



Q2 2024

First six months Press Release

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

ZURICH, SWITZERLAND, JULY 18, 2024

Q2 2024 results

Solid demand; record-high Operational EBITA margin

- Orders \$8,435 million, -3%; comparable¹ 0%
- Revenues \$8,239 million, +1%; comparable¹ +4%
- Income from operations \$1,376 million; margin 16.7%
- Operational EBITA¹ \$1,564 million; margin¹ 19.0%
- Basic EPS \$0.59; +22%²
- Cash flow from operating activities \$1,067 million; +40%

KEY FIGURES

(\$ millions, unless otherwise indicated)	CHANGE				CHANGE			
	Q2 2024	Q2 2023	US\$	Comparable ¹	H1 2024	H1 2023	US\$	Comparable ¹
Orders	8,435	8,667	-3%	0%	17,409	18,117	-4%	-2%
Revenues	8,239	8,163	1%	4%	16,109	16,022	1%	3%
Gross Profit	3,174	2,888	10%		6,109	5,604	9%	
as % of revenues	38.5%	35.4%	+3.1 pts		37.9%	35.0%	+2.9 pts	
Income from operations	1,376	1,298	6%		2,593	2,496	4%	
Operational EBITA ¹	1,564	1,425	10%	12% ³	2,981	2,702	10%	11% ³
as % of operational revenues ¹	19.0%	17.5%	+1.5 pts		18.4%	16.9%	+1.5 pts	
Income from continuing operations, net of tax	1,104	932	18%		2,018	1,997	1%	
Net income attributable to ABB	1,096	906	21%		2,001	1,942	3%	
Basic earnings per share (\$)	0.59	0.49	22% ²		1.09	1.04	4% ²	
Cash flow from operating activities	1,067	760	40%		1,793	1,042	72%	
Free cash flow	918	606	51%		1,469	768	91%	

¹ For a reconciliation of alternative performance measures, see "supplemental reconciliations and definitions" in the attached Q2 2024 Financial Information.

² EPS growth rates are computed using unrounded amounts.

³ Constant currency (not adjusted for portfolio changes).

"In the second quarter, demand was solid and the Operational EBITA margin reached the all-time-high level of 19%. I am confident that ABB will continue to deliver long-term shareholder value in line with its targets as Morten Wierod takes over as CEO next month."

Björn Rosengren, CEO



CEO summary

The second quarter was, in my view, another proof point that the operational changes from the introduction of the ABB Way in 2020 are making ABB a sustainably well-running company. We reached a new record-high Operational EBITA margin, good cash flow and we announced a somewhat more sizeable acquisition. Overall, I am pleased with the outcome.

Comparable orders remained on par with last year's high level, supported by strong improvements in both the Electrification and Process Automation business areas. This was however offset by weakness primarily in the Machine Automation and E-mobility businesses, as well as by a softening from a fairly challenging comparable in the Motion business area. We saw short-cycle orders improve, hence turning a corner after several quarters of decline. In the project- and systems-related businesses we see a continued solid underlying customer activity with an intact robust project pipeline.

Revenues amounted to the high level of \$8.2 billion, yet we still managed to deliver a positive book-to-bill of 1.02. With the first half of this year at 1.08 and the currently expected overall solid market environment, we feel confident in reaching a positive book-to-bill for 2024. Operational EBITA margin was 19.0%, supported by both higher volumes and positive price impacts, with the Corporate line items also contributing positively on aggregate.

Free cash flow of \$918 million improved from last year and the run-rate of \$1.5 billion in the first half of the year leaves us in a good position to deliver on our annual ambition to be at least at a similar level as last year.

Enabling a low-carbon society is at the core of ABB's business, and we are pleased that our scope 1, 2 and 3 targets for 2030 and 2050 were approved by the Science Based Target initiative (SBTi), in accordance with the Paris Agreement. We are committed to reduce our scope 1 and 2 emissions by 80 percent by 2030 and 100 percent by 2050. With our new scope 3 target of reducing absolute emissions by 25% from a 2022 baseline, we will increase our engagement with our value chain partners on decarbonization whilst providing products and solutions to our customers to enable them to scale-up renewables, increase energy efficiency, electrify processes and reduce emissions.

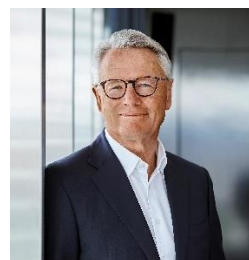
One example of how we drive R&D towards energy efficient solutions, is the newly launched OmniCore control platform which enables robots to operate up to 25% faster and consume up to 20% less energy compared with the previous version. OmniCore enables management of motion, sensors and application equipment in a unique, single control architecture – one platform, and one language that integrates our complete range of leading hardware and software.

As an extension of our R&D activities we invest in minority stakes in technology start-ups, which later may be fully integrated into the ABB family. For example, during the quarter we invested in two clean technology start-ups – Ndustral and GridBeyond – offering AI powered solutions for real time optimized energy consumption for accelerated decarbonization as well as optimized distributed energy resources and industrial loads.

It was very good to see the Electrification business area announcing a somewhat more sizeable acquisition. When the deal closes, the Smart Buildings division will expand its portfolio with the acquisition of Siemens' Wiring Accessories business in China, which generated more than \$150 million in revenues in 2023. The acquisition will broaden our market reach and complement the regional customer offering to a full range of safe and reliable smart buildings technology.

Both myself and Morten – who soon assumes the role of ABB CEO – are thrilled about the internal appointments of Giampiero Frisio as the new President of the Electrification Business Area and Brandon Spencer as the new President of the Motion Business Area. Both are proven leaders with strong ABB Way leadership track records, driving profitable growth in two of our largest Divisions.

I am very proud of having been a part of ABB. Above all I feel privileged to have gotten to know the people – a very capable and committed team with a passion for business. Leveraging the ABB Way operating model has contributed to bringing our financial performance towards a best-in-class level, and fully integrating ABB sustainability as part of our core customer proposition as well as driving our own operations to being part of a low carbon industrial solution. When Morten takes over as CEO from next month, he will bring his vast experience of our leading technology and his customer understanding from his 25+ years in the ABB commercial front lines. I am confident that he will challenge the team to further refine the ABB Way for profitable and sustainable growth. As I retire from ABB, I wish all future success for the team.



Björn Rosengren
CEO

Outlook

In the **third quarter of 2024**, we anticipate a sequentially higher growth rate in comparable revenues and the Operational EBITA margin be around 18.5%, or slightly below.

In **full-year 2024**, we expect a positive book-to-bill, comparable revenue growth to be about 5% and the Operational EBITA margin to be about 18%.

Orders and revenues

Order intake amounted to \$8,435 million, representing a year-on-year decline of 3% (0% comparable). Strong order growth was recorded for both the Electrification and Process Automation business areas. This was however offset by weakness primarily in the discrete automation-related Machine Automation division and in the E-mobility business. Order intake in the Motion business area also declined from a fairly challenging comparable. Overall, there was a positive development in the short-cycle orders. The underlying business environment in the projects and systems businesses remained robust, although large order bookings declined from last year's high level.

The market environment in the Americas was strong, however order intake dropped by 6% (4% comparable) due to the impact of timing of large orders booked last year, mainly linked to the United States. Europe declined by 5% (4% comparable) mainly related to the weak demand in the machine builder segment in Robotics and Discrete Automation. Asia, Middle East and Africa improved year-on-year by 4% (9% comparable) on strong comparable development in countries like Australia and parts of the Middle East, offsetting the decline in China. The market environment in China is stabilizing, with both the Electrification and Motion business areas recording only low single-digit declines year-on-year. Sequentially, group orders remained stable in China.

Growth

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

Orders by region

(\$ in millions, unless otherwise indicated)	Q2 2024	Q2 2023	CHANGE	
			US\$	Comparable
Europe	2,786	2,931	-5%	-4%
The Americas	3,031	3,209	-6%	-4%
Asia, Middle East and Africa	2,618	2,527	4%	9%
ABB Group	8,435	8,667	-3%	0%

Revenues by region

(\$ in millions, unless otherwise indicated)	Q2 2024	Q2 2023	CHANGE	
			US\$	Comparable
Europe	2,831	2,935	-4%	-2%
The Americas	2,960	2,815	5%	8%
Asia, Middle East and Africa	2,448	2,413	1%	5%
ABB Group	8,239	8,163	1%	4%

In transport & infrastructure, there were positive developments in marine, ports and rail.

In the Industrial areas a particularly strong development was seen in data centers.

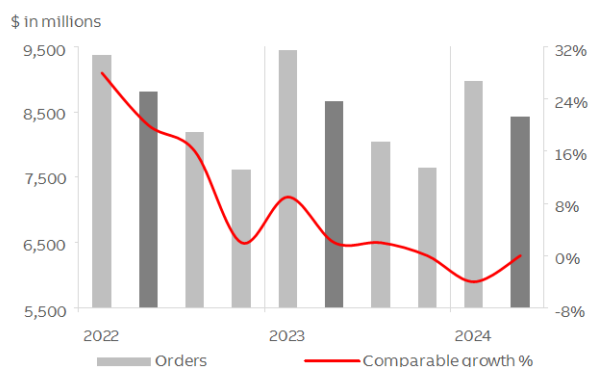
Orders in the buildings segment improved overall, due to the combined impact from a positive development in the commercial area, most pronounced in the United States, while the residential segment was weak in all regions.

In the robotics-related segments, orders declined in automotive but improved in general industry and consumer-related segments. The machine builder segment declined as customers normalized order patterns after earlier pre-buys and a softer underlying market.

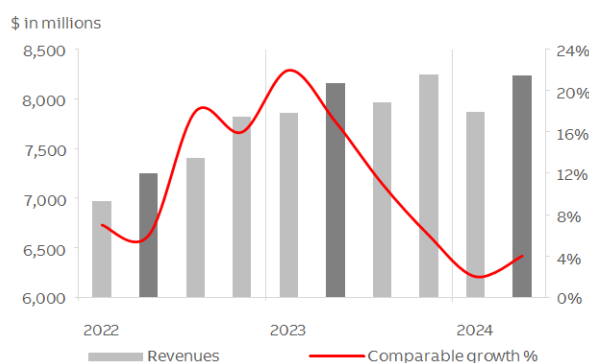
In the process-related areas, orders improved in power generation, chemicals, while customer activity remained broadly stable in oil & gas, with a negative order development in pulp & paper, metals and mining.

Revenues of \$8,239 million improved by 1% (4% comparable) mainly driven by volumes, but also by positive price developments. Execution of the strong order backlog, added to the broadly stable development in the short-cycle businesses.

Orders



Revenues



Earnings

Gross profit

Gross profit increased by 10% (12% constant currency) year-on-year to \$3,174 million, reflecting a gross margin improvement of 310 basis points to 38.5%. Gross margin improved in three out of four business areas.

Income from operations

Income from operations amounted to \$1,376 million and improved by 6% year-on-year. This was driven primarily by a stronger operational performance with some additional support from currency hedges year-on-year, which more than offset the impacts from higher restructuring expenses as well as gains and losses from sale of businesses. Margin on Income from operations was 16.7%, up by 80 basis points.

Operational EBITA

Operational EBITA improved by 10% year-on-year to \$1,564 million and the margin increased by 150 basis points to a new all-time-high of 19.0%. Contribution from operational leverage on higher volumes and a positive price impact more than offset the slightly higher expenses related to Research & development (R&D) and Selling general and administrative (SG&A) expenses. Operational EBITA in Corporate and Other amounted to -\$67 million. The Corporate-related items netted out to a contribution of \$20 million. This is the total of underlying Corporate operational expenses of approximately

\$55 million and positive impacts of about \$75 million related to a reduction of a self-insurance provision and a provision reversal linked to the non-core business. The remaining -\$87 million relate to the E-mobility business, which recorded \$48 million of impairments primarily linked to inventories. The operational performance was hampered by the ongoing reorganization to ensure a more focused portfolio.

Finance net

Net finance income contributed to results with a positive \$33 million, an improvement from last year's expense of \$25 million. The year-on-year improvement is due to a combination of a lower net debt position and favorable mix of interest rates between borrowings and cash deposits.

Income tax

Income tax expense was \$315 million with an effective tax rate of 22.2%, lowered by about 500 basis points due to a reassessment of certain tax risks.

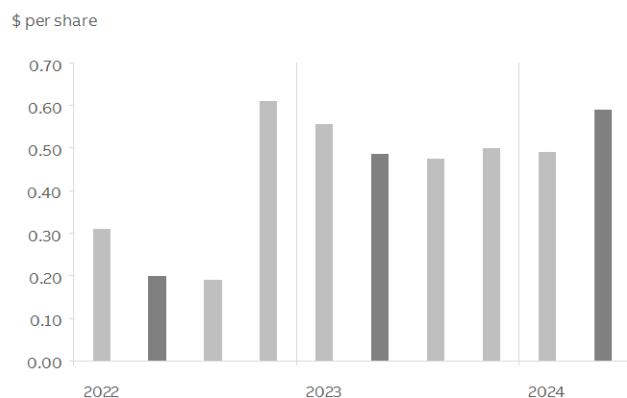
Net income and earnings per share

Net income attributable to ABB was \$1,096 million, representing an increase of 21% from last year, driven by improved operational performance, the contribution from net financial income and the lower tax rate. This resulted in basic earnings per share of \$0.59, up from \$0.49 in the last year period.

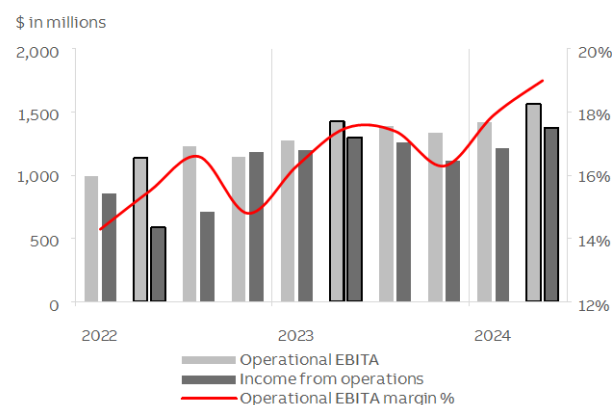
Gross profit & Gross margin



Basic EPS



Income from operations & Operational EBITA



Corporate and Other Operational EBITA

(\$ in millions)	Q2 2024	Q2 2023
Corporate and Other		
E-mobility	(87)	(67)
Corporate costs, intersegment eliminations and other ¹	20	(76)
Total	(67)	(143)

¹ Majority of which relates to underlying corporate

Balance sheet & Cash flow

Net working capital

Net working capital amounted to \$3,607 million, decreasing year-on-year from \$4,585 million as lower inventories, higher customer advances and higher accounts payable more than offset an increase in contract assets. Net working capital as a percentage of revenues¹ was 11.2%, a decline from 14.7% one year ago, improving in virtually all key components of net working capital.

Capital expenditures

Purchases of property, plant and equipment and intangible assets amounted to \$185 million.

Net debt

Net debt¹ amounted to \$2,480 million at the end of the quarter and decreased from \$4,165 million year-on-year. The decrease was mainly driven by strong free cash flow. The sequential increase from \$2,086 million was due mainly to the second portion of the dividend payment and the purchase of treasury stock, partially offset by strong operating cash flows.

Cash flows

Cash flow from operating activities was \$1,067 million and increased year-on-year from \$760 million. All business areas increased cash flow from operating activities, driven primarily by a lower build-up of net working capital year-on-year, mainly related to inventories and trade receivables as well as to a sequential increase in accounts payables. Additional support stemmed from a slight increase in operational performance.

Share buyback program

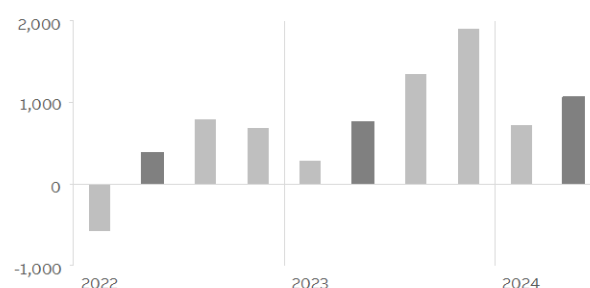
A new share buyback program of up to \$1 billion was launched on April 1, 2024, and will run to January 31, 2025. During the second quarter, ABB repurchased a total of 3,754,257 shares for a total amount of approximately \$190 million. ABB's total number of issued shares, including shares held in treasury, amounts to 1,860,614,888.

(\$ in millions, unless otherwise indicated)	Jun. 30 2024	Jun. 30 2023	Dec. 31 2023
Short term debt and current maturities of long-term debt	410	3,849	2,607
Long-term debt	6,338	4,451	5,221
Total debt	6,748	8,300	7,828
Cash & equivalents	2,961	2,923	3,891
Restricted cash - current	18	19	18
Marketable securities and short-term investments	1,289	1,193	1,928
Cash and marketable securities	4,268	4,135	5,837
Net debt (cash)*	2,480	4,165	1,991
Net debt (cash)* to EBITDA ratio	0.4	0.8	0.4
Net debt (cash)* to Equity ratio	0.18	0.31	0.14

* At June 30, 2024, June, 30, 2023 and Dec. 31, 2023, net debt(cash) excludes net pension (assets)/liabilities of \$(241) million, \$(328) million and \$(191) million, respectively.

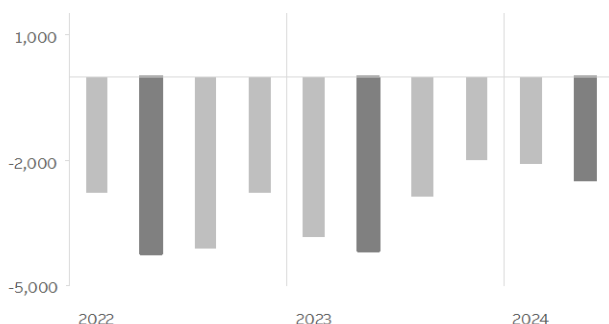
Cash flow from operating activities

\$ in millions

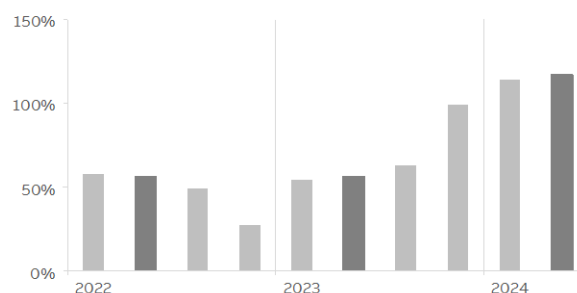


Net Cash (Net Debt) position

\$ in millions



Free cash flow conversion to net income¹, R12M



Electrification



Orders and revenues

In a buoyant market environment, Electrification orders benefited from strong growth in the short-cycle businesses and solid underlying project- and systems-related customer activity, although large order bookings softened somewhat from last year's record-high level. Total order intake amounted to \$4,073 million, up 3% (7% comparable) year-on-year.

- Orders remained stable or increased in most customer segments with particular strength in data centers and infrastructure. The buildings segment also improved supported by a positive development in the commercial area driven by the United States, which more than offset weakness in the residential area.
- From a geographical perspective comparable order intake improved in all three regions. Europe was up by 5% (7% comparable) with growth in all the larger markets. Growth in the Americas was hampered by the timing of project orders booked in last year's period and remained overall stable, (up 4% comparable) supported by the United States at 4% (8% comparable). In Asia, Middle East and Africa orders improved by 5% (12% comparable) with strong growth in countries like India. This offset a slight drop

Growth

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

in China of 7% (3% comparable) year-on-year, with steady sequential market development.

- Revenues increased by 2% (7% comparable) to an all-time-high level of \$3,809 million with stable to positive developments in all divisions. Growth was primarily due to higher volumes, with additional support from positive price impacts.

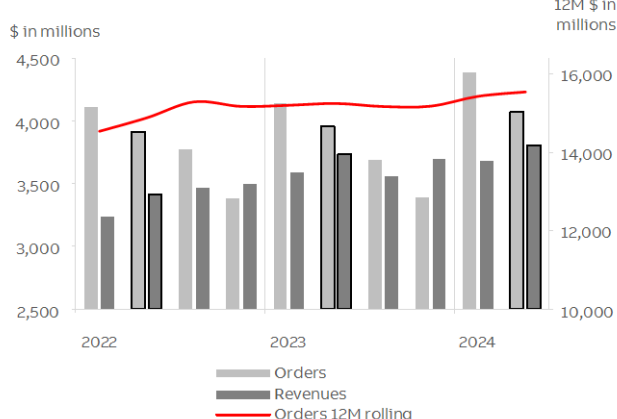
Profit

Record-high Operational EBITA of \$887 million and an all-time-high Operational EBITA margin of 23.2%, up by 210 basis points year-on-year.

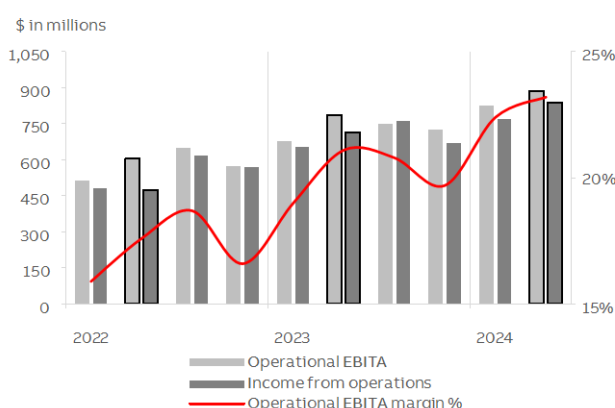
- Operational leverage on higher volumes and impact from continuous improvement measures were the key drivers to the higher margin, year-on-year. Additional support was derived from a positive price impact.
- Margins improved in virtually all divisions.

(\$ millions, unless otherwise indicated)	CHANGE				CHANGE			
	Q2 2024	Q2 2023	US\$	Comparable	H1 2024	H1 2023	US\$	Comparable
Orders	4,073	3,960	3%	7%	8,465	8,101	4%	7%
Order backlog	7,548	7,298	3%	11%	7,548	7,298	3%	11%
Revenues	3,809	3,735	2%	7%	7,489	7,325	2%	7%
Operational EBITA	887	787	13%		1,713	1,464	17%	
as % of operational revenues	23.2%	21.1%	+2.1 pts		22.8%	20.0%	+2.8 pts	
Cash flow from operating activities	850	697	22%		1,397	1,092	28%	
No. of employees (FTE equiv.)	51,100	51,800	-1%					

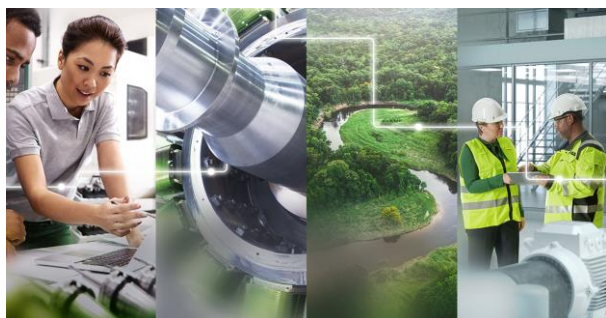
Orders and Revenues



Income from operations & Operational EBITA



Motion



Orders and revenues

Motion recorded yet another quarter with order intake at the \$2 billion level, with book-to-bill at 1.03. A positive development in the short-cycle orders was noted, while orders in the divisions more linked to project- and systems-related demand declined from last year's record-high levels, although showing a stable trend compared with recent quarters. In total, order intake declined by 6% (4% comparable).

- Order momentum was the strongest in the rail and power generation segments, with a positive development also in HVAC driven by commercial buildings. Oil & gas declined from last year's high level and some slowness was noted in metals and chemicals.
- Orders in Asia, Middle East and Africa improved by 1% (5% comparable) supported by a strong development in for example India, while China softened slightly by 4% (1% comparable). Europe declined by 5% (4% comparable) and the Americas dropped by 13% (14% comparable) primarily due to the lower large order bookings, compared with last year.

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	-4%	-1%
FX	-2%	-2%
Portfolio changes	0%	1%
Total	-6%	-2%

comparable) primarily due to the lower large order bookings, compared with last year.

- Revenues amounted to \$1,951 million and declined by 2% (1% comparable) as support from execution of the order backlog and a positive price impact was more than offset by lower volumes in the short-cycle areas as the order improvement did not yet convert to revenues.

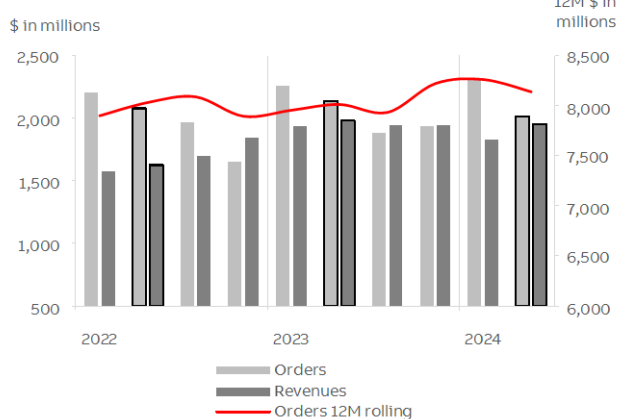
Profit

Operational EBITA of \$388 million declined by 3% and the Operational EBITA margin softened by 50 basis points to 19.9%, year-on-year.

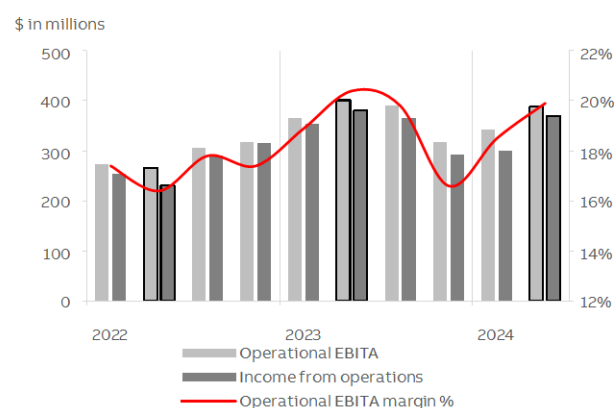
- Operational leverage on the lower production volumes in the short-cycle businesses more than offset improved profitability in divisions linked to the project- and systems offering.
- Positive pricing impacts were more than offset by the adverse mix effects triggered by a lower share of revenues stemming from the short-cycle businesses, and higher expenses related to R&D and SG&A, year-on-year.

(\$ millions, unless otherwise indicated)	Q2 2024	Q2 2023	CHANGE		H1 2024	H1 2023	CHANGE	
			US\$	Comparable			US\$	Comparable
Orders	2,014	2,137	-6%	-4%	4,317	4,399	-2%	-1%
Order backlog	5,669	5,322	7%	8%	5,669	5,322	7%	8%
Revenues	1,951	1,981	-2%	-1%	3,780	3,921	-4%	-3%
Operational EBITA	388	401	-3%		731	767	-5%	
as % of operational revenues	19.9%	20.4%	-0.5 pts		19.2%	19.6%	-0.4 pts	
Cash flow from operating activities	509	320	59%		861	469	84%	
No. of employees (FTE equiv.)	22,700	22,200	2%					

Orders and Revenues



Income from operations & Operational EBITA



Process Automation



Orders and revenues

Order intake of \$1,802 million increased by 8% (10% comparable) from last year's low comparable and remained on par with recent quarters. Market activity remained buoyant with a robust and intact project pipeline. Book-to-bill was positive at 1.05.

- Quarterly order intake can be volatile in Process Automation, and in the second quarter orders were particularly strong in the segments of marine, ports, and chemicals, while customer activity was broadly stable in oil & gas, with a negative order development in the areas of pulp & paper, metals and mining.
- Revenues improved by 11% (12% comparable) to \$1,717 million, supported by a stable to positive development in most divisions as the order backlog was executed, including a slight positive price impact. Strong growth in the service business also supported growth in the quarter.

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	10%	12%
FX	-2%	-1%
Portfolio changes	0%	0%
Total	8%	11%

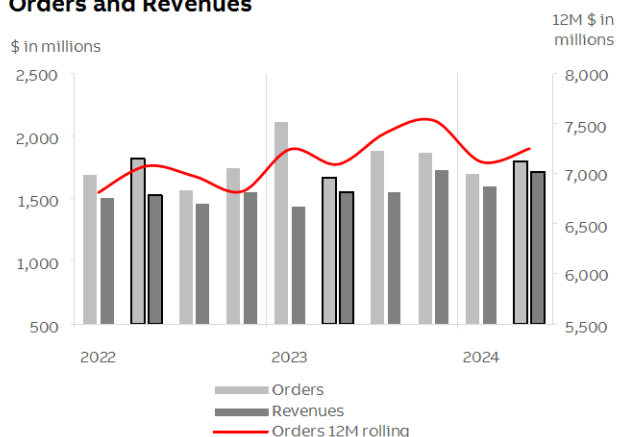
Profit

This was another +15% margin quarter with Process Automation at 15.5%, up 10 basis points year-on-year. Operational EBITA improved by 10% and reached the record-level of \$263 million.

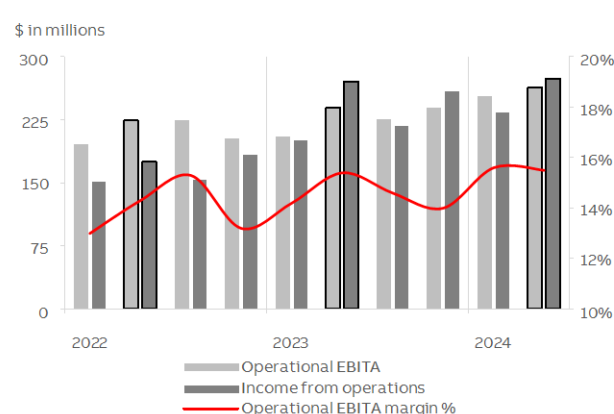
- Earnings were supported by the higher revenues on execution of the order backlog with a higher gross margin. These benefits were partially offset by a slight increase in SG&A expenses, which however declined slightly as percentage of revenues and a somewhat negative mix.

(\$ millions, unless otherwise indicated)	CHANGE				CHANGE			
	Q2 2024	Q2 2023	US\$	Comparable	H1 2024	H1 2023	US\$	Comparable
Orders	1,802	1,669	8%	10%	3,499	3,782	-7%	-6%
Order backlog	7,409	6,821	9%	10%	7,409	6,821	9%	10%
Revenues	1,717	1,553	11%	12%	3,318	2,989	11%	12%
Operational EBITA	263	239	10%		516	444	16%	
as % of operational revenues	15.5%	15.4%	+0.1 pts		15.5%	14.8%	+0.7 pts	
Cash flow from operating activities	257	188	37%		486	300	62%	
No. of employees (FTE equiv.)	21,700	20,600	5%					

Orders and Revenues



Income from operations & Operational EBITA



Robotics & Discrete Automation



Orders and revenues

Order intake decreased by 19% (17% comparable) to \$688 million on strongly diverging market environments between the two divisions.

- The **Robotics** division recorded a slight positive order growth, supported by a positive development in the segments of general industry and warehouse logistics linked to consumer industries. This was however partially offset by the negative development in automotive and electronics. Orders increased strongly in the Americas and declined at a single-digit rate in Asia, Middle East and Africa and Europe. Inventory levels in the channels are seemingly aligned with the current market situation.
- Machine Automation** orders declined sharply due to order normalization after earlier pre-buys, but also due to a softer underlying market. The division, which comprises approximately 1/3 of the business area revenues, is primarily exposed to the European market where the machine builder segment is expected to remain under pressure for the remainder of this year.

Growth

Change year-on-year	Q2 Orders	Q2 Revenues
Comparable	-17%	-8%
FX	-2%	-2%
Portfolio changes	0%	0%
Total	-19%	-10%

- Revenues of \$833 million represented a decline of 10% (8% comparable) from last year, driven by lower volumes. Revenues declined in both divisions as the positive order development in Robotics did not yet convert to revenues, and due to the market slowdown in Machine Automation.

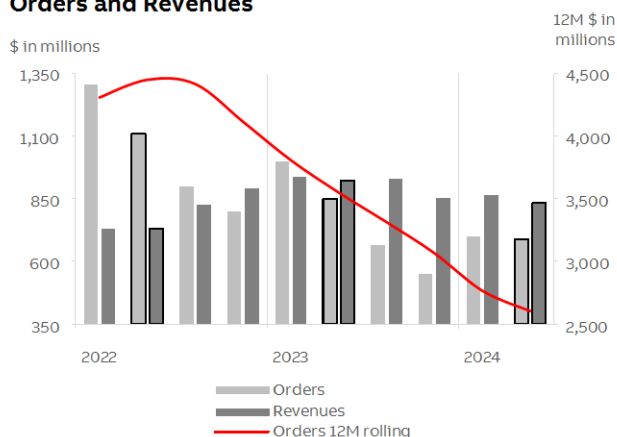
Profit

Operational leverage on lower volumes put pressure on the Operational EBITA which declined by 34% to \$93 million and the Operational EBITA margin which dropped by 420 basis points year-on-year to 11.1%.

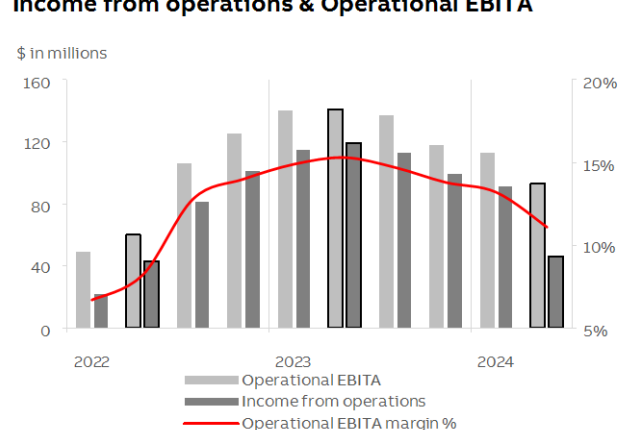
- Lower production volumes triggered underabsorption of fixed costs in both divisions, and the largest margin decline was recorded in Machine Automation.
- Divisional mix had a negative impact on profitability as Machine Automation represented a lower share of revenues, compared with last year.
- In expectations of a challenging near-term market, Machine Automation has initiated cost actions to defend future profitability. Benefits from these measures are expected to start coming through towards the end of this year.

(\$ millions, unless otherwise indicated)	CHANGE				CHANGE			
	Q2 2024	Q2 2023	US\$	Comparable	H1 2024	H1 2023	US\$	Comparable
Orders	688	850	-19%	-17%	1,389	1,851	-25%	-24%
Order backlog	1,758	2,657	-34%	-33%	1,758	2,657	-34%	-33%
Revenues	833	922	-10%	-8%	1,697	1,859	-9%	-7%
Operational EBITA	93	141	-34%		206	281	-27%	
as % of operational revenues	11.1%	15.3%	-4.2 pts		12.2%	15.1%	-2.9 pts	
Cash flow from operating activities	98	44	123%		193	174	11%	
No. of employees (FTE equiv.)	11,300	10,900	4%					

Orders and Revenues



Income from operations & Operational EBITA



Sustainability



Events from the Quarter

- ABB's science-based targets have received approval from the Science Based Targets initiative (SBTi), demonstrating that the company's ambitions and methodology align with the latest climate science and the Paris Agreement. By 2030, ABB aims to reduce absolute scope 1 & 2 CO₂e emissions by 80% compared to 2019 and reduce absolute scope 3 emissions by 25% from a 2022 baseline. Looking ahead to 2050, ABB strives for a 100% reduction in scope 1 & 2 CO₂e emissions compared to 2019 and a 90% reduction in absolute Scope 3 emissions from the 2022 baseline.
- Red Eléctrica, the company responsible for Spain's electricity system, has awarded ABB four contracts for synchronous condensers. ABB's technology will help strengthen the electricity grid, improve supply quality, and support the energy transition in the Canary and Balearic Islands allowing further progress in the integration of renewable energies. The project aligns with Spain's 2021–2030 Integrated National Energy and Climate Plan, aiming for reduced greenhouse gas emissions and increased renewable energy penetration.
- ABB has introduced a groundbreaking feature to its Routing Services portfolio. The new solution optimizes both the vessel's route and speed simultaneously, factoring in anticipated weather conditions. By using real-time data such as

Q2 outcome

- 17% reduction year-on-year of CO₂e emissions due to a shift to green electricity and a lower use of fossil fuels in our operations.
- 17% increase year-on-year in LTIFR due to a higher number of incidents reported during the quarter. We continue to identify the root cause and remediate.
- 1.4%-points increase year-on-year in the proportion of women in senior management roles, demonstrating strong progress towards our target.

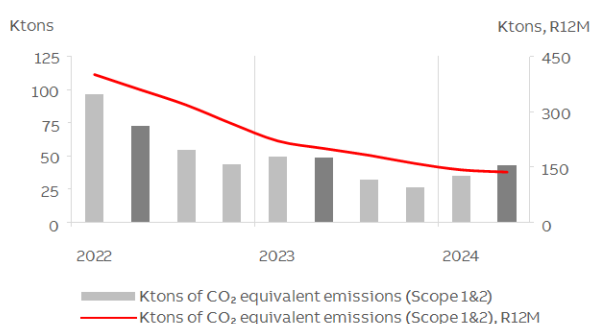
meteorological information, daily hire costs, fuel costs, and user-defined performance models, it recommends adjustments like slowing down to avoid rough weather or speeding up to stay ahead. This innovative approach minimizes fuel consumption, reduces emissions, and enhances overall efficiency during voyages.

- During the quarter, ABB's Installation Products division launched an innovative cable protection system, the PMA® EcoGuard™ PA6, crafted from discarded ocean fishing nets highlighting its focus on further improving the circularity of its products. By using 50% recycled polyamide primarily sourced from recovered fishing nets, ABB addresses marine pollution while reducing energy and water consumption during production. The EcoGuard PA6 allows for a 30% reduction of upstream Scope 3 greenhouse gas emissions and 50% of net freshwater use compared to conventional products.
- ABB celebrated Pride Month in June. The month featured discussions on diverse topics such as coming out stories, supporting transitioning employees, ensuring safe travel, moving from bystander to upstander, enhancing recruitment inclusivity, and building psychological safety in leadership roles. These initiatives underscore ABB's dedication to creating a workplace where every voice is heard and valued.

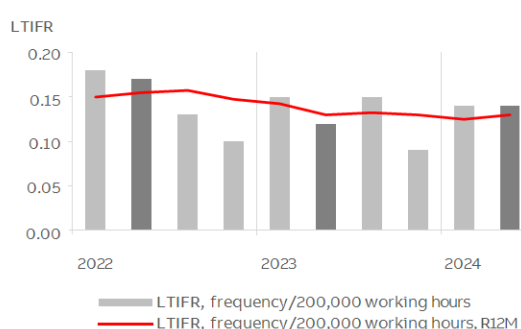
	Q2 2024	Q2 2023	CHANGE	12M ROLLING
CO ₂ e own operations emissions, Ktons scope 1 and 2 ¹	43	52	-17%	141
Lost Time Injury Frequency Rate (LTIFR), frequency / 200,000 working hours ²	0.14	0.12	17%	0.13
Proportion of women in senior management roles in %	21.6	20.2	+1.4 pts	21.1

¹ CO₂ equivalent emissions from site, energy use, SF₆ and fleet, previous quarter
² Current quarter includes all incidents reported until July 5, 2024

CO₂e Scope 1&2



Lost Time Injury Frequency Rate



Significant events

During Q2 2024

- On June 28, ABB announced it had cancelled 21,387,687 shares of ABB Ltd, repurchased under ABB's share buyback program. The total number of ABB Ltd's issued shares and votes is 1,860,614,888, compared with 1,882,002,575 before the cancellation.
- On June 27, ABB announced the approval of its emissions reduction targets by the Science Based Targets initiative (SBTi). As part of the company's efforts to enable a low-carbon society ABB submitted updated scope 1, 2 and 3 targets for 2030 and 2050 to the SBTi. The approval of ABB's science-based targets by the SBTi confirms ABB's approach as science-based in accordance with the Paris Agreement.
- On June 10, ABB announced it had filed to voluntarily deregister and suspend SEC reporting obligations. The deregistration and termination of its reporting obligations is expected to become effective 90 days after the filing, unless withdrawn by the Company or objected to by the SEC. The Company will continue to comply with its financial reporting and other obligations pursuant to applicable stock exchange listing rules – in particular the Listing Rules of SIX Swiss Exchange and the Nasdaq Stockholm Rulebook.
- On May 23, ABB announced the appointment of Giampiero Frisio as the new President of its Electrification Business Area and Brandon Spencer as the new President of its Motion Business Area. Both will take over their new roles and join ABB's Executive Committee on August 1, 2024.
- On April 1, ABB launched its previously announced new share buyback program of up to \$1 billion. Based on the current ABB share price this represents a maximum of approximately 21.3 million shares. The maximum number of shares that may be repurchased under this new program on any given trading day is 692,486.

First six months of 2024

In the first six months of 2024, the overall order intake declined slightly on a high comparable. Weakness was noted in the short-cycle businesses and primarily linked to the buildings segment and discrete automation. Market environment remained buoyant in the project- and systems-related businesses. Orders increased in the Electrification business area, with declines most pronounced in Robotics and Discrete Automation. Orders amounted to \$17,409 million and were down 4% versus the prior year (2% comparable), with growth adversely impacted by the timing of large orders booked which benefited the year-earlier period.

Revenues were supported by execution of the large order backlog and amounted to \$16,109 million, up by 1% (3% comparable), overall implying a book-to-bill of 1.08.

Income from operations amounted to \$2,593 million, up 4% year-on-year. This increase can be attributed to an improved operational performance which more than offset the adverse impacts from higher expenses related to restructurings, gains and losses from sale of businesses and ABB Way transformation activities.

Operational EBITA increased by 10% year-on-year to \$2,981 million, and the Operational EBITA margin improved by 150 basis points to 18.4%. The increase was driven by improvements in the Electrification and Process Automation business areas, which more than offset declines elsewhere. The main drivers of the margin expansion were operating leverage on higher

volumes as well as the impacts from implemented price increases while expenses related to SG&A remained broadly stable. Corporate and Other Operational EBITA amounted to -\$185 million. This includes a loss of \$141 million that can be attributed to the E-mobility business, which was negatively affected by the ongoing reorganization to ensure a more focused portfolio, and impairments mainly linked to inventories.

Net finance contributed to results with \$53 million, an improvement from last year's expense of \$46 million. The year-on-year improvement is due to a combination of a lower net debt position and favorable mix of interest rates between borrowings and cash deposits. Income tax expense was \$654 million reflecting a tax rate of 24.5%, positively impacted by 270 basis points due to a reduction in certain tax risks.

Net income attributable to ABB was \$2,001 million, up from \$1,942 million year-on-year. Basic earnings per share was \$1.09, representing an increase of 4% compared with the prior year.

Acquisitions and divestments, last twelve months

Acquisitions	Company/unit	Closing date	Revenues, \$ in millions ¹	No. of employees
2024				
Process Automation	DTN Europe	3-Jun	14	84
Process Automation	Real Tech Water	1-Feb	6	38
Robotics & Discrete Automation	Meshmind	1-Feb	<5	50
2023				
Robotics & Discrete Automation	Sevensense	21-Dec	<5	35
E-mobility	Imagen Energy Inc	13-Nov	<5	4
Motion	Spring Point Solutions LLC	1-Nov	<5	13
E-mobility	Vourity AB	25-Oct	<5	9

Divestments	Company/unit	Closing date	Revenues, \$ in millions ¹	No. of employees
2024				
E-mobility	Numocity	30-Jun	<5	56
2023				
Electrification	Power Conversion division	3-Jul	~440	1,500
Electrification	Industrial Plugs & Sockets business	3-Jul	~12	2

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

¹ Represents the estimated revenues for the last fiscal year prior to the announcement of the respective acquisition/divestment unless otherwise stated.

Additional figures

ABB Group	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024
EBITDA, \$ in million	1,389	1,494	1,453	1,315	5,651	1,418	1,578
Return on Capital Employed, %	n.a.	n.a.	n.a.	n.a.	21.10	n.a.	n.a.
Net debt/Equity	0.30	0.31	0.21	0.14	0.14	0.16	0.18
Net debt/ EBITDA 12M rolling	0.9	0.8	0.5	0.4	0.4	0.4	0.4
Net working capital, % of 12M rolling revenues	13.9%	14.7%	12.8%	10.2%	10.2%	11.2%	11.2%
Earnings per share, basic, \$	0.56	0.49	0.48	0.50	2.02	0.49	0.59
Earnings per share, diluted, \$	0.55	0.48	0.47	0.50	2.01	0.49	0.59
Dividend per share, CHF	n.a.	n.a.	n.a.	n.a.	0.87	n.a.	n.a.
Share price at the end of period, CHF	31.37	35.18	32.80	37.30	37.30	41.89	49.92
Number of employees (FTE equivalents)	106,170	108,320	107,430	107,870	107,870	108,700	109,390
No. of shares outstanding at end of period (in millions)	1,862	1,860	1,849	1,842	1,842	1,851	1,849

Additional 2024 guidance

(\$ in millions, unless otherwise stated)	FY 2024 ¹	Q3 2024
Corporate and Other Operational EBITA ²	~(200) from ~(300)	~(75)
Non-operating items		
Acquisition-related amortization	~(210)	~(45)
Restructuring and related ³	~(250) from ~(200)	~(70)
ABB Way transformation	~(200)	~(60)

(\$ in millions, unless otherwise stated)	FY 2024
Net finance expenses	~75 from ~(50)
Effective tax rate	~24% ⁴ from ~25%
Capital Expenditures	~(900)

¹ Excludes one project estimated to a total of ~\$100 million, that is ongoing in the non-core business. Exact exit timing is difficult to assess due to legal proceedings etc.

² Excludes Operational EBITA from E-mobility business.

³ Includes restructuring and restructuring-related as well as separation and integration costs.

⁴ Excludes the 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,” and “Sustainability”. 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 “anticipates,” “expects,” “estimates,” “plans,” “targets,” “guidance,” “likely” or similar expressions. However, there are many risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ

materially from the forward-looking information and statements made in this press release and which could affect our ability to achieve any or all of our stated targets. These include, among others, business risks associated with the volatile global economic environment and political conditions, costs associated with compliance activities, market acceptance of new products and services, changes in governmental regulations and currency exchange rates. Although ABB Ltd believes that its expectations reflected in any such forward looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

Q2 results presentation on July 18, 2024

The Q2 2024 results press release and presentation slides are available on the ABB News Center at www.abb.com/news and on the Investor Relations homepage at www.abb.com/investorrelations.

A conference call and webcast for analysts and investors is scheduled to begin at 10:00 a.m. CET.

To 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

2024

October 17

Q3 2024 results

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ABB is a technology leader in electrification and automation, enabling a more sustainable and resource-efficient future. The company’s solutions connect engineering know-how and software to optimize how things are manufactured, moved, powered and operated. Building on over 140 years of excellence, ABB’s more than 105,000 employees are committed to driving innovations that accelerate industrial transformation.



July 18, 2024

Q2 2024

Financial information

Financial Information

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08 – 31	Consolidated Financial Information (unaudited)
32 – 44	Supplemental Reconciliations and Definitions



Key Figures

(\$ in millions, unless otherwise indicated)	Q2 2024	Q2 2023	CHANGE	
			US\$	Comparable ⁽¹⁾
Orders	8,435	8,667	-3%	0%
Order backlog (end June)	22,047	21,938	0%	4%
Revenues	8,239	8,163	1%	4%
Gross Profit	3,174	2,888	10%	
as % of revenues	38.5%	35.4%	+3.1 pts	
Income from operations	1,376	1,298	6%	
Operational EBITA ⁽¹⁾	1,564	1,425	10%	12% ⁽²⁾
as % of operational revenues ⁽¹⁾	19.0%	17.5%	+1.5 pts	
Income from continuing operations, net of tax	1,104	932	18%	
Net income attributable to ABB	1,096	906	21%	
Basic earnings per share (\$)	0.59	0.49	22% ⁽³⁾	
Cash flow from operating activities	1,067	760	40%	
Free cash flow ⁽¹⁾	918	606	51%	

(\$ in millions, unless otherwise indicated)	H1 2024	H1 2023	CHANGE	
			US\$	Comparable ⁽¹⁾
Orders	17,409	18,117	-4%	-2%
Revenues	16,109	16,022	1%	3%
Gross Profit	6,109	5,604	9%	
as % of revenues	37.9%	35.0%	+2.9 pts	
Income from operations	2,593	2,496	4%	
Operational EBITA ⁽¹⁾	2,981	2,702	10%	11% ⁽²⁾
as % of operational revenues ⁽¹⁾	18.4%	16.9%	+1.5 pts	
Income from continuing operations, net of tax	2,018	1,997	1%	
Net income attributable to ABB	2,001	1,942	3%	
Basic earnings per share (\$)	1.09	1.04	4% ⁽³⁾	
Cash flow from operating activities	1,793	1,042	72%	
Free cash flow ⁽¹⁾	1,469	768	91%	

(1) For a reconciliation of alternative performance measures see "Supplemental Reconciliations and Definitions" on page 32.

(2) Constant currency (not adjusted for portfolio changes).

(3) EPS growth rates are computed using unrounded amounts.

		CHANGE				
(\$ in millions, unless otherwise indicated)		Q2 2024	Q2 2023	US\$	Local	Comparable
Orders	ABB Group	8,435	8,667	-3%	-1%	0%
	Electrification	4,073	3,960	3%	5%	7%
	Motion	2,014	2,137	-6%	-4%	-4%
	Process Automation	1,802	1,669	8%	10%	10%
	Robotics & Discrete Automation	688	850	-19%	-17%	-17%
	<i>Corporate and Other</i>	112	264			
	<i>Intersegment eliminations</i>	(254)	(213)			
Order backlog (end June)	ABB Group	22,047	21,938	0%	2%	4%
	Electrification	7,548	7,298	3%	5%	11%
	Motion	5,669	5,322	7%	8%	8%
	Process Automation	7,409	6,821	9%	10%	10%
	Robotics & Discrete Automation	1,758	2,657	-34%	-33%	-33%
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(337)	(160)			
Revenues	ABB Group	8,239	8,163	1%	3%	4%
	Electrification	3,809	3,735	2%	4%	7%
	Motion	1,951	1,981	-2%	0%	-1%
	Process Automation	1,717	1,553	11%	12%	12%
	Robotics & Discrete Automation	833	922	-10%	-8%	-8%
	<i>Corporate and Other</i>	145	177			
	<i>Intersegment eliminations</i>	(216)	(205)			
Income from operations	ABB Group	1,376	1,298			
	Electrification	837	713			
	Motion	369	380			
	Process Automation	274	270			
	Robotics & Discrete Automation	46	119			
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(150)	(184)			
Income from operations %	ABB Group	16.7%	15.9%			
	Electrification	22.0%	19.1%			
	Motion	18.9%	19.2%			
	Process Automation	16.0%	17.4%			
	Robotics & Discrete Automation	5.5%	12.9%			
Operational EBITA	ABB Group	1,564	1,425	10%	12%	
	Electrification	887	787	13%	15%	
	Motion	388	401	-3%	-2%	
	Process Automation	263	239	10%	13%	
	Robotics & Discrete Automation	93	141	-34%	-32%	
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(67)	(143)			
Operational EBITA %	ABB Group	19.0%	17.5%			
	Electrification	23.2%	21.1%			
	Motion	19.9%	20.4%			
	Process Automation	15.5%	15.4%			
	Robotics & Discrete Automation	11.1%	15.3%			
Cash flow from operating activities	ABB Group	1,067	760			
	Electrification	850	697			
	Motion	509	320			
	Process Automation	257	188			
	Robotics & Discrete Automation	98	44			
	<i>Corporate and Other</i>					
	<i>(incl. intersegment eliminations)</i>	(647)	(489)			

		CHANGE				
(\$ in millions, unless otherwise indicated)		H1 2024	H1 2023	US\$	Local	Comparable
Orders	ABB Group	17,409	18,117	-4%	-3%	-2%
	Electrification	8,465	8,101	4%	6%	7%
	Motion	4,317	4,399	-2%	-1%	-1%
	Process Automation	3,499	3,782	-7%	-6%	-6%
	Robotics & Discrete Automation	1,389	1,851	-25%	-24%	-24%
	Corporate and Other	254	460			
	Intersegment eliminations	(515)	(476)			
Order backlog (end June)	ABB Group	22,047	21,938	0%	2%	4%
	Electrification	7,548	7,298	3%	5%	11%
	Motion	5,669	5,322	7%	8%	8%
	Process Automation	7,409	6,821	9%	10%	10%
	Robotics & Discrete Automation	1,758	2,657	-34%	-33%	-33%
	Corporate and Other					
	(incl. intersegment eliminations)	(337)	(160)			
Revenues	ABB Group	16,109	16,022	1%	2%	3%
	Electrification	7,489	7,325	2%	3%	7%
	Motion	3,780	3,921	-4%	-2%	-3%
	Process Automation	3,318	2,989	11%	12%	12%
	Robotics & Discrete Automation	1,697	1,859	-9%	-7%	-7%
	Corporate and Other	270	346			
	Intersegment eliminations	(445)	(418)			
Income from operations	ABB Group	2,593	2,496			
	Electrification	1,606	1,368			
	Motion	670	733			
	Process Automation	508	470			
	Robotics & Discrete Automation	137	234			
	Corporate and Other					
	(incl. intersegment eliminations)	(328)	(309)			
Income from operations %	ABB Group	16.1%	15.6%			
	Electrification	21.4%	18.7%			
	Motion	17.7%	18.7%			
	Process Automation	15.3%	15.7%			
	Robotics & Discrete Automation	8.1%	12.6%			
Operational EBITA	ABB Group	2,981	2,702	10%	11%	
	Electrification	1,713	1,464	17%	19%	
	Motion	731	767	-5%	-4%	
	Process Automation	516	444	16%	17%	
	Robotics & Discrete Automation	206	281	-27%	-25%	
	Corporate and Other					
	(incl. intersegment eliminations)	(185)	(254)			
Operational EBITA %	ABB Group	18.4%	16.9%			
	Electrification	22.8%	20.0%			
	Motion	19.2%	19.6%			
	Process Automation	15.5%	14.8%			
	Robotics & Discrete Automation	12.2%	15.1%			
Cash flow from operating activities	ABB Group	1,793	1,042			
	Electrification	1,397	1,092			
	Motion	861	469			
	Process Automation	486	300			
	Robotics & Discrete Automation	193	174			
	Corporate and Other					
	(incl. intersegment eliminations)	(1,144)	(993)			

Operational EBITA

	ABB		Electrification		Motion		Process Automation		Robotics & Discrete Automation	
(\$ in millions, unless otherwise indicated)	Q2 24	Q2 23	Q2 24	Q2 23	Q2 24	Q2 23	Q2 24	Q2 23	Q2 24	Q2 23
Revenues	8,239	8,163	3,809	3,735	1,951	1,981	1,717	1,553	833	922
Foreign exchange/commodity timing differences in total revenues	(4)	(10)	10	2	–	(11)	(19)	–	3	(1)
Operational revenues	8,235	8,153	3,819	3,737	1,951	1,970	1,698	1,553	836	921
Income from operations	1,376	1,298	837	713	369	380	274	270	46	119
Acquisition-related amortization	57	55	23	22	8	9	2	2	20	19
Restructuring, related and implementation costs ⁽¹⁾	50	13	8	4	14	1	–	2	20	–
Changes in obligations related to divested businesses	(11)	(8)	–	1	–	–	–	–	–	–
Gains and losses from sale of businesses	55	(26)	24	–	–	–	–	(26)	–	–
Acquisition- and divestment-related expenses and integration costs	18	26	19	12	2	8	1	(2)	5	2
Certain other non-operational items	50	41	(1)	6	–	1	(5)	–	(2)	1
Foreign exchange/commodity timing differences in income from operations	(31)	26	(23)	29	(5)	2	(9)	(7)	4	–
Operational EBITA	1,564	1,425	887	787	388	401	263	239	93	141
Operational EBITA margin (%)	19.0%	17.5%	23.2%	21.1%	19.9%	20.4%	15.5%	15.4%	11.1%	15.3%

	ABB		Electrification		Motion		Process Automation		Robotics & Discrete Automation	
(\$ in millions, unless otherwise indicated)	H1 24	H1 23	H1 24	H1 23	H1 24	H1 23	H1 24	H1 23	H1 24	H1 23
Revenues	16,109	16,022	7,489	7,325	3,780	3,921	3,318	2,989	1,697	1,859
Foreign exchange/commodity timing differences in total revenues	61	(26)	23	(20)	29	(11)	6	10	(2)	–
Operational revenues	16,170	15,996	7,512	7,305	3,809	3,910	3,324	2,999	1,695	1,859
Income from operations	2,593	2,496	1,606	1,368	670	733	508	470	137	234
Acquisition-related amortization	113	109	46	44	17	17	3	3	41	39
Restructuring, related and implementation costs ⁽¹⁾	76	41	18	12	22	2	7	4	20	–
Changes in obligations related to divested businesses	(11)	(5)	–	1	–	–	–	–	–	–
Gains and losses from sale of businesses	57	(26)	24	–	–	–	–	(26)	–	–
Acquisition- and divestment-related expenses and integration costs	37	45	29	19	2	12	1	1	7	4
Certain other non-operational items	113	40	2	9	3	3	(5)	–	(1)	3
Foreign exchange/commodity timing differences in income from operations	3	2	(12)	11	17	–	2	(8)	2	1
Operational EBITA	2,981	2,702	1,713	1,464	731	767	516	444	206	281
Operational EBITA margin (%)	18.4%	16.9%	22.8%	20.0%	19.2%	19.6%	15.5%	14.8%	12.2%	15.1%

(1) Includes impairment of certain assets.

Depreciation and Amortization

	ABB		Electrification		Motion		Process Automation		Robotics & Discrete Automation	
(\$ in millions)	Q2 24	Q2 23	Q2 24	Q2 23	Q2 24	Q2 23	Q2 24	Q2 23	Q2 24	Q2 23
Depreciation	135	129	66	64	30	27	12	12	15	14
Amortization	67	67	28	27	10	10	3	3	21	20
including total acquisition-related amortization of:	57	55	23	22	8	9	2	2	20	19

	ABB		Electrification		Motion		Process Automation		Robotics & Discrete Automation	
(\$ in millions)	H1 24	H1 23	H1 24	H1 23	H1 24	H1 23	H1 24	H1 23	H1 24	H1 23
Depreciation	268	254	132	126	58	53	23	23	29	29
Amortization	135	133	56	54	20	20	5	5	43	40
including total acquisition-related amortization of:	113	109	46	44	17	17	3	3	41	39

Orders received and revenues by region

(\$ in millions, unless otherwise indicated)	Orders received		CHANGE			Revenues		CHANGE		
	Q2 24	Q2 23	US\$	Local	Com-parable	Q2 24	Q2 23	US\$	Local	Com-parable
Europe	2,786	2,931	-5%	-4%	-4%	2,831	2,935	-4%	-2%	-2%
The Americas	3,031	3,209	-6%	-5%	-4%	2,960	2,815	5%	6%	8%
of which United States	2,241	2,319	-3%	-3%	-1%	2,221	2,092	6%	6%	10%
Asia, Middle East and Africa	2,618	2,527	4%	8%	9%	2,448	2,413	1%	5%	5%
of which China	1,066	1,194	-11%	-8%	-7%	1,134	1,174	-3%	0%	0%
ABB Group	8,435	8,667	-3%	-1%	0%	8,239	8,163	1%	3%	4%

(\$ in millions, unless otherwise indicated)	Orders received		CHANGE			Revenues		CHANGE		
	H1 24	H1 23	US\$	Local	Com-parable	H1 24	H1 23	US\$	Local	Com-parable
Europe	6,084	6,513	-7%	-7%	-7%	5,579	5,807	-4%	-4%	-4%
The Americas	5,935	6,194	-4%	-4%	-3%	5,749	5,468	5%	5%	8%
of which United States	4,380	4,449	-2%	-1%	0%	4,331	4,076	6%	6%	10%
Asia, Middle East and Africa	5,390	5,410	0%	4%	4%	4,781	4,747	1%	5%	5%
of which China	2,116	2,549	-17%	-14%	-13%	2,132	2,328	-8%	-5%	-4%
ABB Group	17,409	18,117	-4%	-3%	-2%	16,109	16,022	1%	2%	3%

Consolidated Financial Information

ABB Ltd Consolidated Income Statements (unaudited)

(\$ in millions, except per share data in \$)	Six months ended		Three months ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Sales of products	13,355	13,530	6,852	6,886
Sales of services and other	2,754	2,492	1,387	1,277
Total revenues	16,109	16,022	8,239	8,163
Cost of sales of products	(8,415)	(8,946)	(4,270)	(4,528)
Cost of services and other	(1,585)	(1,472)	(795)	(747)
Total cost of sales	(10,000)	(10,418)	(5,065)	(5,275)
Gross profit	6,109	5,604	3,174	2,888
Selling, general and administrative expenses	(2,806)	(2,727)	(1,425)	(1,388)
Non-order related research and development expenses	(727)	(637)	(364)	(333)
Other income (expense), net	17	256	(9)	131
Income from operations	2,593	2,496	1,376	1,298
Interest and dividend income	103	78	46	38
Interest and other finance expense	(50)	(124)	(13)	(63)
Non-operational pension (cost) credit	26	15	10	8
Income from continuing operations before taxes	2,672	2,465	1,419	1,281
Income tax expense	(654)	(468)	(315)	(349)
Income from continuing operations, net of tax	2,018	1,997	1,104	932
Loss from discontinued operations, net of tax	(3)	(9)	(2)	(4)
Net income	2,015	1,988	1,102	928
Net income attributable to noncontrolling interests and redeemable noncontrolling interests	(14)	(46)	(6)	(22)
Net income attributable to ABB	2,001	1,942	1,096	906
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	2,004	1,951	1,098	910
Loss from discontinued operations, net of tax	(3)	(9)	(2)	(4)
Net income	2,001	1,942	1,096	906
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.09	1.05	0.59	0.49
Loss from discontinued operations, net of tax	0.00	0.00	0.00	0.00
Net income	1.09	1.04	0.59	0.49
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.08	1.04	0.59	0.49
Loss from discontinued operations, net of tax	0.00	0.00	0.00	0.00
Net income	1.08	1.04	0.59	0.48
Weighted-average number of shares outstanding (in millions) used to compute:				
Basic earnings per share attributable to ABB shareholders	1,844	1,861	1,849	1,862
Diluted earnings per share attributable to ABB shareholders	1,853	1,873	1,855	1,873

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

See Notes to the Consolidated Financial Information

ABB Ltd Condensed Consolidated Statements of Comprehensive Income (unaudited)

(\$ in millions)	Six months ended		Three months ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Total comprehensive income, net of tax	2,053	1,914	990	761
Total comprehensive (income) loss attributable to noncontrolling interests and redeemable noncontrolling interests, net of tax	2	(43)	(6)	(13)
Total comprehensive income attributable to ABB shareholders, net of tax	2,055	1,871	984	748

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

See Notes to the Consolidated Financial Information

ABB Ltd Consolidated Balance Sheets (unaudited)

(\$ in millions)	Jun. 30, 2024	Dec. 31, 2023
Cash and equivalents	2,961	3,891
Restricted cash	18	18
Marketable securities and short-term investments	1,289	1,928
Receivables, net	7,492	7,446
Contract assets	1,118	1,090
Inventories, net	6,257	6,149
Prepaid expenses	294	235
Other current assets	412	520
Total current assets	19,841	21,277
Property, plant and equipment, net	4,095	4,142
Operating lease right-of-use assets	861	893
Investments in equity-accounted companies	189	187
Prepaid pension and other employee benefits	791	780
Intangible assets, net	1,089	1,223
Goodwill	10,525	10,561
Deferred taxes	1,376	1,381
Other non-current assets	514	496
Total assets	39,281	40,940
Accounts payable, trade	5,118	4,847
Contract liabilities	2,973	2,844
Short-term debt and current maturities of long-term debt	410	2,607
Current operating leases	255	249
Provisions for warranties	1,212	1,210
Other provisions	963	1,201
Other current liabilities	4,123	5,046
Total current liabilities	15,054	18,004
Long-term debt	6,338	5,221
Non-current operating leases	631	666
Pension and other employee benefits	657	686
Deferred taxes	712	669
Other non-current liabilities	1,743	1,548
Total liabilities	25,135	26,794
<i>Commitments and contingencies</i>		
Redeemable noncontrolling interest	80	89
Stockholders' equity:		
Common stock, CHF 0.12 par value (1,861 million and 1,882 million shares issued at June 30, 2024, and December 31, 2023, respectively)	162	163
Additional paid-in capital	9	7
Retained earnings	18,783	19,724
Accumulated other comprehensive loss	(5,016)	(5,070)
Treasury stock, at cost (12 million and 40 million shares at June 30, 2024, and December 31, 2023, respectively)	(469)	(1,414)
Total ABB stockholders' equity	13,469	13,410
Noncontrolling interests	597	647
Total stockholders' equity	14,066	14,057
Total liabilities and stockholders' equity	39,281	40,940

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

See Notes to the Consolidated Financial Information

ABB Ltd Consolidated Statements of Cash Flows (unaudited)

(\$ in millions)	Six months ended		Three months ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Operating activities:				
Net income	2,015	1,988	1,102	928
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	403	387	202	196
Changes in fair values of investments	(20)	(24)	(7)	(11)
Pension and other employee benefits	(35)	(12)	(22)	(13)
Deferred taxes	22	36	28	11
Loss (income) from equity-accounted companies	9	7	4	–
Net gain from derivatives and foreign exchange	(39)	(53)	(31)	(16)
Net gain from sale of property, plant and equipment	(26)	(33)	(21)	(7)
Net loss (gain) from sale of businesses	57	(26)	55	(26)
Other	64	92	37	65
Changes in operating assets and liabilities:				
Trade receivables, net	(179)	(659)	(146)	(297)
Contract assets and liabilities	162	79	124	69
Inventories, net	(311)	(450)	(106)	(186)
Accounts payable, trade	198	(8)	116	(30)
Accrued liabilities	(424)	(204)	49	120
Provisions, net	(14)	51	(51)	9
Income taxes payable and receivable	(6)	(86)	(128)	29
Other assets and liabilities, net	(83)	(43)	(138)	(81)
Net cash provided by operating activities	1,793	1,042	1,067	760
Investing activities:				
Purchases of investments	(916)	(760)	(39)	(100)
Purchases of property, plant and equipment and intangible assets	(366)	(331)	(185)	(180)
Acquisition of businesses (net of cash acquired) and increases in cost- and equity-accounted companies	(134)	(135)	(104)	(116)
Proceeds from sales of investments	1,584	176	857	156
Proceeds from maturity of investments	–	138	–	138
Proceeds from sales of property, plant and equipment	42	57	36	26
Proceeds from sales of businesses (net of transaction costs and cash disposed) and cost- and equity-accounted companies	(8)	22	–	27
Net cash from settlement of foreign currency derivatives	124	(18)	93	(54)
Changes in loans receivable, net	(6)	1	(7)	(7)
Other investing activities	–	9	–	10
Net cash provided by (used in) investing activities	320	(841)	651	(100)
Financing activities:				
Net changes in debt with original maturities of 90 days or less	(7)	(35)	13	679
Increase in debt	1,364	1,648	6	15
Repayment of debt	(2,151)	(1,128)	(1,586)	(1,092)
Delivery of shares	390	96	–	1
Purchase of treasury stock	(563)	(476)	(272)	(202)
Dividends paid	(1,769)	(1,713)	(850)	(419)
Dividends paid to noncontrolling shareholders	(94)	(83)	(94)	(80)
Proceeds from issuance of subsidiary shares	–	328	–	(13)
Other financing activities	(55)	–	(52)	(12)
Net cash used in financing activities	(2,885)	(1,363)	(2,835)	(1,123)
Effects of exchange rate changes on cash and equivalents and restricted cash	(158)	(42)	(24)	(37)
Adjustment for the net change in cash and equivalents and restricted cash in Assets held for sale	–	(28)	–	(15)
Net change in cash and equivalents and restricted cash	(930)	(1,232)	(1,141)	(515)
Cash and equivalents and restricted cash, beginning of period	3,909	4,174	4,120	3,457
Cash and equivalents and restricted cash, end of period	2,979	2,942	2,979	2,942
Supplementary disclosure of cash flow information:				
Interest paid	148	108	54	60
Income taxes paid	643	527	415	320

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

See Notes to the Consolidated Financial Information

ABB Ltd Consolidated Statements of Changes in Stockholders' Equity (unaudited)

(\$ in millions)	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total ABB stockholders' equity	Non-controlling interests	Total stockholders' equity
Balance at January 1, 2023	171	141	20,082	(4,556)	(3,061)	12,777	410	13,187
Net income ⁽¹⁾			1,942			1,942	47	1,989
Foreign currency translation adjustments, net of tax of \$(2)				(76)		(76)	(3)	(79)
Effect of change in fair value of available-for-sale securities, net of tax of \$2				7		7		7
Unrecognized income (expense) related to pensions and other postretirement plans, net of tax of \$4				(5)		(5)		(5)
Change in derivative instruments and hedges, net of tax of \$1				3		3		3
Issuance of subsidiary shares		170				170	168	338
Other changes in noncontrolling interests		(6)				(6)	4	(2)
Dividends to noncontrolling shareholders						–	(84)	(84)
Dividends to shareholders			(1,706)			(1,706)		(1,706)
Cancellation of treasury shares	(7)	(201)	(2,359)		2,567	–		–
Share-based payment arrangements		62				62	1	63
Purchase of treasury stock					(464)	(464)		(464)
Delivery of shares		(153)			249	96		96
Other		(3)				(3)		(3)
Balance at June 30, 2023	163	11	17,958	(4,627)	(709)	12,796	544	13,340
Balance at January 1, 2024	163	7	19,724	(5,070)	(1,414)	13,410	647	14,057
Net income ⁽¹⁾			2,001			2,001	15	2,016
Foreign currency translation adjustments, net of tax of \$2				1		1	(16)	(15)
Effect of change in fair value of available-for-sale securities, net of tax of \$0				(1)		(1)		(1)
Unrecognized income (expense) related to pensions and other postretirement plans, net of tax of \$20				50		50		50
Change in derivative instruments and hedges, net of tax of \$0				4		4		4
Changes in noncontrolling interests		(10)	(62)			(72)	44	(28)
Dividends to noncontrolling shareholders						–	(95)	(95)
Dividends to shareholders			(1,804)			(1,804)		(1,804)
Cancellation of treasury shares	(2)	(2)	(828)		832	–		–
Share-based payment arrangements		44				44	2	46
Purchase of treasury stock					(552)	(552)		(552)
Delivery of shares		(25)	(249)		664	390		390
Other		(5)				(5)	2	(3)
Balance at June 30, 2024	162	9	18,783	(5,016)	(469)	13,469	597	14,066

(1) Amounts attributable to noncontrolling interests for the six months ended June 30, 2024 and 2023, exclude net losses of \$1 million and \$2 million, respectively, related to redeemable noncontrolling interests, which are reported in the mezzanine equity section on the Consolidated Balance Sheets.

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

See Notes to the Consolidated Financial Information

Notes to the Consolidated Financial Information (unaudited)

Note 1

The Company and basis of presentation

ABB Ltd and its subsidiaries (collectively, the Company) together form a technology leader in electrification and automation, enabling a more sustainable and resource-efficient future. The Company's solutions connect engineering know-how and software to optimize how things are manufactured, moved, powered, and operated.

The Company's Consolidated Financial Information is prepared in accordance with United States of America generally accepted accounting principles (U.S. GAAP) for interim financial reporting. As such, the Consolidated Financial Information does not include all the information and notes required under U.S. GAAP for annual consolidated financial statements. Therefore, such financial information should be read in conjunction with the audited consolidated financial statements in the Company's Annual Report for the year ended December 31, 2023.

The preparation of financial information in conformity with U.S. GAAP requires management to make assumptions and estimates that directly affect the amounts reported in the Consolidated Financial Information. These accounting assumptions and estimates include:

- estimates to determine valuation allowances for deferred tax assets and amounts recorded for unrecognized tax benefits,
- estimates related to credit losses expected to occur over the remaining life of financial assets such as trade and other receivables, loans and other instruments,
- estimates of loss contingencies associated with litigation or threatened litigation and other claims and inquiries, environmental damages, product warranties, self-insurance reserves, regulatory and other proceedings,
- assumptions and projections, principally related to future material, labor and project-related overhead costs, used in determining the percentage-of-completion on projects where revenue is recognized over time, as well as the amount of variable consideration the Company expects to be entitled to,
- assumptions used in the calculation of pension and postretirement benefits and the fair value of pension plan assets,
- estimates used to record expected costs for employee severance in connection with restructuring programs,
- assumptions used in determining inventory obsolescence and net realizable value,
- growth rates, discount rates and other assumptions used to determine impairment of long-lived assets and in testing goodwill for impairment,
- estimates and assumptions used in determining the fair values of assets and liabilities assumed in business combinations, and
- estimates and assumptions used in determining the initial fair value of retained noncontrolling interests and certain obligations in connection with divestments.

The actual results and outcomes may differ from the Company's estimates and assumptions.

A portion of the Company's activities (primarily long-term construction activities) has an operating cycle that exceeds one year. For classification of current assets and liabilities related to such activities, the Company elected to use the duration of the individual contracts as its operating cycle. Accordingly, there are accounts receivable, contract assets, inventories and provisions related to these contracts which will not be realized within one year that have been classified as current.

Basis of presentation

In the opinion of management, the unaudited Consolidated Financial Information contains all necessary adjustments to present fairly the financial position, results of operations and cash flows for the reported periods. Management considers all such adjustments to be of a normal recurring nature. The Consolidated Financial Information is presented in United States dollars (\$) unless otherwise stated. Due to rounding, numbers presented in the Consolidated Financial Information may not add to the totals provided.

Certain amounts reported in the Consolidated Financial Information for prior periods have been reclassified to conform to the current year's presentation.

Adjustment related to prior periods

In the three months ended June 30, 2024, the Company recorded a cumulative correction to certain reserves for self-insurance. The correction in this liability resulted in a \$58 million reduction in Total cost of sales in the Interim Consolidated Income Statement for the three months ended June 30, 2024, and is included in Corporate and Other Operational EBITA. The Company evaluated the impact of the correction on both a quantitative and qualitative basis under the guidance of ASC 250, Accounting Changes and Error Corrections, and determined that there were no material impacts on the trend of net income, cash flows or liquidity for previously issued annual financial statements.

Change in accounting policy

Effective January 1, 2024, the Company changed the presentation of discontinued operations in its statement of cash flows to an alternate allowable policy. As a result, the total cash flows for operating, investing and financing activities from discontinued operations are no longer shown separately but instead all cash flows in discontinued operations are presented within each line item as appropriate in the statement of cash flows. As this presentation change represents a change in accounting policy, all prior periods presented have been reclassified to conform to the current period presentation and there was no material impact for the six and three months ended June 30, 2023.

Note 2

Recent accounting pronouncements

Applicable for current periods

Improvements to reportable segment disclosures

In January 2024, the Company adopted an accounting standard update which requires the Company to disclose additional reportable segment information primarily through enhanced disclosures about significant segment expenses and extending certain annual disclosure requirements to a quarterly frequency. The update will be applied retrospectively for all periods presented in the Company's 2024 annual consolidated financial statements and then commencing from the first quarter of 2025, in its interim consolidated financial information. Other than these additional disclosures, this update does not have a significant impact on the Company's consolidated financial statements.

Applicable for future periods

Improvements to income tax disclosures

In December 2023, an accounting standard update was issued which requires the Company to disclose additional information related to income taxes. Under the update, the Company is required to annually disclose by jurisdiction (i) additional disaggregated information within the tax rate reconciliation and (ii) income taxes paid. This update is effective for the Company prospectively, with retrospective adoption permitted, for annual periods beginning January 1, 2025. The Company is currently evaluating the impact of adopting this update on its consolidated financial statements.

Note 3

Acquisitions and equity-accounted companies

Acquisition of controlling interests

Acquisitions of controlling interests were as follows:

(\$ in millions, except number of acquired businesses)	Six months ended June 30,		Three months ended June 30,	
	2024	2023	2024	2023
Purchase price for acquisitions (net of cash acquired) ⁽¹⁾	104	114	75	113
Aggregate excess of purchase price over fair value of net assets acquired ⁽²⁾	89	54	60	50
Number of acquired businesses	3	2	1	2

(1) Excluding changes in cost- and equity-accounted companies.

(2) Recorded as goodwill.

In the table above, the "Purchase price for acquisitions" and "Aggregate excess of purchase price over fair value of net assets acquired" amounts in the six months ended June 30, 2024, relate primarily to the acquisition of DTN Europe B.V.

Acquisitions of controlling interests have been accounted for under the acquisition method and have been included in the Company's consolidated financial statements since the date of acquisition.

While the Company uses its best estimates and assumptions as part of the purchase price allocation process to value assets acquired and liabilities assumed at the acquisition date, the purchase price allocation for acquisitions is preliminary for up to 12 months after the acquisition date and is subject to refinement as more detailed analyses are completed and additional information about the fair values of the assets and liabilities becomes available.

Note 4

Cash and equivalents, marketable securities and short-term investments

Cash and equivalents, marketable securities and short-term investments consisted of the following:

June 30, 2024						
(\$ in millions)	Cost basis	Gross unrealized gains	Gross unrealized losses	Fair value	Cash and equivalents and restricted cash	Marketable securities and short-term investments
Changes in fair value recorded in net income						
Cash	1,617			1,617	1,617	
Time deposits	1,854			1,854	1,362	492
Equity securities	590	22		612		612
	4,061	22	–	4,083	2,979	1,104
Changes in fair value recorded in other comprehensive income						
Debt securities available-for-sale:						
U.S. government obligations	192	2	(9)	185		185
	192	2	(9)	185	–	185
Total	4,253	24	(9)	4,268	2,979	1,289
Of which:						
Restricted cash, current					18	

December 31, 2023						
(\$ in millions)	Cost basis	Gross unrealized gains	Gross unrealized losses	Fair value	Cash and equivalents and restricted cash	Marketable securities and short-term investments
Changes in fair value recorded in net income						
Cash	1,449			1,449	1,449	
Time deposits	2,923			2,923	2,460	463
Equity securities	1,250	32		1,282		1,282
	5,622	32	–	5,654	3,909	1,745
Changes in fair value recorded in other comprehensive income						
Debt securities available-for-sale:						
U.S. government obligations	189	2	(8)	183		183
	189	2	(8)	183	–	183
Total	5,811	34	(8)	5,837	3,909	1,928
Of which:						
Restricted cash, current					18	

Note 5

Derivative financial instruments

The Company is exposed to certain currency, commodity and interest rate risks arising from its global operating, financing and investing activities. The Company uses derivative instruments to reduce and manage the economic impact of these exposures.

Currency risk

Due to the global nature of the Company's operations, many of its subsidiaries are exposed to currency risk in their operating activities from entering into transactions in currencies other than their functional currency. To manage such currency risks, the Company's policies require its subsidiaries to hedge their foreign currency exposures from binding sales and purchase contracts denominated in foreign currencies. For forecasted foreign currency denominated sales of standard products and the related foreign currency denominated purchases, the Company's policy is to hedge up to a maximum of 100 percent of the forecasted foreign currency denominated exposures, depending on the length of the forecasted exposures. Forecasted exposures greater than 12 months are not hedged. Forward foreign exchange contracts are the main instrument used to protect the Company against the volatility of future cash flows (caused by changes in exchange rates) of contracted and forecasted sales and purchases denominated in foreign currencies. In addition, within its treasury operations, the Company primarily uses foreign exchange swaps and forward foreign exchange contracts to manage the currency and timing mismatches arising in its liquidity management activities.

Commodity risk

Various commodity products are used in the Company's manufacturing activities. Consequently it is exposed to volatility in future cash flows arising from changes in commodity prices. To manage the price risk of commodities, the Company's policies require that its subsidiaries hedge the commodity price risk exposures from binding contracts, as well as at least 50 percent (up to a maximum of 100 percent) of the forecasted commodity exposure over the next 12 months or longer (up to a maximum of 18 months). Primarily swap contracts are used to manage the associated price risks of commodities.

Interest rate risk

The Company has issued bonds at fixed rates. Interest rate swaps and cross-currency interest rate swaps are used to manage the interest rate and foreign currency risk associated with certain debt and generally such swaps are designated as fair value hedges. In addition, from time to time, the Company uses instruments such as interest rate swaps, interest rate futures, bond futures or forward rate agreements to manage interest rate risk arising from the Company's balance sheet structure but does not designate such instruments as hedges.

Volume of derivative activity

In general, while the Company's primary objective in its use of derivatives is to minimize exposures arising from its business, certain derivatives are designated and qualify for hedge accounting treatment while others either are not designated or do not qualify for hedge accounting.

Foreign exchange and interest rate derivatives

The gross notional amounts of outstanding foreign exchange and interest rate derivatives (whether designated as hedges or not) were as follows:

Type of derivative (\$ in millions)	Total notional amounts at		
	June 30, 2024	December 31, 2023	June 30, 2023
Foreign exchange contracts	13,924	12,335	14,256
Embedded foreign exchange derivatives	1,131	1,137	1,374
Cross-currency interest rate swaps	857	886	868
Interest rate contracts	1,071	1,606	2,198

Derivative commodity contracts

The Company uses derivatives to hedge its direct or indirect exposure to the movement in the prices of commodities which are primarily copper, silver, steel and aluminum. The following table shows the notional amounts of outstanding derivatives (whether designated as hedges or not), on a net basis, to reflect the Company's requirements for these commodities:

Type of derivative	Unit	Total notional amounts at		
		June 30, 2024	December 31, 2023	June 30, 2023
Copper swaps	metric tonnes	29,453	35,015	32,894
Silver swaps	ounces	1,754,340	2,359,363	1,726,172
Steel swaps	metric tonnes	16,738	10,206	11,158
Aluminum swaps	metric tonnes	5,125	5,900	5,950

Cash flow hedges

As noted above, the Company mainly uses forward foreign exchange contracts to manage the foreign exchange risk of its operations and commodity swaps to manage its commodity risks. The Company applies cash flow hedge accounting in only limited cases. In these cases, the effective portion of the changes in their fair value is recorded in Accumulated other comprehensive loss and subsequently reclassified into earnings in the same line item and in the same period as the underlying hedged transaction affects earnings. For the six and three months ended June 30, 2024 and 2023, there were no significant amounts recorded for cash flow hedge accounting activities.

Fair value hedges

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

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

(\$ in millions)		Six months ended June 30,		Three months ended June 30,	
		2024	2023	2024	2023
Gains (losses) recognized in Interest and other finance expense:					
Interest rate contracts	Designated as fair value hedges	10	18	(3)	8
	Hedged item	(10)	(18)	4	(8)
Cross-currency interest rate swaps	Designated as fair value hedges	(5)	(10)	(2)	1
	Hedged item	6	–	3	(2)

Derivatives not designated in hedge relationships

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

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

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

Type of derivative not designated as a hedge (\$ in millions)		Gains (losses) recognized in income			
		Six months ended June 30,		Three months ended June 30,	
	Location	2024	2023	2024	2023
Foreign exchange contracts	Total revenues	(186)	5	(18)	(6)
	Total cost of sales	52	(12)	5	(11)
	SG&A expenses ⁽¹⁾	21	14	8	8
	Non-order related research and development	(1)	(1)	1	(1)
	Interest and other finance expense	194	(62)	(53)	(104)
Embedded foreign exchange contracts	Total revenues	16	45	(2)	38
	Total cost of sales	(4)	(1)	–	–
Commodity contracts	Total cost of sales	45	(15)	36	(26)
Other	Interest and other finance expense	(2)	1	–	1
Total		135	(26)	(23)	(101)

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

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

June 30, 2024				
(\$ in millions)	Derivative assets		Derivative liabilities	
	Current in “Other current assets”	Non-current in “Other non-current assets”	Current in “Other current liabilities”	Non-current in “Other non-current liabilities”
Derivatives designated as hedging instruments:				
Foreign exchange contracts	–	–	3	–
Interest rate contracts	–	–	–	10
Cross-currency interest rate swaps	–	–	–	265
Other	8	–	–	–
Total	8	–	3	275
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	74	22	101	8
Commodity contracts	35	–	3	–
Interest rate contracts	1	–	2	–
Embedded foreign exchange derivatives	23	5	10	2
Other	–	3	–	–
Total	133	30	116	10
Total fair value	141	30	119	285

(\$ in millions)	December 31, 2023			
	Derivative assets		Derivative liabilities	
	Current in "Other current assets"	Non-current in "Other non-current assets"	Current in "Other current liabilities"	Non-current in "Other non-current liabilities"
Derivatives designated as hedging instruments:				
Foreign exchange contracts	–	–	5	2
Interest rate contracts	–	–	18	–
Cross-currency interest rate swaps	–	–	–	230
Other	10	–	–	–
Total	10	–	23	232
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	123	30	177	9
Commodity contracts	8	–	3	–
Interest rate contracts	1	–	1	–
Other equity contracts	4	–	–	–
Embedded foreign exchange derivatives	23	5	26	5
Total	159	35	207	14
Total fair value	169	35	230	246

Close-out netting agreements provide for the termination, valuation and net settlement of some or all outstanding transactions between two counterparties on the occurrence of one or more pre-defined trigger events.

Although the Company is party to close-out netting agreements with most derivative counterparties, the fair values in the tables above and in the Consolidated Balance Sheets at June 30, 2024, and December 31, 2023, have been presented on a gross basis.

The Company's netting agreements and other similar arrangements allow net settlements under certain conditions. At June 30, 2024, and December 31, 2023, information related to these offsetting arrangements was as follows:

(\$ in millions)					
June 30, 2024					
Type of agreement or similar arrangement	Gross amount of recognized assets	Derivative liabilities eligible for set-off in case of default	Cash collateral received	Non-cash collateral received	Net asset exposure
Derivatives	143	(61)	–	–	82
Total	143	(61)	–	–	82

(\$ in millions)					
June 30, 2024					
Type of agreement or similar arrangement	Gross amount of recognized liabilities	Derivative liabilities eligible for set-off in case of default	Cash collateral pledged	Non-cash collateral pledged	Net liability exposure
Derivatives	392	(61)	–	–	331
Total	392	(61)	–	–	331

(\$ in millions)					
December 31, 2023					
Type of agreement or similar arrangement	Gross amount of recognized assets	Derivative liabilities eligible for set-off in case of default	Cash collateral received	Non-cash collateral received	Net asset exposure
Derivatives	176	(111)	–	–	65
Total	176	(111)	–	–	65

(\$ in millions)					
December 31, 2023					
Type of agreement or similar arrangement	Gross amount of recognized liabilities	Derivative liabilities eligible for set-off in case of default	Cash collateral pledged	Non-cash collateral pledged	Net liability exposure
Derivatives	445	(111)	–	–	334
Total	445	(111)	–	–	334

Note 6

Fair values

The Company uses fair value measurement principles to record certain financial assets and liabilities on a recurring basis and, when necessary, to record certain non-financial assets at fair value on a non-recurring basis, as well as to determine fair value disclosures for certain financial instruments carried at amortized cost in the financial statements. Financial assets and liabilities recorded at fair value on a recurring basis include foreign currency, commodity and interest rate derivatives, as well as available-for-sale securities. Non-financial assets recorded at fair value on a non-recurring basis include long-lived assets that are reduced to their estimated fair value due to impairments.

Fair value is the price that would be received when selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various valuation techniques including the market approach (using observable market data for identical or similar assets and liabilities), the income approach (discounted cash flow models) and the cost approach (using costs a market participant would incur to develop a comparable asset). Inputs used to determine the fair value of assets and liabilities are defined by a three-level hierarchy, depending on the nature of those inputs. The Company has categorized its financial assets and liabilities and non-financial assets measured at fair value within this hierarchy based on whether the inputs to the valuation technique are observable or unobservable. An observable input is based on market data obtained from independent sources, while an unobservable input reflects the Company's assumptions about market data.

The levels of the fair value hierarchy are as follows:

Level 1: Valuation inputs consist of quoted prices in an active market for identical assets or liabilities (observable quoted prices). Assets and liabilities valued using Level 1 inputs include exchange-traded equity securities, listed derivatives which are actively traded such as commodity futures, interest rate futures and certain actively traded debt securities.

Level 2: Valuation inputs consist of observable inputs (other than Level 1 inputs) such as actively quoted prices for similar assets, quoted prices in inactive markets and inputs other than quoted prices such as interest rate yield curves, credit spreads, or inputs derived from other observable data by interpolation, correlation, regression or other means. The adjustments applied to quoted prices or the inputs used in valuation models may be both observable and unobservable. In these cases, the fair value measurement is classified as Level 2 unless the unobservable portion of the adjustment or the unobservable input to the valuation model is significant, in which case the fair value measurement would be classified as Level 3. Assets and liabilities valued or disclosed using Level 2 inputs include investments in certain funds, certain debt securities that are not actively traded, interest rate swaps, cross-currency interest rate swaps, commodity swaps, forward foreign exchange contracts, foreign exchange swaps and forward rate agreements, time deposits, as well as financing receivables and debt.

Level 3: Valuation inputs are based on the Company's assumptions of relevant market data (unobservable input).

Whenever quoted prices involve bid-ask spreads, the Company ordinarily determines fair values based on mid-market quotes. When determining fair values based on quoted prices in an active market, the Company considers if the level of transaction activity for the financial instrument has significantly decreased or would not be considered orderly. In such cases, the resulting changes in valuation techniques would be disclosed. If the market is considered disorderly or if quoted prices are not available, the Company is required to use another valuation technique, such as an income approach.

Recurring fair value measures

The fair values of financial assets and liabilities measured at fair value on a recurring basis were as follows:

	June 30, 2024			
(\$ in millions)	Level 1	Level 2	Level 3	Total fair value
Assets				
Securities in “Marketable securities and short-term investments”:				
Equity securities	–	612	–	612
Debt securities—U.S. government obligations	185	–	–	185
Derivative assets—current in “Other current assets”	–	141	–	141
Derivative assets—non-current in “Other non-current assets”	–	30	–	30
Total	185	783	–	968
Liabilities				
Derivative liabilities—current in “Other current liabilities”	–	119	–	119
Derivative liabilities—non-current in “Other non-current liabilities”	–	285	–	285
Total	–	404	–	404
	December 31, 2023			
(\$ in millions)	Level 1	Level 2	Level 3	Total fair value
Assets				
Securities in “Marketable securities and short-term investments”:				
Equity securities	–	1,282	–	1,282
Debt securities—U.S. government obligations	183	–	–	183
Derivative assets—current in “Other current assets”	–	169	–	169
Derivative assets—non-current in “Other non-current assets”	–	35	–	35
Total	183	1,486	–	1,669
Liabilities				
Derivative liabilities—current in “Other current liabilities”	–	230	–	230
Derivative liabilities—non-current in “Other non-current liabilities”	–	246	–	246
Total	–	476	–	476

The Company uses the following methods and assumptions in estimating fair values of financial assets and liabilities measured at fair value on a recurring basis:

- **Securities in “Marketable securities and short-term investments”:** If quoted market prices in active markets for identical assets are available, these are considered Level 1 inputs; however, when markets are not active, these inputs are considered Level 2. If such quoted market prices are not available, fair value is determined using market prices for similar assets or present value techniques, applying an appropriate risk-free interest rate adjusted for non-performance risk. The inputs used in present value techniques are observable and fall into the Level 2 category.
- **Derivatives:** The fair values of derivative instruments are determined using quoted prices of identical instruments from an active market, if available (Level 1 inputs). If quoted prices are not available, price quotes for similar instruments, appropriately adjusted, or present value techniques, based on available market data, or option pricing models are used. The fair values obtained using price quotes for similar instruments or valuation techniques represent a Level 2 input unless significant unobservable inputs are used.

Non-recurring fair value measures

There were no significant non-recurring fair value measurements during the six and three months ended June 30, 2024 and 2023.

Disclosure about financial instruments carried on a cost basis

The fair values of financial instruments carried on a cost basis were as follows:

		June 30, 2024			
(\$ in millions)	Carrying value	Level 1	Level 2	Level 3	Total fair value
Assets					
Cash and equivalents (excluding securities with original maturities up to 3 months):					
Cash	1,599	1,599	–	–	1,599
Time deposits	1,362	–	1,362	–	1,362
Restricted cash	18	18	–	–	18
Marketable securities and short-term investments (excluding securities):					
Time deposits	492	–	492	–	492
Liabilities					
Short-term debt and current maturities of long-term debt (excluding finance lease obligations)	379	335	44	–	379
Long-term debt (excluding finance lease obligations)	6,166	6,163	8	–	6,171

		December 31, 2023			
(\$ in millions)	Carrying value	Level 1	Level 2	Level 3	Total fair value
Assets					
Cash and equivalents (excluding securities with original maturities up to 3 months):					
Cash	1,431	1,431	–	–	1,431
Time deposits	2,460	–	2,460	–	2,460
Restricted cash	18	18	–	–	18
Marketable securities and short-term investments (excluding securities):					
Time deposits	463	–	463	–	463
Liabilities					
Short-term debt and current maturities of long-term debt (excluding finance lease obligations)	2,576	2,521	55	–	2,576
Long-term debt (excluding finance lease obligations)	5,060	5,096	5	–	5,101

The Company uses the following methods and assumptions in estimating fair values of financial instruments carried on a cost basis:

- **Cash and equivalents (excluding securities with original maturities up to 3 months), Restricted cash, and Marketable securities and short-term investments (excluding securities):** The carrying amounts approximate the fair values as the items are short-term in nature or, for cash held in banks, are equal to the deposit amount.
- **Short-term debt and current maturities of long-term debt (excluding finance lease obligations):** Short-term debt includes commercial paper, bank borrowings and overdrafts. The carrying amounts of short-term debt and current maturities of long-term debt, excluding finance lease obligations, approximate their fair values.
- **Long-term debt (excluding finance lease obligations):** Fair values of bonds are determined using quoted market prices (Level 1 inputs), if available. For bonds without available quoted market prices and other long-term debt, the fair values are determined using a discounted cash flow methodology based upon borrowing rates of similar debt instruments and reflecting appropriate adjustments for non-performance risk (Level 2 inputs).

Note 7

Contract assets and liabilities

The following table provides information about Contract assets and Contract liabilities:

(\$ in millions)	June 30, 2024	December 31, 2023	June 30, 2023
Contract assets	1,118	1,090	1,010
Contract liabilities	2,973	2,844	2,394

Contract assets primarily relate to the Company's right to receive consideration for work completed but for which no invoice has been issued at the reporting date. Contract assets are transferred to receivables when rights to receive payment become unconditional. Management expects that the majority of the amounts will be collected within one year of the respective balance sheet date.

Contract liabilities primarily relate to up-front advances received on orders from customers as well as amounts invoiced to customers in excess of revenues recognized predominantly on long-term projects. Contract liabilities are reduced as work is performed and as revenues are recognized.

The significant changes in the Contract assets and Contract liabilities balances were as follows:

(\$ in millions)	Six months ended June 30,			
	2024		2023	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Revenue recognized, which was included in the Contract liabilities balance at Jan 1, 2024/2023		(1,084)		(966)
Additions to Contract liabilities - excluding amounts recognized as revenue during the period		1,301		1,102
Receivables recognized that were included in the Contract assets balance at Jan 1, 2024/2023	(516)		(465)	

The Company considers its order backlog to represent its unsatisfied performance obligations. At June 30, 2024, the Company had unsatisfied performance obligations totaling \$22,047 million and, of this amount, the Company expects to fulfill approximately 49% percent of the obligations in 2024, approximately 33% percent of the obligations in 2025 and the balance thereafter.

Note 8

Supplier finance programs

The Company has several supplier finance programs, all with similar characteristics, with various financial institutions acting as paying agent. These programs allow qualifying suppliers access to bank facilities which permit earlier payment at a cost to the supplier. The Company's payment terms related to suppliers' finance programs are not impacted by the suppliers' decisions to sell amounts under the arrangements and are typically consistent with local market practices. Outstanding supplier finance obligations are included in "Accounts payable, trade" in the Consolidated Balance Sheets and are reported as operating or investing (if capitalized) activities in the Consolidated Statement of Cash Flows when paid. At June 30, 2024, and December 31, 2023, the total obligation outstanding under supplier finance programs amounted to \$485 million and \$415 million, respectively.

Note 9

Debt

The Company's total debt at June 30, 2024, and December 31, 2023, amounted to \$6,748 million and \$7,828 million, respectively.

Short-term debt and current maturities of long-term debt

The Company's "Short-term debt and current maturities of long-term debt" consisted of the following:

(\$ in millions)	June 30, 2024	December 31, 2023
Short-term debt	62	87
Current maturities of long-term debt	348	2,520
Total	410	2,607

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

In May 2024, the Company repaid at maturity its EUR 750 million 0.75% EUR Instruments, equivalent to \$816 million on date of repayment. In April 2024, the Company repaid at maturity its EUR 700 million 0.625% EUR Instruments, equivalent to \$752 million on date of repayment and in March 2024, the Company repaid at maturity its EUR 500 million Floating Rate Instruments, equivalent to \$539 million on date of repayment.

Long-term debt

The Company's long-term debt at June 30, 2024, and December 31, 2023, amounted to \$6,338 million and \$5,221 million, respectively.

Outstanding bonds (including maturities within the next 12 months) were as follows:

(in millions)	June 30, 2024		December 31, 2023	
	Nominal outstanding	Carrying value ⁽¹⁾	Nominal outstanding	Carrying value ⁽¹⁾
Bonds:				
Floating Rate EUR Instruments, due 2024			EUR 500	\$ 554
0.625% EUR Instruments, due 2024			EUR 700	\$ 768
0.75% EUR Instruments, due 2024			EUR 750	\$ 819
0.3% CHF Bonds, due 2024	CHF 280	\$ 311	CHF 280	\$ 335
2.1% CHF Bonds, due 2025	CHF 150	\$ 167	CHF 150	\$ 179
1.965% CHF Bonds, due 2026	CHF 325	\$ 361	CHF 325	\$ 387
3.25% EUR Instruments, due 2027	EUR 500	\$ 533	EUR 500	\$ 551
0.75% CHF Bonds, due 2027	CHF 425	\$ 472	CHF 425	\$ 507
3.8% USD Notes, due 2028 ⁽²⁾	USD 383	\$ 382	USD 383	\$ 382
1.9775% CHF Bonds, due 2028	CHF 150	\$ 166	CHF 150	\$ 179
3.125% EUR Instruments, due 2029	EUR 500	\$ 530		
1.0% CHF Bonds, due 2029	CHF 170	\$ 189	CHF 170	\$ 203
0% EUR Instruments, due 2030	EUR 800	\$ 714	EUR 800	\$ 749
2.375% CHF Bonds, due 2030	CHF 150	\$ 166	CHF 150	\$ 178
3.375% EUR Instruments, due 2031	EUR 750	\$ 792	EUR 750	\$ 818
2.1125% CHF Bonds, due 2033	CHF 275	\$ 305	CHF 275	\$ 327
3.375% EUR Instruments, due 2034	EUR 750	\$ 791		
4.375% USD Notes, due 2042 ⁽²⁾	USD 609	\$ 591	USD 609	\$ 591
Total		\$ 6,470		\$ 7,527

(1) USD carrying values include unamortized debt issuance costs, bond discounts or premiums, as well as adjustments for fair value hedge accounting, where appropriate.

(2) Prior to completing a cash tender offer in November 2020, the original principal amount outstanding, on each of the 3.8% USD Notes, due 2028, and the 4.375% USD Notes, due 2042, was USD 750 million.

In January 2024, the Company issued the following EUR Instruments: (i) EUR 500 million of 3.125 percent Instruments, due 2029, and (ii) EUR 750 million of 3.375 percent Instruments, due 2034, both paying interest annually in arrears. The aggregate net proceeds of these EUR Instruments, after discount and fees, amounted to EUR 1,243 million (equivalent to approximately \$1,360 million on date of issuance).

Note 10

Commitments and contingencies

Contingencies—Regulatory, Compliance and Legal

Regulatory

Based on findings during an internal investigation, the Company self-reported to the Securities and Exchange Commission (SEC) and the Department of Justice (DoJ), in the United States, to the Special Investigating Unit (SIU) and the National Prosecuting Authority (NPA) in South Africa as well as to various authorities in other countries potential suspect payments and other compliance concerns in connection with some of the Company's dealings with Eskom and related persons. Many of those parties have expressed an interest in, or commenced an investigation into, these matters and the Company is cooperating fully with them. The Company paid \$104 million to Eskom in December 2020 as part of a full and final settlement with Eskom and the SIU relating to improper payments and other compliance issues associated with the Controls and Instrumentation Contract, and its Variation Orders for Units 1 and 2 at Kusile. The Company made a provision of approximately \$325 million which was recorded in Other income (expense), net, during the third quarter of 2022. In December 2022, the Company settled with the SEC and DoJ as well as the authorities in South Africa and Switzerland. In March 2024, the Company settled its final pending matter with the authorities in Germany. The Company does not believe that it will need to record any additional provisions for this matter.

General

The Company is aware of proceedings, or the threat of proceedings, against it and others in respect of private claims by customers and other third parties with regard to certain actual or alleged anticompetitive practices. Also, the Company is subject to other claims and legal proceedings, as well as investigations carried out by various law enforcement authorities. With respect to the above-mentioned claims, regulatory matters, and any related proceedings, the Company will bear the related costs, including costs necessary to resolve them.

Liabilities recognized

At June 30, 2024, and December 31, 2023, the Company had aggregate liabilities of \$80 million and \$101 million, respectively, included in Other provisions and Other non-current liabilities, for the above regulatory, compliance and legal contingencies, and none of the individual liabilities recognized was significant. As it is not possible to make an informed judgment on, or reasonably predict, the outcome of certain matters and as it is not possible, based on information currently available to management, to estimate the maximum potential liability on other matters, there could be adverse outcomes beyond the amounts accrued.

Guarantees

General

The following table provides quantitative data regarding the Company's third-party guarantees. The maximum potential payments represent a "worst-case scenario", and do not reflect management's expected outcomes.

Maximum potential payments (\$ in millions)	June 30, 2024	December 31, 2023
Performance guarantees	3,342	3,451
Financial guarantees	22	94
Total⁽¹⁾	3,364	3,545

(1) Maximum potential payments include amounts in both continuing and discontinued operations.

The carrying amount of liabilities recorded in the Consolidated Balance Sheets reflects the Company's best estimate of future payments, which it may incur as part of fulfilling its guarantee obligations. In respect of the above guarantees, the carrying amounts of liabilities at June 30, 2024, and December 31, 2023, were not significant.

The Company is party to various guarantees providing financial or performance assurances to certain third parties. These guarantees, which have various maturities up to 2034, mainly consist of performance guarantees whereby (i) the Company guarantees the performance of a third party's product or service according to the terms of a contract and (ii) as member of a consortium/joint-venture that includes third parties, the Company guarantees not only its own performance but also the work of third parties. Such guarantees may include guarantees that a project will be completed within a specified time. If the third party does not fulfill the obligation, the Company will compensate the guaranteed party in cash or in kind. The original maturity dates for the majority of these performance guarantees range from one to ten years.

In conjunction with the divestment of the high-voltage cable and cables accessories businesses, the Company has entered into various performance guarantees with other parties with respect to certain liabilities of the divested business. At June 30, 2024, and December 31, 2023, the maximum potential payable under these guarantees amounts to \$840 million and \$874 million, respectively, and these guarantees have various original maturities ranging from five to ten years.

The Company retained obligations for financial and performance guarantees related to its former Power Grids business (reported as discontinued operations prior to its sale to Hitachi Ltd in 2020), which at both June 30, 2024, and December 31, 2023, have been fully indemnified by Hitachi Ltd. These guarantees, having various maturities up to 2034, primarily consist of bank guarantees, standby letters of credit, business performance guarantees and other trade-related guarantees, the majority of which have original maturity dates ranging from one to ten years. The maximum amount payable under these guarantees at June 30, 2024, and December 31, 2023, is approximately \$2.1 billion and \$2.2 billion, respectively.

Commercial commitments

In addition, in the normal course of bidding for and executing certain projects, the Company has entered into standby letters of credit, bid/performance bonds and surety bonds (collectively "performance bonds") with various financial institutions. Customers can draw on such performance bonds in the event that the Company does not fulfill its contractual obligations. The Company would then have an obligation to reimburse the financial institution for amounts paid under the performance bonds. At June 30, 2024, and December 31, 2023, the total outstanding performance bonds aggregated to \$3.3 billion and \$3.1 billion, respectively. There have been no significant amounts reimbursed to financial institutions under these types of arrangements in the six and three months ended June 30, 2024 and 2023.

Product and order-related contingencies

The Company calculates its provision for product warranties based on historical claims experience and specific review of certain contracts. The reconciliation of the Provisions for warranties, including guarantees of product performance, was as follows:

(\$ in millions)	2024	2023
Balance at January 1,	1,210	1,028
Claims paid in cash or in kind	(78)	(85)
Net increase in provision for changes in estimates, warranties issued and warranties expired	120	136
Exchange rate differences	(40)	(3)
Balance at June 30,	1,212	1,076

Note 11

Income taxes

In calculating income tax expense, the Company uses an estimate of the annual effective tax rate based upon the facts and circumstances known at each interim period. On a quarterly basis, the actual effective tax rate is adjusted, as appropriate, based upon changed facts and circumstances, if any, as compared to those forecasted at the beginning of the year and each interim period thereafter.

The effective tax rate of 24.5 percent in the six months ended June 30, 2024, was higher than the effective tax rate of 19.0 percent in the six months ended June 30, 2023, primarily due to a net benefit of \$206 million realized on a favorable resolution of an uncertain tax position in the six months ended June 30, 2023, partially offset by a net benefit of \$72 million from a partial reversal of an uncertain tax position related to the reassessment of certain tax risks in the six months ended June 30, 2024. The former resulted in an increase of \$0.11 in earnings per share (basic and diluted) for the six months ended June 30, 2023, while the latter resulted in an increase of \$0.04 in earnings per share (basic and diluted) for the six and three months ended June 30, 2024.

Note 12

Employee benefits

The Company operates defined benefit pension plans, defined contribution pension plans, and termination indemnity plans, in accordance with local regulations and practices. At June 30, 2024, the Company's most significant defined benefit pension plans are in Switzerland as well as in Germany, the United Kingdom, and the United States. These plans cover a large portion of the Company's employees and provide benefits to employees in the event of death, disability, retirement, or termination of employment. Certain of these plans are multi-employer plans. The Company also operates other postretirement benefit plans including postretirement health care benefits and other employee-related benefits for active employees including long-service award plans. The postretirement benefit plans are not significant. The measurement date used for the Company's employee benefit plans is December 31. The funding policies of the Company's plans are consistent with the local government and tax requirements.

Net periodic benefit cost of the Company's defined benefit pension plans consists of the following:

(\$ in millions)	Defined pension benefits			
	Switzerland		International	
	2024	2023	2024	2023
Six months ended June 30,				
Operational pension cost:				
Service cost	23	19	13	14
Operational pension cost	23	19	13	14
Non-operational pension cost (credit):				
Interest cost	17	24	78	82
Expected return on plan assets	(62)	(63)	(85)	(74)
Amortization of prior service cost (credit)	(4)	(4)	(1)	(1)
Amortization of net actuarial loss	–	–	26	23
Curtailments, settlements and special termination benefits	2	–	4	–
Non-operational pension cost (credit)⁽¹⁾	(47)	(43)	22	30
Net periodic benefit cost (credit)	(24)	(24)	35	44

(\$ in millions)	Defined pension benefits			
	Switzerland		International	
	2024	2023	2024	2023
Three months ended June 30,				
Operational pension cost:				
Service cost	12	10	5	6
Operational pension cost	12	10	5	6
Non-operational pension cost (credit):				
Interest cost	8	12	39	42
Expected return on plan assets	(31)	(30)	(42)	(35)
Amortization of prior service cost (credit)	(2)	(4)	–	(1)
Amortization of net actuarial loss	–	–	13	10
Curtailments, settlements and special termination benefits	2	–	4	–
Non-operational pension cost (credit)⁽¹⁾	(23)	(22)	14	16
Net periodic benefit cost (credit)	(11)	(12)	19	22

(1) Total Non-operational pension cost (credit) includes additional credits of \$(1) million and \$(2) million for the six months ended June 30, 2024 and 2023, respectively, and additional credits of \$(1) million and \$(2) million for the three months ended June 30, 2024 and 2023, respectively, related to other postretirement benefits.

The components of net periodic benefit cost other than the service cost component are included in the line Non-operational pension cost (credit) in the Consolidated Income Statements.

Employer contributions were as follows:

(\$ in millions)	Defined pension benefits			
	Switzerland		International	
	2024	2023	2024	2023
Six months ended June 30,				
Total contributions to defined benefit pension plans	28	5	26	21

(\$ in millions)	Defined pension benefits			
	Switzerland		International	
	2024	2023	2024	2023
Three months ended June 30,				
Total contributions to defined benefit pension plans	15	3	15	10

The Company expects to make contributions totaling approximately \$92 million to its defined benefit pension plans for the full year 2024.

Note 13

Stockholder's equity

At the Annual General Meeting of Shareholders (AGM) on March 21, 2024, shareholders approved the proposal of the Board of Directors to distribute 0.87 Swiss francs per share to shareholders. The declared dividend amounted to \$1,804 million, with the Company disbursing a portion in March and the remaining amounts in April.

In March 2024, the Company completed the share buyback program that was launched in April 2023. This program was executed on a second trading line on the SIX Swiss Exchange. Through this program, the Company purchased a total of 21 million shares for approximately \$0.8 billion, of which 4 million shares were purchased in the first quarter of 2024 (resulting in an increase in Treasury stock of \$187 million).

Also in March 2024, the Company announced a new share buyback program of up to \$1 billion. This program, which was launched in April 2024, is being executed on a second trading line on the SIX Swiss Exchange and is planned to run until January 2025. Through this program, the Company purchased, from the program's launch in April 2024 to June 30, 2024, 4 million shares, resulting in an increase in Treasury stock of \$190 million.

In the second quarter of 2024, the Company cancelled 21 million shares which had been purchased under its share buyback program. This resulted in a decrease in Treasury stock of \$832 million and a corresponding total decrease in Capital stock, Additional paid-in capital and Retained earnings.

During the first half of 2024, the Company delivered, out of treasury stock, approximately 16 million shares in connection with its Management Incentive Plan.

Note 14

Earnings per share

Basic earnings per share is calculated by dividing income by the weighted-average number of shares outstanding during the period. Diluted earnings per share is calculated by dividing income by the weighted-average number of shares outstanding during the period, assuming that all potentially dilutive securities were exercised, if dilutive. Potentially dilutive securities comprise outstanding written call options, and outstanding options and shares granted subject to certain conditions under the Company's share-based payment arrangements.

Basic earnings per share

(\$ in millions, except per share data in \$)	Six months ended June 30,		Three months ended June 30,	
	2024	2023	2024	2023
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	2,004	1,951	1,098	910
Loss from discontinued operations, net of tax	(3)	(9)	(2)	(4)
Net income	2,001	1,942	1,096	906
Weighted-average number of shares outstanding (in millions)	1,844	1,861	1,849	1,862
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.09	1.05	0.59	0.49
Loss from discontinued operations, net of tax	0.00	0.00	0.00	0.00
Net income	1.09	1.04	0.59	0.49

Diluted earnings per share

(\$ in millions, except per share data in \$)	Six months ended June 30,		Three months ended June 30,	
	2024	2023	2024	2023
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	2,004	1,951	1,098	910
Loss from discontinued operations, net of tax	(3)	(9)	(2)	(4)
Net income	2,001	1,942	1,096	906
Weighted-average number of shares outstanding (in millions)	1,844	1,861	1,849	1,862
Effect of dilutive securities:				
Call options and shares	9	12	6	11
Adjusted weighted-average number of shares outstanding (in millions)	1,853	1,873	1,855	1,873
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.08	1.04	0.59	0.49
Loss from discontinued operations, net of tax	0.00	0.00	0.00	0.00
Net income	1.08	1.04	0.59	0.48

Note 15

Reclassifications out of accumulated other comprehensive loss

The following table shows changes in "Accumulated other comprehensive loss" (OCI) attributable to ABB, by component, net of tax:

(\$ in millions)	Foreign currency translation adjustments	Unrealized gains (losses) on available-for-sale securities	Pension and other postretirement plan adjustments	Derivative instruments and hedges	Total OCI
Balance at January 1, 2023	(3,691)	(19)	(838)	(8)	(4,556)
Other comprehensive (loss) income:					
Other comprehensive (loss) income before reclassifications	(79)	2	(13)	(1)	(91)
Amounts reclassified from OCI	–	5	8	4	17
Total other comprehensive (loss) income	(79)	7	(5)	3	(74)
Less:					
Amounts attributable to noncontrolling interests and redeemable noncontrolling interests	(3)	–	–	–	(3)
Balance at June 30, 2023	(3,767)	(12)	(843)	(5)	(4,627)

(\$ in millions)	Foreign currency translation adjustments	Unrealized gains (losses) on available-for-sale securities	Pension and other postretirement plan adjustments	Derivative instruments and hedges	Total OCI
Balance at January 1, 2024	(3,977)	(8)	(1,075)	(10)	(5,070)
Other comprehensive (loss) income:					
Other comprehensive (loss) income before reclassifications	(16)	(1)	31	1	15
Amounts reclassified from OCI	–	–	19	3	22
Changes attributable to divestments	1	–	–	–	1
Total other comprehensive (loss) income	(15)	(1)	50	4	38
Less:					
Amounts attributable to noncontrolling interests and redeemable noncontrolling interests	(16)	–	–	–	(16)
Balance at June 30, 2024	(3,976)	(9)	(1,025)	(6)	(5,016)

The amounts reclassified out of OCI for the six and three months ended June 30, 2024 and 2023, were not significant.

Note 16

Operating segment data

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

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

- **Electrification:** manufactures and sells electrical products and solutions which are designed to provide safe, smart and sustainable electrical flow from the substation to the socket. The portfolio of increasingly digital and connected solutions includes renewable power solutions, modular substation packages, distribution automation products, switchboards and panelboards, switchgear, UPS solutions, circuit breakers, measuring and sensing devices, control products, wiring accessories, enclosures and cabling systems and intelligent home and building solutions, designed to integrate and automate lighting, heating, ventilation, security and data communication networks. The products and services are currently delivered through five operating Divisions: Distribution Solutions, Smart Power, Smart Buildings, Installation Products and Service, as well as, prior to its sale in July 2023, the Power Conversion Division.
- **Motion:** designs, manufactures, and sells drives, motors, generators and traction converters that are driving the low-carbon future for industries, cities, infrastructure and transportation. These products, digital technology and related services enable industrial customers to increase energy efficiency, improve safety and reliability, and achieve precise control of their processes. Building on over 140 years of cumulative experience in electric powertrains, Motion combines domain expertise and technology to deliver the optimum solution for a wide range of applications in all industrial segments. In addition, Motion, along with its partners, has a leading global service presence. These products and services are delivered through seven operating Divisions: Large Motors and Generators, IEC LV Motors, NEMA Motors, Drive Products, System Drives, Service and Traction.

- **Process Automation:** offers a broad range of industry-specific, integrated automation, electrification and digital solutions, as well as lifecycle services for the process, hybrid and marine industries. The product portfolio includes control technologies, industrial software, advanced analytics, sensing and measurement technology, and marine propulsion systems. In addition, Process Automation offers a comprehensive range of services, from repair to advanced digital capabilities such as remote monitoring, preventive maintenance, asset performance management, emission monitoring and cybersecurity. The products, systems and services are delivered through four operating Divisions: Energy Industries, Process Industries, Marine & Ports and Measurement & Analytics.
- **Robotics & Discrete Automation:** delivers its products, solutions and services through two operating Divisions. Robotics provides industrial and collaborative robots, autonomous mobile robotics, mapping and navigation solutions, robotic solutions, field services, spare parts and digital services. Machine Automation specializes in automation solutions based on its programmable logic controllers (PLC), industrial PCs (IPC), servo motion, transport systems and machine vision. Both divisions offer software across the entire life cycle, including engineering and simulation software as well as a comprehensive range of digital solutions.

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

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

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

Certain other non-operational items generally includes certain regulatory, compliance and legal costs, certain asset write downs/impairments and certain other fair value changes, as well as other items which are determined by management on a case-by-case basis.

The CODM primarily reviews the results of each segment on a basis that is before the elimination of profits made on inventory sales between segments. Segment results below are presented before these eliminations, with a total deduction for intersegment profits to arrive at the Company's consolidated Operational EBITA. Intersegment sales and transfers are accounted for as if the sales and transfers were to third parties, at current market prices.

The following tables present disaggregated segment revenues from contracts with customers, Operational EBITA, and the reconciliations of consolidated Operational EBITA to Income from continuing operations before taxes for the six and three months ended June 30, 2024 and 2023, as well as total assets at June 30, 2024, and December 31, 2023.

Six months ended June 30, 2024						
(\$ in millions)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	Total
Geographical markets						
Europe	2,296	1,062	1,181	924	116	5,579
The Americas	3,172	1,293	920	273	91	5,749
of which: United States	2,457	1,056	579	170	69	4,331
Asia, Middle East and Africa	1,893	1,142	1,200	495	51	4,781
of which: China	871	546	361	343	11	2,132
	7,361	3,497	3,301	1,692	258	16,109
Product type						
Products	6,862	2,926	1,938	1,398	231	13,355
Services and other	499	571	1,363	294	27	2,754
	7,361	3,497	3,301	1,692	258	16,109
Third-party revenues	7,361	3,497	3,301	1,692	258	16,109
Intersegment revenues	128	283	17	5	(433)	–
Total revenues⁽¹⁾	7,489	3,780	3,318	1,697	(175)	16,109

Six months ended June 30, 2023						
(\$ in millions)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	Total
Geographical markets						
Europe	2,328	1,289	1,081	956	153	5,807
The Americas	2,932	1,267	868	272	129	5,468
of which: United States	2,179	1,061	550	175	111	4,076
Asia, Middle East and Africa	1,948	1,117	1,027	623	32	4,747
of which: China	917	581	339	475	17	2,329
	7,208	3,673	2,976	1,851	314	16,022
Product type						
Products	6,762	3,169	1,743	1,576	280	13,530
Services and other	446	504	1,233	275	34	2,492
	7,208	3,673	2,976	1,851	314	16,022
Third-party revenues	7,208	3,673	2,976	1,851	314	16,022
Intersegment revenues	117	248	13	8	(386)	–
Total revenues⁽¹⁾	7,325	3,921	2,989	1,859	(72)	16,022

Three months ended June 30, 2024						
(\$ in millions)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	Total
Geographical markets						
Europe	1,142	574	626	434	55	2,831
The Americas	1,643	663	473	133	48	2,960
of which: United States	1,271	540	294	85	31	2,221
Asia, Middle East and Africa	957	584	607	264	36	2,448
of which: China	456	290	196	186	6	1,134
	3,742	1,821	1,706	831	139	8,239
Product type						
Products	3,482	1,531	1,027	687	125	6,852
Services and other	260	290	679	144	14	1,387
	3,742	1,821	1,706	831	139	8,239
Third-party revenues	3,742	1,821	1,706	831	139	8,239
Intersegment revenues	67	130	11	2	(210)	–
Total revenues⁽¹⁾	3,809	1,951	1,717	833	(71)	8,239

Three months ended June 30, 2023						
(\$ in millions)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	Total
Geographical markets						
Europe	1,166	651	562	482	74	2,935
The Americas	1,525	635	447	136	72	2,815
of which: United States	1,136	528	286	84	58	2,092
Asia, Middle East and Africa	991	568	538	299	17	2,413
of which: China	460	300	177	227	10	1,174
	3,682	1,854	1,547	917	163	8,163
Product type						
Products	3,456	1,586	916	785	143	6,886
Services and other	226	268	631	132	20	1,277
	3,682	1,854	1,547	917	163	8,163
Third-party revenues	3,682	1,854	1,547	917	163	8,163
Intersegment revenues	53	127	6	5	(191)	–
Total revenues⁽¹⁾	3,735	1,981	1,553	922	(28)	8,163

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

(\$ in millions)	Six months ended June 30,		Three months ended June 30,	
	2024	2023	2024	2023
Operational EBITA:				
Electrification	1,713	1,464	887	787
Motion	731	767	388	401
Process Automation	516	444	263	239
Robotics & Discrete Automation	206	281	93	141
Corporate and Other				
– E-mobility	(141)	(95)	(87)	(67)
– Corporate costs, Intersegment elimination and other	(44)	(159)	20	(76)
Total	2,981	2,702	1,564	1,425
Acquisition-related amortization	(113)	(109)	(57)	(55)
Restructuring, related and implementation costs ⁽¹⁾	(76)	(41)	(50)	(13)
Changes in obligations related to divested businesses	11	5	11	8
Gains and losses from sale of businesses	(57)	26	(55)	26
Acquisition- and divestment-related expenses and integration costs	(37)	(45)	(18)	(26)
Foreign exchange/commodity timing differences in income from operations:				
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(44)	(10)	33	(32)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(1)	(6)	(2)	(1)
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	42	14	–	7
Certain other non-operational items:				
Other income/expense relating to the Power Grids joint venture	11	20	3	7
Regulatory, compliance and legal costs	(4)	–	(1)	–
Business transformation costs ⁽²⁾	(101)	(82)	(51)	(48)
Certain other fair value changes, including asset impairments	(19)	6	(5)	7
Other non-operational items	–	16	4	(7)
Income from operations	2,593	2,496	1,376	1,298
Interest and dividend income	103	78	46	38
Interest and other finance expense	(50)	(124)	(13)	(63)
Non-operational pension (cost) credit	26	15	10	8
Income from continuing operations before taxes	2,672	2,465	1,419	1,281

(1) Includes impairment of certain assets.

(2) Amount includes ABB Way process transformation costs of \$99 million and \$71 million for the six months ended June 30, 2024 and 2023, respectively, and \$53 million and \$41 million for the three months ended June 30, 2024 and 2023, respectively.

(\$ in millions)	Total assets ⁽¹⁾	
	June 30, 2024	December 31, 2023
Electrification	12,979	12,668
Motion	6,991	7,016
Process Automation	5,021	4,971
Robotics & Discrete Automation	4,921	5,047
Corporate and Other	9,369	11,238
Consolidated	39,281	40,940

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

Supplemental Reconciliations and Definitions

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

While ABB's management believes that the measures herein are useful in evaluating ABB's operating results, this information should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with U.S. GAAP. Therefore these measures should not be viewed in isolation but considered together with the Consolidated Financial Information (unaudited) prepared in accordance with U.S. GAAP as of and for the six and three months ended June 30, 2024.

Comparable growth rates

Growth rates for certain key figures may be presented and discussed on a "comparable" basis. The comparable growth rate measures growth on a constant currency basis. Since we are a global company, the comparability of our operating results reported in U.S. dollars is affected by foreign currency exchange rate fluctuations. We calculate the impacts from foreign currency fluctuations by translating the current-year periods' reported key figures into U.S. dollar amounts using the exchange rates in effect for the comparable periods in the previous year.

Comparable growth rates are also adjusted for changes in our business portfolio. Adjustments to our business portfolio occur due to acquisitions, divestments, or by exiting specific business activities or customer markets. The adjustment for portfolio changes is calculated as follows: where the results of any business acquired or divested have not been consolidated and reported for the entire duration of both the current and comparable periods, the reported key figures of such business are adjusted to exclude the relevant key figures of any corresponding quarters which are not comparable when computing the comparable growth rate. Certain portfolio changes which do not qualify as divestments under U.S. GAAP have been treated in a similar manner to divestments. Changes in our portfolio where we have exited certain business activities or customer markets are adjusted as if the relevant business was divested in the period when the decision to cease business activities was taken. We do not adjust for portfolio changes where the relevant business has annualized revenues of less than \$50 million.

The following tables provide reconciliations of reported growth rates of certain key figures to their respective comparable growth rate.

Comparable growth rate reconciliation by Business Area

Business Area	Q2 2024 compared to Q2 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Electrification	3%	2%	2%	7%	2%	2%	3%	7%
Motion	-6%	2%	0%	-4%	-2%	2%	-1%	-1%
Process Automation	8%	2%	0%	10%	11%	1%	0%	12%
Robotics & Discrete Automation	-19%	2%	0%	-17%	-10%	2%	0%	-8%
ABB Group	-3%	2%	1%	0%	1%	2%	1%	4%

Business Area	H1 2024 compared to H1 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Electrification	4%	2%	1%	7%	2%	1%	4%	7%
Motion	-2%	1%	0%	-1%	-4%	2%	-1%	-3%
Process Automation	-7%	1%	0%	-6%	11%	1%	0%	12%
Robotics & Discrete Automation	-25%	1%	0%	-24%	-9%	2%	0%	-7%
ABB Group	-4%	1%	1%	-2%	1%	1%	1%	3%

Regional comparable growth rate reconciliation

Regional comparable growth rate reconciliation for ABB Group - Quarter

Region	Q2 2024 compared to Q2 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	-5%	1%	0%	-4%	-4%	2%	0%	-2%
The Americas	-6%	1%	1%	-4%	5%	1%	2%	8%
of which: United States	-3%	0%	2%	-1%	6%	0%	4%	10%
Asia, Middle East and Africa	4%	4%	1%	9%	1%	4%	0%	5%
of which: China	-11%	3%	1%	-7%	-3%	3%	0%	0%
ABB Group	-3%	2%	1%	0%	1%	2%	1%	4%

Regional comparable growth rate reconciliation by Business Area - Quarter

Region	Q2 2024 compared to Q2 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	5%	1%	1%	7%	-2%	1%	2%	1%
The Americas	0%	0%	4%	4%	8%	0%	6%	14%
of which: United States	4%	0%	4%	8%	12%	0%	8%	20%
Asia, Middle East and Africa	5%	6%	1%	12%	-2%	4%	2%	4%
of which: China	-7%	3%	1%	-3%	-1%	3%	2%	4%
Electrification	3%	2%	2%	7%	2%	2%	3%	7%

Region	Q2 2024 compared to Q2 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	-5%	1%	0%	-4%	-11%	1%	0%	-10%
The Americas	-13%	0%	-1%	-14%	3%	1%	-2%	2%
of which: United States	-18%	0%	-1%	-19%	2%	0%	-2%	0%
Asia, Middle East and Africa	1%	4%	0%	5%	4%	5%	0%	9%
of which: China	-4%	3%	0%	-1%	2%	3%	0%	5%
Motion	-6%	2%	0%	-4%	-2%	2%	-1%	-1%

Region	Q2 2024 compared to Q2 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	22%	0%	0%	22%	12%	1%	0%	13%
The Americas	-10%	1%	0%	-9%	6%	1%	0%	7%
of which: United States	-3%	0%	0%	-3%	3%	0%	0%	3%
Asia, Middle East and Africa	10%	5%	0%	15%	13%	3%	0%	16%
of which: China	-23%	2%	0%	-21%	11%	4%	0%	15%
Process Automation	8%	2%	0%	10%	11%	1%	0%	12%

Region	Q2 2024 compared to Q2 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	-32%	1%	0%	-31%	-10%	1%	0%	-9%
The Americas	17%	1%	0%	18%	-3%	1%	0%	-2%
of which: United States	40%	0%	0%	40%	-2%	0%	0%	-2%
Asia, Middle East and Africa	-18%	3%	0%	-15%	-12%	3%	0%	-9%
of which: China	-20%	3%	0%	-17%	-18%	3%	0%	-15%
Robotics & Discrete Automation	-19%	2%	0%	-17%	-10%	2%	0%	-8%

Region	H1 2024 compared to H1 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	-7%	0%	0%	-7%	-4%	0%	0%	-4%
The Americas	-4%	0%	1%	-3%	5%	0%	3%	8%
of which: United States	-2%	1%	1%	0%	6%	0%	4%	10%
Asia, Middle East and Africa	0%	4%	0%	4%	1%	4%	0%	5%
of which: China	-17%	3%	1%	-13%	-8%	3%	1%	-4%
ABB Group	-4%	1%	1%	-2%	1%	1%	1%	3%

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

Region	H1 2024 compared to H1 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	4%	0%	0%	4%	-2%	0%	1%	-1%
The Americas	4%	0%	3%	7%	8%	0%	6%	14%
of which: United States	8%	0%	4%	12%	13%	0%	8%	21%
Asia, Middle East and Africa	5%	5%	1%	11%	-2%	5%	1%	4%
of which: China	-7%	4%	1%	-2%	-5%	4%	1%	0%
Electrification	4%	2%	1%	7%	2%	1%	4%	7%

Region	H1 2024 compared to H1 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	-7%	-1%	0%	-8%	-16%	0%	0%	-16%
The Americas	-7%	0%	-2%	-9%	2%	0%	-3%	-1%
of which: United States	-11%	0%	-2%	-13%	-1%	0%	-2%	-3%
Asia, Middle East and Africa	9%	4%	0%	13%	5%	5%	0%	10%
of which: China	-8%	4%	0%	-4%	-4%	4%	0%	0%
Motion	-2%	1%	0%	-1%	-4%	2%	-1%	-3%

Region	H1 2024 compared to H1 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	3%	0%	0%	3%	9%	0%	0%	9%
The Americas	-18%	0%	0%	-18%	6%	0%	0%	6%
of which: United States	-8%	0%	0%	-8%	5%	0%	0%	5%
Asia, Middle East and Africa	-11%	3%	0%	-8%	17%	4%	0%	21%
of which: China	-31%	3%	0%	-28%	7%	4%	0%	11%
Process Automation	-7%	1%	0%	-6%	11%	1%	0%	12%

Region	H1 2024 compared to H1 2023							
	Order growth rate				Revenue growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Europe	-31%	-1%	0%	-32%	-3%	0%	0%	-3%
The Americas	-5%	0%	0%	-5%	0%	0%	0%	0%
of which: United States	-2%	0%	0%	-2%	-4%	0%	0%	-4%
Asia, Middle East and Africa	-26%	4%	0%	-22%	-21%	4%	0%	-17%
of which: China	-35%	3%	0%	-32%	-28%	3%	0%	-25%
Robotics & Discrete Automation	-25%	1%	0%	-24%	-9%	2%	0%	-7%

Order backlog growth rate reconciliation

Business Area	June 30, 2024 compared to June 30, 2023			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Electrification	3%	2%	6%	11%
Motion	7%	1%	0%	8%
Process Automation	9%	1%	0%	10%
Robotics & Discrete Automation	-34%	1%	0%	-33%
ABB Group	0%	2%	2%	4%

Other growth rate reconciliations

Business Area	Q2 2024 compared to Q2 2023							
	Service orders growth rate				Services revenues growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Electrification	14%	2%	0%	16%	15%	2%	0%	17%
Motion	-5%	3%	0%	-2%	8%	3%	0%	11%
Process Automation	10%	3%	0%	13%	8%	1%	0%	9%
Robotics & Discrete Automation	3%	2%	0%	5%	10%	2%	0%	12%
ABB Group	6%	3%	0%	9%	9%	2%	0%	11%

Business Area	H1 2024 compared to H1 2023							
	Service orders growth rate				Services revenues growth rate			
	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable	US\$ (as reported)	Foreign exchange impact	Portfolio changes	Comparable
Electrification	15%	2%	0%	17%	12%	1%	0%	13%
Motion	0%	2%	0%	2%	13%	4%	0%	17%
Process Automation	7%	1%	0%	8%	11%	1%	0%	12%
Robotics & Discrete Automation	2%	1%	0%	3%	7%	1%	0%	8%
ABB Group	6%	1%	0%	7%	11%	1%	0%	12%

Operational EBITA as % of operational revenues (Operational EBITA margin)

Definition

Operational EBITA margin

Operational EBITA margin is Operational EBITA as a percentage of operational revenues.

Operational EBITA

Operational earnings before interest, taxes and acquisition-related amortization (Operational EBITA) represents Income from operations excluding:

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

Certain other non-operational items generally includes certain regulatory, compliance and legal costs, certain asset write downs/impairments and certain other fair value changes, as well as other items which are determined by management on a case-by-case basis.

Operational EBITA is our measure of segment profit but is also used by management to evaluate the profitability of the Company as a whole.

Acquisition-related amortization

Amortization expense on intangibles arising upon acquisitions.

Restructuring, related and implementation costs

Restructuring, related and implementation costs consists of restructuring and other related expenses, as well as internal and external costs relating to the implementation of group-wide restructuring programs.

Operational revenues

The Company presents operational revenues solely for the purpose of allowing the computation of Operational EBITA margin. Operational revenues are Total revenues adjusted for foreign exchange/commodity timing differences in total revenues of: (i) unrealized gains and losses on derivatives, (ii) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, and (iii) unrealized foreign exchange movements on receivables (and related assets). Operational revenues are not intended to be an alternative measure to Total revenues, which represent our revenues measured in accordance with U.S. GAAP.

Reconciliation

The following tables provide reconciliations of consolidated Operational EBITA to Net Income and Operational EBITA margin by business.

Reconciliation of consolidated Operational EBITA to Net Income

(\$ in millions)	Six months ended June 30,		Three months ended June 30,	
	2024	2023	2024	2023
Operational EBITA	2,981	2,702	1,564	1,425
Acquisition-related amortization	(113)	(109)	(57)	(55)
Restructuring, related and implementation costs ⁽¹⁾	(76)	(41)	(50)	(13)
Changes in obligations related to divested businesses	11	5	11	8
Gains and losses from sale of businesses	(57)	26	(55)	26
Acquisition- and divestment-related expenses and integration costs	(37)	(45)	(18)	(26)
Certain other non-operational items	(113)	(40)	(50)	(41)
Foreign exchange/commodity timing differences in income from operations	(3)	(2)	31	(26)
Income from operations	2,593	2,496	1,376	1,298
Interest and dividend income	103	78	46	38
Interest and other finance expense	(50)	(124)	(13)	(63)
Non-operational pension (cost) credit	26	15	10	8
Income from continuing operations before taxes	2,672	2,465	1,419	1,281
Income tax expense	(654)	(468)	(315)	(349)
Income from continuing operations, net of tax	2,018	1,997	1,104	932
Loss from discontinued operations, net of tax	(3)	(9)	(2)	(4)
Net income	2,015	1,988	1,102	928

(1) Includes impairment of certain assets.

Reconciliation of Operational EBITA margin by business

(\$ in millions, unless otherwise indicated)	Three months ended June 30, 2024					Consolidated
	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other and Intersegment elimination	
Total revenues	3,809	1,951	1,717	833	(71)	8,239
Foreign exchange/commodity timing differences in total revenues:						
Unrealized gains and losses on derivatives	4	(3)	(21)	–	3	(17)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	1	2	(1)	–	2	4
Unrealized foreign exchange movements on receivables (and related assets)	5	1	3	3	(3)	9
Operational revenues	3,819	1,951	1,698	836	(69)	8,235
Income (loss) from operations	837	369	274	46	(150)	1,376
Acquisition-related amortization	23	8	2	20	4	57
Restructuring, related and implementation costs ⁽¹⁾	8	14	–	20	8	50
Changes in obligations related to divested businesses	–	–	–	–	(11)	(11)
Gains and losses from sale of businesses	24	–	–	–	31	55
Acquisition- and divestment-related expenses and integration costs	19	2	1	5	(9)	18
Certain other non-operational items	(1)	–	(5)	(2)	58	50
Foreign exchange/commodity timing differences in income from operations:						
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(23)	(6)	(12)	2	6	(33)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(2)	1	–	–	3	2
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	2	–	3	2	(7)	–
Operational EBITA	887	388	263	93	(67)	1,564
Operational EBITA margin (%)	23.2%	19.9%	15.5%	11.1%	n.a.	19.0%

(1) Includes impairment of certain assets.

In the three months ended June 30, 2024, Certain other non-operational items in the table above includes the following:

(\$ in millions, unless otherwise indicated)	Three months ended June 30, 2024					Consolidated
	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	
Certain other non-operational items:						
Other income/expense relating to the Power Grids joint venture	–	–	–	–	(3)	(3)
Regulatory, compliance and legal costs	–	–	–	–	1	1
Business transformation costs ⁽¹⁾	(1)	–	–	(1)	53	51
Certain other fair values changes, including asset impairments	(1)	–	(4)	–	10	5
Other non-operational items	1	–	(1)	(1)	(3)	(4)
Total	(1)	–	(5)	(2)	58	50

(1) Amounts include ABB Way process transformation costs of \$53 million for the three months ended June 30, 2024.

Three months ended June 30, 2023						
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other and Intersegment elimination	Consolidated
Total revenues	3,735	1,981	1,553	922	(28)	8,163
Foreign exchange/commodity timing differences in total revenues:						
Unrealized gains and losses on derivatives	6	(9)	3	6	8	14
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(4)	–	5	–	(2)	(1)
Unrealized foreign exchange movements on receivables (and related assets)	–	(2)	(8)	(7)	(6)	(23)
Operational revenues	3,737	1,970	1,553	921	(28)	8,153
Income (loss) from operations	713	380	270	119	(184)	1,298
Acquisition-related amortization	22	9	2	19	3	55
Restructuring, related and implementation costs ⁽¹⁾	4	1	2	–	6	13
Changes in obligations related to divested businesses	1	–	–	–	(9)	(8)
Gains and losses from sale of businesses	–	–	(26)	–	–	(26)
Acquisition- and divestment-related expenses and integration costs	12	8	(2)	2	6	26
Certain other non-operational items	6	1	–	1	33	41
Foreign exchange/commodity timing differences in income from operations:						
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	31	5	(8)	4	–	32
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(2)	–	5	–	(2)	1
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	–	(3)	(4)	(4)	4	(7)
Operational EBITA	787	401	239	141	(143)	1,425
Operational EBITA margin (%)	21.1%	20.4%	15.4%	15.3%	n.a.	17.5%

(1) Includes impairment of certain assets.

In the three months ended June 30, 2023, Certain other non-operational items in the table above includes the following:

Three months ended June 30, 2023						
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	Consolidated
Certain other non-operational items:						
Other income/expense relating to the Power Grids joint venture	–	–	–	–	(7)	(7)
Business transformation costs ⁽¹⁾	5	–	–	1	42	48
Certain other fair values changes, including asset impairments	–	–	–	–	(7)	(7)
Other non-operational items	1	1	–	–	5	7
Total	6	1	–	1	33	41

(1) Amounts include ABB Way process transformation costs of \$41 million for the three months ended June 30, 2023.

Six months ended June 30, 2024						
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other and Intersegment elimination	Consolidated
Total revenues	7,489	3,780	3,318	1,697	(175)	16,109
Foreign exchange/commodity timing differences in total revenues:						
Unrealized gains and losses on derivatives	51	43	23	6	8	131
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(2)	2	1	–	2	3
Unrealized foreign exchange movements on receivables (and related assets)	(26)	(16)	(18)	(8)	(5)	(73)
Operational revenues	7,512	3,809	3,324	1,695	(170)	16,170
Income (loss) from operations	1,606	670	508	137	(328)	2,593
Acquisition-related amortization	46	17	3	41	6	113
Restructuring, related and implementation costs ⁽¹⁾	18	22	7	20	9	76
Changes in obligations related to divested businesses	–	–	–	–	(11)	(11)
Gains and losses from sale of businesses	24	–	–	–	33	57
Acquisition- and divestment-related expenses and integration costs	29	2	1	7	(2)	37
Certain other non-operational items	2	3	(5)	(1)	114	113
Foreign exchange/commodity timing differences in income from operations:						
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	(1)	27	10	6	2	44
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(3)	1	1	–	2	1
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(8)	(11)	(9)	(4)	(10)	(42)
Operational EBITA	1,713	731	516	206	(185)	2,981
Operational EBITA margin (%)	22.8%	19.2%	15.5%	12.2%	n.a.	18.4%

(1) Includes impairment of certain assets.

In the six months ended June 30, 2024, Certain other non-operational items in the table above includes the following:

Six months ended June 30, 2024						
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	Consolidated
Certain other non-operational items:						
Other income/expense relating to the Power Grids joint venture	–	–	–	–	(11)	(11)
Regulatory, compliance and legal costs	–	–	–	–	4	4
Business transformation costs ⁽¹⁾	1	1	–	–	99	101
Certain other fair values changes, including asset impairments	–	2	(4)	–	21	19
Other non-operational items	1	–	(1)	(1)	1	–
Total	2	3	(5)	(1)	114	113

(1) Amounts include ABB Way process transformation costs of \$99 million for the six months ended June 30, 2024.

Six months ended June 30, 2023						
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other and Intersegment elimination	Consolidated
Total revenues	7,325	3,921	2,989	1,859	(72)	16,022
Foreign exchange/commodity timing differences in total revenues:						
Unrealized gains and losses on derivatives	(8)	(5)	16	8	4	15
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(5)	–	6	–	–	1
Unrealized foreign exchange movements on receivables (and related assets)	(7)	(6)	(12)	(8)	(9)	(42)
Operational revenues	7,305	3,910	2,999	1,859	(77)	15,996
Income (loss) from operations	1,368	733	470	234	(309)	2,496
Acquisition-related amortization	44	17	3	39	6	109
Restructuring, related and implementation costs ⁽¹⁾	12	2	4	–	23	41
Changes in obligations related to divested businesses	1	–	–	–	(6)	(5)
Gains and losses from sale of businesses	–	–	(26)	–	–	(26)
Acquisition- and divestment-related expenses and integration costs	19	12	1	4	9	45
Certain other non-operational items	9	3	–	3	25	40
Foreign exchange/commodity timing differences in income from operations:						
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	16	5	(10)	6	(7)	10
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(2)	–	7	–	1	6
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(3)	(5)	(5)	(5)	4	(14)
Operational EBITA	1,464	767	444	281	(254)	2,702
Operational EBITA margin (%)	20.0%	19.6%	14.8%	15.1%	n.a.	16.9%

(1) Includes impairment of certain assets.

In the six months ended June 30, 2023, certain other non-operational items in the table above includes the following:

Six months ended June 30, 2023						
(\$ in millions, unless otherwise indicated)	Electrification	Motion	Process Automation	Robotics & Discrete Automation	Corporate and Other	Consolidated
Certain other non-operational items:						
Other income/expense related to the Power Grids joint venture	–	–	–	–	(20)	(20)
Business transformation costs	9	–	–	2	71	82
Certain other fair values changes, including asset impairments	1	1	–	1	(9)	(6)
Other non-operational items	(1)	2	–	–	(17)	(16)
Total	9	3	–	3	25	40

(1) Amounts include ABB Way process transformation costs of \$71 million for the six months ended June 30, 2023.

Net debt

Definition

Net debt

Net debt is defined as Total debt less Cash and marketable securities.

Total debt

Total debt is the sum of Short-term debt and current maturities of long-term debt, and Long-term debt.

Cash and marketable securities

Cash and marketable securities is the sum of Cash and equivalents, Restricted cash and Marketable securities and short-term investments.

Reconciliation

(\$ in millions)	June 30, 2024	December 31, 2023
Short-term debt and current maturities of long-term debt	410	2,607
Long-term debt	6,338	5,221
Total debt	6,748	7,828
Cash and equivalents	2,961	3,891
Restricted cash	18	18
Marketable securities and short-term investments	1,289	1,928
Cash and marketable securities	4,268	5,837
Net debt	2,480	1,991

Net debt/Equity ratio

Definition

Net debt/Equity ratio

Net debt/Equity ratio is defined as Net debt divided by Equity.

Equity

Equity is defined as Total stockholders' equity.

Reconciliation

(\$ in millions, unless otherwise indicated)	June 30, 2024	December 31, 2023
Total stockholders' equity	14,066	14,057
Net debt (as defined above)	2,480	1,991
Net debt / Equity ratio	0.18	0.14

Net debt/EBITDA ratio

Definition

Net debt/EBITDA ratio

Net debt/EBITDA ratio is defined as Net debt divided by EBITDA.

EBITDA

EBITDA is defined as Income from operations for the trailing twelve months preceding the balance sheet date before depreciation and amortization for the same trailing twelve-month period.

Reconciliation

(\$ in millions, unless otherwise indicated)	June 30, 2024	June 30, 2023
Income from operations for the three months ended:		
September 30, 2023 / 2022	1,259	708
December 31, 2023 / 2022	1,116	1,185
March 31, 2024 / 2023	1,217	1,198
June 30, 2024 / 2023	1,376	1,298
Depreciation and Amortization for the three months ended:		
September 30, 2023 / 2022	194	198
December 31, 2023 / 2022	199	199
March 31, 2024 / 2023	201	191
June 30, 2024 / 2023	202	196
EBITDA	5,764	5,173
Net debt (as defined above)	2,480	4,165
Net debt / EBITDA	0.4	0.8

Net working capital as a percentage of revenues

Definition

Net working capital as a percentage of revenues

Net working capital as a percentage of revenues is calculated as Net working capital divided by Adjusted revenues for the trailing twelve months.

Net working capital

Net working capital is the sum of (i) receivables, net, (ii) contract assets, (iii) inventories, net, and (iv) prepaid expenses; less (v) accounts payable, trade, (vi) contract liabilities and (vii) other current liabilities (excluding primarily: (a) income taxes payable, (b) current derivative liabilities, (c) pension and other employee benefits, (d) payables under the share buyback program and (e) liabilities related to certain other restructuring-related activities); and including the amounts related to these accounts which have been presented as either assets or liabilities held for sale.

Adjusted revenues for the trailing twelve months

Adjusted revenues for the trailing twelve months includes total revenues recorded by ABB in the twelve months preceding the relevant balance sheet date adjusted to eliminate revenues of divested businesses and the estimated impact of annualizing revenues of certain acquisitions which were completed in the same trailing twelve-month period.

Reconciliation

(\$ in millions, unless otherwise indicated)	June 30, 2024	June 30, 2023
Net working capital:		
Receivables, net	7,492	7,481
Contract assets	1,118	1,010
Inventories, net	6,257	6,448
Prepaid expenses	294	290
Accounts payable, trade	(5,118)	(4,881)
Contract liabilities	(2,973)	(2,394)
Other current liabilities ⁽¹⁾	(3,463)	(3,506)
Net working capital in assets and liabilities held for sale	–	137
Net working capital	3,607	4,585
Total revenues for the three months ended:		
September 30, 2023 / 2022	7,968	7,406
December 31, 2023 / 2022	8,245	7,824
March 31, 2024 / 2023	7,870	7,859
June 30, 2024 / 2023	8,239	8,163
Adjustment to annualize/eliminate revenues of certain acquisitions/divestments	–	(162)
Adjusted revenues for the trailing twelve months	32,322	31,090
Net working capital as a percentage of revenues (%)	11.2%	14.7%

- (1) Amounts exclude \$660 million and \$771 million at June 30, 2024 and 2023, respectively, related primarily to (a) income taxes payable, (b) current derivative liabilities, (c) pension and other employee benefits, (d) payables under the share buyback program and (e) liabilities related to certain restructuring-related activities.

Free cash flow

Definition

Free cash flow

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

Reconciliation

(\$ in millions, unless otherwise indicated)	Six months ended June 30,		Three months ended June 30,	
	2024	2023	2024	2023
Net cash provided by operating activities	1,793	1,042	1,067	760
Adjusted for the effects of operations:				
Purchases of property, plant and equipment and intangible assets	(366)	(331)	(185)	(180)
Proceeds from sale of property, plant and equipment	42	57	36	26
Free cash flow	1,469	768	918	606

Free cash flow conversion to net income

Definition

Free cash flow conversion to net income

Free cash flow conversion to net income is calculated as free cash flow divided by Adjusted net income attributable to ABB.

Adjusted net income attributable to ABB

Adjusted net income attributable to ABB is calculated as net income attributable to ABB adjusted for gains or losses arising on sale of certain businesses and certain other significant items within net income which are also excluded / adjusted for when calculating operating cashflows.

Free cash flow for the trailing twelve months

Free cash flow for the trailing twelve months includes free cash flow recorded by ABB in the twelve months preceding the relevant balance sheet date.

Net income for the trailing twelve months

Net income for the trailing twelve months includes net income recorded by ABB (as adjusted) in the twelve months preceding the relevant balance sheet date.

Reconciliation

(\$ in millions, unless otherwise indicated)	Trailing twelve months to	
	June 30, 2024	December 31, 2023
Net cash provided by operating activities	5,041	4,290
Adjusted for the effects of operations:		
Purchases of property, plant and equipment and intangible assets	(805)	(770)
Proceeds from sale of property, plant and equipment	132	147
Free cash flow	4,368	3,667
Adjusted net income attributable to ABB⁽¹⁾	3,745	3,686
Free cash flow conversion to net income	117%	99%

(1) Adjusted net income attributable to ABB for the year ended December 31, 2023, is adjusted to exclude the gain on sale of the Power Conversion Division of \$59 million.

Reconciliation of the trailing twelve months to June 30, 2024

(\$ in millions)	Net cash provided by operating activities	Purchases of property, plant and equipment and intangible assets	Proceeds from sale of property, plant and equipment	Adjusted net income attributable to ABB ⁽¹⁾
Q3 2023	1,351	(175)	10	829
Q4 2023	1,897	(264)	80	915
Q1 2024	726	(181)	6	905
Q2 2024	1,067	(185)	36	1,096
Total for the trailing twelve months to June 30, 2024	5,041	(805)	132	3,745

(1) Adjusted net income attributable to ABB for Q3 2023 is adjusted to exclude the gain on sale of the Power Conversion Division of \$53 million. In Q4 2023, an additional \$6 million was adjusted for the gain on sale of the Power Conversion Division.

Net finance income (expense)

Definition

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

Reconciliation

(\$ in millions)	Six months ended June 30,		Three months ended June 30,	
	2024	2023	2024	2023
Interest and dividend income	103	78	46	38
Interest and other finance expense	(50)	(124)	(13)	(63)
Net finance income (expense)	53	(46)	33	(25)

Book-to-bill ratio

Definition

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

Reconciliation

(\$ in millions, except Book-to-bill presented as a ratio)	Six months ended June 30,					
	2024			2023		
	Orders	Revenues	Book-to-bill	Orders	Revenues	Book-to-bill
Electrification	8,465	7,489	1.13	8,101	7,325	1.11
Motion	4,317	3,780	1.14	4,399	3,921	1.12
Process Automation	3,499	3,318	1.05	3,782	2,989	1.27
Robotics & Discrete Automation	1,389	1,697	0.82	1,851	1,859	1.00
Corporate and Other <i>(incl. intersegment eliminations)</i>	(261)	(175)	n.a.	(16)	(72)	n.a.
ABB Group	17,409	16,109	1.08	18,117	16,022	1.13

(\$ in millions, except Book-to-bill presented as a ratio)	Three months ended June 30,					
	2024			2023		
	Orders	Revenues	Book-to-bill	Orders	Revenues	Book-to-bill
Electrification	4,073	3,809	1.07	3,960	3,735	1.06
Motion	2,014	1,951	1.03	2,137	1,981	1.08
Process Automation	1,802	1,717	1.05	1,669	1,553	1.07
Robotics & Discrete Automation	688	833	0.83	850	922	0.92
Corporate and Other <i>(incl. intersegment eliminations)</i>	(142)	(71)	n.a.	51	(28)	n.a.
ABB Group	8,435	8,239	1.02	8,667	8,163	1.06



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