

Welcome & Agenda



Investor Day

October 28, 2015

2020 Vision

2015 Investor Day Agenda

Time	Speaker & Topic	
9:00 a.m.	David Farwell , SVP Investor Relations	Introductions and Agenda
9:10 a.m.	Scott Salmirs , President and CEO, ABM	The ABM Journey and 2020 Vision
9:50 a.m.	Tom Marano , President, Air Serv	Establishing an Enterprise-wide Vertical Market System
10:30 a.m.	Scott Giacobbe , President, ABM Building & Energy Solutions	Building Value Across Verticals
10:50 a.m.	Break	
11:00 a.m.	Jim McClure , EVP and President, Onsite Services	The Process of Transformation
11:30 a.m.	Anthony Scaglione , EVP and CFO, ABM	The Financial Impact of 2020 Vision
12:00 p.m.	Q&A	

Forward-Looking Statements and Non-GAAP Financial Information

Forward-Looking Statements

- Discussions during our Investor Day presentations will include forward-looking statements about, among other things, our anticipated future operating and financial performance, expected growth and benefits relating to our vertical operating model, margin growth acceleration, achievement of operational efficiencies, expected positive impacts relating to our upcoming organizational realignment, potential cost savings associated with the movement to an enterprise-wide procurement platform, anticipated benefits related to our manager development processes, expected consequences related to enhancements to our safety and risk programs, and plans relating to share repurchases. Words such as “expects”, “anticipates”, “assumes”, “estimates”, “will”, “shall” or variations thereof, are generally part of forward-looking statements. These statements are subject to substantial risks and uncertainties that could cause results to differ materially from those expressed or implied by such statements. Additional information regarding these factors can be found in ABM’s Annual Report on Form 10-K for the fiscal year ended October 31, 2014 and in our subsequent reports on Form 10-Q, including in the sections thereof captioned “Risk Factors” and “Forward-Looking Statements” as well as in our subsequent reports on Form 8-K, all of which are filed with the SEC and available at www.sec.gov and www.abm.com. The forward-looking statements in these presentations speak only as of the original date of these presentations and we undertake no obligation to update or review any of these statements.

Non-GAAP Financial Information

- The presentations and discussions during our Investor Day may include references to certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles (GAAP). Reconciliations of non-GAAP financial measures that may be discussed to the most directly comparable GAAP financial measure can be found at the end of this presentation and in supplemental material posted to the investor relations section of our website at www.abm.com.



2020 Vision

Scott Salmirs

President and Chief Executive Officer

2015 Investor Day Agenda

Speaker & Topic	
Scott Salmirs , President and CEO	The ABM Journey and 2020 Vision
Tom Marano , President Air Serv	Establishing an Enterprise-wide Vertical Market System
Scott Giacobbe , President ABM Building & Energy Solutions	Building Value Across Verticals
Jim McClure , EVP and President Onsite Services	The Process of Transformation
Anthony Scaglione , EVP and CFO	The Financial Impact of 2020 Vision



Founded in
1909

\$5 Billion
in Revenue



Leading Provider
of Facility Solutions



300+

U.S. &
International
Locations

ABM®

Building Value

ELECTRICAL SOLUTIONS

We service and maintain
40,000+
parking lot
poles & lights

ENERGY

We've reduced our
BES clients' energy use

21.5%
saving them
\$30+ Million

FACILITIES ENGINEERING

Our **3,800+**
Certified Engineers
keep buildings running

HVAC & MECHANICAL

We service and maintain
500,000+
heating and
cooling systems

JANITORIAL

Each day, we clean
2+ Billion
square feet
of buildings

LANDSCAPE & TURF

We maintain **25,000+** acres
of landscaping and golf courses

PARKING & TRANSPORTATION

We collect for
our clients
\$1.5+ Billion
in parking revenue

SECURITY PERSONNEL

Our **11,000+**
licensed security
personnel help keep
buildings safe
and hospitable



20,000+
Clients
118,000+
Employees

ABM
LISTED
NYSE

Strong Client Base



Adapting Through Change



Onsite
Reorganization

ABM Names
Industry Veteran
Scott Salmirs as
Next CEO

2007

2008

2010

2012

2013

2014

2015





Founded in **1909**

\$5 Billion
in Revenue



Leading Provider
of Facility Solutions



300+
U.S. &
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ABM®

Building Value

ELECTRICAL SOLUTIONS

We service and maintain **40,000+** parking lot poles & lights

ENERGY

We've reduced our BES clients' energy use

21.5% saving them **\$30+ Million**

FACILITIES ENGINEERING

Our **3,800+** Certified Engineers keep buildings running

HVAC & MECHANICAL

We service and maintain **500,000+** heating and cooling systems

JANITORIAL

Each day, we clean **2+ Billion** square feet of buildings

LANDSCAPE & TURF

We maintain **25,000+ acres** of landscaping and golf courses

SECURITY PERSONNEL

Our **11,000+** licensed security personnel help keep buildings safe and hospitable

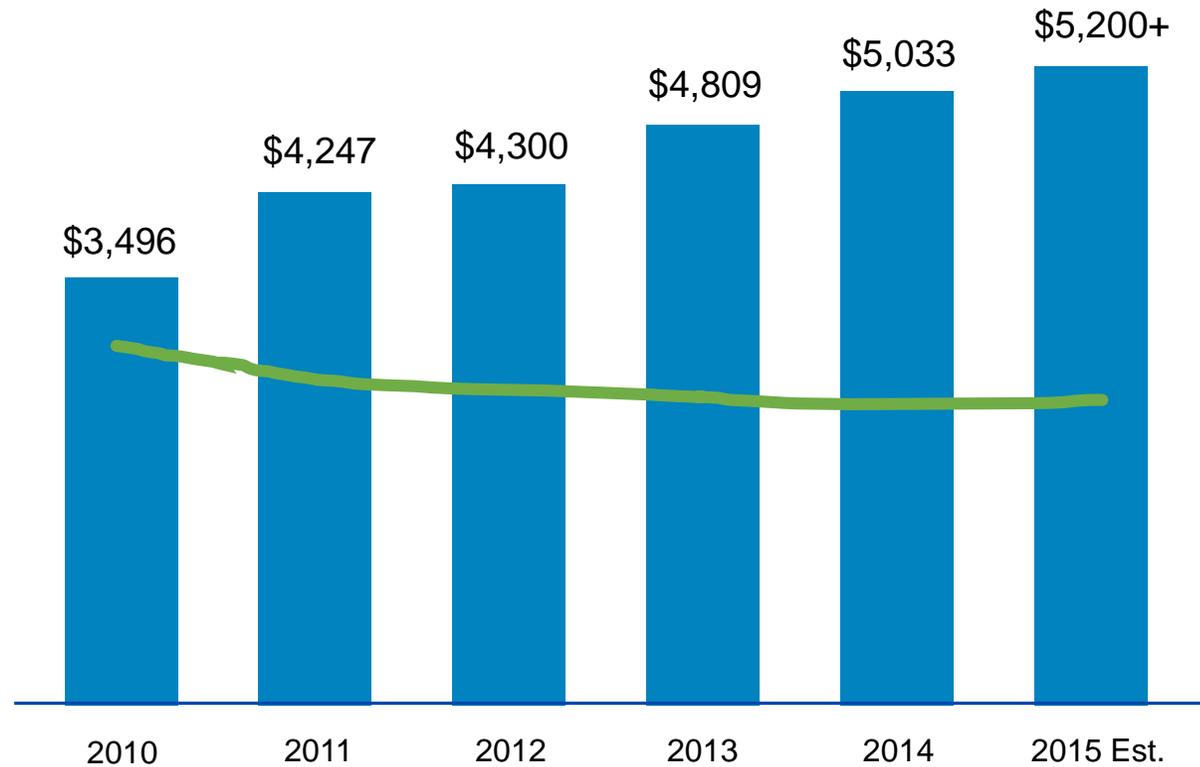
PARKING & TRANSPORTATION

We collect for our clients **\$1.5+ Billion** in parking revenue

ABM
LISTED
NYSE

20,000+
Clients
118,000+
Employees

Revenue and Adjusted EBITDA 2010 – 2015 Est.



Adj. EBITDA Margin

— Flat Adjusted EBITDA Margin of ~4%

Competitive Landscape



Strategic Review



Common Themes from Clients and Employees

- Focus and clarity
- Consistency and quality service
- Engaged and well-trained employees
- Effective use of technology
- Client-centricity
- Act as "one" enterprise



Choosing Our Verticals and Services



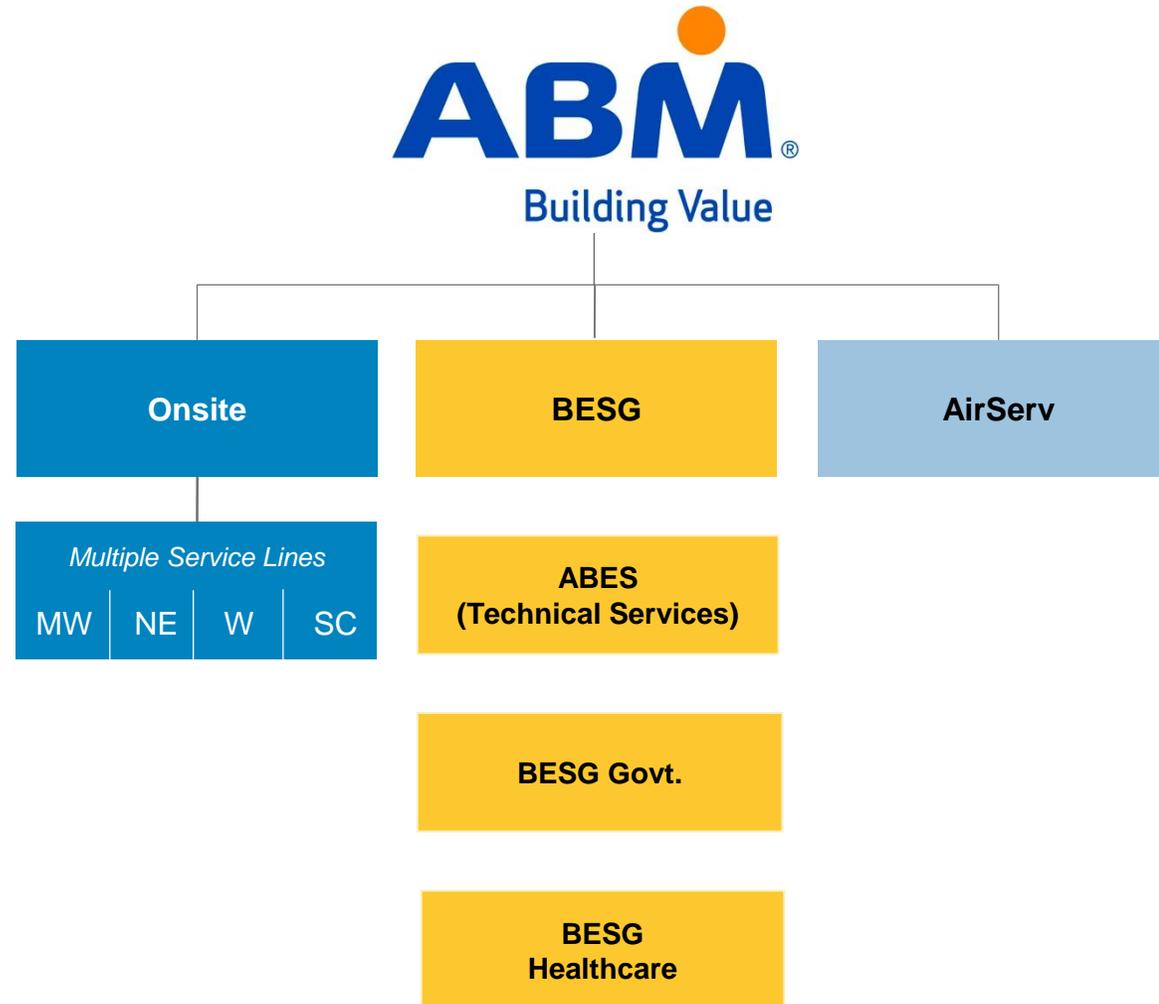
A Comprehensive Assessment

	Overall	Margin accretive	Market growth/size	Outsourcing growth potential	Opportunity for scale advantage	Competitive positioning	Capabilities needed to win
Verticals	Aviation	●	●	●	●	●	●
	Healthcare	●	●	●	●	●	●
	Education	●	●	●	●	●	●
	High Tech	●	●	●	●	●	●
	Industrial & Manuf.	●	●	●	●	●	●
	Commercial RE	●	●	●	●	●	●
	Government	●	●	●	●	●	●
	Retail	●	●	●	●	●	●
Service Lines	Bldg & Energy Sol.	●	●	●	N/A	●	●
	Janitorial	●	●	●	●	●	●
	Parking	●	●	●	●	●	●
	Facilities Services	●	●	●	●	●	●
	Security	●	●	●	●	●	●

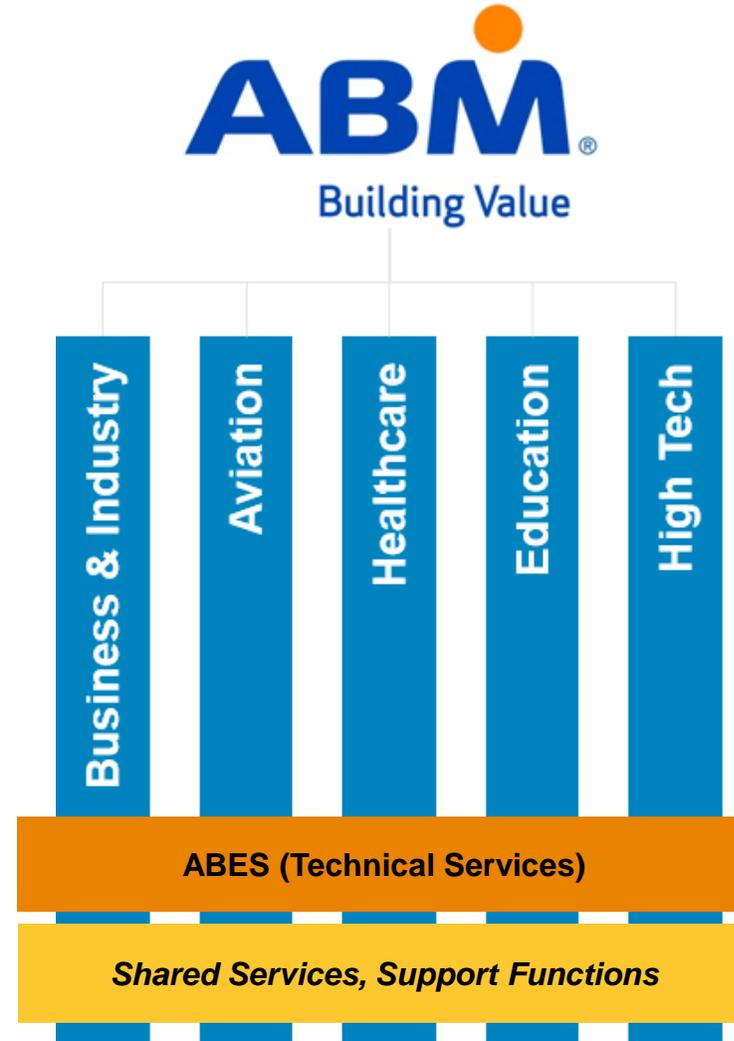
LEGEND

- Above average
- Around average
- Below average

Current Organizational Structure



Vertical Operating Model



Realizing the Vision



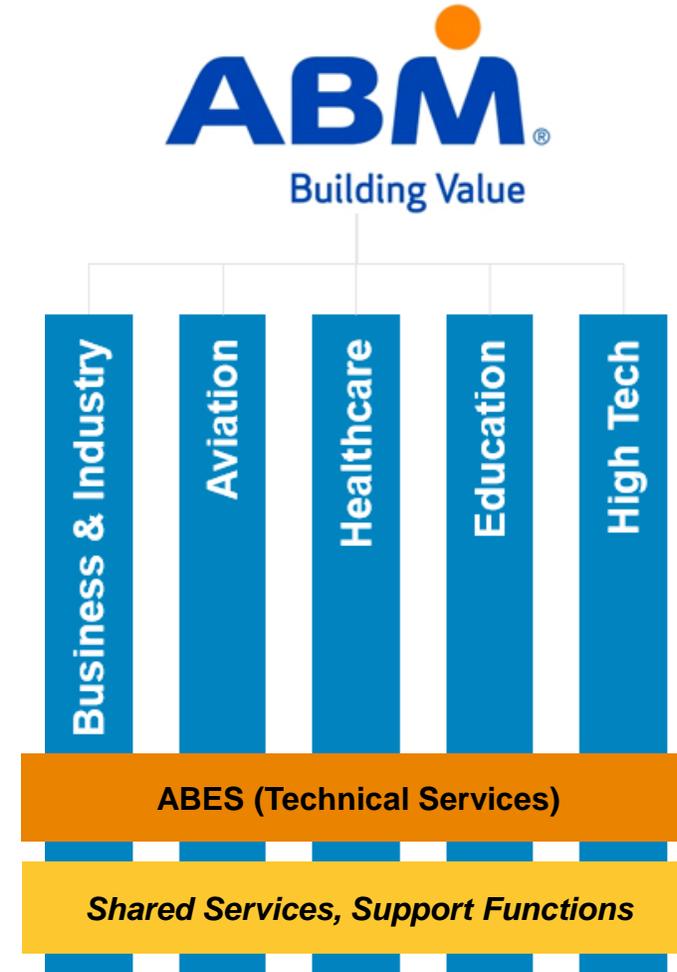
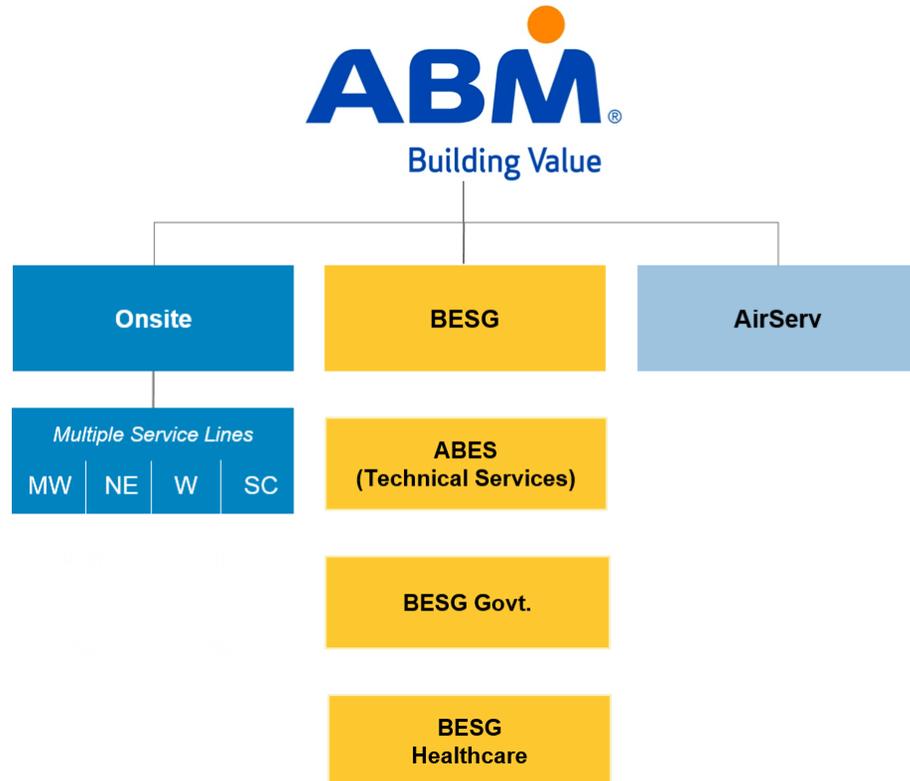
Building Value

2020 Vision

Comprehensive Transformation Strategy

1 Organizational realignment  Integrated vertical focus

Integrated Vertical Focus



Customer Alignment



Customer Alignment

Aviation



Building & Industry



Education



Healthcare



High-Tech



Comprehensive Transformation Strategy

1 Organizational realignment  Integrated vertical focus

2 Consistent excellence  Operational improvements

Operational Improvements

Account management

- **Robust account planning process** to drive higher client retention and profitable growth
- **Improved client mix**, with emphasis on high-margin accounts
- **Aligned incentives** to ensure focus on inputs (key metrics) and outputs (financials)

Labor management

- **Codified best practices** that will increase efficiency and effectiveness of labor
- **Managerial toolkit** to measure and track key labor management practices, metrics
- **Balanced scorecard** to enable visibility into performance across the enterprise

Manager development

- **Training program** that enables managers to learn and develop skills critical to current – and future – role
- **Higher manager retention** through building stronger affiliation between managers and ABM

Safety and risk management

- **Implementation** of an enhanced safety and risk management program
- **Set of metrics** to track key drivers and indicators of safety and risk
- **Increased focus** on safety across the enterprise

Comprehensive Transformation Strategy

1 Organizational realignment  Integrated vertical focus

2 Consistent excellence  Operational improvements

3 Cost optimization  Effective cost management

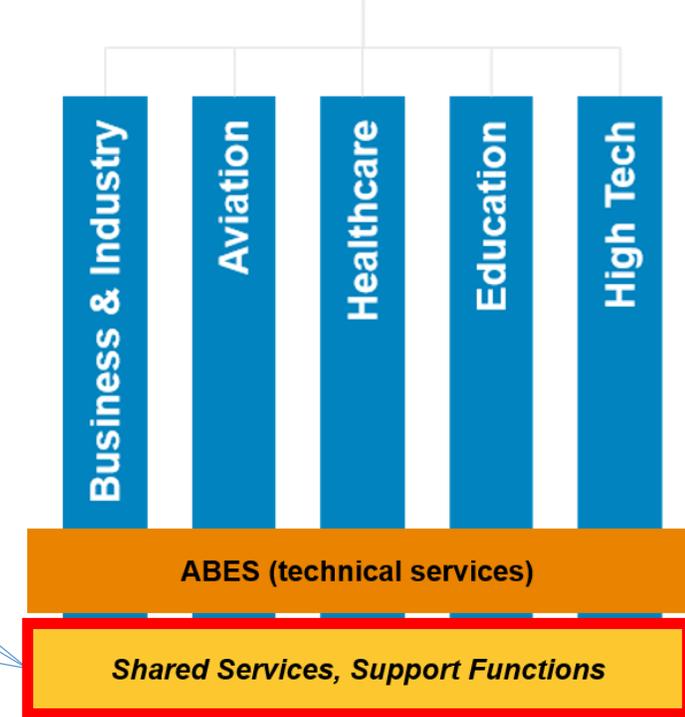
Effective Cost Management

Enterprise-wide Procurement

Materials and supplies

Sub-contracted services

Equipment



Three-Phased Approach

Establish foundation for vertical approach

Initial benefits from cost reduction & operational efficiencies

Fully realize annual run rate & accelerate margin

FY2015 – 2016

FY2016 – 2017

FY2017 – 2020

- Organizational design & realignment
- Shared services enablement
- Operational structure improvement
- Vertical acceleration initiation
- Strategic alternatives (Security)

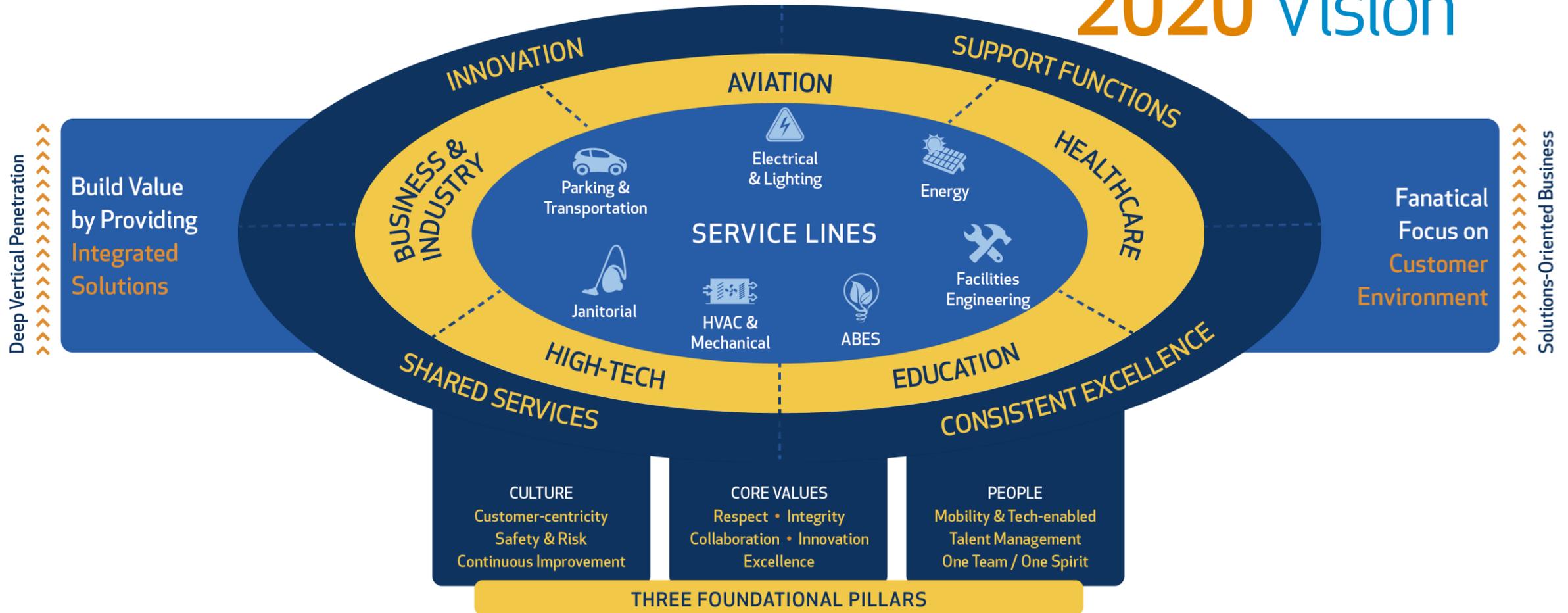
- Vertical acceleration planning
- Sales training & enablement
- Vertical marketing enhancement
- Account planning development
- Labor management progress
- Margin profile improvement

- Organizational alignment completed
- Operational efficiencies realized
- Account planning systems operating
- Continuous improvement process structured
- Margin growth acceleration

A Solution-Driven Company

The Leader in Providing Exceptional Facility Solutions – Every Time, Every Day

2020 Vision





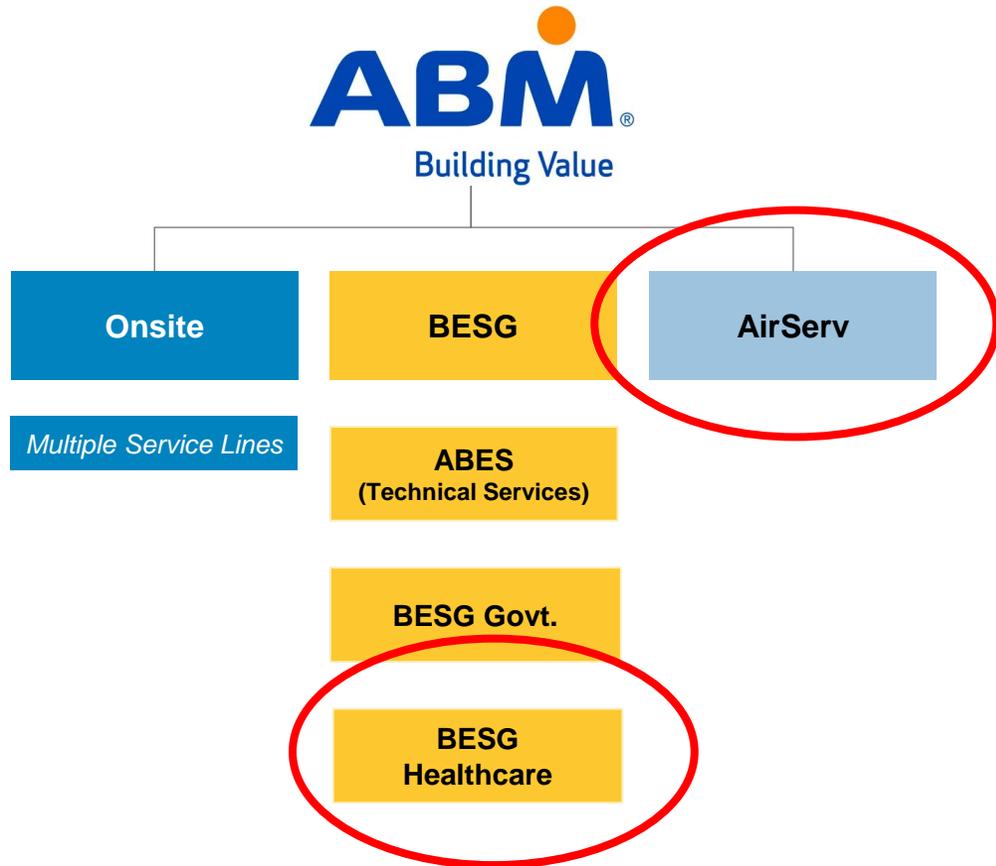
Establishing an Enterprise-wide Vertical Market System

Tom Marano
President, Air Serv

Establishing an Enterprise-Wide Vertical Market System



Vertical Markets Solution Capabilities in Place



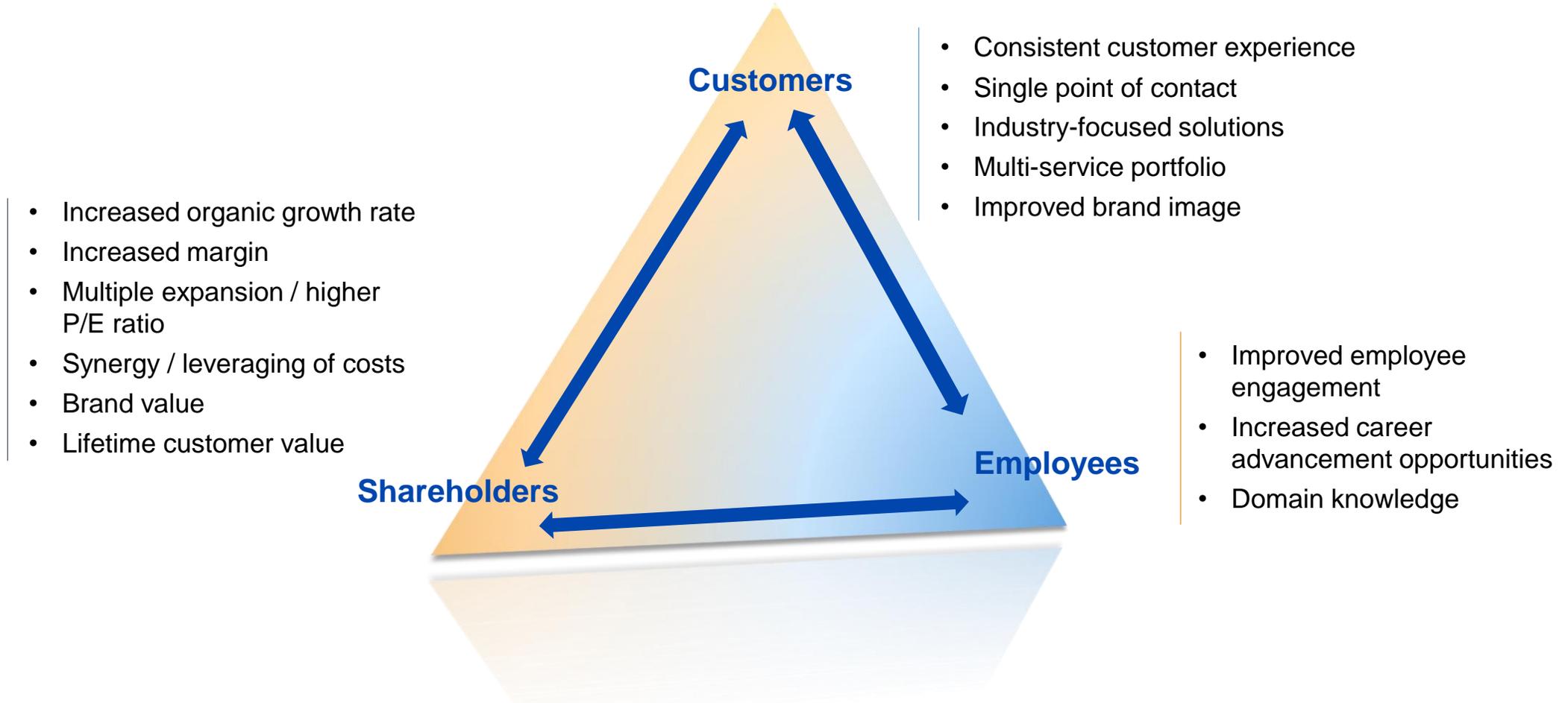
- 3 years experience in Aviation and Healthcare
- Strong growth results – **Process is Working**
- Proven the customer-centric business model drives value

Demonstrated initial success to support change to transformational strategy

Delivering Customer-Centric Vertical Solutions

- ✓ Customer segments where we can leverage our capabilities
- ✓ Deliver a compelling “value proposition for target markets” - SOLUTIONS
- ✓ Sell at the strategic level – move from supply chain to value chain
- ✓ Build relations that strengthen customer loyalty
- ✓ Drive the value add to grow margins

Value Proposition By Stakeholder: Building Value



Market Prioritization Support for 4 Stand-Alone Verticals

Executed a comprehensive assessment of key industries and services line to select markets



LEGEND

- Above average
- Around average
- Below average

	Overall	Margin accretive	Market growth/size	Outsourcing growth potential	Opportunity for scale advantage	Competitive positioning	Capabilities needed to win
Aviation	●	●	●	●	●	●	●
Healthcare	●	●	●	●	●	●	●
Education	●	●	●	●	●	●	●
High Tech	●	●	●	●	●	●	●

Market Prioritization Criteria

 **High**

 **Medium**

Margin accretive	100+ bps > ABM avg.	+/- 75 bps vs. avg.
Market size Market growth	>\$10B >10%	~\$5-10B ~3-10%
Outsourcing growth potential	Significant growth	Moderate growth
Opportunity for scale advantage	~\$1.5M+ / Site (and/or) High Geo Density	~\$1.0-1.5M / Site (and/or) Moderate Geo Density
Competitive positioning	Market share leader	Potential for market leadership
Capabilities needed to win	Leverage existing capabilities	Leverage existing capabilities + new / enhanced services

Aviation

Leverage Air Serv's Strong Position to Grow Revenue, Margin; Opportunity to Integrate Onsite

Overall assessment	●	Integrate <i>legacy</i> OnSite aviation and apply <i>legacy</i> AirServ model
Margin accretive	●	Margin differential (<i>legacy</i> AirServ advantaged) drives overall opportunity
Market size and growth	●	~\$5-8B+ market size; growth expected at 3-5%+ annually
Outsourcing growth potential	●	Medium-high outsourcing penetration (~40-60%) and likely to grow
Opportunity for scale advantage	●	High revenue per site (~\$7-8M+); high # of services per site
Competitive positioning	●	<i>Legacy</i> Air Serv is market leader; <i>legacy</i> Onsite provides additional density
Capabilities needed to win	●	Current capabilities positioned to meet high proportion of customer needs

Healthcare

Attractive Market – Focus on Driving Margins

Overall assessment	●	Prioritize and position for growth
Margin accretive	●	Margin potential high
Market size and growth	●	Large (~\$15-20B+) and growing market
Outsourcing growth potential	●	Relatively low outsourcing penetration (~20-40%), but growing
Opportunity for scale advantage	●	Relatively high revenue per site (~\$1.5M+)
Competitive positioning	●	<2% share of outsourced market, but growth potential
Capabilities needed to win	●	Considering the demand for incremental services

Education

Attractive Market with Significant Growth Potential in Converting “New” Outsourcers

Overall assessment	●	Create stand alone vertical and position for growth
Margin accretive	●	Margins above enterprise average
Market size and growth	●	Large (~\$15B+) and growing market
Outsourcing growth potential	●	Relatively low outsourcing penetration (~10-30%), but growing
Opportunity for scale advantage	●	Relatively high revenue per site(s) (~\$1.5M+)
Competitive positioning	●	<2% share of outsourced market, but growth potential; ABES an advantage
Capabilities needed to win	●	Capabilities in select geographies – important to expand nationally

High Tech

Very High Margins in Small Market – Should Pursue Growth

Overall assessment	●	Create stand alone vertical and position for growth
Margin accretive	●	Margins above enterprise average
Market size and growth	●	Moderate market size (~\$3-5B), but with strong growth
Outsourcing growth potential	●	Moderate outsourcing penetration today (~40-60%)
Opportunity for scale advantage	●	Relatively high revenue per site(s) (~\$2-3M+)
Competitive positioning	●	Well-positioned with leading position in outsourced market
Capabilities needed to win	●	Strong capabilities to provide most services demanded

ABM Aviation: Positioned to Win



Aviation Strategic “Flight Plan” – Build Value

OUR PURPOSE

To create sustainable value for our customers

OUR STRATEGY

Leverage integrated aviation and facilities services portfolio to airlines and airports

OUR BUSINESS MODEL

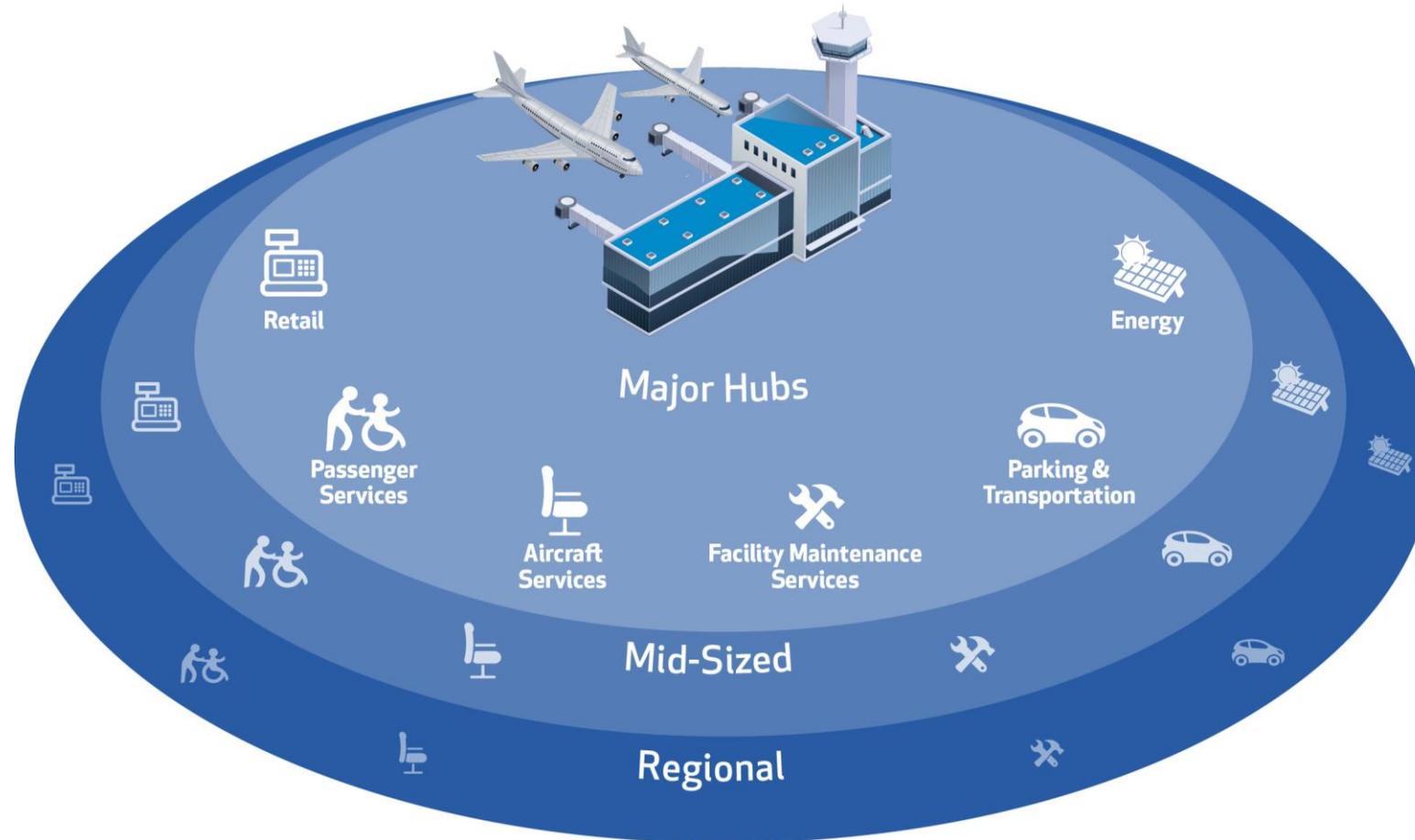
Technology-driven, end-to-end integrated aviation and facilities services company for the Aviation vertical

OUR EXECUTION

Successful execution of strategic flight plan will accelerate ABM shareholder value

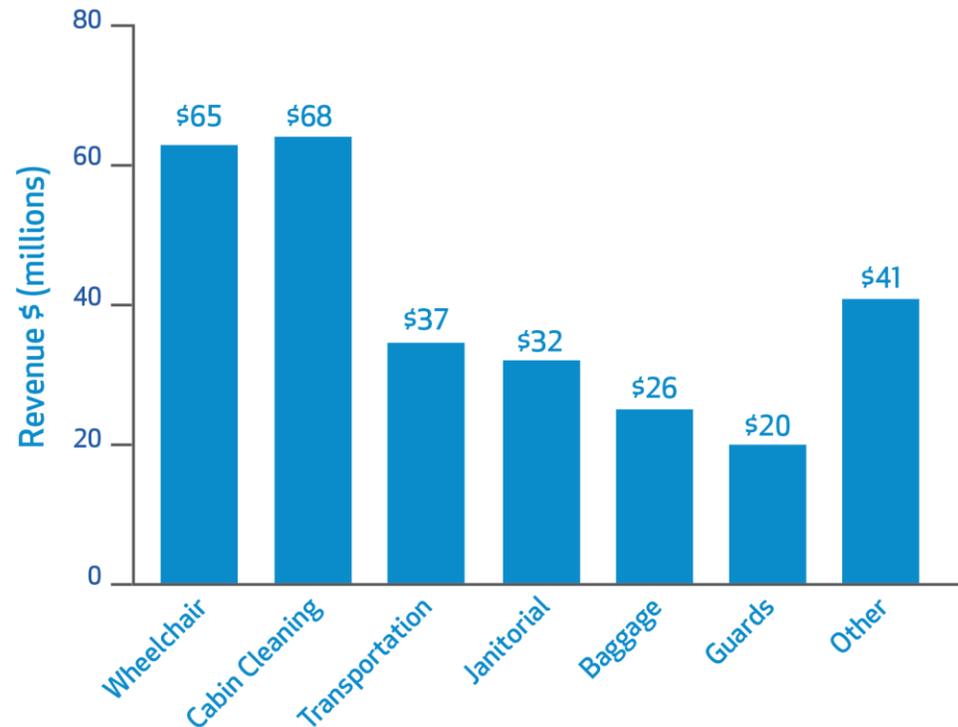
Aviation Ecosystem

Providing End-to-End Solutions through ABM Aviation

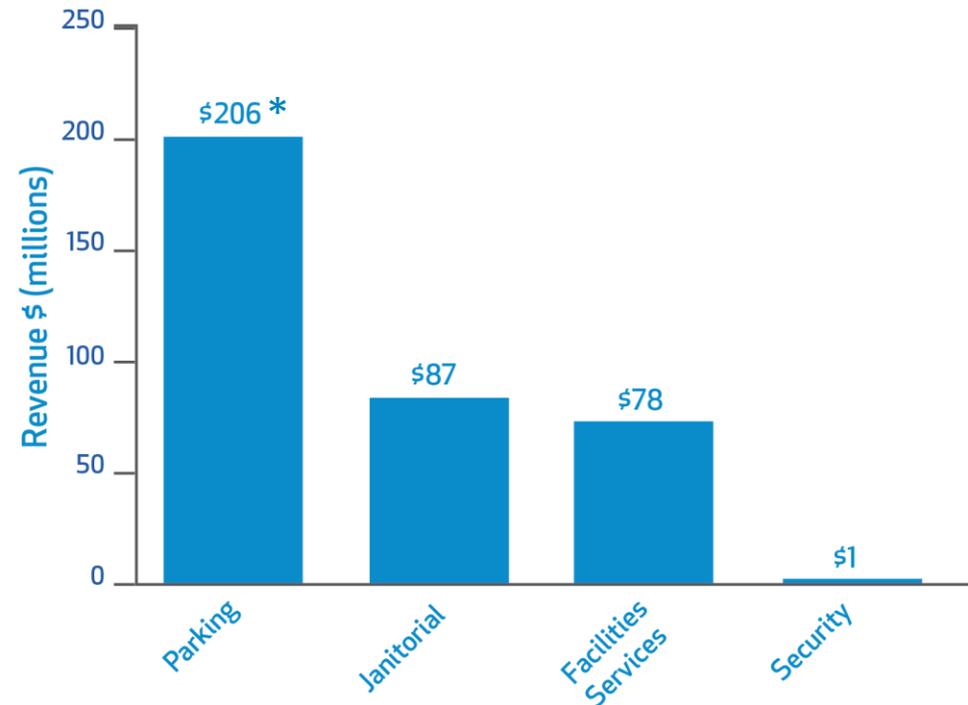


Aviation Served by Air Serv and OnSite Today

In FY14, Air Serv had ~\$370M revenue

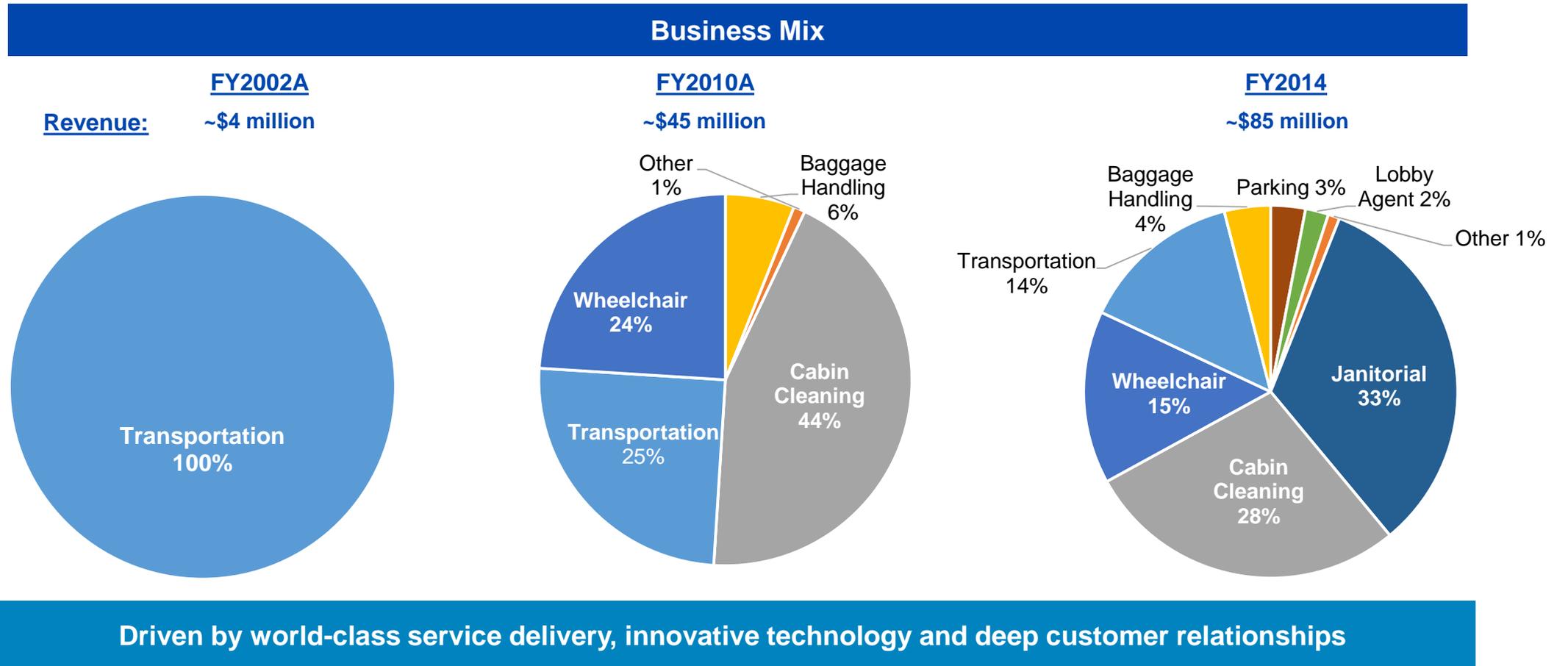


In FY14, Onsite aviation had ~\$370M revenue



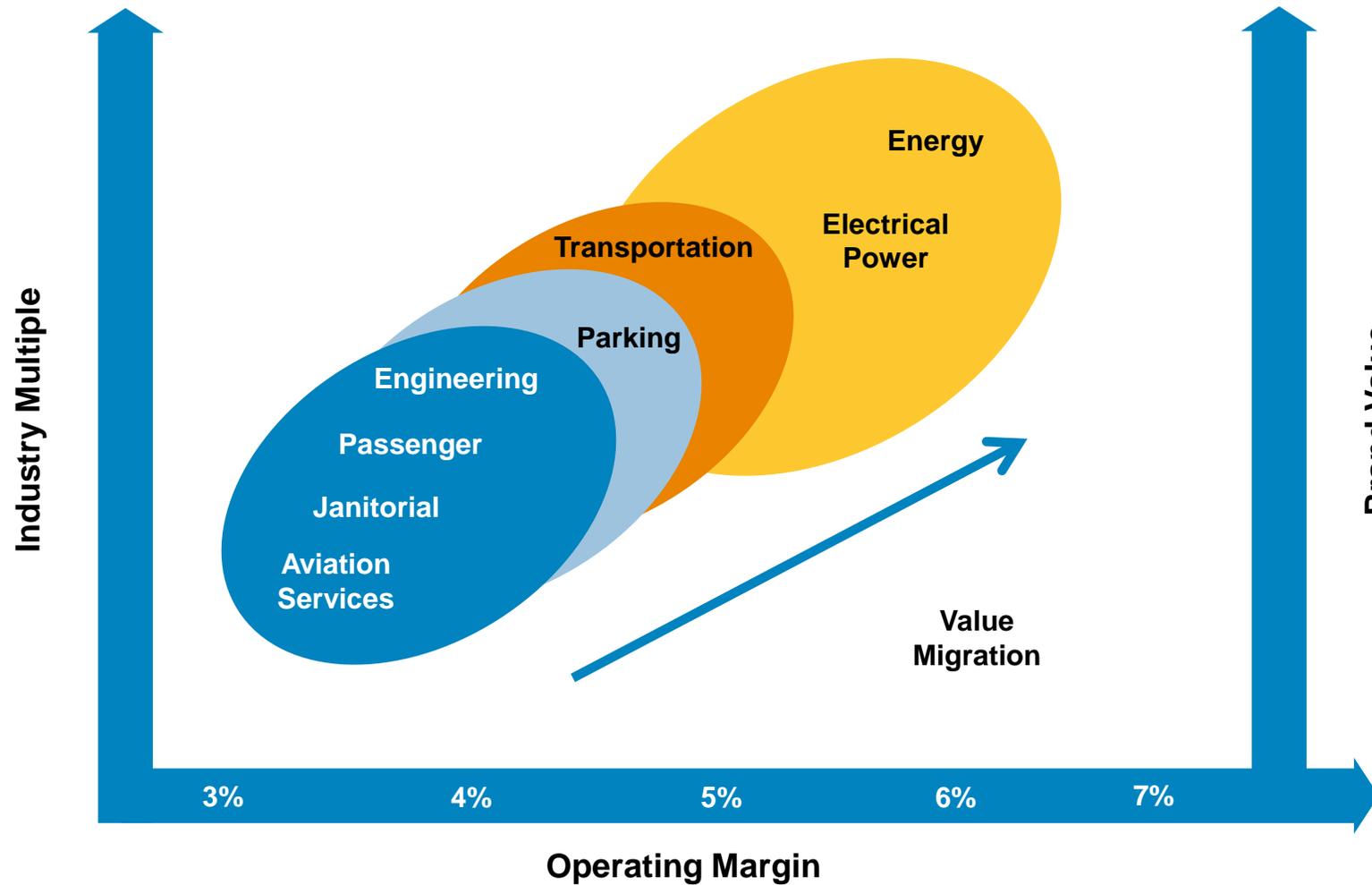
Domestic Growth Case Study – Atlanta

Starting with a single \$4 million fixed route bus operation in 2002, Air Serv has transformed the Atlanta market into a dense, multi-service, multi-customer growth business



Operational Synergy

Leverage Density for Growth



Vertical Markets Summary

Our system works, it will improve

Well positioned to “win”

Value is in the verticals

2020 Vision



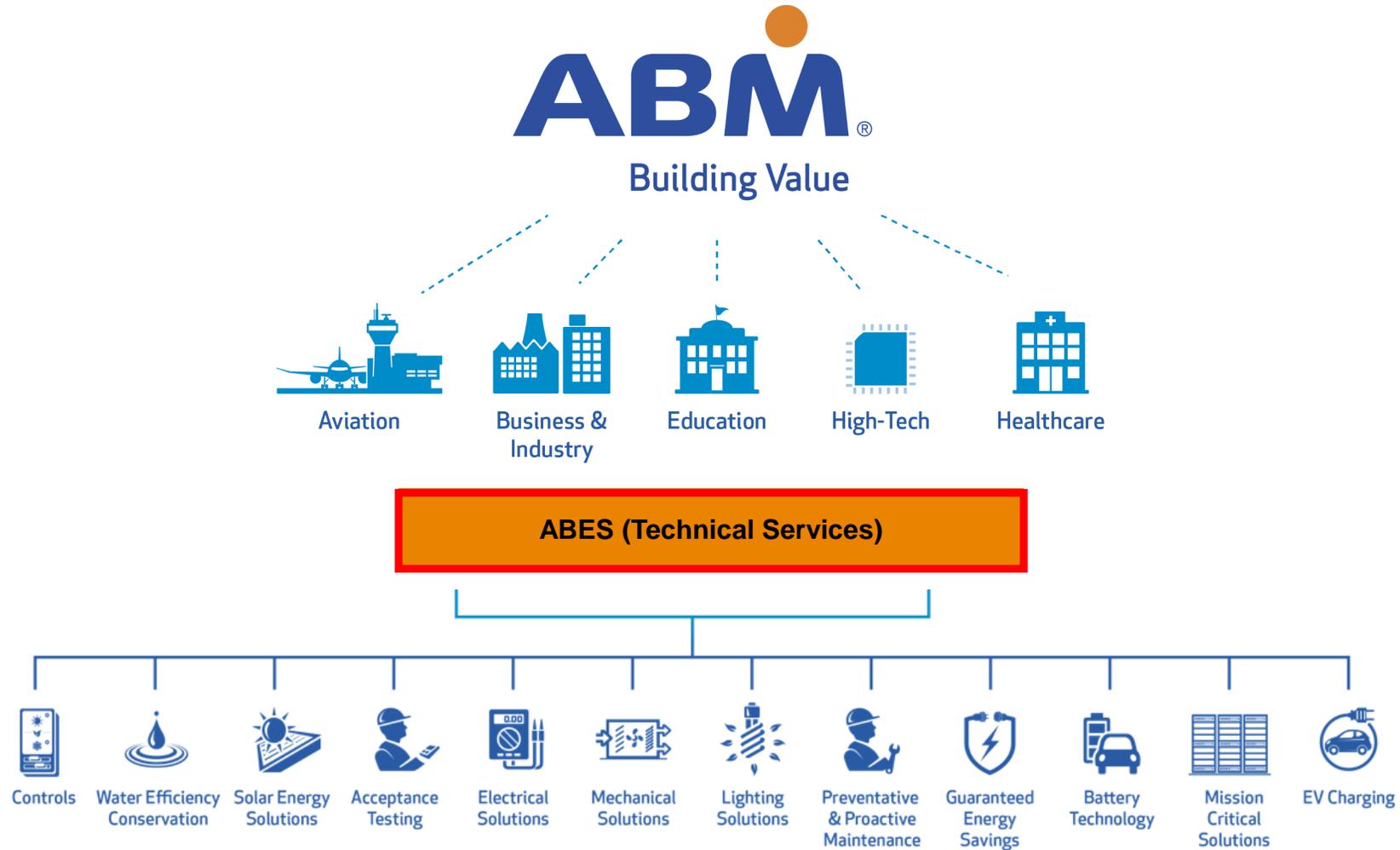


ABM Building & Energy Solutions

Scott Giacobbe

President, ABM Building & Energy

Leveraging Opportunities



ABM Building & Energy Solutions (ABES)

Technical Services

Mechanical & Energy

ABM Building Solutions

ABM Building Services

33 Offices

- 5,000+ Buildings
- HVAC Services & Solutions
- Preventive & Proactive Maintenance
- Repairs, Retrofits & Replacements
- Energy Efficient Solutions
- Guaranteed Energy Solutions
- Engineering & Recommissioning

ABM Electrical Power Solutions / ABM Electrical & Lighting Solutions

17 Offices

- 2,000+ Buildings
- Acceptance Testing and Commissioning
- Preventive & Proactive Maintenance
- Power Quality Solutions
- Safety & Training
- Energy Efficient Solutions
- Lighting/LED
- Building Controls
- ESCO Support

ABM Franchising Group

210 Locations

- Premier Service Provider of Mechanical and Electrical Services
- Operational Excellence & Proven Selling System
- 135 Linc Service Locations and 75 TEGG Service Locations in 18 Countries
- 1,000+ Service Techs & 400+ Sales Representatives



ABM Franchise Network in Action



Educational Institutions

Providing Comprehensive Energy and Facility Solutions



Wright State University

Ohio

\$36.4M in Project Value

Phase I & II

- Projected \$50.9M in operational and energy savings
- 1st year audit exceeded guarantee providing \$1.8M in savings
- 2 million square feet, 557- acre campus
- 56 different energy conservation measures



Colquitt County Schools

Georgia

\$12.9M in Project Value

- Projected \$19M in operational and energy savings
- Comprehensive energy and facilities enhancement project
- 18 school buildings
- 141 total energy conservation measures
- Additional \$600k per year in ABM janitorial contracts



Madison County Schools

Georgia

\$5.2M in Project Value

Phase I, II, & III

- Projected \$5.6M in operational and energy savings
- Comprehensive energy and facilities enhancement project
- Enhanced indoor environmental quality
- Training for in-house maintenance team
- Additional \$137k per year in ABM janitorial contracts

Healthcare, High Tech and Business & Industry

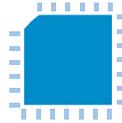
Providing Comprehensive Energy and Facility Solutions



Arnot Ogden Medical Center New York

\$8M in Project Value

- Expected to reduce annual energy use by an estimated 20%
- Projected \$14.5M in operational and energy savings
- Major enhancements to central plant including installation of new boilers and chillers and modifications to existing energy control system
- Introduction from ABM Healthcare



High Tech Facilities Industry Leaders

- Marquee Clients
 - Technology Industry Leaders
- Maximize Uptime
 - High Price of System Failure
- Risk Mitigation
 - Proven Reliable Partner
- Expertise
 - NETA Accredited Technicians
- Acceptance Testing
 - Final Check Point / Validation
- AMP
 - Comprehensive Electrical & Power Solutions



BrandsMart U.S.A. Florida

\$5M in Project Value

- Projected \$7M in operational and energy savings
- Expected to reduce annual energy use by an estimated 28%
- Major enhancements to three retail stores including the facility's heating and cooling equipment, control system and lighting retrofits / replacements
- Largest PACE-funded Project to date in Florida

ABM Building & Energy Solutions (ABES)

Technical Services



Mechanical & Energy

ABM Building Solutions
ABM Building Services

ABM Franchising Group



ABM Electrical Power Solutions / ABM Electrical & Lighting Solutions

Delivering Excellence in Client Solutions to Drive Profitable, High Margin Growth

The Process of Transformation

Jim McClure

EVP and President, Onsite Services

Transformation to a Vertical Operating Model



Building Value



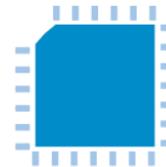
Aviation



Business &
Industry



Education



High-Tech



Healthcare

Managing the Transformation Process

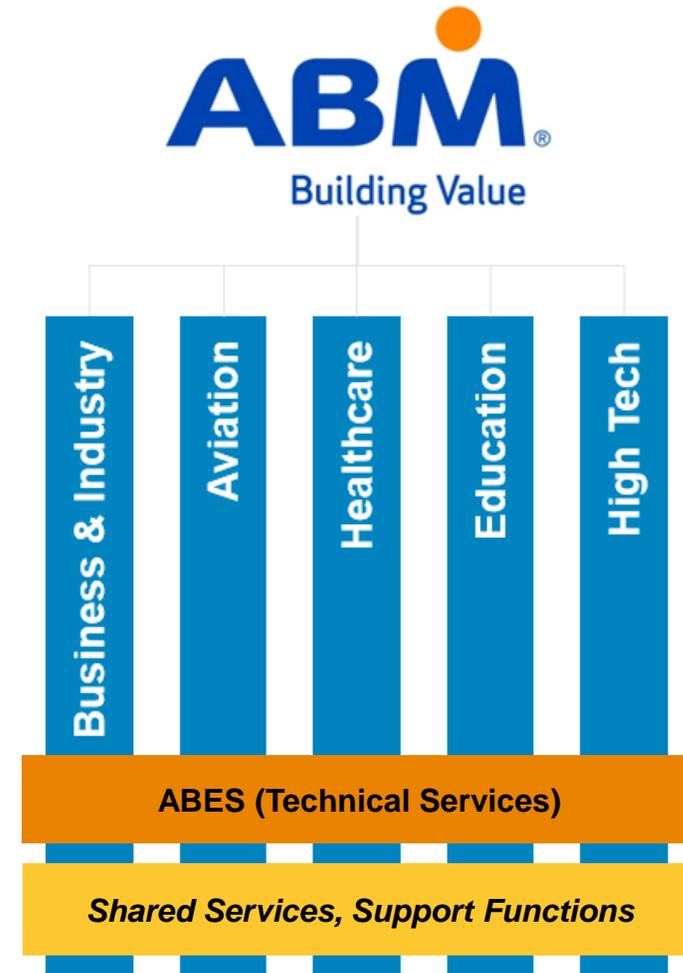
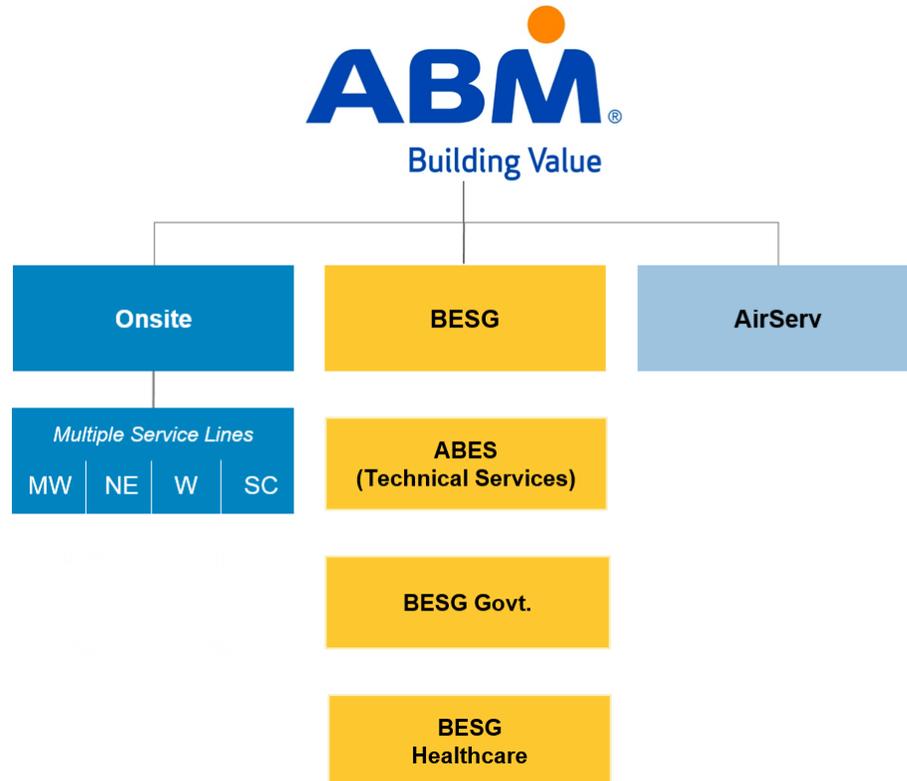
1. Running the "day to day" business
2. Leading the transformation
3. Managing the change



Transformation to a Vertical Operating Model

Current: Services-led business

Future: Solution-driven company

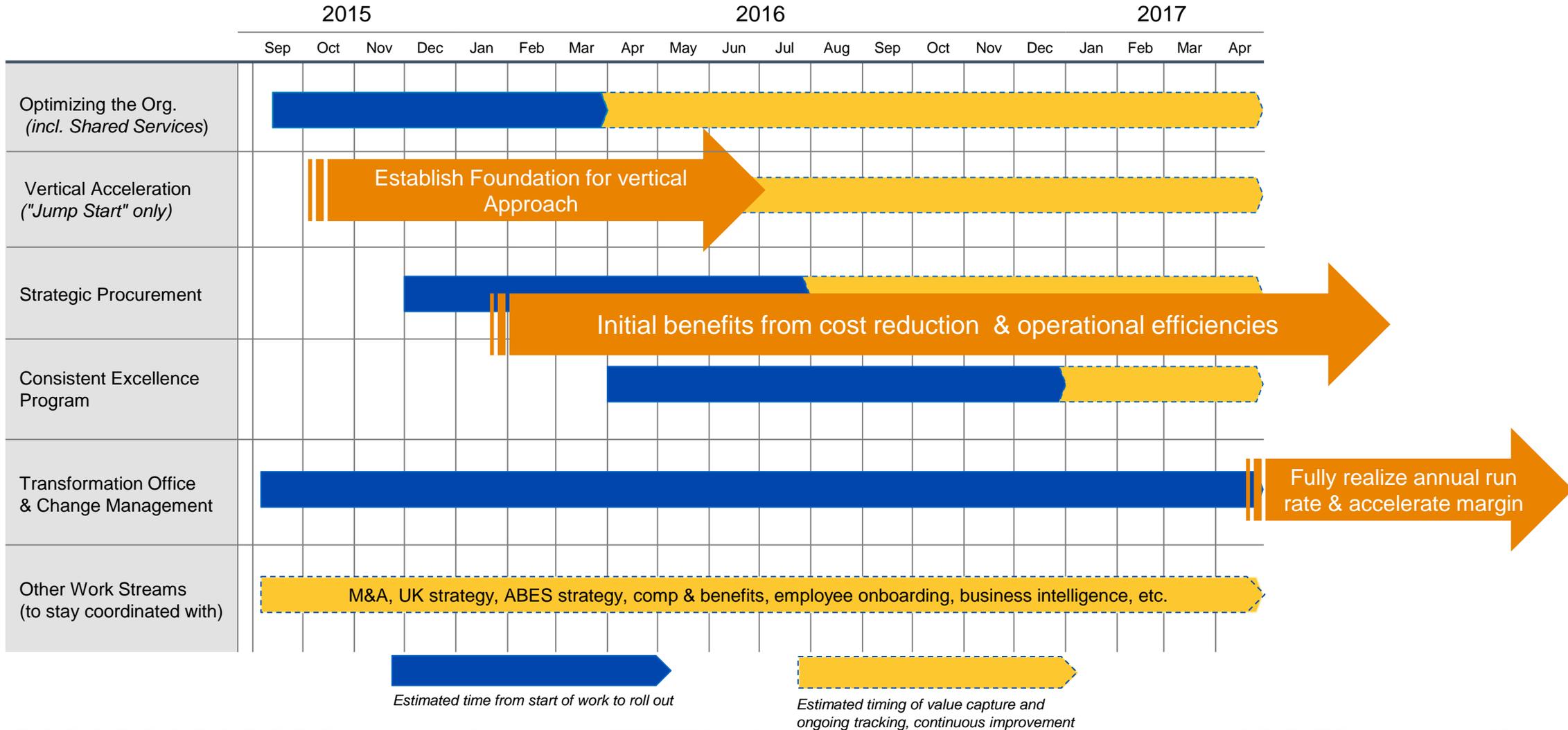


Structuring the Transformation

Transformation Office

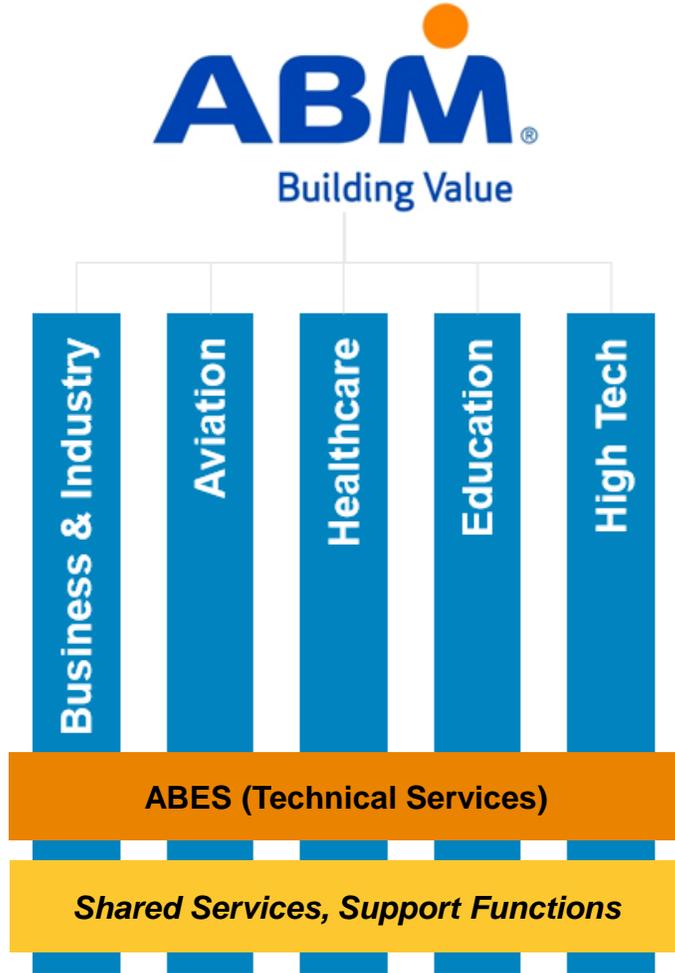


Timeline



Organizational Realignment

Org Structure



Branch Footprint



Aligning the Organization to Strategy

Current Challenges

Lack of visibility across accounts

Lack of knowledge sharing & best practices

Disconnected systems & processes

Isolated incentives & reward alignment

Inconsistent application of Innovation

Slow decision making and speed to market



2020 Vision

Focused account planning

Greater empowerment & accountability

Better forecast accuracy & consistent metrics

Compensation structure aligned to strategy

Reuse of best practices across the enterprise

Reduced management layers & greater agility



Financial Impact of 2020 Vision

Anthony Scaglione
EVP and Chief Financial Officer

The Company Reaffirms its Fiscal 2015 Adjusted Net Income Per Diluted Share Guidance

Guidance excludes the impact of the sale of our Security business

Security business will be reported as discontinued operations in our consolidated financial statements for the fiscal years 2015, 2014 and 2013

Sale of Security

Financials*:

Revenue	~\$400M
Operating Profit	~\$12M
Depreciation & Amortization	~\$1M
EBITDA	~\$13M

Transaction:

Multiple	10x+
Sale Price	\$131M
Book & Tax Value	~\$86M
Cash Proceeds Net of Taxes	~\$110M

*Financials are trailing twelve months (TTM)

Finance Transformation



Financial Impact of 2020 Vision



2020 Vision

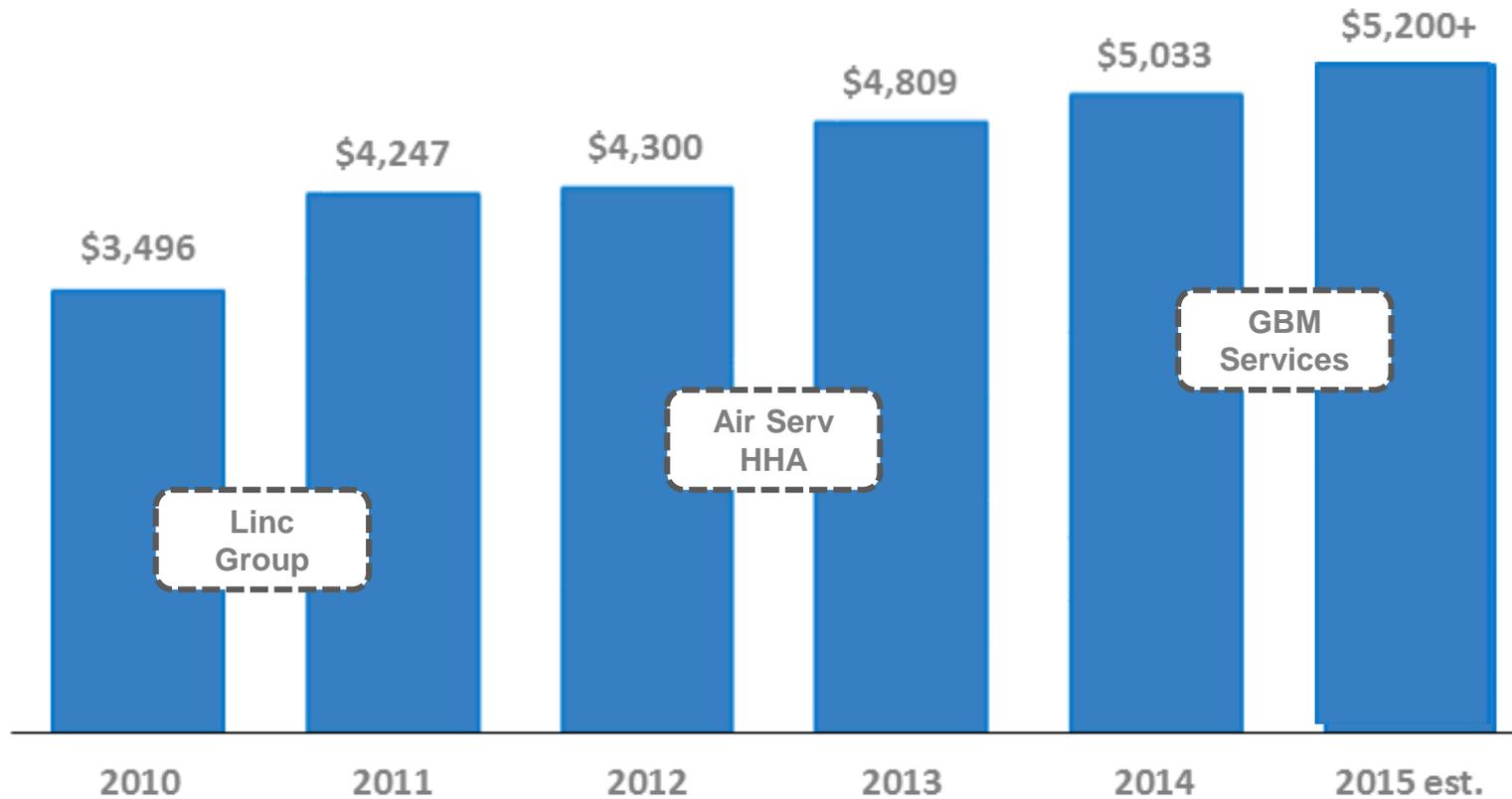
Revenue & Margin

Low Single Digit Organic Growth
Largely Supported by M&A
Flat Adj. EBITDA Margin

Revenue & Margin

Targeted Profitable Organic Growth
Accelerated by Vertical Alignment and M&A
+100 bps Adj. EBITDA Margin by FY18

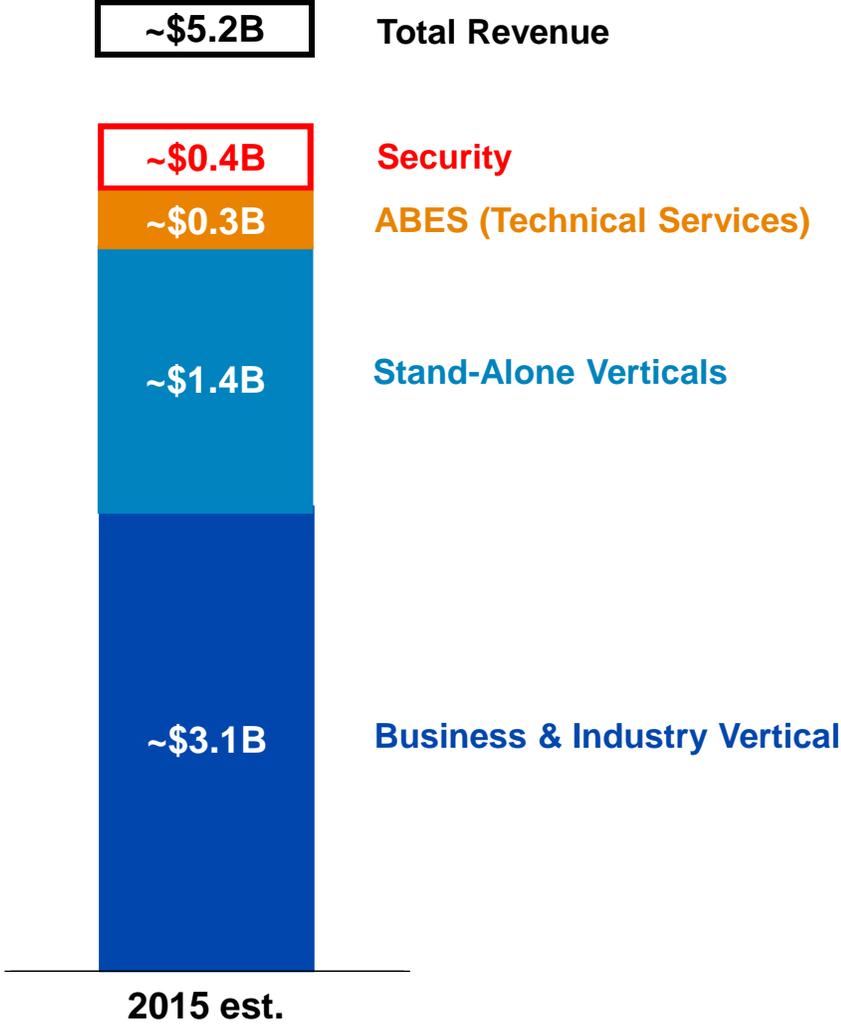
Historical Revenue Growth Has Been Buoyed by M&A



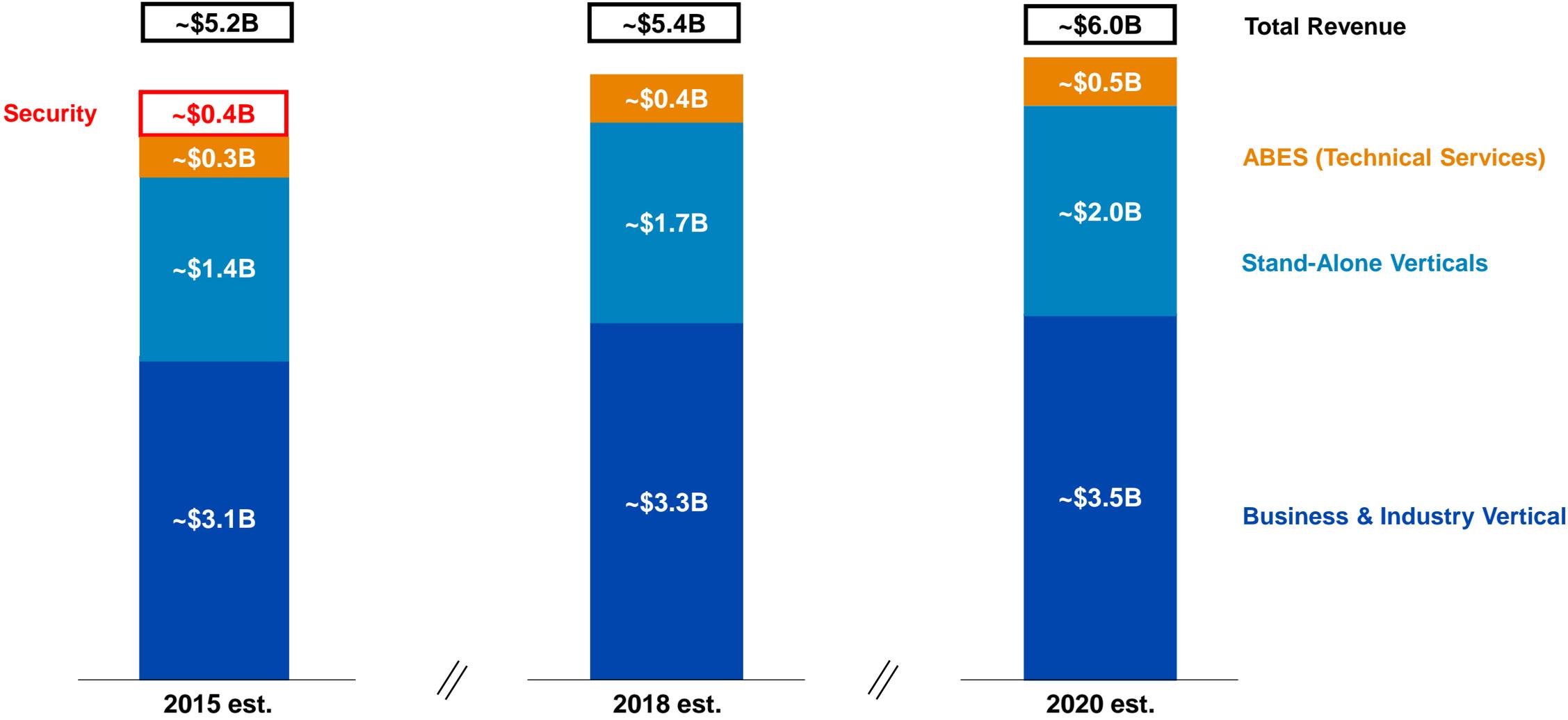
Key Acquisitions

Flat Adj. EBITDA Margin of ~4.0%

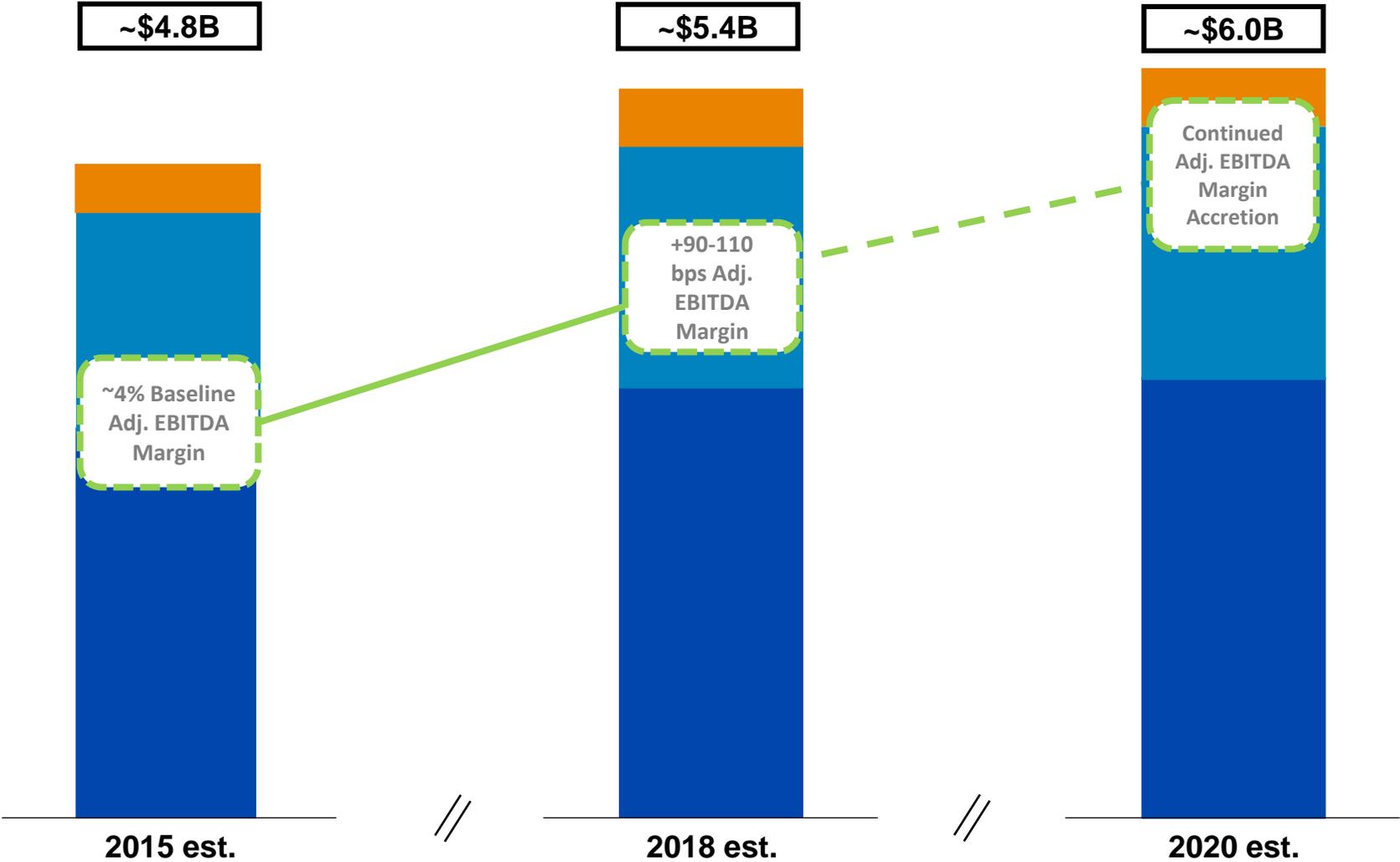
Vertical Recast



Vertical Acceleration



Margin Trajectory



Financial Impact of 2020 Vision



2020 Vision

Revenue & Margin
Low Single Digit Organic Growth
Largely Supported by M&A
Flat Adj. EBITDA Margin

Revenue & Margin
Targeted Profitable Organic Growth
Accelerated by Vertical Alignment and M&A
+100 bps Adj. EBITDA Margin by FY18

Capital Allocation

Strong Cash Flow
Consistent Dividend Policy
Inconsistent Share Repurchase Activity
Service Line Focused M&A
Historical Leverage Base of 2.0x

Capital Allocation

Continued Strong Cash Flow
Disciplined Approach
Balanced Share Repurchase Activity
Vertically Focused/Service Line Enhanced M&A
Go Forward Target Leverage Base of 2.5x

A More Disciplined Capital Allocation Framework

Optimize Capital Structure	Strong Balance Sheet
M&A	Shareholder Return

A More Disciplined Capital Allocation Framework

Optimize capital structure

- Target a capital structure that is sustainable “through-cycle”
- Increase in available capital resulting from higher go forward leverage target of 2.5x

A strong balance sheet to execute strategic priorities

- Sound liquidity management
- Capacity to re-invest in the business

Capital available for M&A

- M&A strategy that will create value and generate growth
- Deals prioritized that are vertically focused and/or enhance existing service lines

Distribute excess capital to shareholders in a more disciplined manner

- Ordinary dividends
- Share repurchase

Optimize
Capital
Structure

Strong
Balance
Sheet

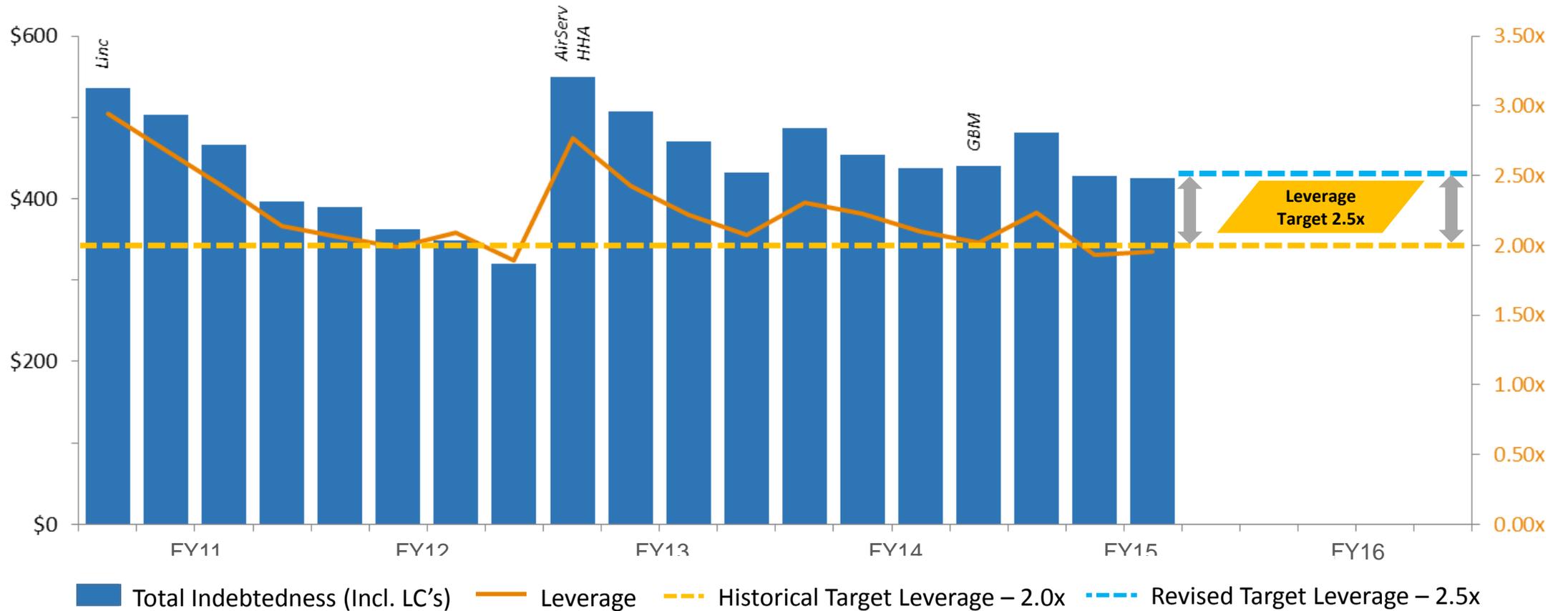
M&A

Shareholder
Return

ROIC

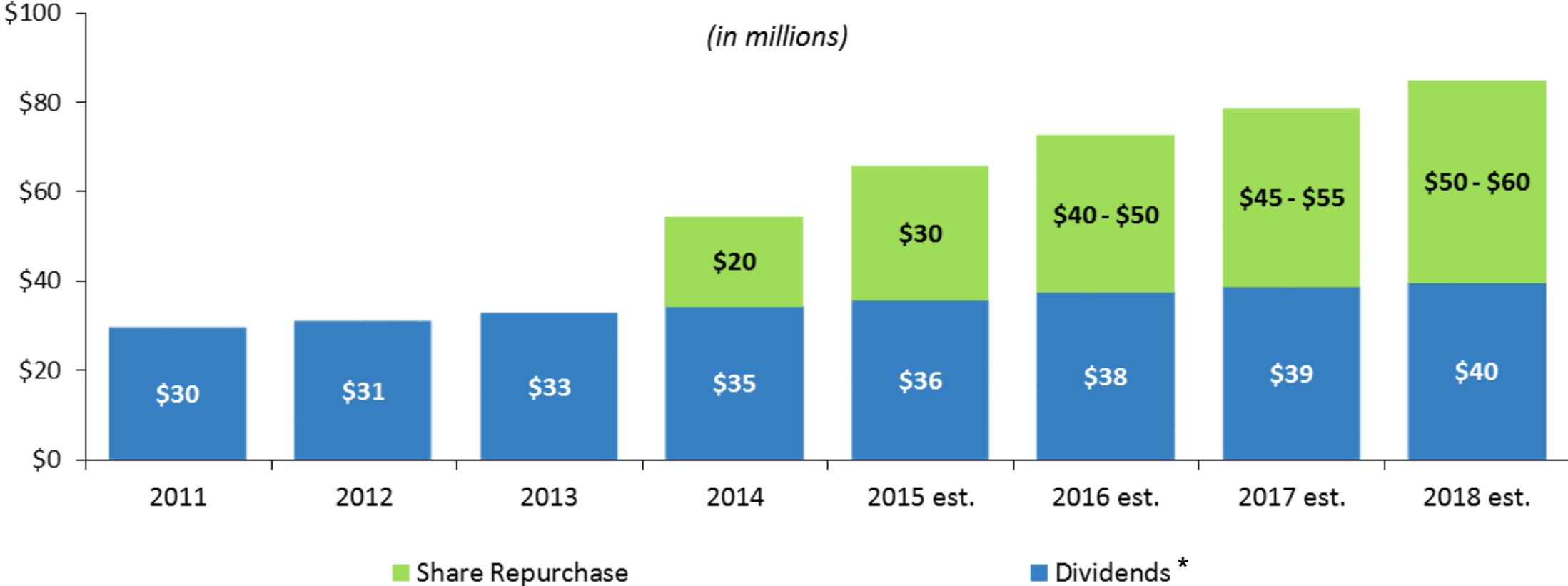
Leverage Profile

(in millions)



Note: Does not include impact from the sale of Security or potential M&A/investments

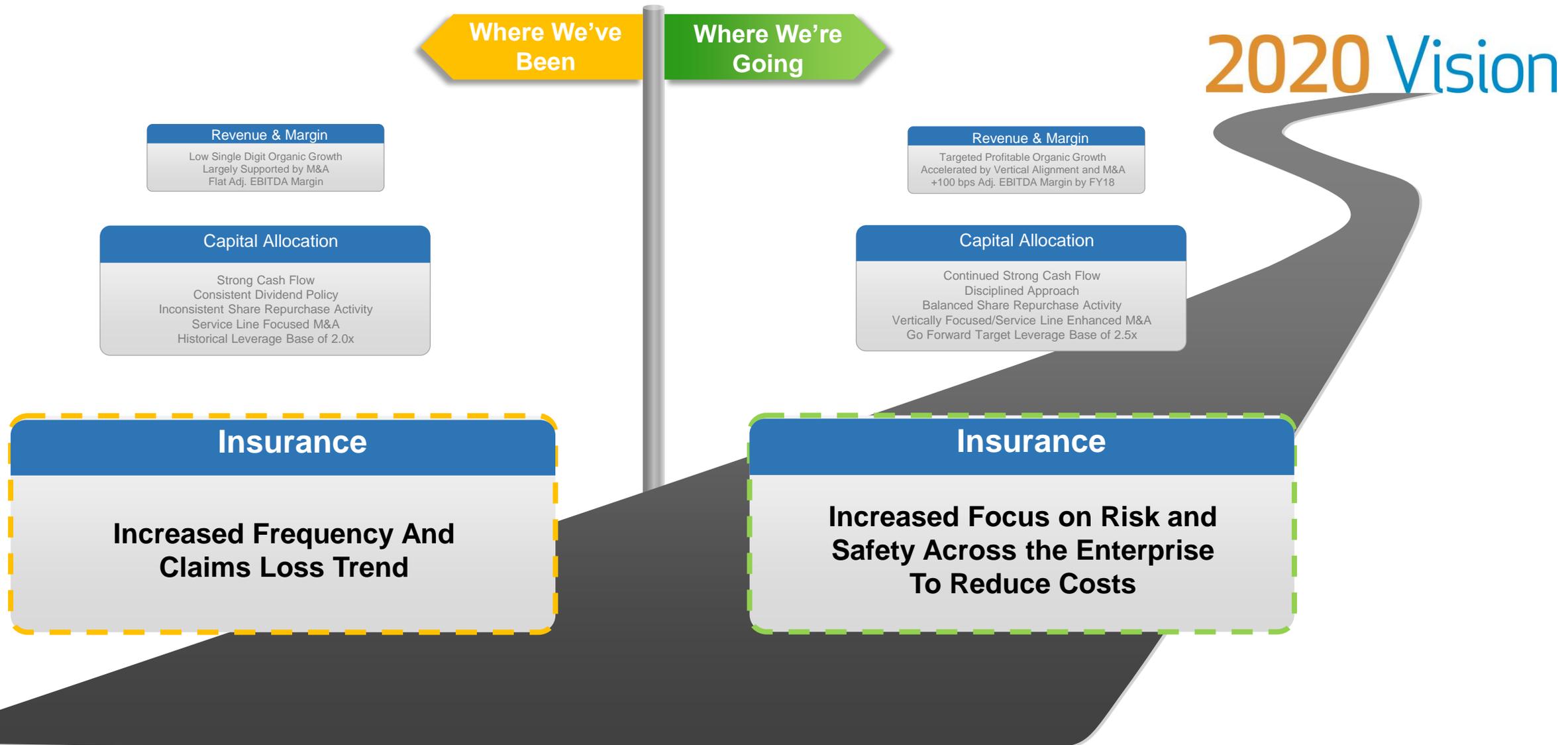
A Balanced Approach to Shareholder Return



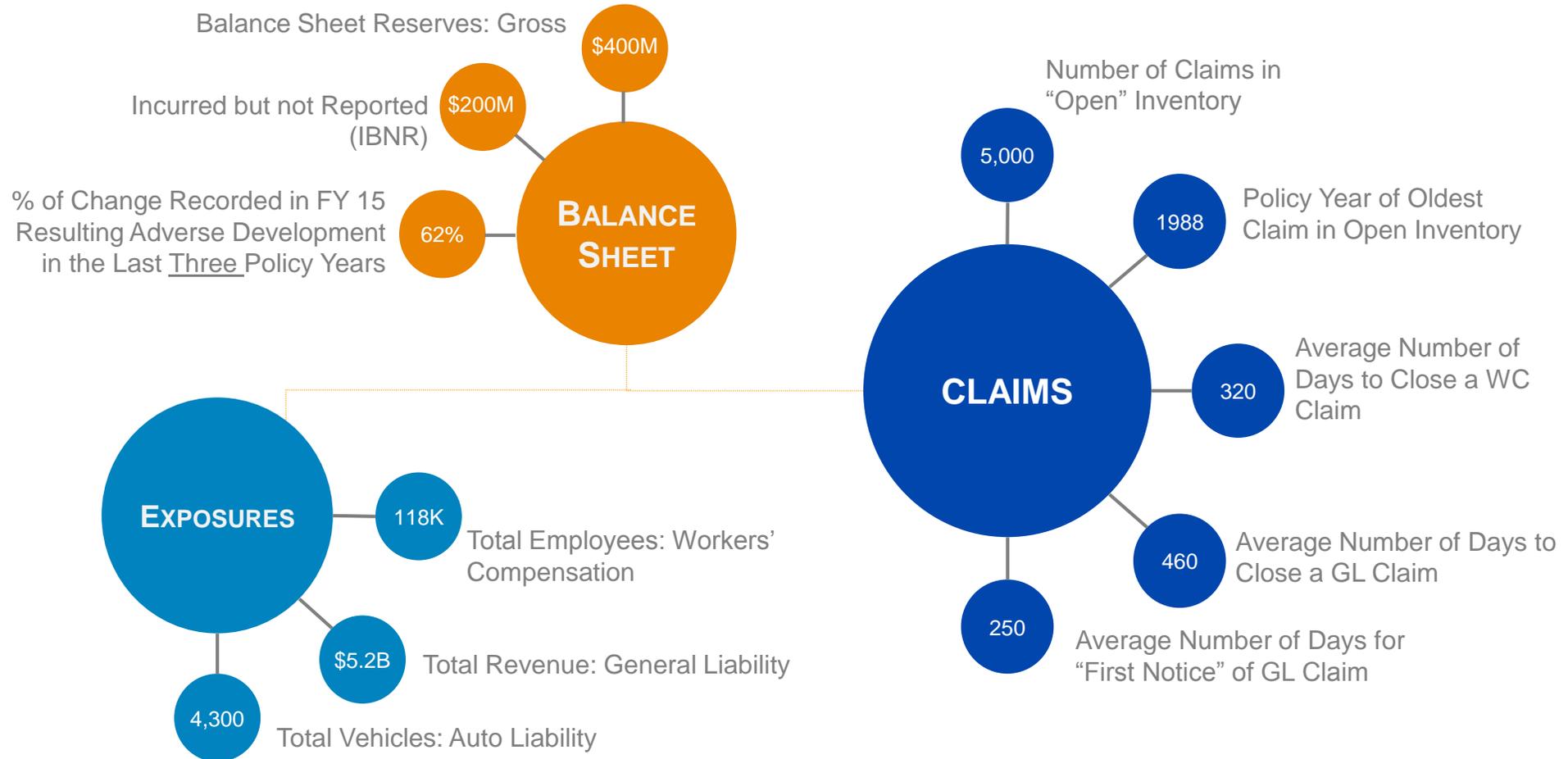
*Assumes board approval

Note: Does not include impact from the sale of Security or potential M&A / investments that could alter share repurchase strategy

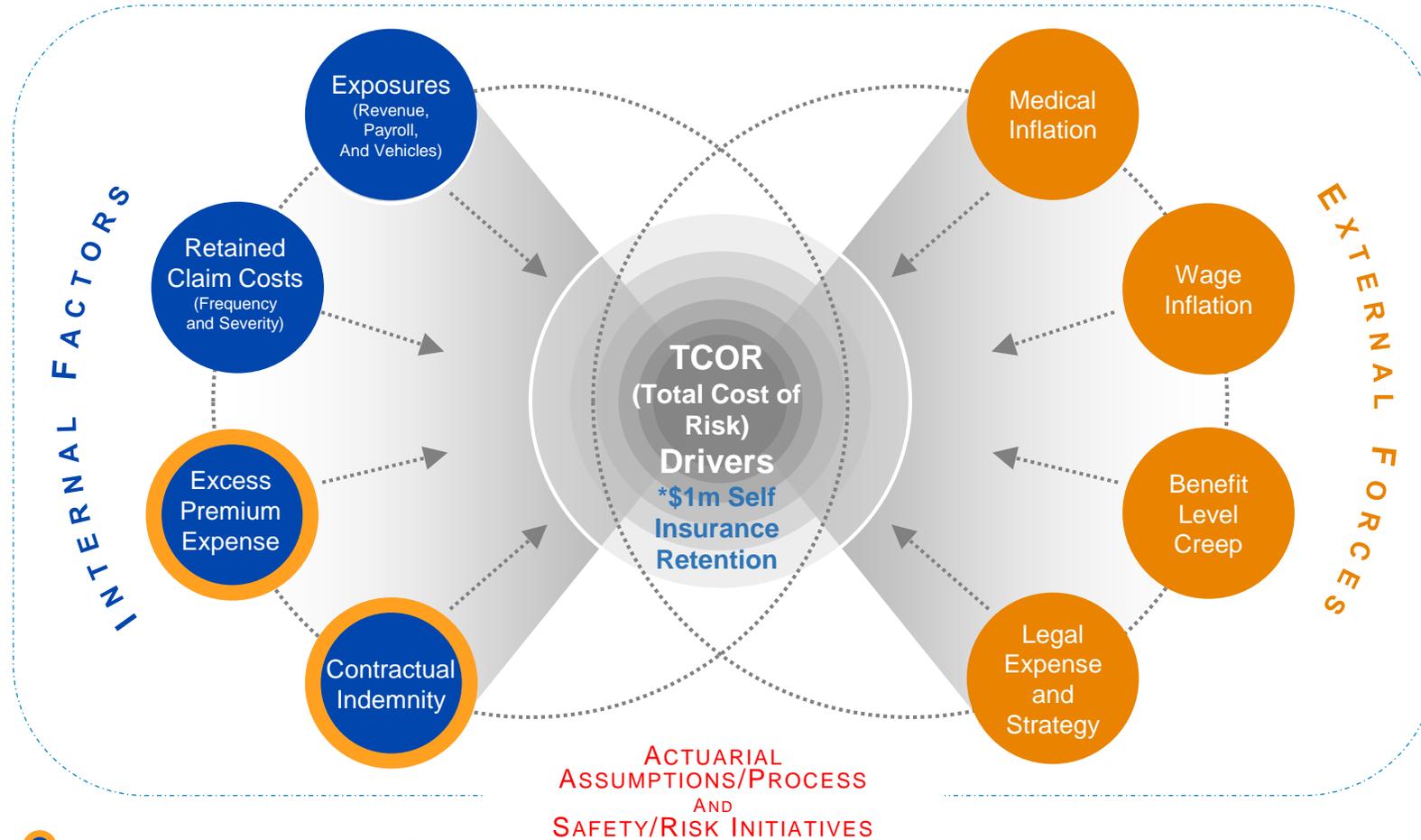
Financial Impact of 2020 Vision



ABM Insurance Factoids

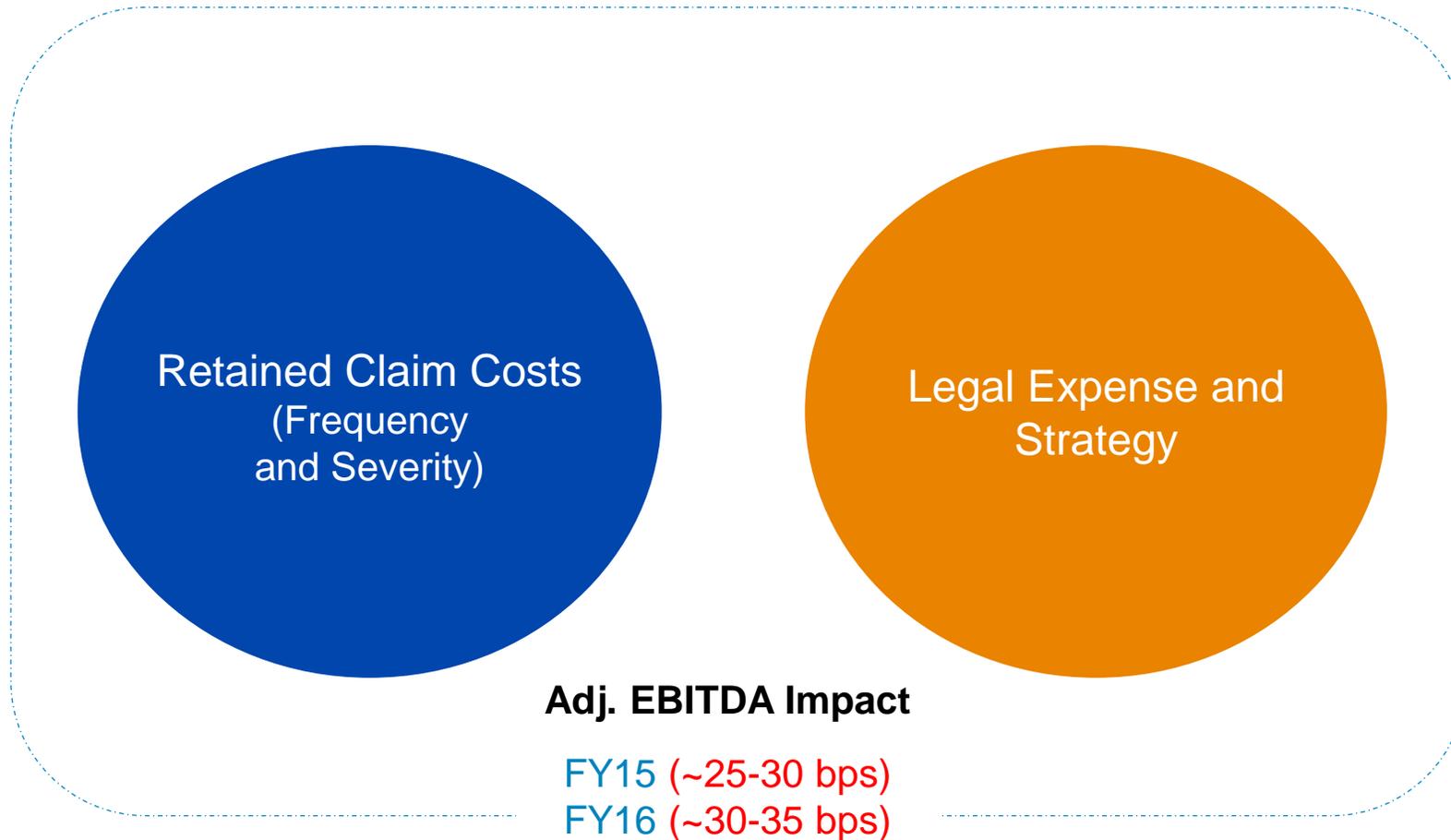


The Fundamentals of ABM's Self Insurance Program



* Self insurance retention amount for the majority of our insurance programs

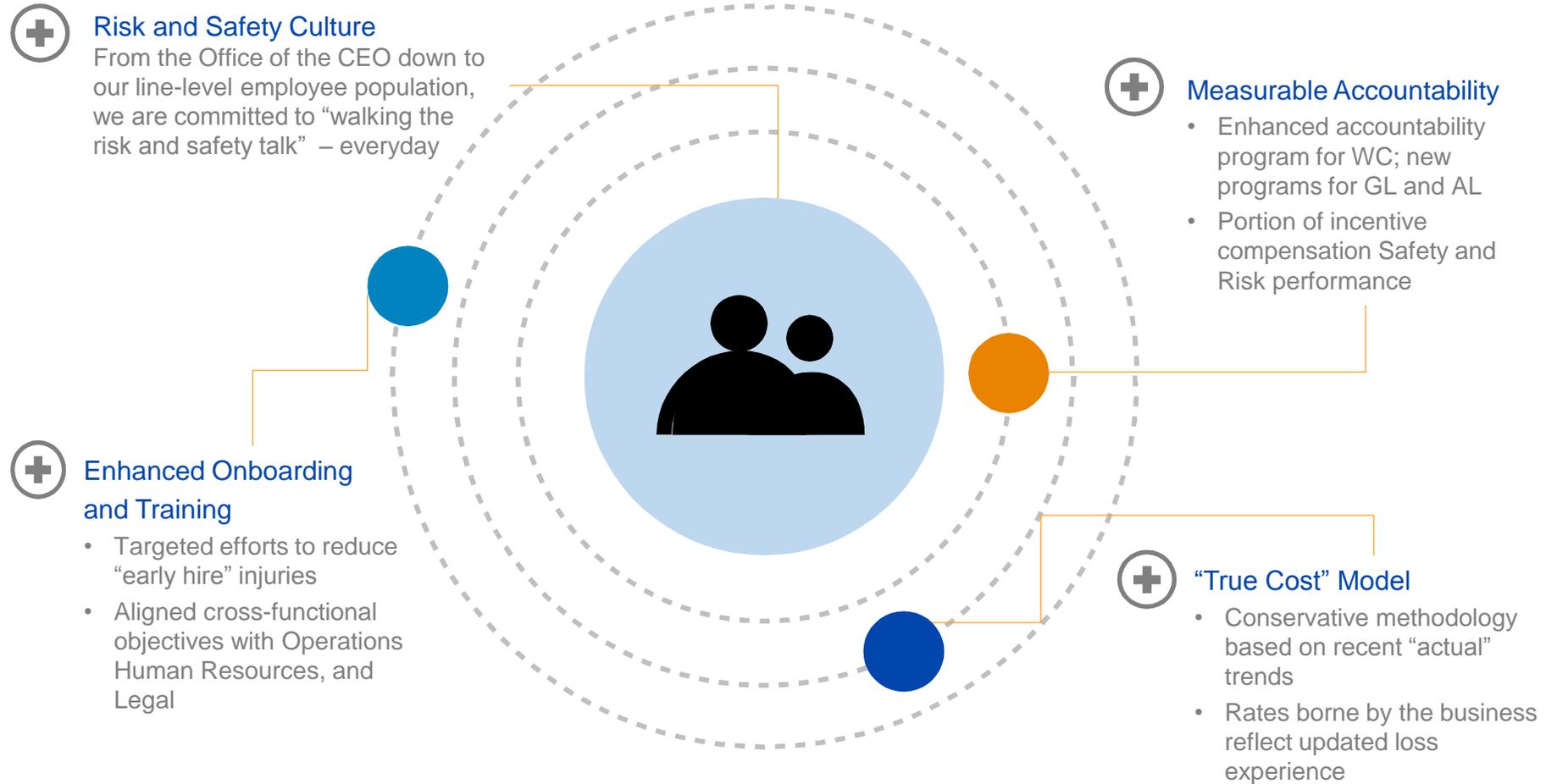
Insurance Impact to Financial Results



 Denotes item with External Force influences

* Self insurance retention amount for the majority of our insurance programs

Key Risk and Safety Levers for 2020 Vision



Financial Impact of 2020 Vision

2020 Vision



Revenue & Margin
 Low Single Digit Organic Growth
 Largely Supported by M&A
 Flat Adj. EBITDA Margin

Capital Allocation
 Strong Cash Flow
 Consistent Dividend Policy
 Inconsistent Share Repurchase Activity
 Service Line Focused M&A
 Historical Leverage Base of 2.0x

Insurance
 Increased Frequency And
 Claims Loss Trend

Revenue & Margin
 Targeted Profitable Organic Growth
 Accelerated by Vertical Alignment and M&A
 +100 bps Adj. EBITDA Margin by FY18

Capital Allocation
 Continued Strong Cash Flow
 Disciplined Approach
 Balanced Share Repurchase Activity
 Vertically Focused/Service Line Enhanced M&A
 Go Forward Target Leverage Base of 2.5x

Insurance
 Increased Focus on Risk and
 Safety Across the
 Enterprise To Reduce Costs

Continuous Improvement
 Onsite Reorg Savings Reinvested With No
 Meaningful Bottom Line Impact
 Disparate Compensation Plans

Continuous Improvement
 2020 Vision Will Drive Sustainable EBITDA Growth
 Improve and Enhance Operational Capabilities
 Better Align Compensation With Performance

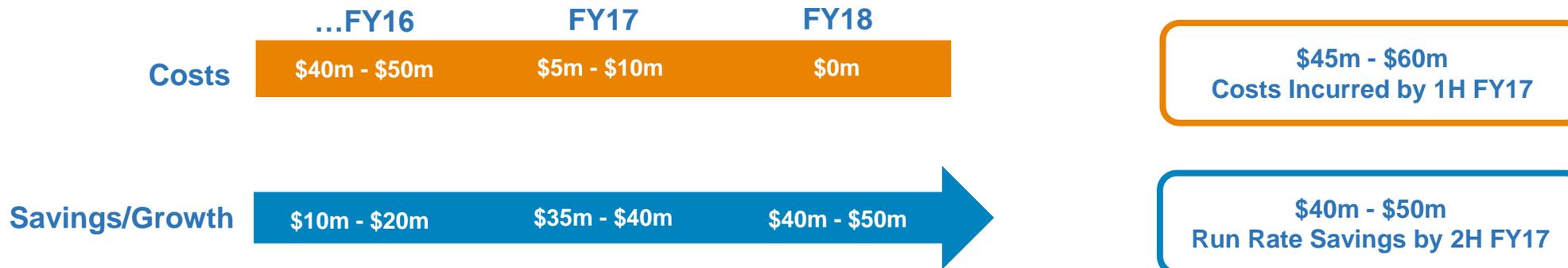
Full Run Rate of \$40m-\$50m in Savings in FY17

Costs

Severance
 Consultant's Fees
 IT Infrastructure
 Real Estate

Savings/Growth

Reorganization
 Managing Labor Costs
 Procurement Process
 Vertical Acceleration
 Account Planning



**Increase in Higher Margin
Vertically Focused Revenue**

**\$45m - \$60m
Costs Incurred by 1H FY17**

**\$40m - \$50m
Run Rate Savings by 2H FY17**

**+90-110 bps EBITDA Margin
Growth by FY18**



Strong Cash Flow

Optimized Capital Structure

**Disciplined Approach to
Shareholder Returns**

**Cultural Shift in
Safety and Risk**

Q&A



A man in a dark suit and tie is seen from the back, looking out a large window. The window reveals a modern, brightly lit interior space with a complex, geometric ceiling structure and several ceiling fans. The overall color palette is a cool, light blue.

Appendix - Unaudited Reconciliation of non-GAAP Financial Measures

Unaudited Reconciliation of non-GAAP Financial Measures

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

(in millions)

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2015	2014	2015	2014
Reconciliation of Adjusted Net Income to Net Income				
Adjusted net income	\$ 26.8	\$ 26.9	\$ 69.6	\$ 59.8
Items impacting comparability:				
CEO/CFO Change (a)	-	-	(4.6)	-
Litigation and other settlements	(1.2)	-	(3.5)	(3.4)
Strategic review and restructuring	(1.7)	-	(1.7)	-
Acquisition costs	(0.2)	(0.3)	(0.9)	(0.6)
Onsite realignment	(0.5)	(0.6)	(1.3)	(2.2)
Rebranding (b)	-	(1.4)	(0.1)	(3.2)
U.S. Foreign Corrupt Practices Act investigation (c)	-	(0.2)	(0.2)	(1.1)
Insurance adjustment	(39.5)	(10.5)	(42.5)	(10.5)
Total items impacting comparability	(43.1)	(13.0)	(54.8)	(21.0)
Benefit from income taxes	17.8	5.5	22.7	8.9
Items impacting comparability, net of taxes	(25.3)	(7.5)	(32.1)	(12.1)
Net income	\$ 1.5	\$ 19.4	\$ 37.5	\$ 47.7

(a) Represents severance and other costs related to the departure of our former CEO and CFO.

(b) Represents costs related to the Company's branding initiative.

(c) Includes legal and other cost incurred in connection with an internal investigation into a foreign entity affiliated with a former joint venture partner.

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 July 31,		Nine Months Ended July 31,	
	2015	2014	2015	2014
Reconciliation of Adjusted Operating Profit to Operating (Loss) Profit				
Adjusted operating profit	\$ 35.8	\$ 46.7	\$ 97.5	\$ 106.5
Total items impacting comparability	(43.1)	(13.0)	(54.8)	(21.0)
Operating (loss) profit	<u>\$ (7.3)</u>	<u>\$ 33.7</u>	<u>\$ 42.7</u>	<u>\$ 85.5</u>
Reconciliation of Adjusted EBITDA to Net Income				
Adjusted EBITDA	\$ 53.3	\$ 62.4	\$ 147.1	\$ 153.3
Items impacting comparability	(43.1)	(13.0)	(54.8)	(21.0)
Benefit (provision) for income taxes	8.6	(13.2)	(3.9)	(34.0)
Interest expense	(2.4)	(2.7)	(7.6)	(8.1)
Depreciation and amortization	(14.9)	(14.1)	(43.3)	(42.5)
Net income	<u>\$ 1.5</u>	<u>\$ 19.4</u>	<u>\$ 37.5</u>	<u>\$ 47.7</u>

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2015	2014	2015	2014
Reconciliation of Adjusted Net Income per Diluted Share to Net Income per Diluted Share				
Adjusted net income per diluted share	\$ 0.47	\$ 0.47	\$ 1.21	\$ 1.05
Items impacting comparability, net of taxes	(0.44)	(0.13)	(0.56)	(0.21)
Net income per diluted share	<u>\$ 0.03</u>	<u>\$ 0.34</u>	<u>\$ 0.65</u>	<u>\$ 0.84</u>
Diluted shares	57.5	57.0	57.4	57.0

