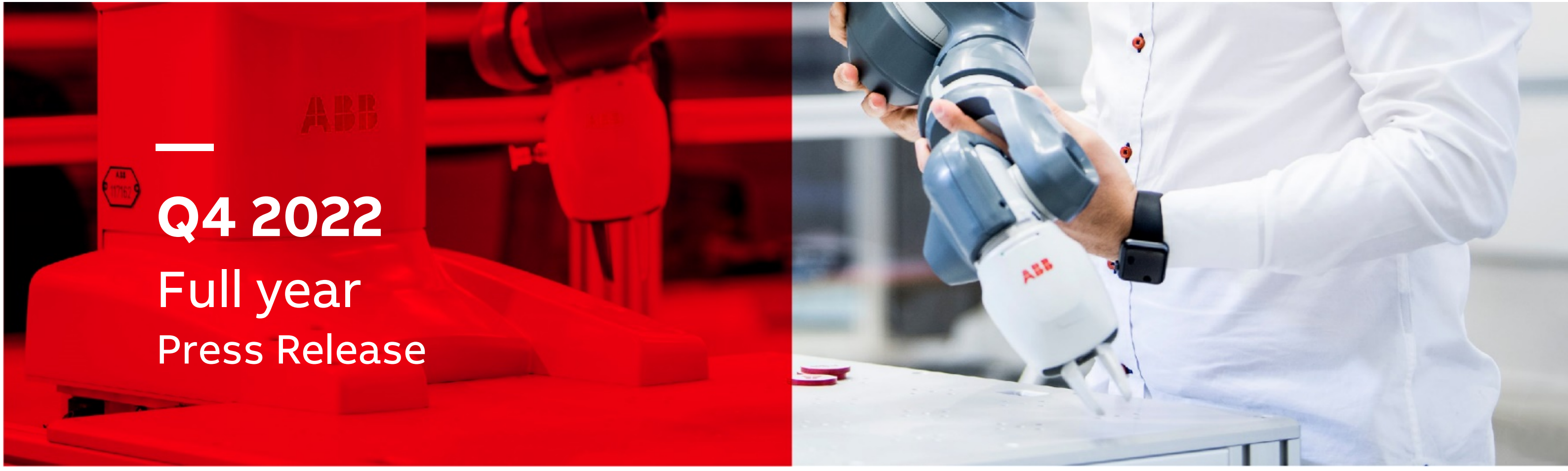


Ad hoc Announcement pursuant to Art. 53 Listing Rules of SIX Swiss Exchange

ZURICH, SWITZERLAND, FEBRUARY 2, 2023

Q4 2022 results

Strong performance improvements in Q4 and long-term margin target achieved early

Q4 2022

- Orders $7.6 billion, -8%; comparable[1] +2%
- Revenues $7.8 billion, +3%; comparable +16%
- Income from operations $1,185 million; margin 15.1%
- Operational EBITA[1] $1,146 million; margin[1] 14.8%
- Basic EPS $0.61
- Cash flow from operating activities was $687 million and from operating activities in continuing operations it was $720 million, including adverse impact of approximately $315 million due to earlier announced settlements for Kusile project.

FY 2022

- Orders $34.0 billion, +7%; comparable[1] +16%
- Revenues $29.4 billion, +2%; comparable +12%
- Income from operations $3,337 million; margin 11.3%
- Operational EBITA[1] $4,510 million; margin[1] 15.3%
- Basic EPS $1.30
- Cash flow from operating activities was $1,287 million and from operating activities in continuing operations it was $1,334 million

KEY FIGURES

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	**Q4 2022**	**Q4 2021**	**US$**	**Comparable[1]**	**FY 2022**	**FY 2021**	**US$**	**Comparable[1]**
Orders	7,620	8,257	-8%	2%	33,988	31,868	7%	16%
Revenues	7,824	7,567	3%	16%	29,446	28,945	2%	12%
Gross Profit	2,658	2,397	11%		9,710	9,467	3%	
as % of revenues	34.0%	31.7%	+2.3 pts		33.0%	32.7%	+0.3 pts	
Income from operations	1,185	2,975	-60%		3,337	5,718	-42%	
Operational EBITA[1]	1,146	988	16%	28%[3]	4,510	4,122	9%	18%[3]
as % of operational revenues[1]	14.8%	13.1%	+1.7 pts		15.3%	14.2%	+1.1 pts	
Income from continuing operations, net of tax	1,168	2,703	-57%		2,637	4,730	-44%	
Net income attributable to ABB	1,132	2,640	-57%		2,475	4,546	-46%	
Basic earnings per share ($)	0.61	1.34	-55%[2]		1.30	2.27	-43%[2]	
Cash flow from operating activities[4]	687	1,020	-33%		1,287	3,330	-61%	
Cash flow from operating activities in continuing operations	720	1,033	-30%		1,334	3,338	-60%	

1 For a reconciliation of non-GAAP measures, see "supplemental reconciliations and definitions" in the attached Q4 2022 Financial Information.
2 EPS growth rates are computed using unrounded amounts. 2021 numbers include the impact related to the divestment of Mechanical Power Transmission.
3 Constant currency (not adjusted for portfolio changes).
4 Amount represents total for both continuing and discontinued operations.

"2022 was another successful year for ABB, including a further streamlining of our business portfolio and achieving our margin target earlier than expected. We have made ABB more resilient. In 2023, regardless of current market uncertainty, we want to show that we can continuously deliver an Operational EBITA margin of at least 15%."

Björn Rosengren, CEO

CEO summary

In the fourth quarter of 2022, we improved comparable orders and revenues, we increased our Operational EBITA by 16%, raised our Operational EBITA margin by 170 basis points and lifted ROCE to 16.5% for 2022, to within our target range. All in all, this was a good achievement in my view.

Customer activity improved slightly or remained stable in most customer segments, except for declines related to residential construction and discrete manufacturing. The market outlook for discrete manufacturing remains solid, although the fourth quarter was adversely impacted by customers normalizing order patterns following a period of pre-ordering triggered by the long delivery lead times in a strained value chain. This weighed on order intake in Robotics & Discrete Automation, while the other three business areas remained stable or increased comparable orders. Revenues were strong and increased by 3% (16% comparable). The Americas region was the growth engine for orders, while Europe reversed and Asia, Middle East and Africa remained overall largely stable despite a decline in China. The escalating Covid-related situation in China somewhat slowed down local business activity towards the end of the period. Our priority is to keep our people safe.

Our strong price execution combined with increased volumes supported the higher gross margin and drove the improvement of 170 basis points in the Operational EBITA margin to 14.8%, the strongest fourth quarter margin in several years. This resulted in 2022 being a record year for ABB, in recent history, with an Operational EBITA margin of 15.3%. We achieved good price management, executed well on increased volumes with some additional support from unusually low corporate costs. I am pleased how the divisions managed challenges like supply chain constraints, a tight labor market, Covid-related lock downs in China and a high inflationary environment.

Cash flow of $687 million in the quarter is the one area which did not quite meet our expectations as the depletion of net working capital was slower than anticipated. This will be an important focus area for us near term as we deliver against our high order backlog. As earlier announced, the finalization of the Kusile-related issues weighed on cash flow by approximately $315 million, while the closing of the divestment of Power Grids generated a net cash contribution in investing activities of $1.4 billion.

We remain committed to our plans to separately list our E-mobility business, subject to constructive market conditions. Meanwhile, we have closed by the end of January the pre-IPO private placement of approximately CHF525 million for newly issued shares to new minority investors representing approximately 20% ownership of the E-mobility business. The proceeds will be used to capture E-mobility's growth potential through organic and M&A investments in hardware and software.

Just after the close of the fourth quarter, we progressed with the final part of our announced divisional exits by signing an agreement to divest the Power Conversion division in the Electrification business area. From here on, we will continue to review our business portfolio on a product group level within our current divisions. One example is our decision to initiate the exit of the emergency lighting business within the Smart Buildings division in the Electrification business area during 2023.

By partnering with the Swedish mining and smelting company Boliden to build a strategic co-operation to use low carbon footprint copper in our electromagnetic stirring (EMS) equipment and high-efficiency electric motors, we took another step towards our 2030 target of having a circular approach in at least 80 percent of our products and solutions. The aim is to reduce greenhouse gas (GHG) emissions while driving the transition to a more circular economy.

Looking into 2023, we currently do not anticipate a major set-back in demand, although the high inflationary environment adds uncertainty. Comparable order growth, at least in the first half of the year, should be somewhat hampered by last year's very high order level coupled with a normalization of customers' order pattern after a period of pre-ordering in times of a strained value chain. I expect comparable revenue growth to be above 5%, supported by backlog execution. Cash flow should benefit from us working down the net working capital, and we should also have less adverse items impacting comparability. I view 2023 as a good opportunity for ABB to prove that we can continuously deliver an annual Operational EBITA margin of at least 15%.

Considering improving performance, robust cash flow and a solid balance sheet, the Board of Directors proposes an ordinary dividend of CHF0.84 per share. Up from CHF0.82 in the previous year and in line with the long-term ambition of a rising sustainable dividend per share over time, while still prioritizing a solid balance sheet to support our growth ambitions. We plan to continue with share buybacks for full year of 2023.

Björn Rosengren
CEO

Outlook

In the **first quarter of 2023**, we anticipate double-digit comparable revenue growth to support some improvement in the Operational EBITA margin, year-on-year.

In full-year 2023, despite current market uncertainty, we anticipate comparable revenue growth to be above 5% and we expect to again achieve our long-term target of Operational EBITA margin of at least 15%.

Orders and revenues

In the fourth quarter, order intake declined by 8% (up 2% comparable) year-on-year to $7,620 million with a favorable development in most of the process-related segments, while certain parts of the short-cycle business declined as customers normalize order patterns.

When looking through the adverse impact from changes in exchange rate, orders remained stable or increased in three out of four business areas. Robotics & Discrete Automation declined due to a normalization of customers' order patterns following a period of pre-buying due to a strained supply chain which extended delivery lead times. This was predominantly related to the machine builder segment, while robotics demand remained broadly stable year-on-year.

The automotive segment improved on EV-related investments, while softening demand was noted in the robotics consumer related segments.

In transport & infrastructure, there was a positive development in marine & ports and renewables. In buildings there was weakness in residential-related demand, while commercial construction was robust.

Demand in the process-related business was robust in refining, and held up well also for oil & gas, water & wastewater, power generation and pulp & paper.

Slightly softer momentum was noted in metals, where customers seemingly are concerned about elevated energy prices.

The strongest order momentum was reported in the Americas on an increase of 10% (15% comparable), supported by a strong development in the US in all business areas. Orders in Europe decreased by 17% (5% comparable), including a double-digit decline noted in the large German market. Asia, Middle East and Africa reported a decline of 15% (2% comparable), including a decline of 22% (12% comparable) in China. Some softening of demand in China was noted towards the end of the quarter, coinciding with the local intensifying of the Covid situation.

A strong momentum in deliveries, including a good release from the order backlog, resulted in revenues increasing by 3% (16% comparable) to $7,824 million. Impacts from strong increases in both volume and price more than offset adverse effects from changes in exchange rates and portfolio changes, with contribution from all business areas. So far, the ABB operations in China have maintained production at close to normal level without any major impact from the intensified Covid-related situation.

Growth

Change year-on-year	Q4 Orders	Q4 Revenues
Comparable	2%	16%
FX	-8%	-10%
Portfolio changes	-2%	-3%
Total	**-8%**	**3%**

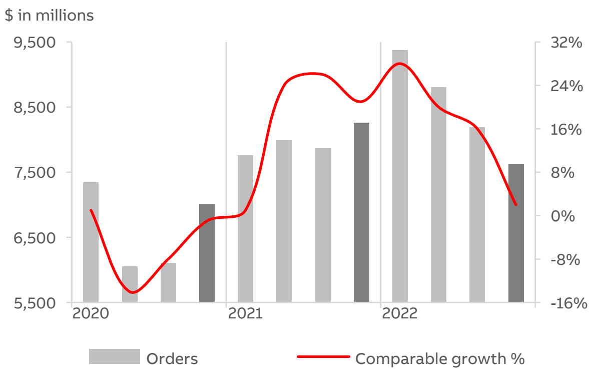
Orders by region

($ in millions, unless otherwise indicated)	Q4 2022	Q4 2021	CHANGE US$	CHANGE Comparable
Europe	2,604	3,138	-17%	-5%
The Americas	2,898	2,640	10%	15%
Asia, Middle East and Africa	2,118	2,479	-15%	-2%
ABB Group	**7,620**	**8,257**	**-8%**	**2%**

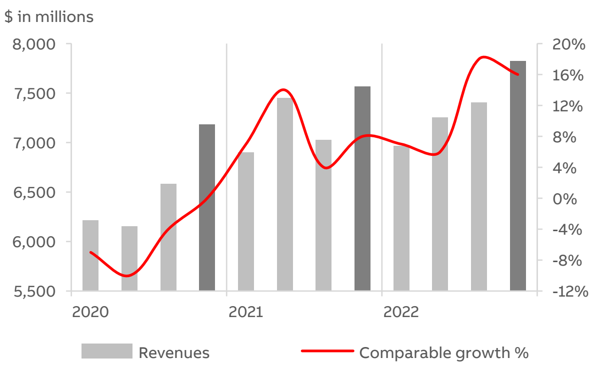
Revenues by region

($ in millions, unless otherwise indicated)	Q4 2022	Q4 2021	CHANGE US$	CHANGE Comparable
Europe	2,766	2,756	0%	16%
The Americas	2,554	2,198	16%	22%
Asia, Middle East and Africa	2,504	2,613	-4%	10%
ABB Group	**7,824**	**7,567**	**3%**	**16%**

Orders



Revenues



Earnings

Gross profit
Gross profit increased strongly by 11% (22% constant currency) to $2,658 million, supported by a significant gross margin improvement of 230 basis points to 34.0%. Gross margin improved materially in all business areas.

Income from operations
Income from operations amounted to $1,185 million, declining by 60% (56% constant currency). Compared with last year, earnings were significantly supported by the improved operational performance, with some additional tailwind from a net positive impact related to the non-core business. This was however more than offset by the impact of streamlining the business portfolio, as last year's period included the $2.2 billion book gain related to the completion of the divestment of the Mechanical Power Transmission division.

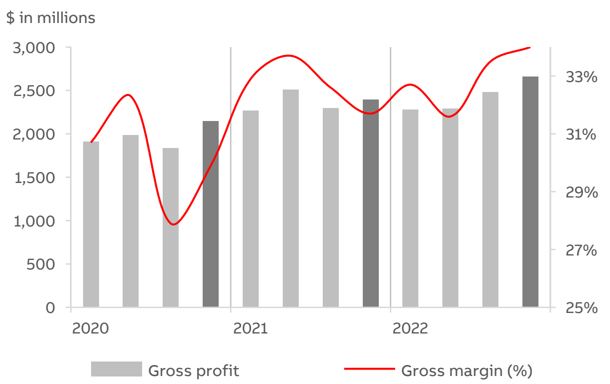
Operational EBITA
Significant contribution from successful price management and good operational execution of increased volumes were key drivers to the improvement in Operational EBITA. The strong price execution more than offset inflationary impacts in commodities, freight and labor. Selling, general and administrative expenses declined in relation to revenues. The operational improvements more than offset the adverse impact from changes in exchange rates, resulting in an Operational EBITA of $1,146 million, an increase of 16% (28% local currency) year-on-year. Operational EBITA in Corporate and Other improved by $36 million to -$72 million.

Net finance expenses
Net finance expense was $1 million compared with $26 million a year ago. The primary driver for the unusually low quarterly amount was a reversal of interest charges related to income tax risks.

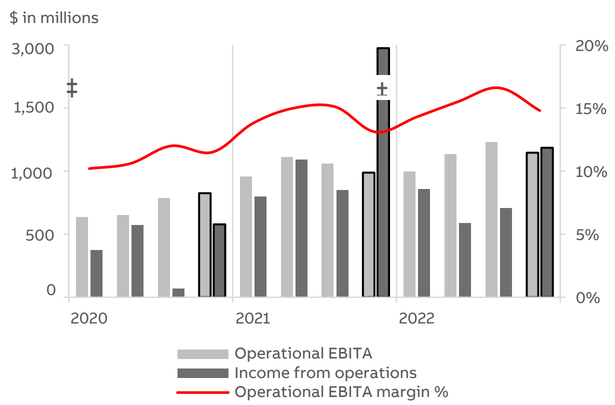
Income tax
Income tax expense was $29 million with an effective tax rate of 2.4%, including approximately 20% impact from a release of valuation allowances on deferred tax assets due mainly to an improved business performance in the US, as well as approximately 3% impact from a favorable resolution of certain prior year tax matters.

Net income and earnings per share
Net income attributable to ABB was $1,132 million and decreased by 57%, as the last year period included the book gain on the divestment of the Mechanical Power Transmission division. This resulted in basic earnings per share of $0.61, a decline from $1.34 last year.

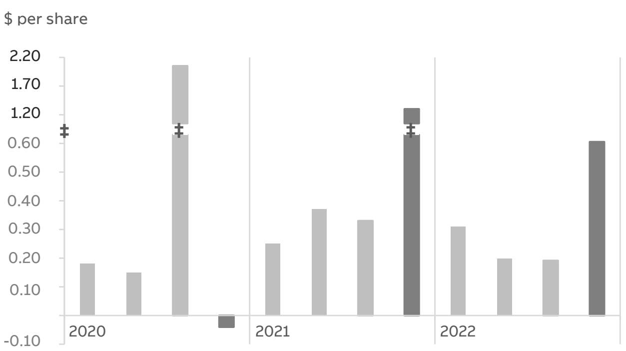
Gross profit & Gross margin



Income from operations & Operational EBITA



Basic EPS



Balance sheet & Cash flow

Net working capital
Net working capital amounted to $3,216 million, increasing year-on-year from $2,303 million but declining sequentially from $3,407 million. The sequential decrease reflects the total impact from higher trade payables and other current liabilities offset by the increase in receivables triggered by high revenue growth and higher inventories. That said, inventory volumes declined sequentially, however changes in exchange rates inflated the total. Net working capital as a percentage of revenues[1] was 11.1%.

Capital expenditures
Purchases of property, plant and equipment and intangible assets amounted to $259 million.

Net debt
Net debt[1] amounted to $2,779 million at the end of the quarter, and increased from a net cash position of $98 million, year-on-year. Sequentially, it declined from $4,117 million, mainly due to the $1.4 billion net proceeds received from the sale of our remaining 19.9% equity stake in the Hitachi Energy joint venture in December.

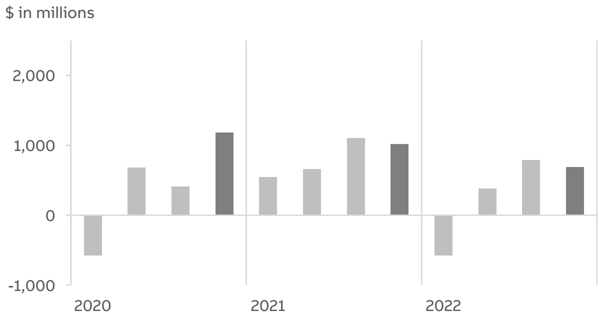
Cash flows
Cash flow from operating activities was $687 million and declined year-on-year from $1,020 million. An improvement in underlying operational performance was more than offset by a lower reduction in net working capital, mainly due to the increase in trade receivables and a less favorable timing of payments of trade payables, despite stronger inventory management. In addition, the current quarter was adversely impacted by the cash outflow from the earlier announced Kusile settlement of approximately $315 million, while the prior year included approximately $300 million cash paid for income taxes related to the sale of the Mechanical Power Transmission business.

Share buyback program
ABB launched a new share buyback program of up to $3 billion on April 1, 2022. As of December 31, 2022, we have returned approximately $0.5 billion (approximately 18 million shares) in excess of the planned return of the Power Grids proceeds, which were fully returned during the third quarter. During the fourth quarter, 10,320,000 shares were repurchased on the second trading line for approximately $300 million. The total number of ABB Ltd's issued shares is 1,964,745,075, after the cancellation of 88,403,189 shares in June, as approved at ABB's 2022 AGM.

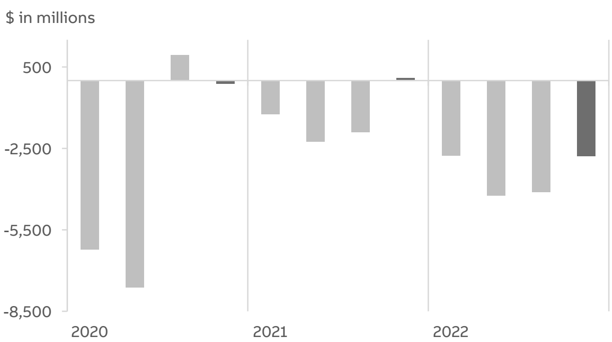
($ millions, unless otherwise indicated)	Dec. 31 2022	Dec. 31 2021
Short term debt and current maturities of long-term debt	2,535	1,384
Long-term debt	5,143	4,177
Total debt	**7,678**	**5,561**
Cash & equivalents	4,156	4,159
Restricted cash - current	18	30
Marketable securities and short-term investments	725	1,170
Restricted cash - non-current	–	300
Cash and marketable securities	**4,899**	**5,659**
Net debt (cash)*	**2,779**	**(98)**
Net debt (cash)* to EBITDA ratio	**0.67**	**(0.01)**
Net debt (cash)* to Equity ratio	**0.21**	**(0.01)**

* At Dec. 31, 2022 and Dec. 31, 2021, net debt(cash) excludes net pension (assets)/liabilities of $(114) million and $45 million, respectively.

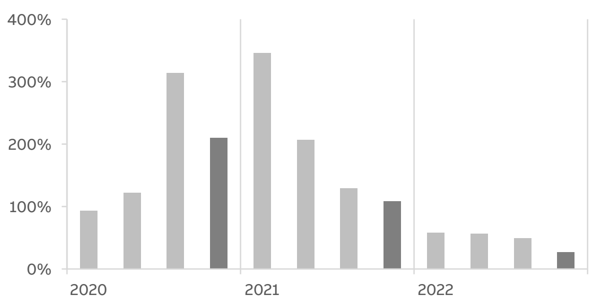
Cash flow from operating activities



Net Cash (Net Debt) position



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



Electrification

Growth

Change year-on-year	Q4 Orders	Q4 Revenues
Comparable	6%	16%
FX	-8%	-10%
Portfolio changes	0%	0%
Total	**-2%**	**6%**

Orders and revenues

Demand was stable or improved in most customer segments year-on-year, except for in residential building. Order intake amounted to $3,565 million and including the adverse impact from changes in exchange rates it declined by 2% (up 6% comparable).

- Customer activity in the Americas was very strong driven by the US order increase of 25%, year-on-year. Order intake in Europe and Asia, Middle East and Africa declined by 17% and 14% respectively, but the comparable drop of 4% in both regions was materially softer. As the quarter progressed, business activity in China was increasingly hampered by the intensifying Covid-related situation.
- A smooth supply chain supported order backlog deliveries, a solid current demand in the flow-business and strong price execution all contributed to the high revenue growth of 6% (16% comparable) to $3,663 million. The positive development was broad across the divisions.
- Division Smart Buildings has decided to exit its emergency lighting business as the strategic fit with energy distribution and home & building automation is limited. This business generates revenues of approximately $160 million, and the divestment process will be initiated in the coming months.
- Just after the close of the fourth quarter, an agreement was signed to divest the Power Conversion division for $505 million in cash. The deal is expected to close in the second half of 2023.
- As from the first quarter 2023 and in preparation of a planned separate listing, the E-mobility division will no longer be reported as part of Electrification, but as a sub-segment in Corporate and other.

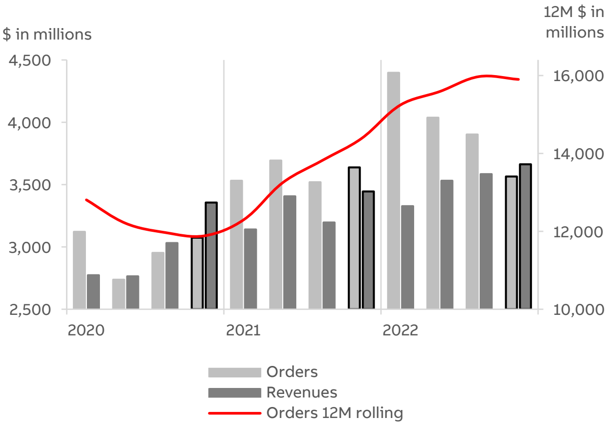
Profit

By leveraging on high comparable growth, the Operational EBITA increased by 13%, significantly offsetting the adverse impacts from changes in exchange rates. Operational EBITA margin improved by 90 basis points to 15.7%, despite a slightly negative divisional and geographical mix in revenues.

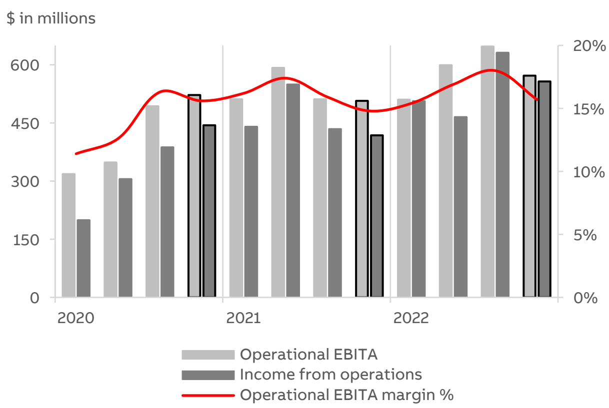
- Benefits from a strong price execution were a key driver to the earnings improvement and more than offset year-on-year cost increases related to raw materials, freight and labor.
- Strong execution of increased volumes improved cost absorption in production overall.
- The higher volumes and pricing more than offset a somewhat adverse divisional mix triggered by higher system-related deliveries as Distribution Solutions executed the order backlog, as well as some margin pressure related to lower volumes in parts of the high margin residential building business.

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	Q4 2022	Q4 2021	US$	Comparable	FY 2022	FY 2021	US$	Comparable
Orders	3,565	3,638	-2%	6%	15,901	14,381	11%	17%
Order backlog	6,933	5,458	27%	33%	6,933	5,458	27%	33%
Revenues	3,663	3,445	6%	16%	14,105	13,187	7%	14%
Operational EBITA	572	507	13%		2,328	2,121	10%	
as % of operational revenues	15.7%	14.8%	+0.9 pts		16.5%	16.1%	+0.4 pts	
Cash flow from operating activities	804	715	12%		1,887	2,181	-13%	
No. of employees (FTE equiv.)	52,300	50,800	3%					

Orders and Revenues



Income from operations & Operational EBITA



Motion

Growth

Change year-on-year	Q4 Orders	Q4 Revenues
Comparable	0%	20%
FX	-8%	-11%
Portfolio changes	-3%	-3%
Total	**-11%**	**6%**

Orders and revenues

Order intake amounted to $1,649 million and declined by 11% (0% comparable). The development was hampered by fewer project orders received, although the product business improved at a mid-single digit rate.

- Orders in Europe declined by 26% (15% comparable) from a high comparable last year when a large Traction order was booked. The Americas declined by 7% (up 5% comparable) supported primarily by the drives business, which more than offset a somewhat weaker momentum in the US motor business. Asia, Middle East and Africa had the strongest momentum at 5% (16% comparable) including China at a low single-digit growth rate. Momentum in China was somewhat impacted by the intensified Covid-related situation.
- Solid execution of the order backlog contributed to the strong volume growth in revenues which in total improved by 6% (20% comparable). Comparable growth was the strongest in the systems-related business.

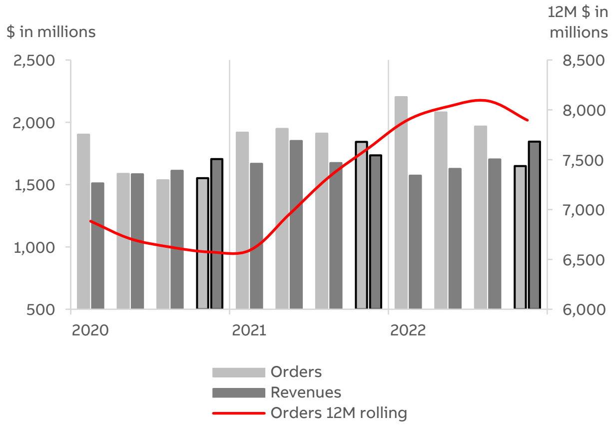
Profit

Strong operational execution of increased volumes and pricing triggered a 130 basis point improvement in the Operational EBITA margin to 17.4%. Business performance strongly outweighed the adverse changes in exchange rates, resulting in earnings increase of 14% (26% in local currency).

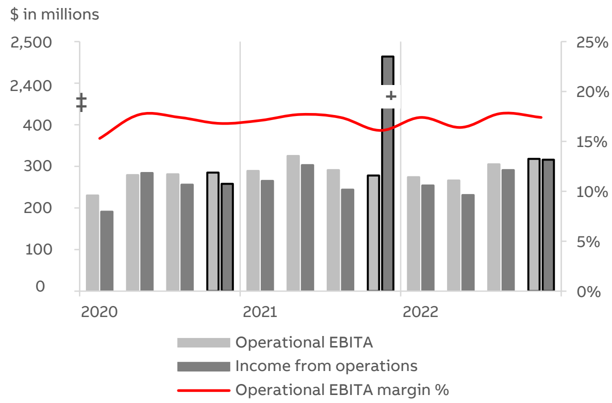
- Strong pricing contributed materially to comparable growth, and more than offset the adverse impacts from cost inflation in commodities and labor.
- An improved supply chain facilitated volumes being released from the order backlog which triggered improved cost absorption in production, year-on-year.

($ millions, unless otherwise indicated)	Q4 2022	Q4 2021	CHANGE US$	CHANGE Comparable	FY 2022	FY 2021	CHANGE US$	CHANGE Comparable
Orders	1,649	1,843	-11%	0%	7,896	7,616	4%	20%
Order backlog	4,726	3,749	26%	34%	4,726	3,749	26%	34%
Revenues	1,845	1,735	6%	20%	6,745	6,925	-3%	14%
Operational EBITA	318	278	14%		1,163	1,183	-2%	
as % of operational revenues	17.4%	16.1%	+1.3 pts		17.3%	17.1%	+0.2 pts	
Cash flow from operating activities	346	416	-17%		853	1,362	-37%	
No. of employees (FTE equiv.)	21,100	20,100	5%					

Orders and Revenues



Income from operations & Operational EBITA



Process Automation

Growth

Change year-on-year	Q4 Orders	Q4 Revenues
Comparable	11%	5%
FX	-8%	-8%
Portfolio changes	-11%	-11%
Total	**-8%**	**-14%**

Orders and revenues

Robust customer activity supported a solid order momentum in all divisions on a comparable basis, although this was more than offset by changes in exchange rates and business portfolio which resulted in a total order decline of 8% (up 11% comparable).

- Customer activity was particularly strong in marine & ports, mining and refining and renewables, but held up well also for oil & gas, pulp & paper, water & wastewater and power generation. Slightly softer momentum was noted in metals, where customers seemingly are concerned about elevated energy prices. Service orders decreased by 21% (up 4 comparable) with the total order decline weighed down primarily by portfolio changes on the back of the spin-off of Accelleron.
- The growth engine for orders was the Americas which improved by 11% (22% comparable). Europe declined by 9% (up 15% comparable). Asia, Middle East and Africa dropped by 21% (2% comparable), impacted by a high comparable due to a larger order booked last year. In China, only a slight slow-down in business activity due to the escalating Covid-related situation was noted towards the end of the quarter.
- There was a good flow of customer deliveries in virtually all divisions, although revenue growth declined in total by 14% (up 6% comparable) hampered by the very high base level in last year's quarter, changes in exchange rates as well as the absence of the exited Accelleron business in the fourth quarter 2022.

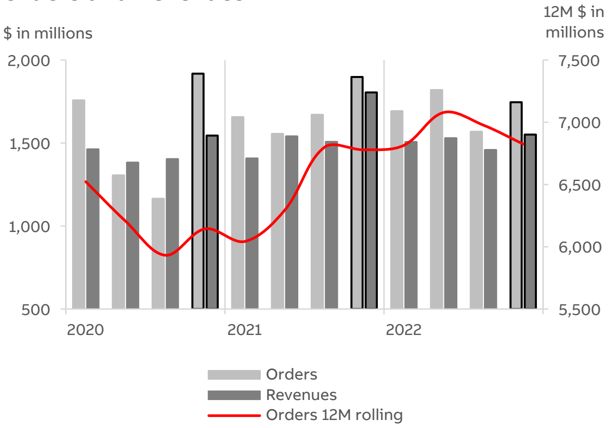
Profit

Through improved operational performance in virtually all divisions the business area managed to almost fully offset the adverse margin impact stemming from the exit of the high-margin Accelleron business, resulting in an Operational EBITA margin of 13.2%.

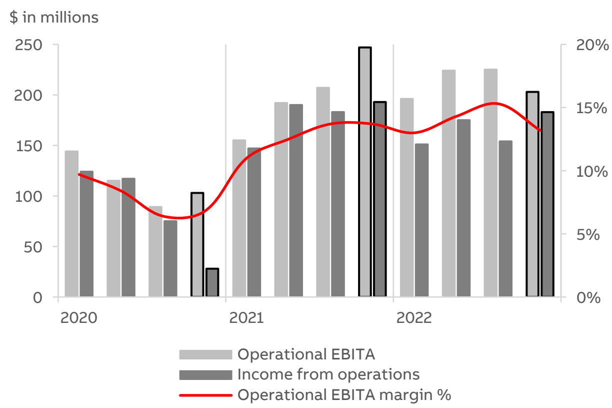
- Gross margin improvement was the main contributor to strong operational performance supported by growth in the digital businesses and better project execution.
- The now exited Accelleron business supported last year's margin by 160 basis points.

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	**Q4 2022**	**Q4 2021**	**US$**	**Comparable**	**FY 2022**	**FY 2021**	**US$**	**Comparable**
Orders	1,746	1,898	-8%	11%	6,825	6,779	1%	11%
Order backlog	6,229	6,079	2%	16%	6,229	6,079	2%	16%
Revenues	1,551	1,805	-14%	6%	6,044	6,259	-3%	7%
Operational EBITA	203	247	-18%		848	801	6%	
as % of operational revenues	13.2%	13.7%	-0.5 pts		14.0%	12.8%	+1.2 pts	
Cash flow from operating activities	205	370	-45%		675	1,062	-36%	
No. of employees (FTE equiv.)	20,100	22,000	-8%					

Orders and Revenues



Income from operations & Operational EBITA



Robotics & Discrete Automation

Growth

Change year-on-year	Q4 Orders	Q4 Revenues
Comparable	-19%	23%
FX	-8%	-11%
Portfolio changes	0%	0%
Total	**-27%**	**12%**

Orders and revenues

Following a period of elevated order levels when customers pre-ordered in response to a strained supply chain, growth in the fourth quarter was impacted by a normalization of order patterns in anticipation of shorter delivery lead times. Order intake declined by 27% (19% comparable).

- The order decline from a very high comparable last year was significant in the Machine Automation division, while Robotics reported a virtually stable development for comparable orders.
- There were positive developments in the automotive and electronics segments. The adverse impact from the order normalization pattern was predominantly noted in the machine builder segment but also to some extent in general industry and areas of food and beverage, pharmaceuticals as well as consumer packaged goods.
- Order intake declined in all regions at a double-digit rate, hampered by the broad adverse development in Machine Automation.
- Improved access to components supported a release of volumes from the order backlog resulting in the high revenue growth of 12% (23% comparable), with strong contribution from both divisions. The order backlog of $2.7 billion facilitates near-term revenue generation.

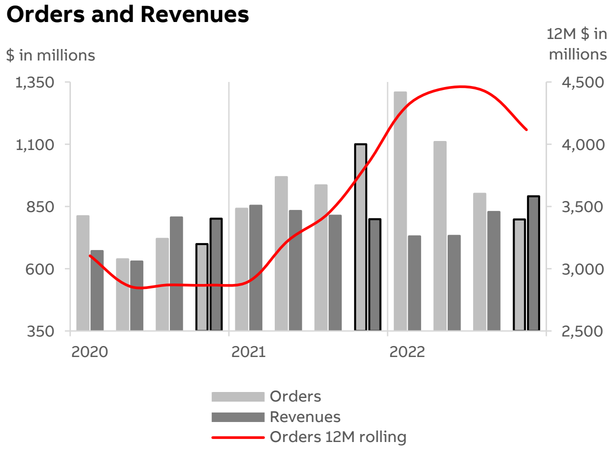
Profit

Operational EBITA doubled year-on-year and amounted to $125 million, supported by higher production output which triggered a 590 basis point margin improvement to 14.0%.

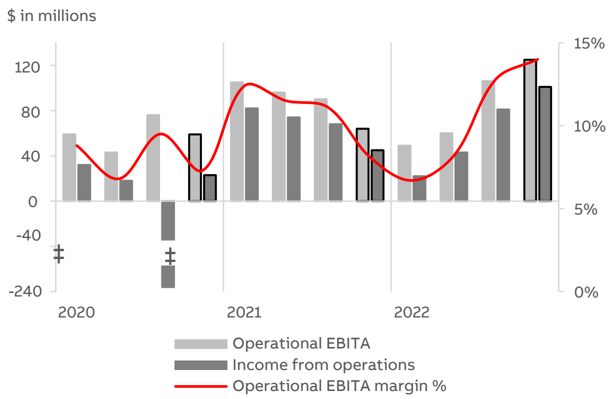
- Significantly higher volumes in production improved cost absorption and were the main driver in the strong earnings increase.
- Contribution from strong price development more than offset cost inflation in commodities and labor.
- Earnings benefitted from a slight positive product mix impact stemming from higher share of revenues from the high margin product business.

			CHANGE				CHANGE	
($ millions, unless otherwise indicated)	**Q4 2022**	**Q4 2021**	**US$**	**Comparable**	**FY 2022**	**FY 2021**	**US$**	**Comparable**
Orders	798	1,100	-27%	-19%	4,116	3,844	7%	15%
Order backlog	2,679	1,919	40%	48%	2,679	1,919	40%	48%
Revenues	891	799	12%	23%	3,181	3,297	-4%	4%
Operational EBITA	125	64	95%		340	355	-4%	
as % of operational revenues	14.0%	8.1%	+5.9 pts		10.7%	10.8%	-0.1 pts	
Cash flow from operating activities	105	129	-19%		214	374	-43%	
No. of employees (FTE equiv.)	10,700	10,600	0%					

Orders and Revenues



Income from operations & Operational EBITA



Sustainability

Q4 outcome

- 54% reduction of CO_2e emissions in own operations mainly by shifting to green electricity and a reduction of sulfur hexafluoride gas (SF6) emissions in our operations.
- 29% year-on-year decrease in LTIFR due to a decrease in incidents in absolute numbers.
- 1.5%-points increase in share of women in senior management, demonstrating progress towards our target.

Quarterly highlights

- ABB is working with Boliden, the Swedish mining and smelting company, to build a strategic co-operation to use low carbon footprint copper in its electromagnetic stirring (EMS) equipment and high-efficiency electric motors. The aim is to reduce greenhouse gas (GHG) emissions while driving the transition to a more circular economy.
- ABB has been selected to deliver the shaft generator system with permanent magnet technology for the first dedicated CO_2-storage vessels ever to be built. Due for delivery in 2024, the two vessels will support the Northern Lights carbon capture and storage (CCS) project by transporting greenhouse gas from industrial emitters to an onshore terminal in Øygarden, Norway. From there, the CO_2 will be delivered by pipeline to dedicated reservoirs 2,600 meters under the seabed in the North Sea for permanent storage.
- ABB launched in December its new Abilities campaign internally, with a focus on supporting employees with physical, mental or cognitive and emotional challenges so that they have equal access to resources that can empower them in their professional and personal lives.
- Every year, the Society of Women Engineers (SWE) organizes the world's largest conference for women in engineering and technology. The conference took place in Houston, Texas, at the end of October and brought together over 16,000 attendees from around the world. ABB is proud to be a part of SWE's Corporate Partnership Council, which annually sponsors over 120 employees with global SWE memberships, and subsequently supports SWE's mission towards gender parity in the workplace, a goal that aligns closely with ABB's own strategy for diversity & inclusion.

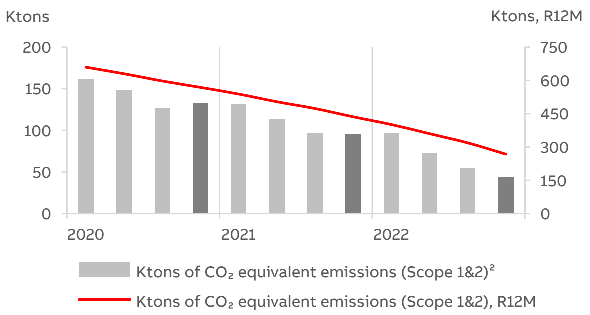
Story of the quarter

- The Energy Efficiency Movement, which counts ABB as a member, published the "Industrial energy efficiency playbook" including 10 actions that a business can take to improve its energy efficiency, reduce energy costs and lower emissions. Industry is the world's largest consumer of electricity, natural gas and coal, according to the IEA, accounting for 42% of total electricity demand. This energy consumption carries high costs in the current inflationary environment. The Movement's recommendations range from carrying out energy audits to right-sizing industrial machines that are often too big for the job at hand, which wastes energy. Moving data from on-site servers and into the cloud could help save around 90% of the energy consumed by IT systems. Speeding up the transition from fossil fuels, by electrifying industrial fleets switching gas boilers to heat pumps or using well-maintained heat exchangers will also offer efficiencies.

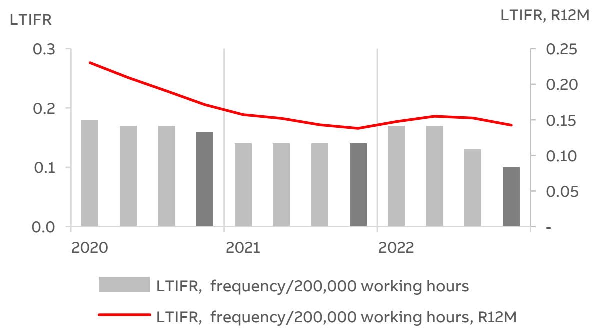
	Q4 2022	Q4 2021	CHANGE	12M ROLLING
CO_2e own operations emissions, kt scope 1 and 2[1]	44	95	-54%	268
Lost Time Injury Frequency Rate (LTIFR), frequency / 200,000 working hours	0.10	0.14	-29%	0.14
Share of females in senior management positions, %	17.8	16.3	+1.5 pts	17.2

1 CO_2 equivalent emissions from site, energy use, SF6 and fleet, previous quarter

CO_2e Scope 1&2



Lost Time Injury Frequency Rate



2 Q2 2022 emission data was restated from 88.8 to 72.6 Ktons of CO_2e to reflect the application of green energy certificates retrospectively.

Significant events

During Q4 2022

- On December 28, ABB announced it had completed the previously announced divestment to Hitachi, Ltd. (Hitachi) of its remaining 19.9% equity stake in the Hitachi Energy joint venture that was formed from ABB's Power Grids business in 2020, with Hitachi holding a stake of 80.1%. Through the divestment, ABB has realized a net positive cash inflow of approximately $1.4 billion in the fourth quarter 2022.
- On December 2, ABB announced that it had reached a full and final settlement with the National Director of Public Prosecution in South Africa, the U.S. Department of Justice, the U.S. Securities and Exchange Commission, and the Office of the Attorney General of Switzerland related to the legacy Kusile project in South Africa, awarded in 2015. The settlements total approximately $325 million primarily accounted for in ABB's third quarter 2022 financial results and include the expected exposure to the German case.
- On October 3, ABB announced that Accelleron Industries AG (formerly ABB Turbocharging) had started trading on SIX Swiss Exchange in Zurich, marking the completion of Accelleron's spin-off from ABB.

After Q4 2022

- On January 20, ABB announced it had reached an agreement to sell its Power Conversion division to AcBel Polytech Inc. for $505 million in cash. The transaction is subject to regulatory approvals and is expected to be completed in the second half of 2023. Upon closing, ABB expects to record a small non-operational book gain in Income from operations on the sale.
- On February 1, ABB announced its E-mobility business had signed an agreement with four minority investors to raise an additional CHF325 million in funds in exchange for approximately 12% shareholding in the company. The transaction represents the final part of ABB E-mobility's pre-IPO funding tranche through newly issued shares. Through the private placement, a total of approximately CHF525 million has been raised for approximately 20% shareholding in ABB's E-mobility, which will be used to continue the execution of its growth strategy, driven by both organic and M&A investments in hardware and software.
- On February 2, ABB announced the nomination of Denise C. Johnson, group president of Caterpillar Inc, as a new member for election at the company's upcoming Annual General Meeting (AGM) on March 23, 2023. At the same time, current member Satish Pai will step down from the Board.

Full year 2022

In 2022, demand for ABB's offering increased strongly year-on-year, supported by most customer segments and across all regions. Orders amounted to $33,988 million and improved by 7% (16% comparable).

Revenues amounted to $29,446 million up by 2% (12% comparable), year-on-year. Customer deliveries were impacted by component constraints in the first half, but shortages progressively eased throughout the year. As a result, the book-to-bill ratio amounted to 1.15 in 2022.

Income from operations amounted to $3,337 million down from $5,718 million in the year-earlier period. Results in 2022 included a charge triggered by the exit of the legacy full-train retrofit business in non-core operations as well as a provision related to the legacy Kusile project in South Africa awarded in 2015. Results in 2021 included a book gain of $2.2 billion related to the divestment of the Mechanical Power Transmission business.

Operational EBITA improved by 9% year-on-year to $4,510 million and the Operational EBITA margin increased by 110 basis points to 15.3%, achieving the margin target of at least 15% already one year earlier than expected. Performance was driven by the positive impacts from strong pricing execution and higher volumes, which more than offset cost inflation in raw materials, freight and labor.

Additionally, Corporate and Other Operational EBITA improved by $169 million to -$169 million, partly due to higher real estate gains and a better non-core result.

The net finance expenses declined $39 million to $58 million, roughly offsetting the decline in non-operational pension credits of $51 million to $115 million compared to the same period last year.

Income tax expense was $757 million with a tax rate of 22.3%, including approximately 3% net adverse impact primarily related to adverse impacts from non-deductible non-operational charges as well as a positive impact related to a release of a valuation allowance on deferred tax assets due to the improved business performance mainly related to the US.

Net income attributable to ABB was $2,475 million and decreased by 46%. Basic earnings per share was $1.30 and decreased by 43%. Both measures were adversely impacted by the charges triggered by the exit of the legacy full-train retrofit business in non-core operations as well as the provision related to the legacy Kusile project and include a book gain related to the divestment of the Mechanical Power Transmission business in 2021.

Acquisitions and divestments, last twelve months

Acquisitions	Company/unit	Closing date	Revenues, $ million[1]	No. of employees
2022				
Motion	PowerTech Converter business	1-Dec	~60	300
Electrification	ASKI Industrie Elektronik GmbH	3-Oct	~2	16
Electrification	Numocity Technologies Private Ltd. (majority stake)	22-Jul	<1	20
Electrification	InCharge Energy, Inc (majority stake)	26-Jan	~16	40

Divestments	Company/unit	Closing date	Revenues, $ million[1]	No. of employees
2022				
	Hitachi Energy JV (Power Grids, 19.9% stake)	28-Dec		

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 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
EBITDA, $ in million	1,024	1,324	1,072	3,191	6,611	1,067	794	906	1,384	4,151
Return on Capital Employed, %	n.a.	n.a.	n.a.	n.a.	14.90	n.a.	n.a.	n.a.	n.a.	16.50
Net debt/Equity	0.09	0.16	0.13	(0.01)	(0.01)	0.20	0.34	0.34	0.21	0.21
Net debt/ EBITDA 12M rolling	0.4	0.7	0.5	(0.01)	(0.01)	0.4	0.7	0.7	0.7	0.7
Net working capital, % of 12M rolling revenues	10.8%	11.6%	10.2%	8.1%	8.1%	12.1%	12.8%	11.7%	11.1%	11.1%
Earnings per share, basic, $	0.25	0.37	0.33	1.34	2.27	0.31	0.20	0.19	0.61	1.30
Earnings per share, diluted, $	0.25	0.37	0.32	1.33	2.25	0.31	0.20	0.19	0.60	1.30
Dividend per share, CHF	n.a.	n.a.	n.a.	n.a.	0.82	n.a.	n.a.	n.a.	n.a.	0.84 *
Share price at the end of period, CHF[1]	27.56	30.30	30.30	33.68	33.68	29.12	24.57	24.90	28.06	28.06
Share price at the end of period, $[1]	28.99	32.33	31.73	36.31	36.31	30.76	25.43	24.41	30.46	30.46
Number of employees (FTE equivalents)	105,330	106,370	106,080	104,420	104,420	104,720	106,380	106,830	105,130	105,130
No. of shares outstanding at end of period (in millions)	2,024	2,006	1,993	1,958	1,958	1,929	1,892	1,875	1,865	1,865

1 Data prior to October 3, 2022, has been adjusted for the Accelleron spin-off (Source: FactSet).

* Dividend proposal subject to shareholder approval at the 2023 AGM

Additional 2023 guidance

($ in millions, unless otherwise stated)	FY 2023[1]	Q1 2023
Corporate and Other Operational EBITA	~(300) [2]	~(75) [2]
Non-operating items		
Acquisition-related amortization	~(220)	~(55)
Restructuring and related[3]	~(150)	~(40)
ABB Way transformation	~(180)	~(40)

($ in millions, unless otherwise stated)	FY 2023
Net finance expenses	~(150)
Effective tax rate	~25% [4]
Capital Expenditures	~(800)

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 costs.
4 Excluding impact of acquisitions or divestments or any significant non-operational items.

Important notice about forward-looking information

This press release includes forward-looking information and statements as well as other statements concerning the outlook for our business, including those in the sections of this release titled “CEO summary,” “Outlook,” “Earnings,” “Balance sheet & cash flow,” “Robotics and Discrete Automation” and “Significant events”. 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,” “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. Some important factors that could cause such differences include, among others, business risks associated with the volatile global economic environment and political conditions, costs associated with compliance activities, market acceptance of new products and services, changes in governmental regulations and currency exchange rates and such other factors as may be discussed from time to time in ABB Ltd’s filings with the U.S. Securities and Exchange Commission, including its Annual Reports on Form 20-F. Although ABB Ltd believes that its expectations reflected in any such forward looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

Q4 results presentation on February 2, 2023

The Q4 2022 results press release and presentation slides are available on the ABB News Center at www.abb.com/news and on the Investor Relations homepage at www.abb.com/investorrelations.

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

To pre-register for the conference call or to join the webcast, please refer to the ABB website: www.abb.com/investorrelations.

The recorded session will be available after the event on ABB’s website.

Financial calendar

2023	
March 23	Annual General Meeting
April 25	Q1 2023 results
July 20	Q2 2023 results
October 18	Q3 2023 results
November 30	Capital Markets Day in Frosinone, Italy

For additional information please contact:

Media Relations
Phone: +41 43 317 71 11
Email: media.relations@ch.abb.com

Investor Relations
Phone: +41 43 317 71 11
Email: investor.relations@ch.abb.com

ABB Ltd
Affolternstrasse 44
8050 Zurich
Switzerland

ABB (ABBN: SIX Swiss Ex) is a 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 more than 130 years of excellence, ABB’s ~105,000 employees are committed to driving innovations that accelerate industrial transformation.