



Investor Presentation

FIRST QUARTER 2020

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Forward-Looking Statements and Non-GAAP Financial Information:

Our discussions during this conference call and in this presentation 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 SEC filings. Our filings are available on our website at <http://investor.abm.com> under "Company Information". 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 and in this presentation will include certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). Please see the Appendix for reconciliations of those historical non-GAAP financial measures and for information relating to the use of certain other non-GAAP financial measures. Reconciliations of certain non-GAAP financial measures can also be found on the Investor Relations portion of our website at <http://investor.abm.com>.

Business Overview

Who We Are

PURPOSE

To take care of the people, spaces and places that are important to you

VISION

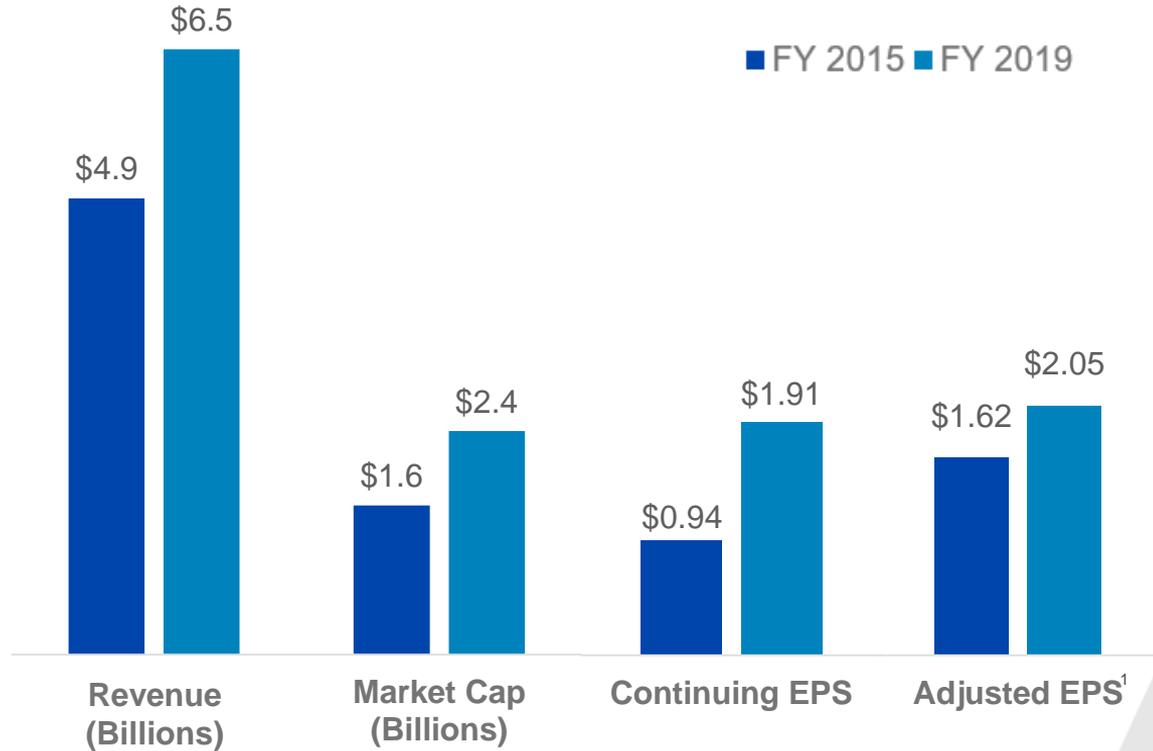
To be the clear choice in the industries we serve through engaged people

MISSION

To make a difference, every person, every day

2020 Vision Achievements

SIGNIFICANT GROWTH
AND CONTINUED
OPPORTUNITY AHEAD



¹ Please refer to the appendix for a reconciliation of GAAP to non-GAAP measures.

ABM at a Glance



Founded in 1909 | \$6.5 Billion in Revenue



350+ U.S. & International Locations



20,000+ Clients | 140,000 Employees



ELECTRICAL

We've installed **10,000+** EV charging ports across the U.S.



ENERGY

We've reduced our client's average energy use by **23%**.



FACILITIES ENGINEERING

Our **3,800+** certified engineers keep buildings running.



HVAC & MECHANICAL

We service and maintain **70,000+** heating and cooling systems.



JANITORIAL

Each day, we clean **4+ billion** sq. ft. of buildings.



LANDSCAPE & TURF

We maintain **55,000+** acres of landscaping & golf courses.



MISSION CRITICAL

We service and maintain **35+ million** sq. ft. of data center space.



PARKING & TRANSPORTATION

We collect **\$2+ billion** in parking revenue for our clients.

Building Value Through Industry Expertise

Keeping your environment safe, clean, comfortable and energy efficient through individual or integrated solutions



Industries We Serve

As of Fiscal 2019



Aviation



Business & Industry



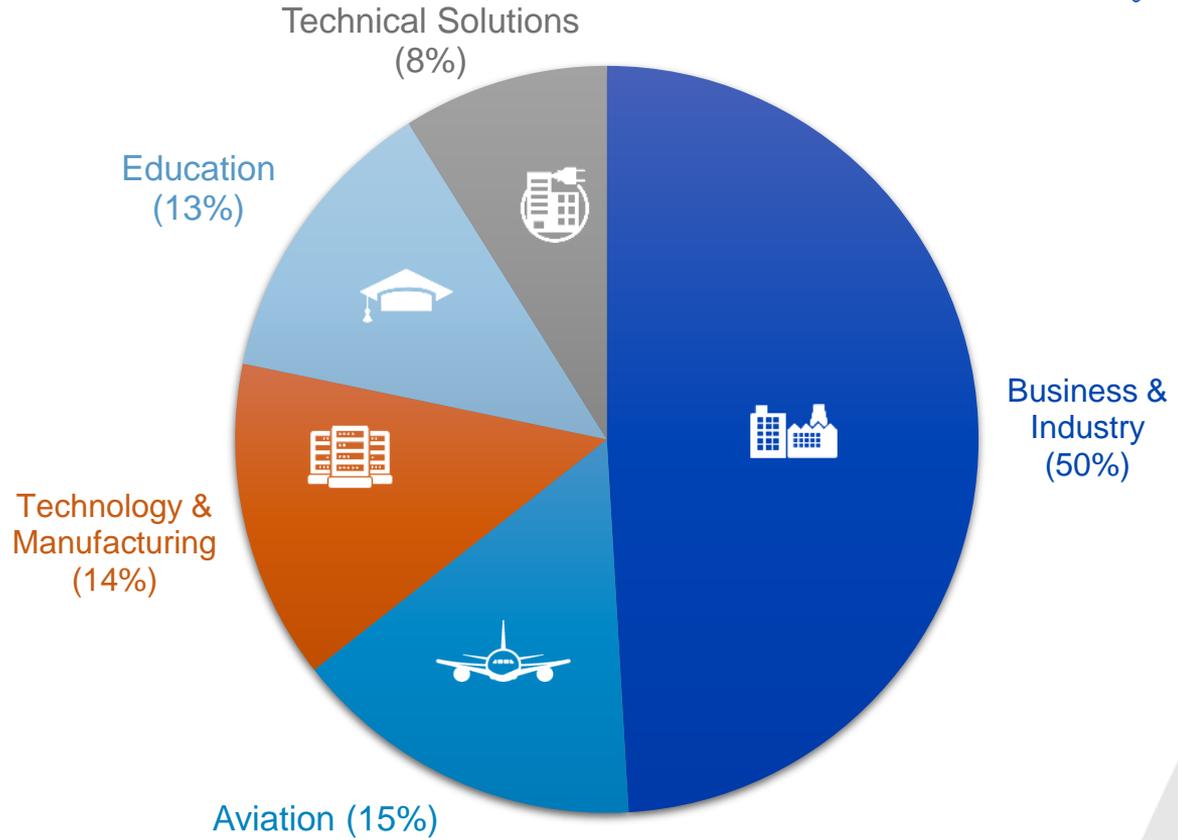
Education



Technology & Manufacturing



Technical Solutions



Services We Perform

As of Fiscal 2020



Aviation



Business & Industry



Education



Technology & Manufacturing



Technical Solutions



Janitorial

Building Cleaning & Maintenance
Green Cleaning and Recycling Services
Hard Surface Floor & Carpet Care
Clean Room and GMP Cleaning
Staffing and Specialty Services



Parking & Transportation

On and Off-Street Parking Management
Shuttle and Transportation Services
Valet Parking and Special Event Services



Electrical & Mechanical

Repairs, Replacements and Upgrades
Predictive and Preventative Maintenance
Low to High-Voltage Testing
Electrical Engineering and Commissioning
Chiller Services
Mechanical Systems Operations



Energy Solutions

HVAC, Central Plants, Lighting and Controls
EV Charging Stations
24/7/365 Facility Operation
Energy Audits & Optimization
Infrastructure Upgrades



Aviation Services

Aircraft Interior & Exterior Cleaning
Cargo Services
Terminal Cleaning
Wheelchair Assistance
Ambassador Services
Queue/Lobby Management



Landscape & Turf

Landscape and Grounds Maintenance
Golf Course Maintenance and Renovations
Athletic and Sports Field Maintenance
Irrigation Maintenance & Management
Exterior Pest & Fertility Management

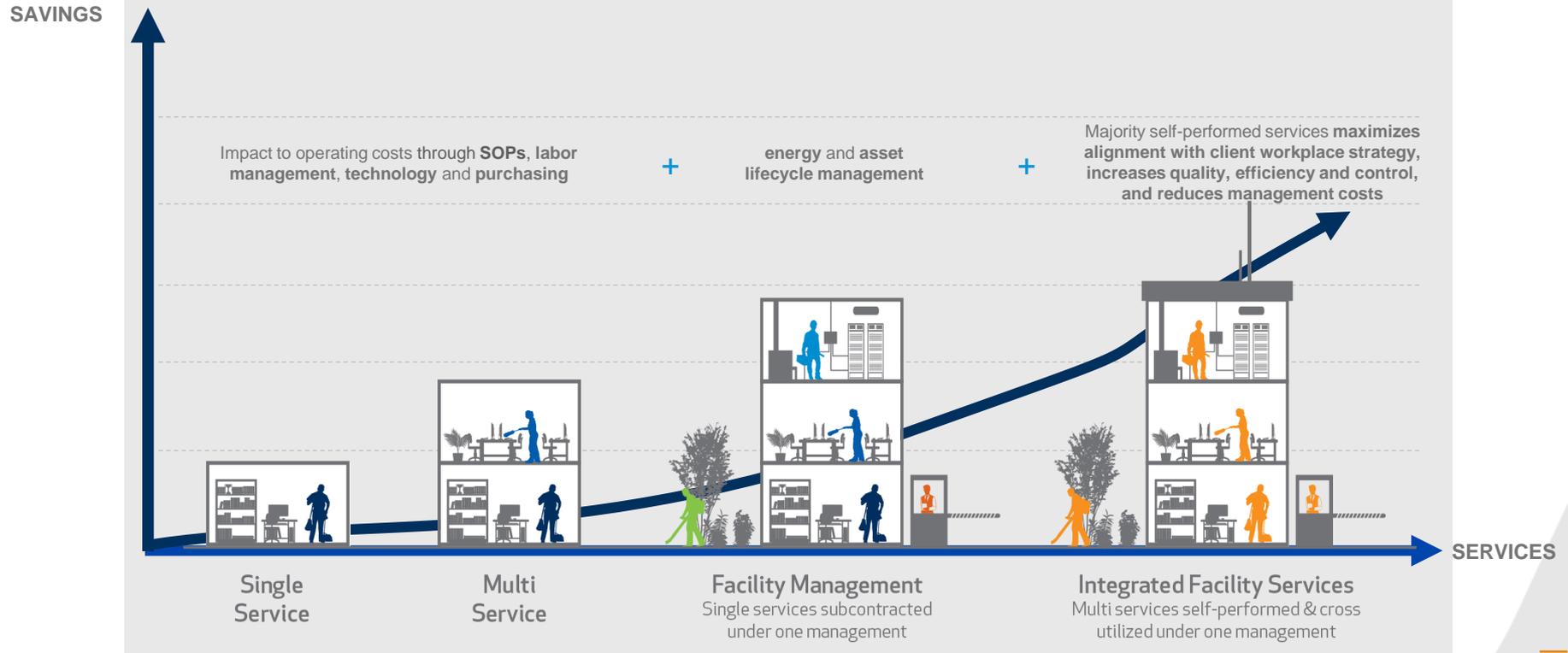


Building Technical Administration

Mail, Logistics & Print Room
Furniture Movement
Supplier Management
Reception & Switchboard/Help Desk
Audio Visual

Targeting the Outsourcing Continuum

Aligning workplace strategy with operational best practices for improved cost efficiencies, productivity, communication and scalability



UNPARALLELED

CLIENTELE

AVIATION



BUSINESS & INDUSTRY



EDUCATION



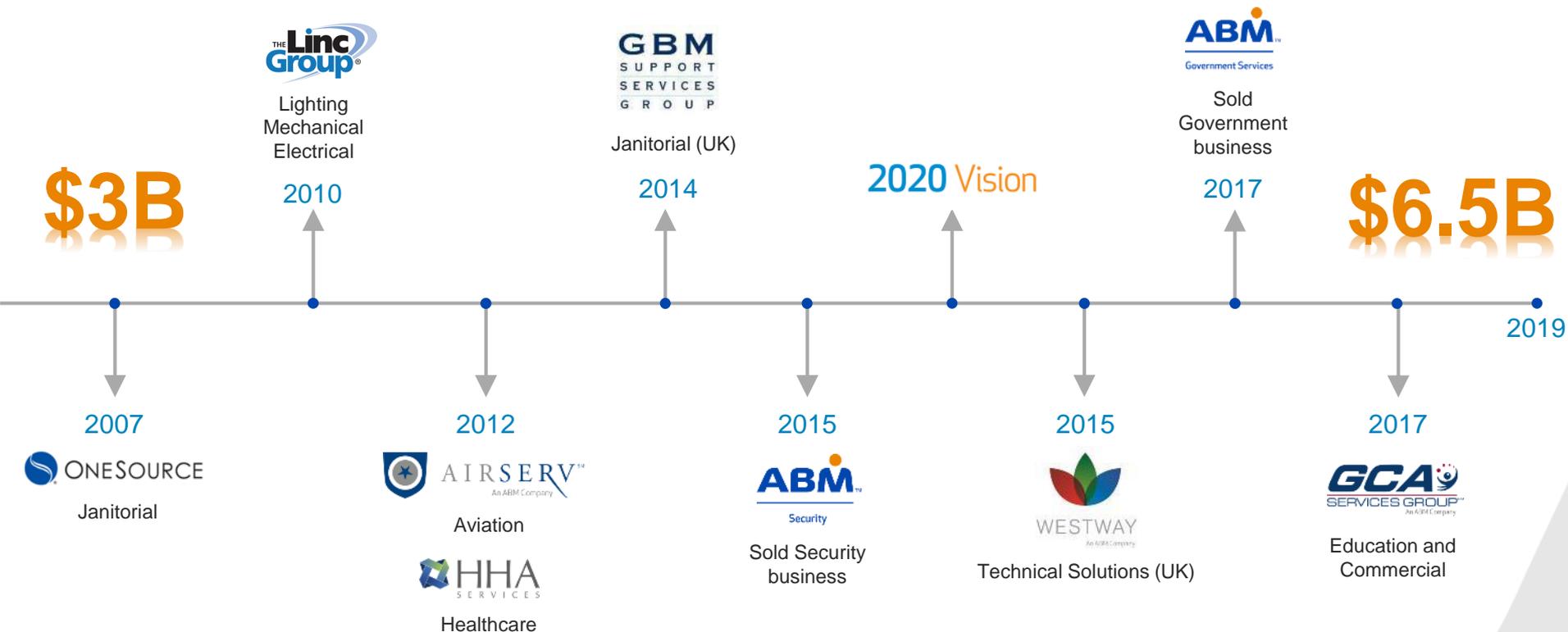
TECHNOLOGY & MANUFACTURING



TECHNICAL SOLUTIONS



History of M&A



*Dates based on calendar year

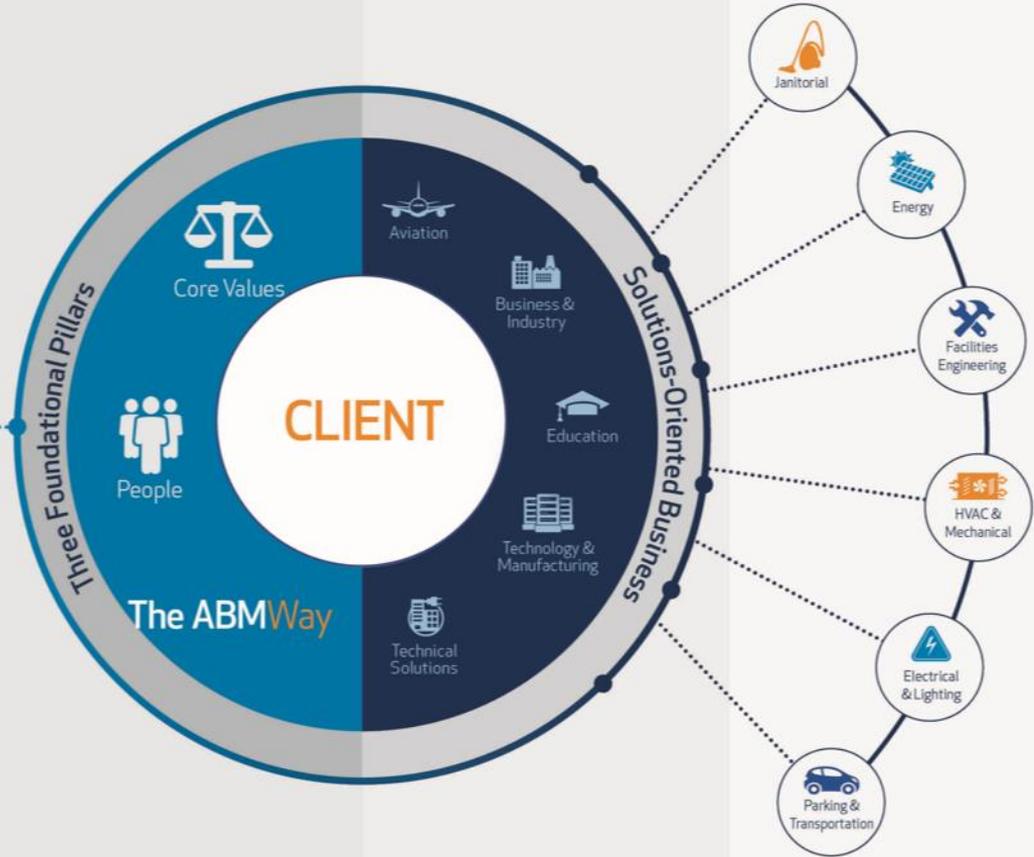
WHY WE DO IT



HOW WE DO IT

WHERE WE DO IT

WHAT WE DO

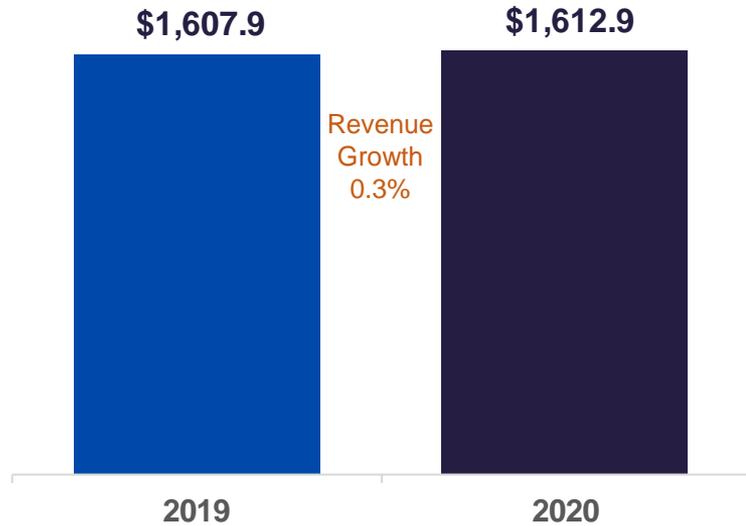


In Summary...

First Quarter 2020 Review

First Quarter 2020 Review

Q1 FY20 Revenue



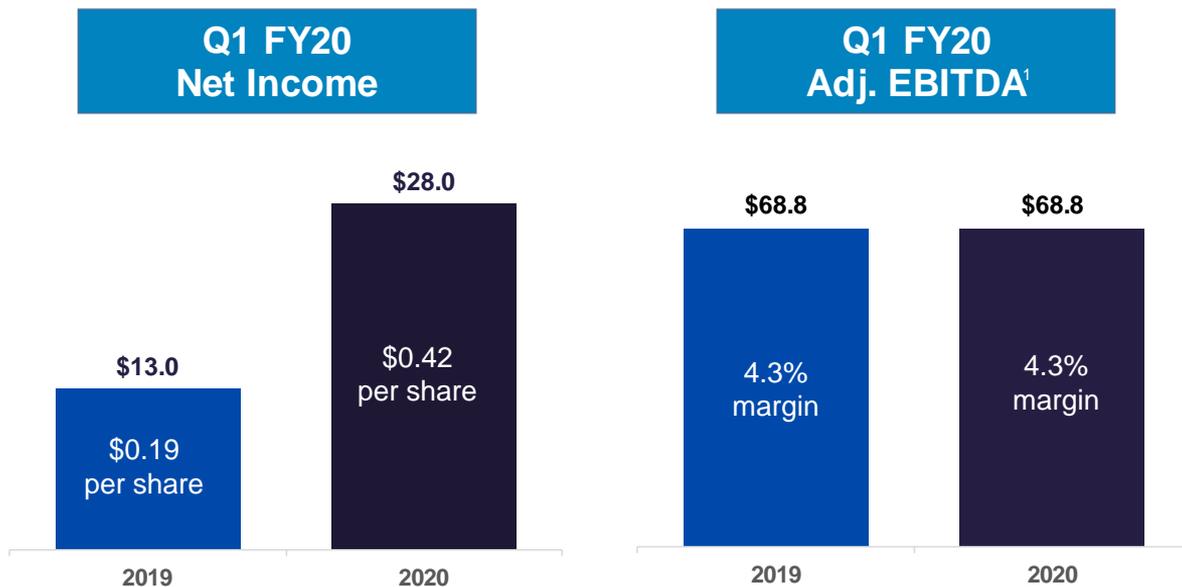
First Quarter 2020 Review



¹ Please refer to the appendix for a reconciliation of GAAP to non-GAAP measures.



First Quarter 2020 Review



¹ Please refer to the appendix for a reconciliation of GAAP to non-GAAP measures.



First Quarter 2020 Segment Results

Business & Industry

- Revenues of \$820.9m vs. \$828.8m last year
- Operating profit of \$38.2m, operating margin of 4.7%

Aviation

- Revenues of \$238.7m vs. \$252.4m last year
- Operating profit of \$5.6m, operating margin of 2.3%

Technology & Manufacturing

- Revenues of \$233.9m vs. \$236.1m last year
- Operating profit of \$16.7m, operating margin of 7.1%

Education

- Revenues of \$208.0m vs. \$208.9m last year
- Operating profit of \$11.2m, operating margin of 5.4%

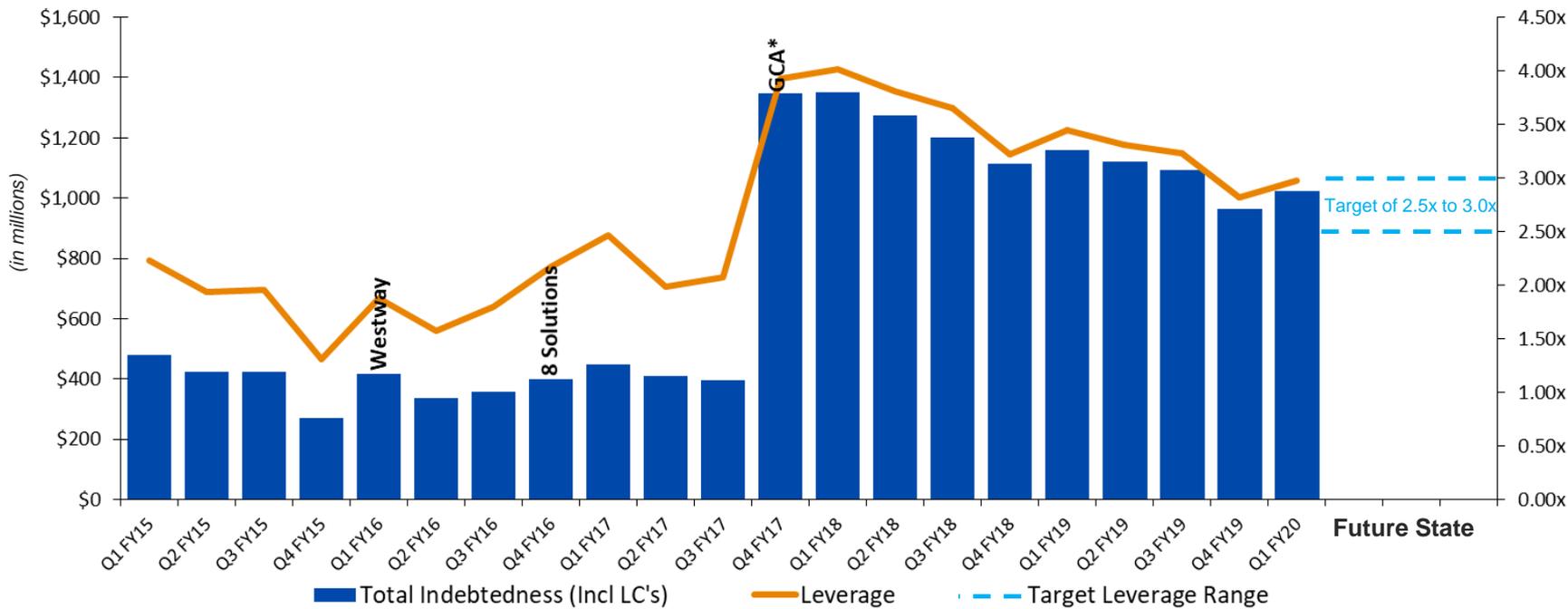
Technical Solutions

- Revenues of \$142.0m vs. \$116.1m last year
- Operating profit of \$8.3m, operating margin of 5.9%

Capital Structure

Select Cash Flow and Balance Sheet Items

Leverage



*Acquired GCA Services Group for approximately \$1.3b, largest acquisition in Company's history
 Other acquisitions shown represent purchase price above \$15m
 Leverage calculated as total indebtedness/pro-forma adjusted EBITDA

Select Cash Flow and Balance Sheet Items

Shareholder Return

AS OF JANUARY 31, 2020, THE COMPANY HAD \$150.0 MILLION OF REMAINING BUYBACK AVAILABILITY UNDER ITS \$150.0 MILLION SHARE REPURCHASE PROGRAM



*Capital allocation focus on delevering to historical levels following the GCA acquisition.

Select Cash Flow and Balance Sheet Items

Annual Dividend



1Q20 MARKS THE 215TH CONSECUTIVE QUARTERLY CASH DIVIDEND

Fiscal 2020 Guidance Outlook

Fiscal 2020 Outlook

Metric	Amount
Income from continuing operations per diluted share ¹	\$1.65 - \$1.85
Adjusted Income from continuing operations per diluted share ^{1,2}	\$1.90 - \$2.10
Depreciation	\$50m - \$55m
Amortization	\$47m - \$52m
Interest Expense	\$45m - \$50m
Capital Expenditures	\$45m - \$55m
Adjusted EBITDA Margin ³	5.0% to 5.2%
Tax Rate (excluding WOTC & other discrete tax items)	~30%
Free Cash Flow ³	~\$175m

2020 Working Days				
Quarter	Q1	Q2	Q3	Q4
Days	66	64	66	65
Δ y-o-y	0	+1	0	-1

¹ With the exception of the 2020 Work Opportunity Tax Credits and anticipated excess tax benefits on stock-based awards, this guidance does not include any potential effects associated with certain other discrete tax items and other unrecognized tax benefits.

² Please refer to the appendix for a reconciliation of GAAP to non-GAAP measures.

³ Adjusted EBITDA margin is defined as adjusted EBITDA divided by revenue; Free Cash Flow defined as net cash provided by operating activities less capital expenditures. We cannot provide a reconciliation of such forward looking non-GAAP measures to GAAP without unreasonable effort due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations.

Fiscal 2020 Outlook

Segment	FY20 Operating Margin %
Business & Industry	Mid-5%
Aviation	Mid-3%
Education	Mid-5%
Technology & Manufacturing	Low-8%
Technical Solutions	Mid-9%

Appendix

Forward Looking Statements

This presentation contains both historical and forward-looking statements about 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: our success depends on our ability to gain profitable business despite competitive market pressures; our business success depends on our ability to attract and retain qualified personnel and senior management and to manage labor costs; our ability to preserve long-term client relationships is essential to our continued success; changes to our businesses, operating structure, financial reporting structure, or personnel relating to the implementation of strategic transformations, enhanced business processes, and technology initiatives may not have the desired effects on our financial condition and results of operations; acquisitions, divestitures, and other strategic transactions could fail to achieve financial or strategic objectives, disrupt our ongoing business, and adversely impact our results of operations; we manage our insurable risks through a combination of third-party purchased policies and self-insurance, and we retain a substantial portion of the risk associated with expected losses under these programs, which exposes us to volatility associated with those risks, including the possibility that adjustments to our ultimate insurance loss reserves could result in material charges against our earnings; our risk management and safety programs may not have the intended effect of reducing our liability for personal injury or property loss; our international business involves risks different from those we face in the United States that could have an effect on our results of operations and financial condition; our use of subcontractors or joint venture partners to perform work under customer contracts exposes us to liability and financial risk; we may experience breaches of, or disruptions to, our information technology systems or those of our third-party providers or clients, or other compromises of our data that could adversely affect our business; unfavorable developments in our class and representative actions and other lawsuits alleging various claims could cause us to incur substantial liabilities; a significant number of our employees are covered by collective bargaining agreements that could expose us to potential liabilities in relationship to our participation in multiemployer pension plans, requirements to make contributions to other benefit plans, and the potential for strikes, work slowdowns or similar activities, and union organizing drives; our business may be materially affected by changes to fiscal and tax policies, and negative or unexpected tax consequences could adversely affect our results of operations; changes in general economic conditions, such as changes in energy prices, government regulations, or consumer preferences, could reduce the demand for facility services and, as a result, reduce our earnings and adversely affect our financial condition; future increases in the level of our borrowings or in interest rates could affect our results of operations; impairment of goodwill and long-lived assets could have a material adverse effect on our financial condition and results of operations; if we fail to maintain proper and effective internal control over financial reporting in the future, our ability to produce accurate and timely financial statements could be negatively impacted, which could harm our operating results and investor perceptions of our Company and as a result may have a material adverse effect on the value of our common stock; our business may be negatively impacted by adverse weather conditions; catastrophic events, disasters, and terrorist attacks could disrupt our services; and actions of activist investors could disrupt our business. The list of factors above is illustrative and by no means exhaustive.

For additional information on these and other risks and uncertainties we face, see ABM’s risk factors, as they may be amended from time to time, set forth in our filings with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K and subsequent filings. 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.

Use of Non-GAAP Financial Information

To supplement ABM's consolidated financial information, the Company has presented income from continuing operations and income from continuing operations per diluted share as adjusted for items impacting comparability, for the first quarter of fiscal years 2020 and 2019. These adjustments have been made with the intent of providing financial measures that give management and investors a better understanding of the underlying operational results and trends as well as ABM's operational performance. In addition, the Company has presented earnings before income from discontinued operations, net of taxes, interest, taxes, depreciation and amortization and excluding items impacting comparability (adjusted EBITDA) for the first quarter of fiscal years 2020 and 2019. Adjusted EBITDA is among the indicators management uses as a basis for planning and forecasting future periods. The Company has also presented Free Cash Flow which is defined as net cash used in operating activities less additions to property, plant and equipment. The presentation of these non-GAAP financial measures is not meant to be considered in isolation or as a substitute for financial statements prepared in accordance with accounting principles generally accepted in the United States of America. (See accompanying financial tables for supplemental financial data and corresponding reconciliations to certain GAAP financial measures.)

Unaudited Reconciliation of Non-GAAP Financial Measures

<i>(in millions)</i>	Three Months Ended January 31,	
	2020	2019
Reconciliation of Income from Continuing Operations to Adjusted Income from Continuing Operations		
Income from continuing operations	\$ 27.9	\$ 13.0
Items impacting comparability^(a)		
Prior year self-insurance adjustment ^(b)	(6.6)	5.0
Other ^(c)	(0.6)	2.2
Restructuring and related ^(d)	3.1	3.8
Legal costs and other settlements	1.7	(0.2)
Total items impacting comparability	(2.3)	10.8
Income tax provision (benefit)^(e)	0.7	(3.0)
Items impacting comparability, net of taxes	(1.7)	7.8
Adjusted income from continuing operations	\$ 26.2	\$ 20.8

- (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 the net adjustments to our self-insurance reserve for general liability, workers' compensation, automobile and medical and dental insurance 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. For the three months ended January 31, 2020 and 2019, our self-insurance general liability, workers' compensation, and automobile and medical and dental insurance claims related to prior period accident years was decreased by \$6.6 million and increased by \$5.0 million, respectively.
- (c) Primarily represents one-time implementation costs related to the Company's transformational IT infrastructure projects and requirements associated with General Data Protection Regulation standards.
- (d) Represents restructuring costs related to the continued integration of GCA acquisition in September 2017.
- (e) The Company's tax impact is calculated using the federal and state statutory rate of 28.1% for QTD FY20 and FY19. 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

<i>(in millions)</i>	Three Months Ended January 31,	
	2020	2019
Reconciliation of Net Income to Adjusted EBITDA		
Net income	\$ 28.0	\$ 13.0
Items impacting comparability	(2.3)	10.8
(Income) loss from discontinued operations	(0.1)	0.1
Income tax provision	8.6	4.7
Interest expense	10.2	13.5
Depreciation and amortization	24.4	26.7
Adjusted EBITDA	\$ 68.8	\$ 68.8

<i>(in millions)</i>	Three Months Ended January 31,	
	2020	2019
Reconciliation of Net Cash Used in Operating Activities to Free Cash Flow		
Net cash used in operating activities	\$ (34.3)	\$ (39.3)
Additions to property, plant and equipment	(11.5)	(11.6)
Free Cash Flow	\$ (45.8)	\$ (50.9)

Unaudited Reconciliation of Non-GAAP Financial Measures

<i>(in millions, except per share amounts)</i>	Three Months Ended January 31,	
	2020	2019
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	\$ 0.41	\$ 0.20
Items impacting comparability, net of taxes	(0.03)	0.12
Adjusted income from continuing operations per diluted share	\$ 0.39	\$ 0.31
Diluted shares	67.2	66.7

<i>(in millions, except per share amounts)</i>	Years Ended October 31,	
	2019	2015
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	\$ 1.91	\$ 0.94
Items impacting comparability, net of taxes	0.14	0.68
Adjusted income from continuing operations per diluted share	\$ 2.05	\$ 1.62

2020 Guidance

Reconciliation of Estimated Income from Continuing Operations per Diluted Share to Estimated Adjusted Income from Continuing Operations per Diluted Share	Year Ending October 31, 2020	
	Low Estimate	High Estimate
Income from continuing operations per diluted share ^(a)	1.65	1.85
Adjustments ^(b)	0.25	0.25
Adjusted Income from continuing operations per diluted share ^(a)	\$ 1.90	\$ 2.10

- (a) With the exception of the 2020 Work Opportunity Tax Credits and ASU 2016-09, this guidance does not include any potential benefits associated with certain other discrete tax items and other unrecognized tax benefits. This guidance does not assume any potential accretion related to the Company's share repurchase program. Additionally, the Company does not anticipate any material impact to income from continuing operations from the adoption of ASU 2016-02 ("Topic 842") at this time.
- (b) Adjustments include costs associated with the strategic review, legal settlements, adjustments to self-insurance reserves pertaining to prior year's claims and other unique items impacting comparability.



Contact Us

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