



First Quarter 2017 Teleconference

March 8, 2017

Agenda

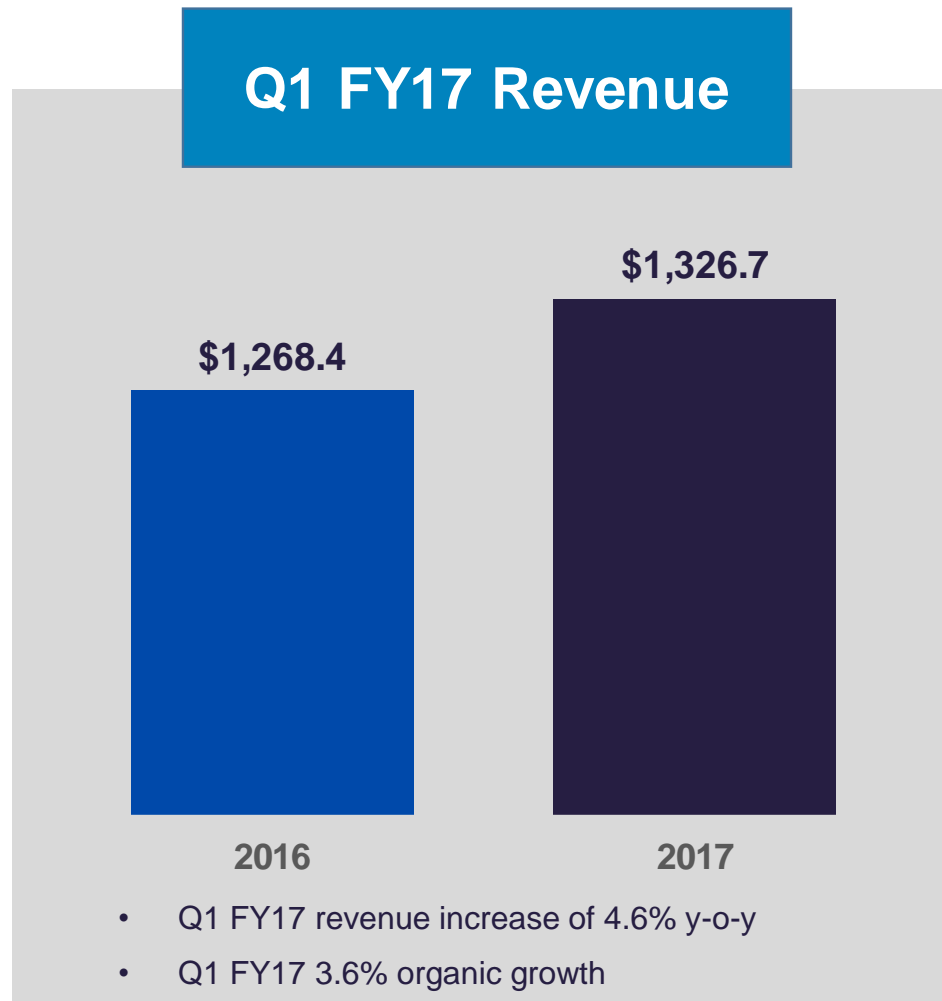
- 1 ABM Business Overview
- 2 First Quarter 2017 Review
- 3 Capital Structure
- 4 Fiscal 2017 Outlook

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.

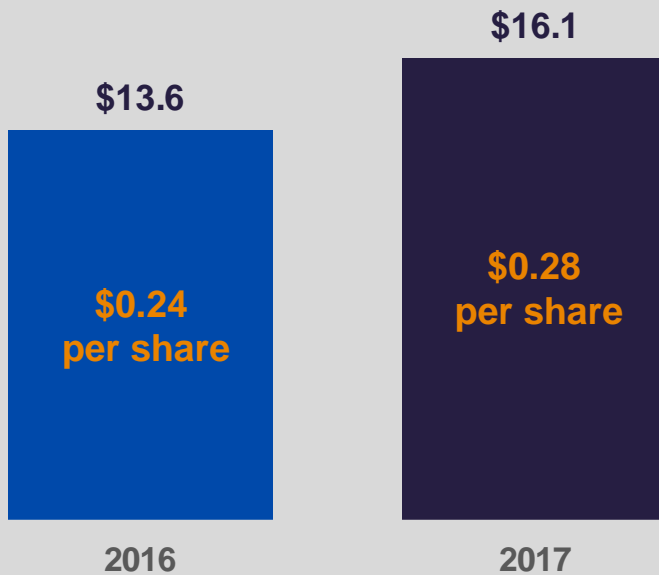
First Quarter 2017 Review



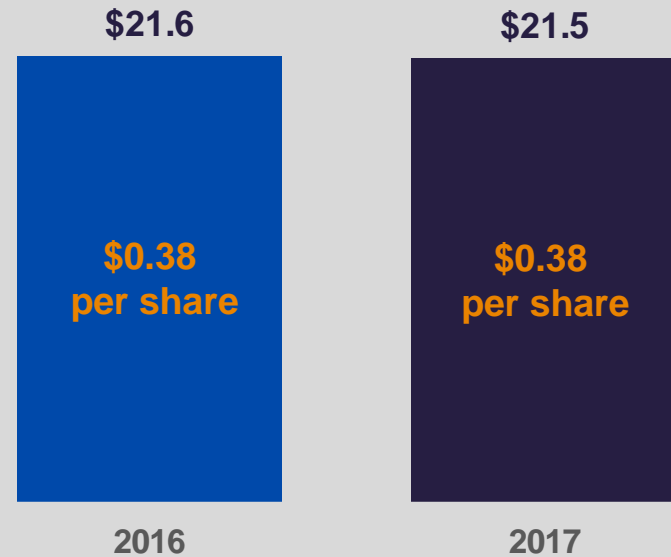
Note: Excluding the impact of currency translation, organic revenue growth for Q1 FY17 was 4.5%

First Quarter 2017 Review

Q1 FY17 Income from Continuing Operations



Q1 FY17 Adj. Income from Continuing Operations



First Quarter 2017 Review

Q1 FY17 Net Income (Loss)¹

\$14.0

(\$56.8)

2016

2017

Q1 FY17 Adj. EBITDA

\$43.7

3.4%
margin

2016

\$48.1

3.6%
margin

2017

- Q1 FY17 margin increase of 20 bps y-o-y

¹ Net Income (Loss) includes income (loss) from discontinued operations

Segment Results

Business & Industry

- Revenues of \$755.0m, increase of 1.5% y-o-y
- Operating profit of \$32.4m, Operating margin of 4.3%

Aviation

- Revenues of \$232.0m, increase of 13.8% y-o-y
- Operating profit of \$5.4m, Operating margin of 2.3%

Emerging Industries

- Revenues of \$200.6m, increase of 0.8% y-o-y
- Operating profit of \$12.4m, Operating margin of 6.2%

Technical Solutions

- Revenues of \$107.7m, increase of 15.3% y-o-y
- Operating profit of \$8.2m, Operating margin of 7.6%

Government

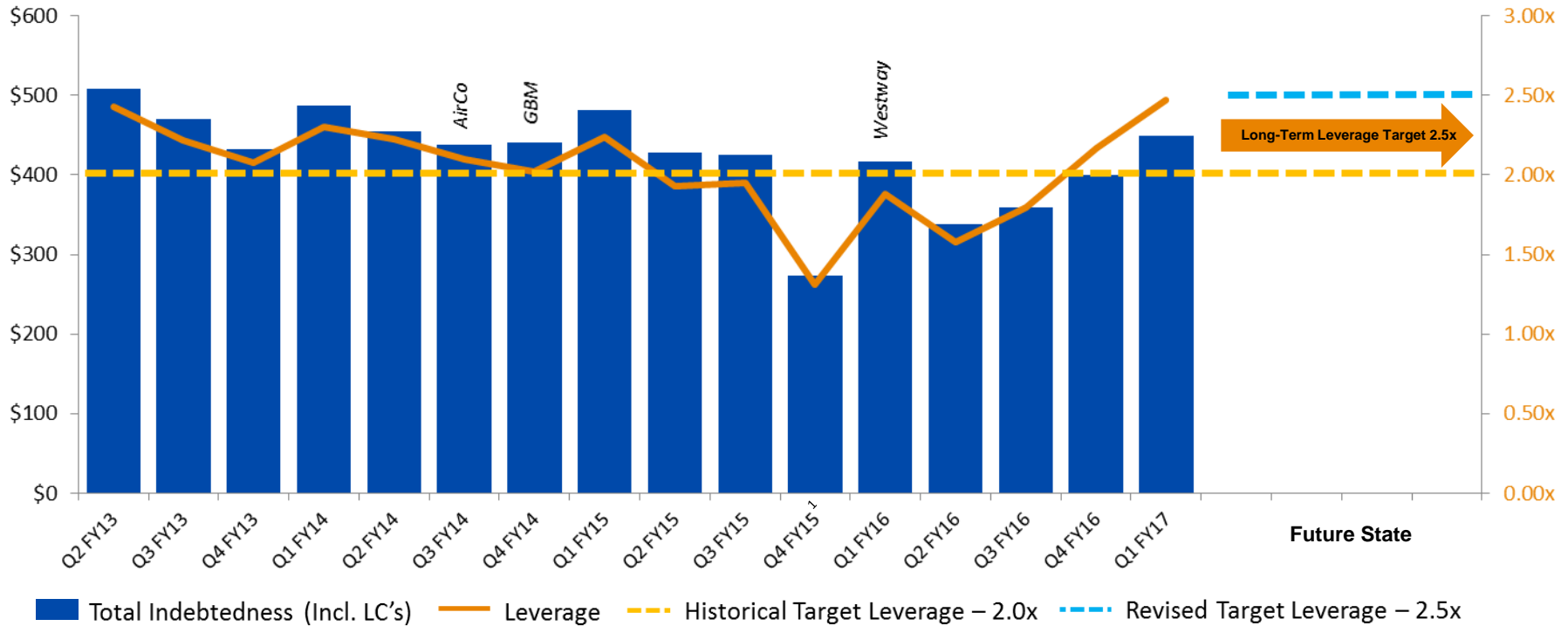
- Revenues of \$31.4m, increase of 10.0% y-o-y
- Operating profit of \$1.9m, Operating margin of 6.0%



Capital Structure

Select Cash Flow & Balance Sheet Items

Leverage



Note: Acquisitions shown represent purchase above \$15m

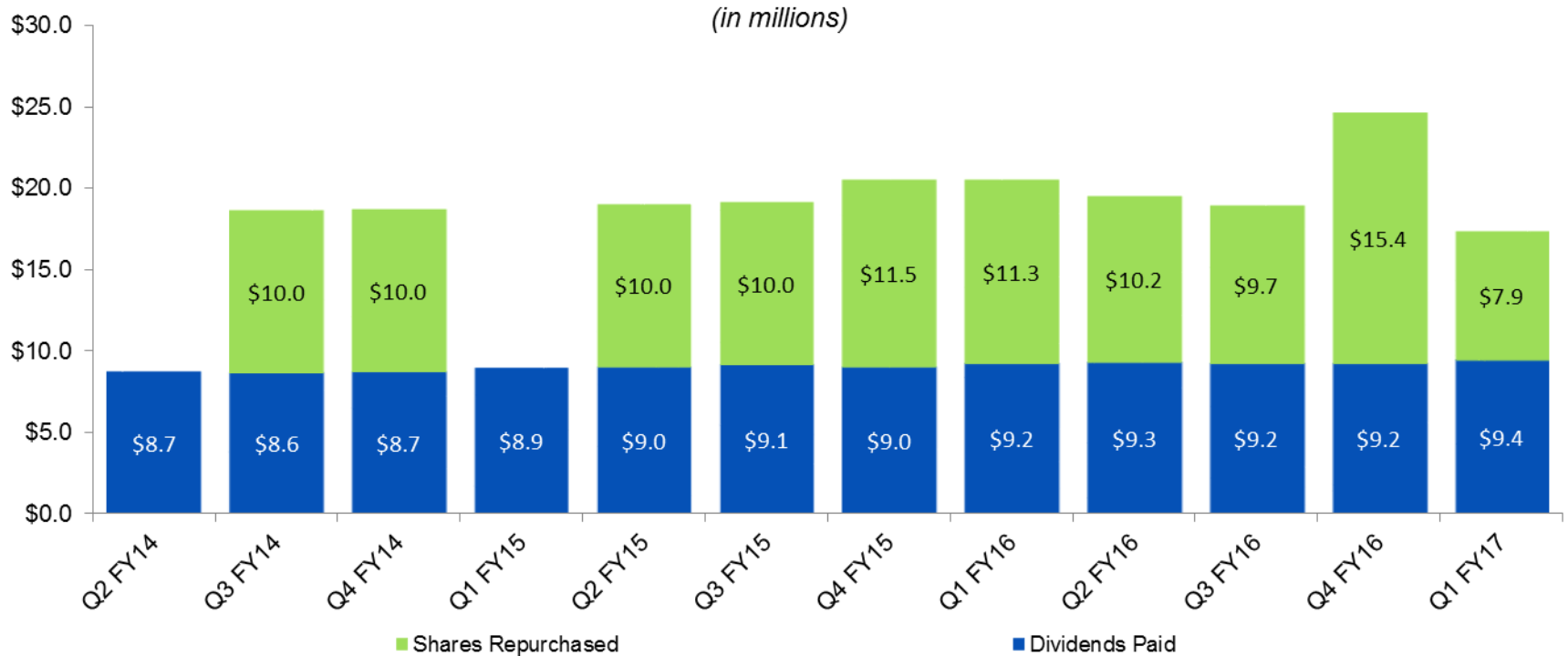
Q1 FY17 Leverage of ~2.5x*

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



A person wearing a blue baseball cap and a blue jacket is seen from the back, looking towards a park. In the background, there is a circular fountain with two water jets, surrounded by a low wall and a bed of yellow flowers. The park is lush with green trees and a paved path. The entire image has a blue tint.

Fiscal 2017 Outlook

Fiscal 2017 Outlook

Metric	Amount
Income from continuing operations per diluted share	\$1.40 - \$1.50
Adjusted Income from continuing operations per diluted share	\$1.80 - \$1.90
Depreciation & Amortization	\$57m - \$61m
Interest Expense	\$11m - \$13m
Capital Expenditures	\$60m - \$70m
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: \$8m - \$10m
	H2 2017: \$10m - \$12m

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 the \$0.11 impact of 2017 Work Opportunity Tax Credits and \$0.04 benefit from adoption of ASU 2016-09

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, including sports and entertainment venues as well as 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, 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 aggregated into one reportable segment for segment reporting purposes.
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, primarily in the U.K. through our acquisition of Westway.
Government Services	Our held-for-sale Government Services business provides specialty solutions in support of U.S. government entities, such as: construction management; energy efficiency upgrades; healthcare support; leadership development; military base operations; and other mission support services.

New Segment Structure by Industry Group

<u>Segment</u>	<u>FY17 Operating Profit Margin %</u>
Business & Industry	low to mid 5%
Aviation	mid to high 4%
Emerging Industries ¹	mid to high 6%
Technical Solutions ²	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)

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, increases in the level of our borrowings, or inability to repurchase shares at anticipated levels; (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) inability to complete the sale of our Government Services business in a timely manner or within the price range we have assumed, or at all; (16) losses or other incidents at facilities in which we operate; (17) difficulty responding to cyber-security risks and business interruptions; (18) liabilities associated with participation in multiemployer pension plans; (19) actions of activist investors; and (20) weather conditions, catastrophic events, disasters, operations in areas of military conflict, 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.

A man in a blue shirt is seen from behind, looking out from a modern building with a glass and steel ceiling. The building has a complex, geometric ceiling structure with many small, square panels. The man is standing on a balcony or walkway, looking out over a large, open space. The overall tone is blue and modern.

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 January 31,	
	2017	2016
Reconciliation of Income from Continuing Operations to Adjusted Income from Continuing Operations		
Income from continuing operations	\$ 16.1	\$ 13.6
Items impacting comparability ^(a)		
Prior year self-insurance adjustment ^(b)	5.0	6.0
U.S. Foreign Corrupt Practices Act investigation ^(c)	(3.2)	—
Restructuring and related ^(d)	5.0	7.1
Acquisition costs	0.5	0.9
Litigation and other settlements	1.9	(0.4)
Total items impacting comparability	9.2	13.6
Income tax benefit ^(e)	(3.8)	(5.6)
Items impacting comparability, net of taxes	5.4	8.0
Adjusted income from continuing operations	\$ 21.5	\$ 21.6

^(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 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 this is the most meaningful presentation for its investors and analysts to evaluate performance.

^(c) 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) Tax impact is calculated using the federal and state statutory rate of 41.5%.

Unaudited Reconciliation of non-GAAP Financial Measures

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

(in millions, except for share amounts)

	Three Months Ended January 31,	
	2017	2016
Reconciliation of Net (Loss) Income to Adjusted EBITDA		
Net (loss) income	\$ (56.8)	\$ 14.0
Items impacting comparability	9.2	13.6
Net loss (income) from discontinued operations	72.9	(0.4)
Income tax provision (benefit)	5.9	(0.3)
Interest income from energy efficient government buildings ^(f)	(0.3)	(0.3)
Interest expense	3.2	2.7
Depreciation and amortization	14.0	14.4
Adjusted EBITDA	<u>\$ 48.1</u>	<u>\$ 43.7</u>
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	\$ 0.28	\$ 0.24
Items impacting comparability, net of taxes	0.10	0.14
Adjusted income from continuing operations per diluted share	<u>\$ 0.38</u>	<u>\$ 0.38</u>
Diluted shares	56.6	57.1

^(f) 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)	\$ 1.40	\$ 1.50
Adjustments ^(b)	0.40	0.40
Adjusted income from continuing operations per diluted share ^(a)	\$ 1.80	\$ 1.90

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

^(b) Adjustments include 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.