



Second Quarter 2017 Teleconference

June 8, 2017

Agenda

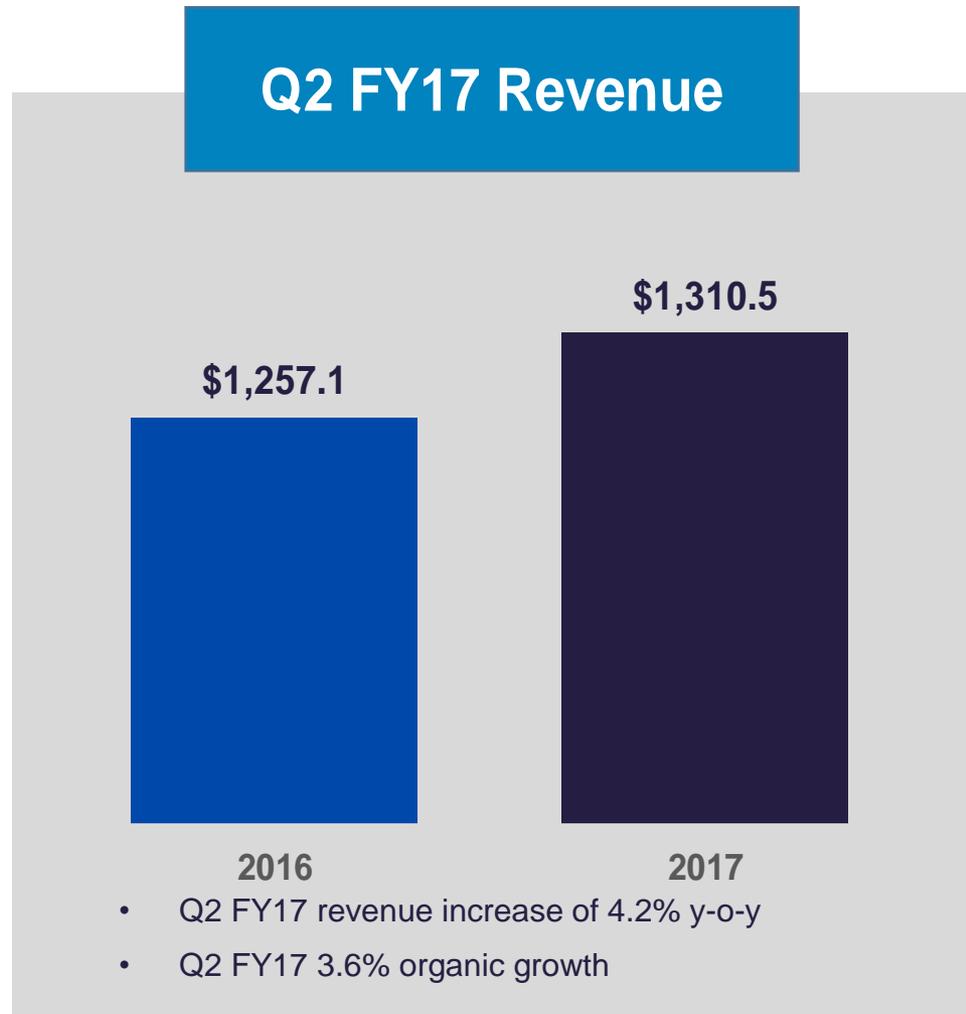
- 1 ABM Business Overview
- 2 Second Quarter 2017 Review
- 3 Capital Structure
- 4 Fiscal 2017 Outlook

Forward-Looking Statements and Non-GAAP Financial Information:

Our discussions during this conference call will include forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements. Some of the factors that could cause actual results to differ are discussed in the Company's 2016 Annual Report on Form 10-K and in our 2017 reports on Form 10-Q and Form 8-K. These reports are available on our website at <http://investor.abm.com> under "SEC Filings". A description of other factors that could cause actual results to differ is also set forth at the end of this presentation.

Also, the discussion during this conference call will include certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). Reconciliations of those non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures can be found on the Investor Relations portion of our website at <http://investor.abm.com> and at the end of this presentation.

Second Quarter 2017 Review



Note: Excluding the impact of currency translation, organic revenue growth for Q2 FY17 was 4.4%

Second Quarter 2017 Review

Q2 FY17 Income from Continuing Operations

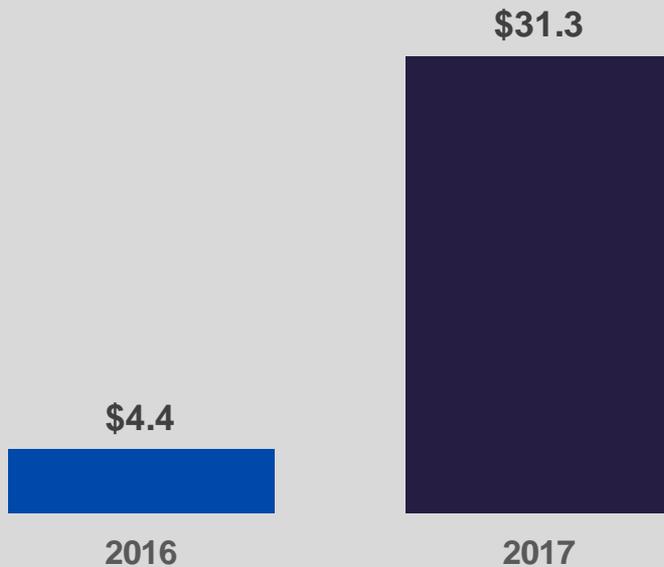


Q2 FY17 Adj. Income from Continuing Operations

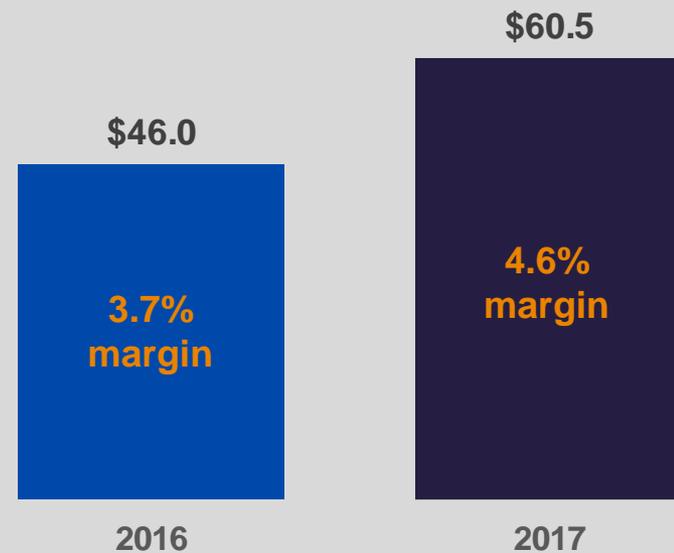


Second Quarter 2017 Review

Q2 FY17 Net Income¹



Q2 FY17 Adj. EBITDA



- Q2 FY17 margin increase of 90 bps y-o-y

¹ Net Income includes income (loss) from discontinued operations

Second Quarter 2017 Segment Results

Business & Industry

- Revenues of \$732.6m, increase of 0.3% y-o-y
- Operating profit of \$41.0m, Operating margin of 5.6%

Aviation

- Revenues of \$232.2m, increase of 14.4% y-o-y
- Operating profit of \$7.6m, Operating margin of 3.3%

Emerging Industries

- Revenues of \$192.0m, decrease of 1.5% y-o-y
- Operating profit of \$12.0m, Operating margin of 6.3%

Technical Solutions

- Revenues of \$110.8m, increase of 9.8% y-o-y
- Operating profit of \$10.6m, Operating margin of 9.6%

Government

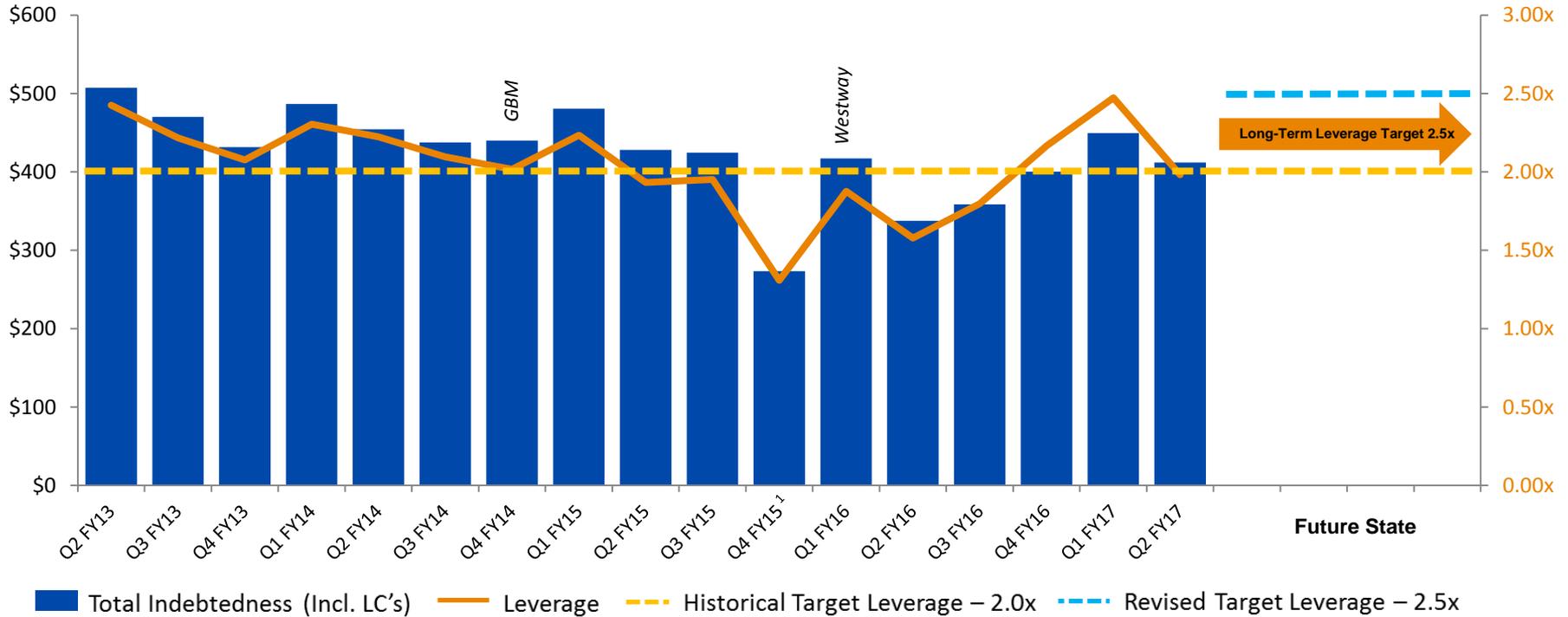
- Revenues of \$42.9m, increase of 54.7% y-o-y
- Operating profit of \$18.2m, includes impairment recovery of \$17.4m



Capital Structure

Select Cash Flow & Balance Sheet Items

Leverage



Note: Acquisitions shown represent purchase above \$20m

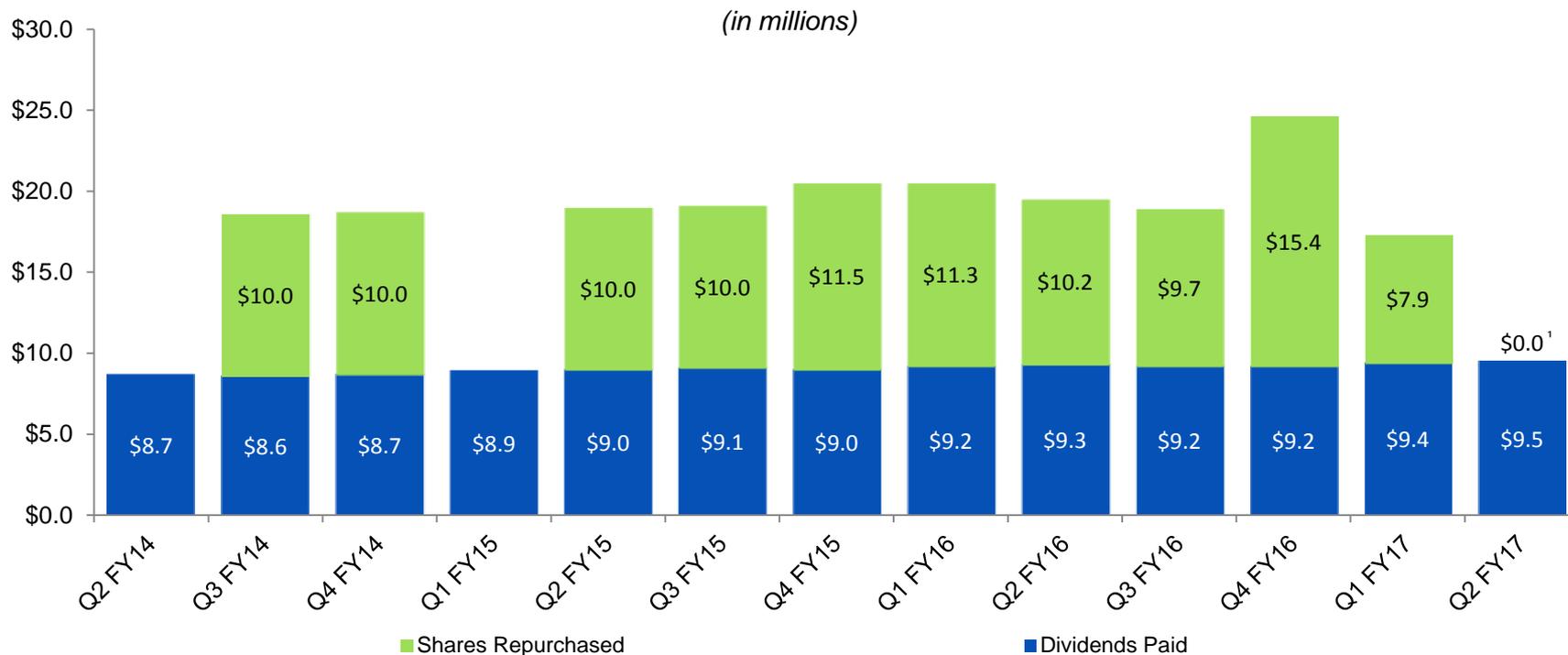
Q2 FY17 Leverage of ~2.0x*

¹ Decrease in FY15 Q4 leverage due to disposition of Security

* Leverage calculated as total indebtedness / pro-forma adjusted EBITDA

Select Cash Flow & Balance Sheet Items

Shareholder Return



¹ Due to the pending settlement agreement related to the Augustus case, the Company is currently reevaluating the timing of share repurchase execution

A person wearing a blue baseball cap and a blue shirt is seen from the back, looking towards a circular fountain in a park. The fountain has two water jets. The background is filled with trees and a building with an arched entrance. The entire image has a blue tint.

Fiscal 2017 Outlook

Fiscal 2017 Outlook

Metric	Amount
Income from continuing operations per diluted share	\$1.63 - \$1.73
Adjusted Income from continuing operations per diluted share	\$1.85 - \$1.95
Depreciation & Amortization	\$57m - \$61m
Interest Expense	\$11m - \$13m
Capital Expenditures	\$50m - \$60m
Adjusted EBITDA Margin	4.5% to 4.6%
Tax Rate (excluding WOTC & other discrete tax items) ¹	~42%
Incremental 2017 2020 Vision impact	H1 2017: \$10m
	H2 2017: \$10m

2017 Working Days				
Quarter	Q1	Q2	Q3	Q4
Days	66	63	66	66
Δ y-o-y	+1	-2	+1	0

¹ This tax rate excludes approximately \$0.18 primarily related to the 2017 Work Opportunity Tax Credits, benefit from adoption of ASU 2016-09, and benefit from IRC Section 179D

New Segment Structure by Industry Group

Segment	FY17 Operating Margin %	
	Revised	Original
Business & Industry		low to mid 5%
Aviation	low to mid 4%	mid to high 4%
Emerging Industries ¹		mid to high 6%
Technical Solutions ²	high 7% to low 8%	mid to high 7%
Government	- HELD FOR SALE -	

¹ Includes Education, Healthcare, and High-Tech

² Includes Technical Solutions U.S. (formerly ABES) and Technical Solutions U.K. (formerly Westway)

New Segment Structure – FY16 Historical

REVENUES AND OPERATING PROFIT BY SEGMENT (UNAUDITED)

	Three Months Ended, January 31, 2016	Three Months Ended, April 30, 2016	Three Months Ended, July 31, 2016	Three Months Ended, October 31, 2016	Twelve Months Ended, October 31, 2016
Revenues:					
Business & Industry	\$ 743.8	\$ 730.4	\$ 733.4	\$ 741.7	\$ 2,949.1
Aviation	203.9	203.0	219.1	225.8	851.8
Emerging Industries Group	199.1	195.0	200.6	207.2	801.9
Technical Solutions	93.4	100.9	115.4	115.5	425.3
Government Services	28.5	27.7	28.3	32.1	116.7
Total revenues	1,288.4	1,257.1	1,298.9	1,322.3	5,144.7
Operating profit:					
Business & Industry	\$ 28.5	\$ 32.6	\$ 40.7	\$ 33.6	\$ 135.4
Aviation	3.9	5.5	8.3	10.0	27.7
Emerging Industries Group	14.9	12.9	16.9	16.3	61.0
Technical Solutions	4.1	4.3	10.0	10.6	28.9
Government Services	0.2	(1.5)	(1.0)	(21.2)	(23.4)
Corporate	(35.2)	(40.3)	(55.0)	(36.7)	(167.2)
Adjustment for income from unconsolidated affiliates, net, included in Aviation and Government Services	(2.5)	(0.8)	(1.3)	(1.9)	(6.5)
Adjustment for tax deductions for energy efficient government buildings, included in Technical Solutions	(0.3)	(0.9)	(0.1)	—	(1.2)
Total operating profit	13.6	11.8	18.5	10.8	54.7
Income from unconsolidated affiliates, net	2.4	0.9	2.1	2.2	7.6
Interest expense	(2.7)	(2.4)	(2.6)	(2.7)	(10.4)
Income from continuing operations before income taxes	13.3	10.3	18.0	10.3	51.9

New Segment Structure by Industry Group

REPORTABLE SEGMENTS AND DESCRIPTIONS	
B&I	B&I represents our largest reportable segment. It encompasses janitorial, facilities engineering, and parking services to commercial real estate industries, sports and entertainment venues, and industrial and manufacturing sites.
Aviation	Aviation includes services supporting airlines and airports. A wide array of services that support the needs of our clients are included in this segment, ranging from parking and janitorial to passenger assistance, catering, air cabin maintenance, and transportation. Aviation also includes one of our investments in an unconsolidated affiliate that was previously part of our government business under our legacy Building & Energy Solutions segment.
Emerging Industries Group	Our Emerging Industries Group encompasses janitorial, facilities engineering, and parking services for the Education, Healthcare, and High Tech industries, which have been combined into one reportable segment.
Technical Solutions	Technical Solutions provides specialized mechanical and electrical services. These services can also be leveraged for cross-selling within B&I, Aviation, and the Emerging Industries Group, both domestically and internationally.
Government Services	Our held-for-sale Government Services business provides specialty solutions in support of U.S. government entities, such as: construction management; healthcare support; leadership development; military base operations; and other mission support services.

Forward-Looking Statement

This presentation contains both historical and forward-looking statements. In this context, ABM Industries Incorporated (“ABM”) and its subsidiaries (collectively referred to as “ABM,” “we,” “us,” “our,” or the “Company”). We make forward-looking statements related to future expectations, estimates and projections that are uncertain, and often contain words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “intend,” “likely,” “may,” “outlook,” “plan,” “predict,” “should,” “target,” or other similar words or phrases. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and assumptions that are difficult to predict. For us, particular uncertainties that could cause our actual results to be materially different from those expressed in our forward-looking statements include: (1) changes to our businesses, operating structure, financial reporting structure, or personnel relating to the implementation of our 2020 Vision strategic transformation initiative; (2) unfavorable developments in our class and representative actions and other lawsuits alleging various claims; (3) increases in estimates of ultimate insurance losses; (4) challenges implementing our risk management and safety programs; (5) uncertainty in future cash flows; (6) challenges preserving long-term client relationships, passing through costs to clients, responding to competitive pressures, and retaining qualified personnel; (7) challenges in identifying, acquiring, and integrating businesses; (8) unexpected tax liabilities or changes in tax laws; (9) changes in energy prices or energy regulations; (10) deterioration of general economic conditions and reductions in commercial office building occupancy; (11) impairment of goodwill and long-lived assets; (12) changes in immigration laws or enforcement actions or investigations under such laws; (13) significant delays or reductions in appropriations for our government contracts; (14) failure of our joint venture partners to perform their obligations; (15) losses or other incidents at facilities in which we operate; (16) difficulty responding to cyber-security incidents and business interruptions; (17) liabilities associated with participation in multiemployer pension plans; (18) actions of activist investors; (19) operations in areas of military conflict; and (20) weather conditions, catastrophic events, and terrorist attacks. The list of factors above is illustrative and by no means exhaustive.

Additional information regarding these and other risks and uncertainties we face is contained in our Annual Report on Form 10-K for the year ended October 31, 2016 and in other reports we file from time to time with the Securities and Exchange Commission (including all amendments to those reports). We urge readers to consider these risks and uncertainties in evaluating our forward-looking statements. We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.



Appendix

Unaudited Reconciliation of non-GAAP Financial Measures

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)

(in millions)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2017	2016	2017	2016
Reconciliation of Income from Continuing Operations to Adjusted Income from Continuing Operations				
Income from continuing operations	\$ 31.6	\$ 6.8	\$ 47.7	\$ 20.4
Items impacting comparability ^(a)				
Prior year self-insurance adjustment ^(b)	5.0	4.7	10.0	10.7
U.S. Foreign Corrupt Practices Act investigation ^(c)	—	—	(3.2)	0.1
Restructuring and related ^(d)	5.8	8.6	10.8	15.7
Acquisition costs	0.3	0.2	0.7	1.0
Litigation and other settlements ^(e)	0.5	5.2	2.4	4.9
Impairment recovery on Government Services business	(17.4)	—	(17.4)	—
Total items impacting comparability	(5.8)	18.7	3.5	32.3
Income tax provision (benefit) ^(f)	2.0	(7.8)	(1.9)	(13.4)
Items impacting comparability, net of taxes	(3.8)	10.9	1.6	18.9
Adjusted income from continuing operations	\$ 27.8	\$ 17.7	\$ 49.3	\$ 39.3

^(a) The Company adjusts income from continuing operations to exclude the impact of certain items that are unusual, non-recurring, or otherwise do not reflect management's views of the underlying operational results and trends of the Company.

^(b) Represents adjustments to our self-insurance reserve for general liability, workers' compensation and automobile claims related to prior period accident years. Management believes these prior period reserve changes do not illustrate the performance of the Company's normal ongoing operations given the current year's insurance expense is estimated by management in conjunction with the Company's outside actuary to take into consideration past history and current costs and regulatory trends. Once the Company develops its best estimate of insurance expense premiums for the year, the Company fully allocates such costs out to the business leaders to hold them accountable for the current year costs within operations. However, since these prior period reserve changes relate to claims that could date back many years, current management has limited ability to influence the ultimate development of the prior year changes. Accordingly, including the prior period reserve changes in the Company's current operational results would not depict how the business is run as the Company holds its management accountable for the current year's operational performance. The Company believes the exclusion of the self-insurance adjustment from income from continuing operations is useful to investors by enabling them to better assess our operating performance in the context of current year profitability.

^(c) FY17 represents reimbursement of previously expensed legal and other costs incurred in connection with an internal investigation into a foreign entity affiliated with a former joint venture partner.

^(d) Represents costs for 2020 Vision Transformation Initiative, net of the reversal of certain share-based compensation costs.

^(e) FY16 amount includes costs related to a reserve established for an outstanding client receivable that is being litigated, and based on recent unfavorable developments, a significant portion of the outstanding receivable amount is no longer deemed collectible.

^(f) The Company's tax impact is calculated using the federal and state statutory rate of 41.5%, with the exception of an impairment recovery related to the Company's Government Services business, for which a 39.0% tax rate was applied. We calculate tax from the underlying whole-dollar amounts, as a result, certain amounts may not recalculate based on reported numbers due to rounding.

Unaudited Reconciliation of non-GAAP Financial Measures

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)

(in millions, except per share amounts)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2017	2016	2017	2016
Reconciliation of Net Income (Loss) to Adjusted EBITDA				
Net income (loss)	\$ 31.3	\$ 4.4	\$ (25.5)	\$ 18.4
Items impacting comparability	(5.8)	18.7	3.5	32.3
Net loss from discontinued operations	0.4	2.4	73.2	2.0
Income tax provision	17.3	3.5	23.2	3.2
Interest income from energy efficient government buildings ⁽⁹⁾	(0.1)	(0.3)	(0.4)	(0.6)
Interest expense	3.0	2.4	6.3	5.1
Depreciation and amortization	14.5	15.0	28.5	29.3
Adjusted EBITDA	<u>\$ 60.5</u>	<u>\$ 46.0</u>	<u>\$ 108.6</u>	<u>\$ 89.7</u>
	Three Months Ended April 30,		Six Months Ended April 30,	
	2017	2016	2017	2016
Reconciliation of Income from Continuing Operations per Diluted Share to Adjusted Income from Continuing Operations per Diluted Share				
Income from continuing operations per diluted share	\$ 0.56	\$ 0.12	\$ 0.84	\$ 0.36
Items impacting comparability, net of taxes	(0.07)	0.19	0.03	0.33
Adjusted income from continuing operations per diluted share	<u>\$ 0.49</u>	<u>\$ 0.31</u>	<u>\$ 0.87</u>	<u>\$ 0.69</u>
Diluted shares	56.5	56.9	56.6	57.0

⁽⁹⁾ Adjusted EBITDA does not include interest income for certain long term energy contracts, in which case a gross up of both interest income and interest expense is being recorded.

2017 Guidance

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

2017 GUIDANCE

	Year Ended October 31, 2017	
	Low Estimate	High Estimate
Reconciliation of Estimated Income from Continuing Operations per Diluted Share to Estimated Adjusted Income from Continuing Operations per Diluted Share		
Income from continuing operations per diluted share ^(a)	\$ 1.63	\$ 1.73
Adjustments ^(b)	0.22	0.22
Adjusted income from continuing operations per diluted share ^(a)	\$ 1.85	\$ 1.95

^(a) With the exception of the 2017 Work Opportunity Tax Credits, ASU 2016-09, and IRC Section 179D, this guidance does not include any potential benefits associated with certain other discrete tax items and other unrecognized tax benefits.

^(b) Adjustments include an impairment recovery associated with the sale of the Government Services business, costs associated with the strategic review and realignment, legal settlements, adjustments to self-insurance reserves pertaining to prior year's claims and other unique items impacting comparability.