange rates. While price increases supported comparable growth, volumes declined in both divisions. This was triggered by customer deliveries being adversely impacted by the shortages in the supply of semiconductors and the production halt in the Robotics division's Shanghai factory due to enforced Covid-related lockdowns. As an additional challenge, the lockdowns triggered a general slowdown in local logistics in the beginning of the second quarter. After approximately five week's shutdown, production in the Shanghai plant gradually increased and ran at close to full capacity at the end of the quarter.

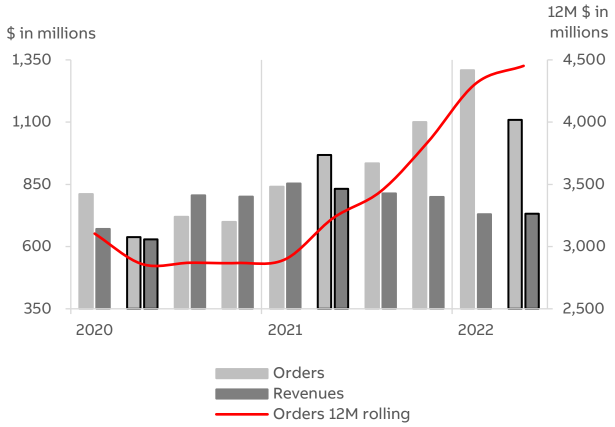
Profit

Both profit and profitability declined year-on-year due to low volumes and cost inflation linked to the tight supply chain. Operational EBITA declined by 38% with a margin deterioration of 330 basis points.

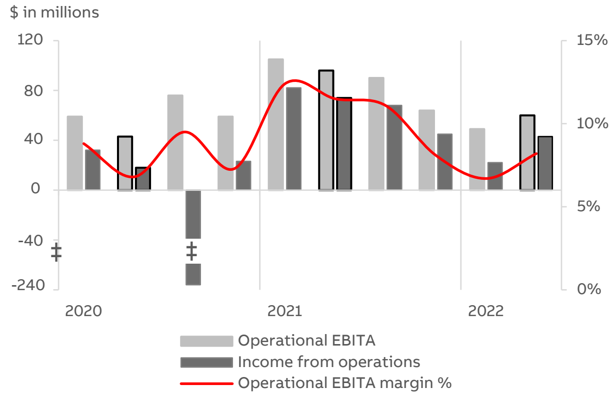
- In total, the decline in volumes triggered under-absorption of fixed costs, which combined with cost inflation related to freight and input costs more than offset the contribution from cost measures and positive price execution, year-on-year.

($ millions, unless otherwise indicated)	Q2 2022	Q2 2021	CHANGE US$	CHANGE Comparable	H1 2022	H1 2021	CHANGE US$	CHANGE Comparable
Orders	1,109	968	15%	23%	2,417	1,809	34%	40%
Order backlog	2,728	1,501	82%	97%	2,728	1,501	82%	97%
Revenues	732	832	-12%	-5%	1,462	1,685	-13%	-9%
Operational EBITA	60	96	-38%		109	201	-46%	
as % of operational revenues	8.2%	11.5%	-3.3 pts		7.4%	11.9%	-4.5 pts	
Cash flow from operating activities	56	78	-28%		27	189	-86%	
No. of employees (FTE equiv.)	10,800	10,300	5%					

Orders and Revenues



Income from operations & Operational EBITA



Sustainability

Q2 outcome

- 22% reduction of CO_2 emissions in own operations year-on-year due to increased use of renewable energy and energy efficient projects on sites.
- 21% year-on-year increase in LTIFR due to a slight increase in absolute incidents as well as fewer hours booked during the second quarter.
- 2.9%-points increase in number of women in senior management versus the prior year continued to be supported by targeted initiatives across all business areas.

Quarterly highlights

- Microsoft has joined ABB's Energy Efficiency Movement. Launched in March 2021 by ABB, the #energyefficiencymovement is a multi-stakeholder initiative to raise awareness and spur action to reduce energy consumption and carbon emissions to combat climate change. Other members include Deutsche Post DHL Group and Alfa Laval.
- ABB has been assigned by EPC contractor Aker Solutions, a leader in sustainable energy solutions, to deliver the main electrical, automation and safety systems for Norway's Northern Lights project. A joint venture between Equinor, Shell and TotalEnergies, Northern Lights is the first industrial carbon capture and storage project to develop an open and flexible infrastructure to safely store CO2 from industries across Europe.
- ABB E-mobility has signed a new global framework agreement with Shell to supply ABB's end-to-end portfolio of AC and DC charging stations. The portfolio ranges from the AC wallbox for home, work or retail installations to the Terra 360 which is ideal for refueling stations, urban charging stations, retail parking and fleet applications.
- ABB celebrated this year's Pride Month in June with a clear focus on what can be done on an individual level to support the LGBTQ+ community and make the workplace more inclusive. Since last year, the number of "Allies" in LGBTQ+ Employee Resource Groups across ABB more than doubled, now having about 900 members.
- From June 19-24, the Special Olympics National Summer Games took place in Berlin. Around 4,000 athletes competed in 20 sport disciplines, including basketball, beach volleyball, handball, table tennis and triathlon, at the National Games – and were supported and cheered on by about 100 volunteers from ABB. They submitted time-off or vacation to actively participate in the largest inclusive sports event in Germany this year.

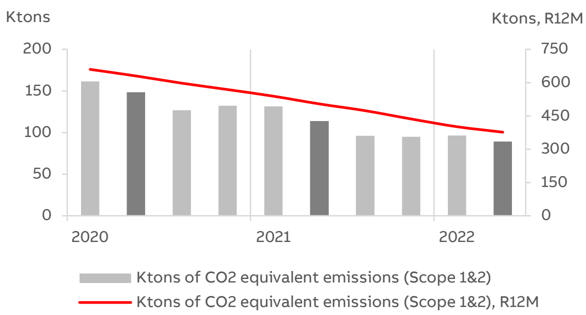
Story of the quarter

ABB has launched a product label called EcoSolutions™ targeting its customers with full transparency on the circularity value and environmental impact of ABB products across all business areas. By scanning the QR code on the EcoSolutions label or by visiting the product page, customers can easily have this information at hand. For customers, the ABB EcoSolutions label is an assurance that, where relevant, the product they are buying is designed to last and has been manufactured with the maximum amount of sustainably sourced raw materials; made with processes that are designed to avoid waste and maximize the use of sustainable packaging materials; designed to increase resource and process efficiency while in use, be upgradable and optimize the lifetime of equipment and facilities; supported by take-back services leading to refurbishment, re-use or recycling of products and components, and is accompanied by instructions for responsible end-of-life treatment.

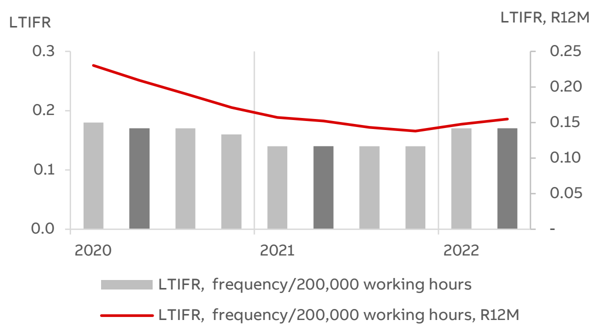
	Q2 2022	Q2 2021	CHANGE	12M ROLLING
CO2e own operations emissions, kt scope 1 and 2[1]	89	114	-22%	376
Lost Time Injury Frequency Rate (LTIFR), frequency / 200,000 working hours	0.17	0.14	21%	0.16
Share of females in senior management positions, %	16.8	13.9	+2.9 pts	16.3

1 CO_2 equivalent emissions from site, energy use and fleet, previous quarter

CO_2 Scope 1&2



Lost Time Injury Frequency Rate



Significant events

During Q2 2022

- On May 25, ABB announced that its E-mobility division had agreed to acquire a controlling stake in Numocity, a leading digital platform for electric vehicle charging in India. ABB will increase its shareholding to a controlling majority of 72 percent and has the right to become sole owner by 2026. The transaction is part of ABB E-mobility's overall growth strategy and will significantly improve its position across India, as well as South East Asia and the Middle East – target regions for Numocity given increasing demand for charging solutions for two and three-wheelers, cars and light commercial vehicles.
- On June 20, ABB announced that it had decided to postpone its planned IPO of the E-mobility business. The listing of the business remains an important part of ABB's strategy. However, recent market conditions made it challenging to proceed with a planned share offering in the second quarter of 2022. Consequently, ABB is monitoring market conditions and is fully committed to proceed with a listing of the business on the SIX Swiss Exchange as and when market conditions are constructive.

After the second quarter

On July 20, ABB announced that it will spin off Accelleron and list the company on SIX Swiss Exchange, assuming shareholders approval at the ABB Extraordinary General Meeting planned for September 7, 2022. ABB shareholders would receive 1 Accelleron share for every 20 ABB shares held. Planned date for listing is October 3, 2022. Accelleron develops, produces and services turbochargers and large turbocharging components for engines, which enhance propulsion and increase fuel efficiency while reducing emissions. Its leading products support clients in sectors such as marine, energy and rail, helping to provide sustainable and reliable power and highest efficiencies. Accelleron's potential is driven by its position, built on its very long track record, as a global market leader in heavy-duty turbocharging for mission-critical applications.

- On July 21, ABB announced it has decided to exit the Russian market and started the process to wind down its remaining activities there. The financial impact of this decision amounted to $57 million in the second quarter, of which $23 million will impact cash flow in the third quarter.

First six months 2022

In the first six months of 2022, demand for ABB's products increased strongly year-on-year, supported by most customer segments. Orders amounted to $18,180 million and improved by 15% (24% comparable) and revenues amounted to $14,216 million down by -1% (up 7% comparable), implying a book-to-bill of 1.28. In the period demand increased in both the product and the service business. Changes in exchange rates had a negative impact on order intake and revenues.

Income from operations amounted to $1,444 million down from $1,891 million in the year-earlier period. Results included restructuring activities progressing according to plan with restructuring and restructuring-related expenses of $280 million. This included a project charge amounting to $195 million triggered by the exit of the largest legacy project exposure in non-core operations.

Operational EBITA improved by 3% year on year to $2,133 million and the Operational EBITA margin increased by 50 basis points to 14.9%. Performance was driven by the impacts from strong pricing execution and higher volumes offsetting inflationary impacts in for example input costs and freight, but not offsetting the adverse year-on-year impact related to the commodity hedges which supported last year's period.

Selling, general and administrative (SG&A) expenses decreased -1% in line with revenues. The ratio in relation to revenues therefore remained stable at 18.0%. Corporate and Other Operational EBITA improved by $148 million to -$45 million. The net finance expenses amounted to $29 million.

Income tax expense was $434 million with a tax rate of 29.3%.

Net income attributable to ABB was $983 million and decreased by -22%. Basic earnings per share was $0.51 and decreased by -18%.

Acquisitions and divestments, last twelve months

Acquisitions	Company/unit	Closing date	Revenues, $ million[1]	No. of employees
2022				
Electrification	InCharge Energy, Inc (majority stake)	26-Jan	16	40
2021				
Electrification	Enervalis (majority stake)	26-Apr	1	22
Robotics & Discrete Automation	ASTI Mobile Robotics Group	2-Aug	36	300

Divestments	Company/unit	Closing date	Revenues, $ million[1]	No. of employees
2021				
Motion	Mechanical Power Transmission	1-Nov	645	1,500

Note: comparable growth calculation includes acquisitions and divestments with revenues of greater than $50 million.

1 Represents the estimated annual revenues for the period prior to the announcement of the respective acquisition/divestment.

Additional figures

ABB Group	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022
EBITDA, $ in million	1,024	1,324	1,072	3,191	6,611	1,067	794
Return on Capital Employed, %	n.a.	n.a.	n.a.	n.a.	14.90	n.a.	n.a.
Net debt/Equity	0.09	0.16	0.13	(0.01)	(0.01)	0.20	0.34
Net debt/ EBITDA 12M rolling	0.4	0.7	0.5	(0.01)	(0.01)	0.4	0.7
Net working capital, % of 12M rolling revenues	10.8%	11.6%	10.2%	8.1%	8.1%	12.1%	12.8%
Earnings per share, basic, $	0.25	0.37	0.33	1.34	2.27	0.31	0.20
Earnings per share, diluted, $	0.25	0.37	0.32	1.33	2.25	0.31	0.20
Dividend per share, CHF	n.a.	n.a.	n.a.	n.a.	0.82	n.a.	n.a.
Share price at the end of period, CHF	28.56	31.39	31.39	34.90	34.90	30.17	25.46
Share price at the end of period, $	30.47	33.99	33.36	38.17	38.17	32.34	26.73
Number of employees (FTE equivalents)	105,330	106,370	106,080	104,420	104,420	104,720	106,380
No. of shares outstanding at end of period (in millions)	2,024	2,006	1,993	1,958	1,958	1,929	1,892

Additional 2022 guidance

($ in millions, unless otherwise stated)	FY 2022[1]	Q3 2022
Corporate and Other Operational costs	~(200) from ~(300)	~(80)
Non-operating items		
Acquisition-related amortization	~(230) unchanged	~(55)
Restructuring and restructuring related	~(100)+(252)[2] from ~(130)	~(35)[2]
Separation costs[3]	~(180) unchanged	~(50)
ABB Way transformation	~(150) unchanged	~(40)
Certain other income and expenses related to PG divestment[4]	~(25) unchanged	-

($ in millions, unless otherwise stated)	FY 2022	Q3 2022
Net finance expenses	~(100) unchanged	~(30)
Non-operational pension (cost) / credit	~120 from ~(140)	~30
Effective tax rate	~25% [5] unchanged	~25% [5]
Capital Expenditures	~(750) unchanged	~(200)

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 Includes restructuring-related expenses of $195 million from the exit of the full train retrofit business as well as $57 million respectively from the exit of the Russian market in Q2 2022.
3 Costs relating to the announced exits and the potential E-mobility listing.
4 Excluding share of net income from JV.
5 Excluding impact of acquisitions or divestments or any significant non-operational items.

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,” “Balance sheet & cash flow”, and “Robotics and Discrete Automation”. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, 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 “intends,” “anticipates,” “expects,” “estimates,” “plans,” “targets” 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. Some 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.

Q2 results presentation on July 21, 2022

The Q2 2022 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 today at 10:00 a.m. CET.

To pre-register for the conference call or 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

2022	
August 31	Accelleron Capital Markets Day
September 7	Planned ABB Extraordinary General Meeting
October 3	Planned listing of Accelleron on SIX Swiss Exchange
October 20	Q3 2022 results
2023	
February 2	Q4 2022 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 (ABBN: SIX Swiss Ex) is a leading global technology company that energizes the transformation of society and industry to achieve a more productive, sustainable future. By connecting software to its electrification, robotics, automation and motion portfolio, ABB pushes the boundaries of technology to drive performance to new levels. With a history of excellence stretching back more than 130 years, ABB’s success is driven by about 105,000 talented employees in over 100 countries.