



Third Quarter 2025 Earnings Presentation

September 5, 2025

Forward Looking Statements



This press release 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 results of operations can be adversely affected by labor shortages, turnover, and labor cost increases; we may not be able to attract and retain qualified personnel and senior management we need to support our business; investments in and changes to our businesses, operating structure, or personnel relating to our ELEVATE strategy, including the implementation of strategic transformations, enhanced business processes, technology initiatives, and our restructuring program may not have the desired effects on our financial condition and results of operations; our ability to preserve long-term client relationships is essential to our continued success; our use of subcontractors or joint venture partners to perform work under customer contracts exposes us to liability and financial risk; 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; decreases in commercial office space utilization due to hybrid work models and increases in office vacancy rates could adversely affect our financial conditions; negative changes in general economic conditions, such as recessionary pressures, high interest rates, durable and non-durable goods pricing, changes in energy prices, or changes in consumer goods pricing, could reduce the demand for services and, as a result, reduce our revenue and earnings and adversely affect our financial condition; 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; our ongoing implementation of new enterprise resource planning and related boundary systems could adversely impact our ability to operate our business and report our financial results; 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 changes in estimates 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; unfavorable developments in our class and representative actions and other lawsuits alleging various claims could cause us to incur substantial liabilities; we are subject to extensive legal and regulatory requirements, which could limit our profitability by increasing the costs of legal and regulatory compliance; a significant number of our employees are covered by collective bargaining agreements that could expose us to potential liabilities in relation 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; negative or unexpected tax consequences could adversely affect our results of operations; future increases in the level of our borrowings and 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, pandemics, and terrorist attacks could disrupt our services; and actions of activist investors could disrupt our business. 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.

Use of Non-GAAP Financial Information



To supplement ABM's consolidated financial information, the Company has presented net income and net income per diluted share as adjusted for items impacting comparability for the third quarter and first nine months of fiscal years 2025 and 2024. 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 interest, taxes, depreciation and amortization and excluding items impacting comparability (adjusted EBITDA) for the third quarter and first nine months of fiscal years 2025 and 2024. Adjusted earnings per share and adjusted EBITDA are among the indicators management uses as a basis for planning and forecasting future periods. Adjusted EBITDA margin is defined as adjusted EBITDA divided by revenue excluding parking management reimbursement revenue. We cannot provide a reconciliation of forward-looking non-GAAP adjusted earnings per share and adjusted EBITDA margin measures to GAAP due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation. The Company has also presented Free Cash Flow which is defined as net cash provided by (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.)

We round amounts to millions but calculate all percentages and per-share data from the underlying whole-dollar amounts. As a result, certain amounts may not foot, crossfoot, or recalculate based on reported numbers due to rounding. Unless otherwise noted, all references to years are to our fiscal year, which ends on October 31.

Financial Results



- **Revenue** of \$2.2B
 - 5% organic growth
- **Net income** of \$41.8M
- **Adjusted net income⁽¹⁾** of \$51.7M
- **Adjusted EBITDA⁽¹⁾** of \$125.8M
- **GAAP EPS** of \$0.67
- **Adjusted EPS⁽¹⁾** of \$0.82
- **Adj. EBITDA margin⁽¹⁾** of 5.9%

Demand Environment



- **B & I's** Most prime office space markets continue to improve, while pockets of softness remain in certain geographies
- **M&D** markets remain constructive, especially technology-related markets
- Solid air travel dynamics in **Aviation**
- **Education** remains stable
- Robust demand for electrification-related services, including microgrids in **Technical Solutions**

Highlights



- **Broad-based organic revenue growth**
- **Cash flow of \$175.0 million**, up \$142.7M sequentially
- **Free cash flow of \$150.2M**, up \$135.0M sequentially
- **\$1.5B in new bookings** for first nine months of 2025, up 15%
- **Initiated restructuring program** after quarter end, expected to deliver a minimum of \$35M in annual run-rate savings
- Board approves **\$150M increase in share repurchase authorization**

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

End-to-End Facility Solutions Across Diverse Markets



Business & Industry

- Facility cleaning
- Building engineering & maintenance
- Infrastructure solutions
- Parking management
- Valet / shuttle services
- Optimized ventilation & HVAC
- Lighting
- Specialty facility services

\$1,039M

47%

Revenue
(% of Q3 2025
Total Company
Revenue)



Aviation

- Facility cleaning
- Building engineering & maintenance
- Cabin cleaning
- Passenger assistance
- Parking and shuttle operations management
- Electrical infrastructure services
- EV charging

\$292M

13%



Manufacturing & Distribution

- Facility cleaning
- Building engineering & maintenance
- Construction clean-up
- Industrial operations and production support
 - Corrugate handling
 - Pallet management
 - Pick & pack
 - Wrap & ship

\$409M

18%



Education

- Facility cleaning
- Building engineering & maintenance
- Landscaping & turf management
- Waste management & recycling
- Seasonal maintenance services
- Specialty facility services

\$235M

11%



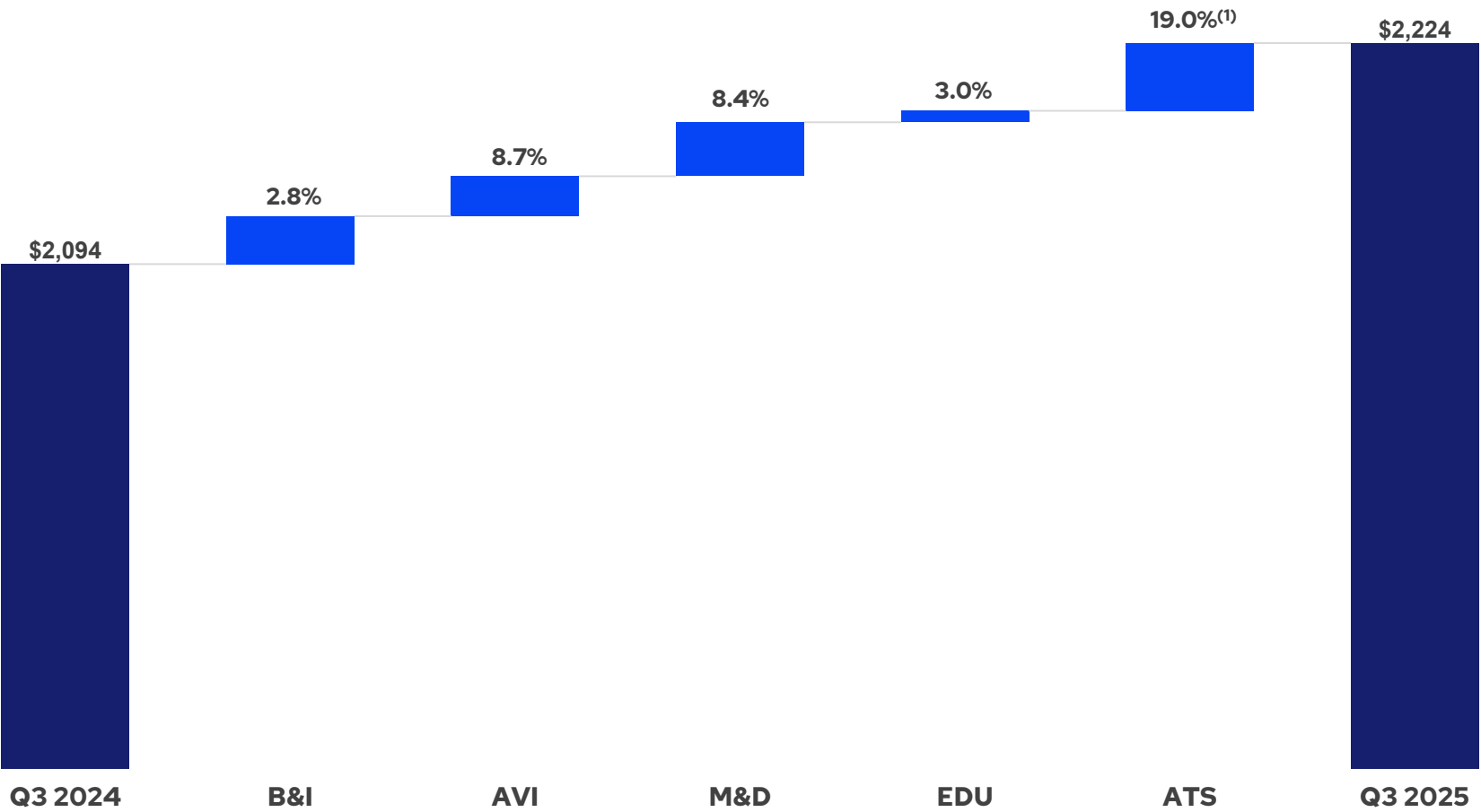
Technical Solutions

- Cleanroom services
- Tailored intelligent facilities solutions
- Downtime and data loss prevention
- Infrastructure maintenance
- Microgrids
- Battery energy storage systems

\$250M

11%

Segment Growth Rates



- Revenue increased 6.2% to \$2.2B
 - 5.0% organic growth
- Broad-based organic growth across all segments
- Continued strong organic growth in Technical Solutions and Aviation
- M&D organic growth driven by new wins and expansions

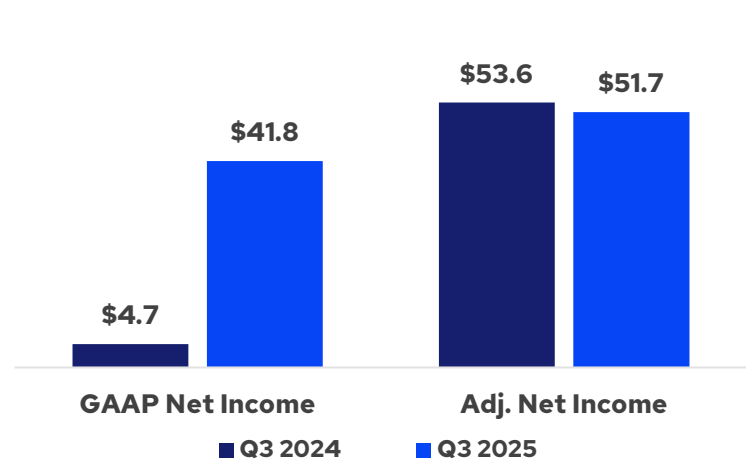
(1) Comprised of 6.8% organic revenue growth and 12.2% revenue growth from acquisitions

Q3 2025 Profitability

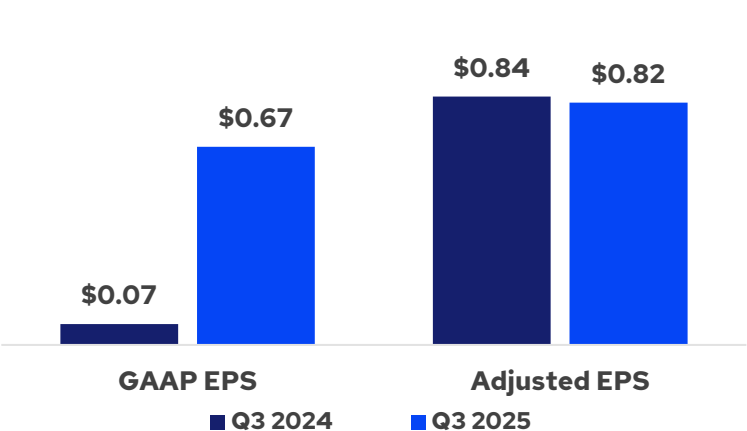


\$ in millions

NET INCOME ⁽¹⁾



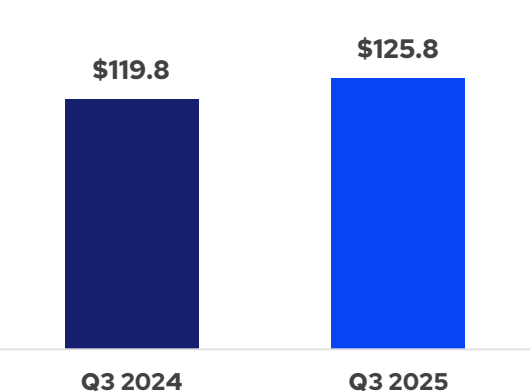
EARNINGS PER SHARE ⁽¹⁾



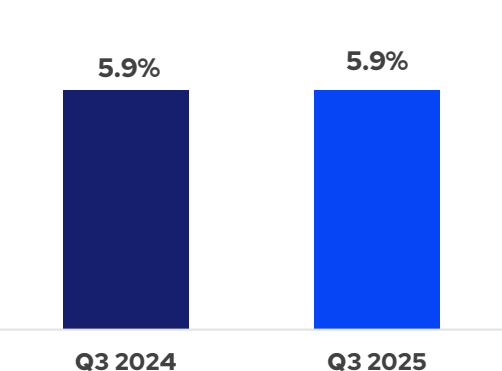
- Increases in GAAP net income and GAAP EPS largely reflect the absence of a \$36 million contingent consideration adjustment recorded in the prior year and lower corporate costs, primarily reflecting a smaller negative impact from prior year self-insurance adjustments, partially offset by higher interest and tax expense

\$ in millions

ADJUSTED EBITDA ⁽¹⁾



ADJ. EBITDA MARGIN ⁽¹⁾

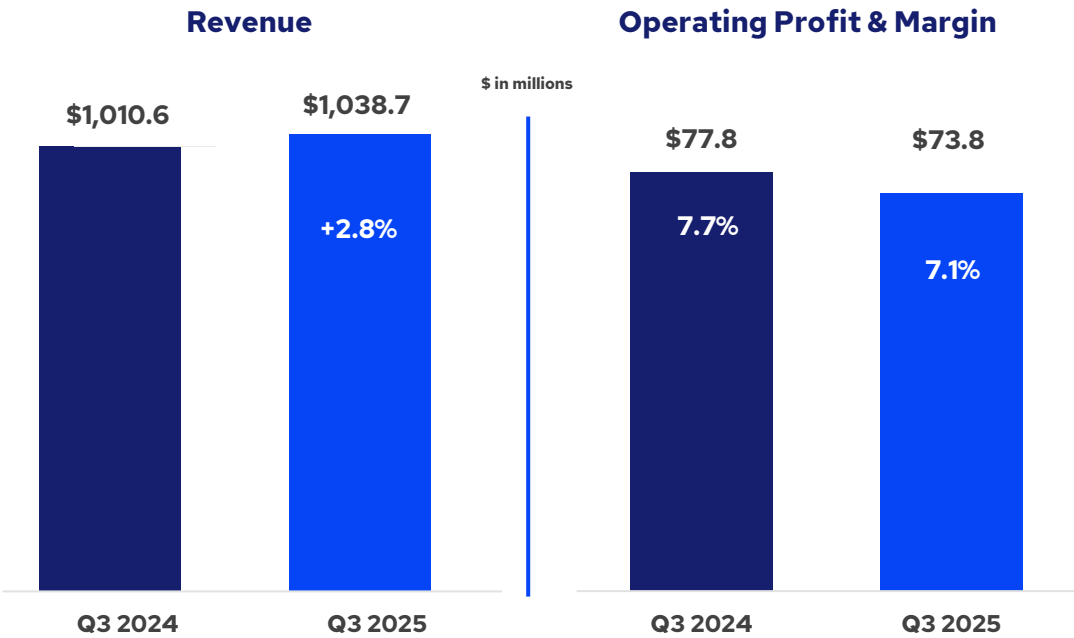


- Changes in adjusted net income and adjusted EPS primarily driven by higher interest and tax expense, partially offset by lower corporate costs
- Increase in adjusted EBITDA due to lower corporate costs

(1) Refer to the appendix for a reconciliation of GAAP to non-GAAP measures

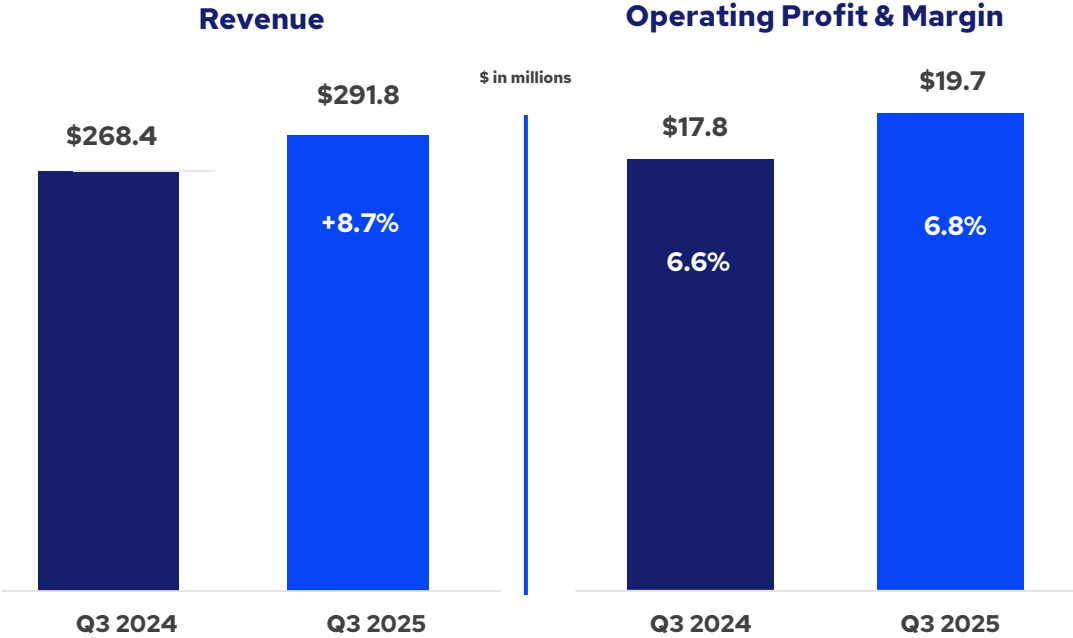
Q3 2025 Segment Performance

Business & Industry



- Revenue growth driven by escalations, expansions in certain prime commercial office markets, and strength in our sports & entertainment and UK markets
- Profit and margin performance largely reflect strategic decisions around pricing and escalation timing to drive revenue growth

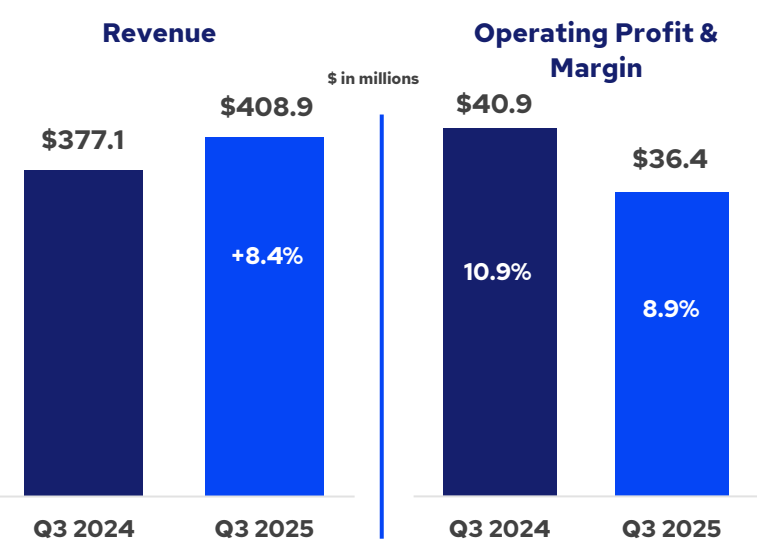
Aviation



- Revenue growth driven by healthy travel markets and several new clients coming on board
- Profit growth and margin growth driven by volume gains and escalations, partially offset by weather-related inefficiencies

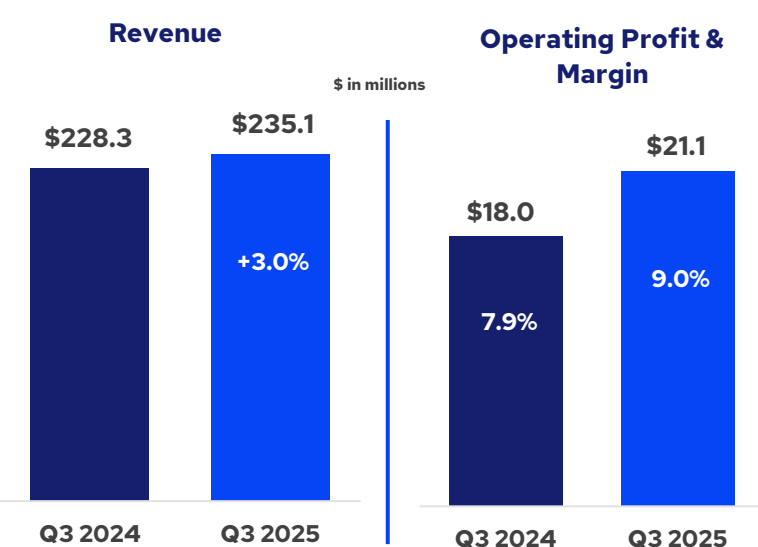
Q3 2025 Segment Performance

Manufacturing & Distribution



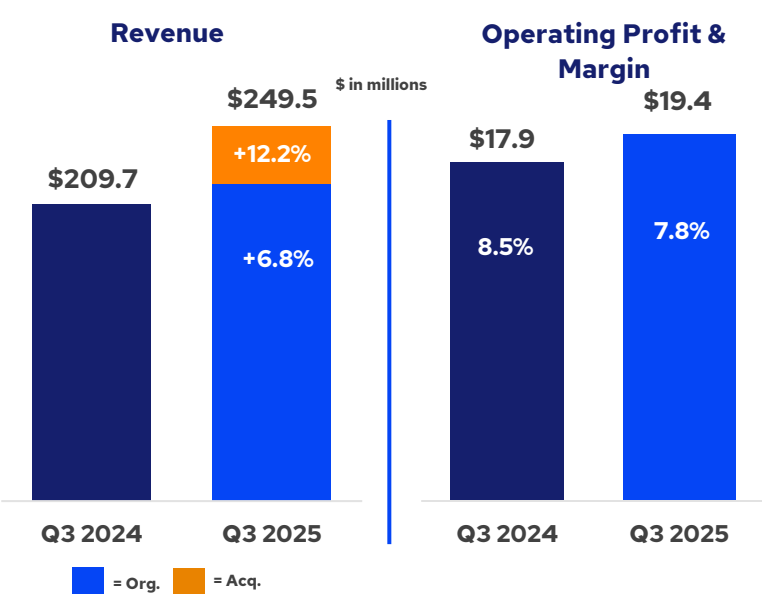
- Revenue growth driven by expansions and new wins
- Profit and margin performance reflects strategic pricing on new business opportunities and higher investments in selling organization

Education



- Revenue growth driven by favorable net-pricing and strong client retention
- Profit and margin growth reflects strong execution, including labor efficiency and escalations

Technical Solutions

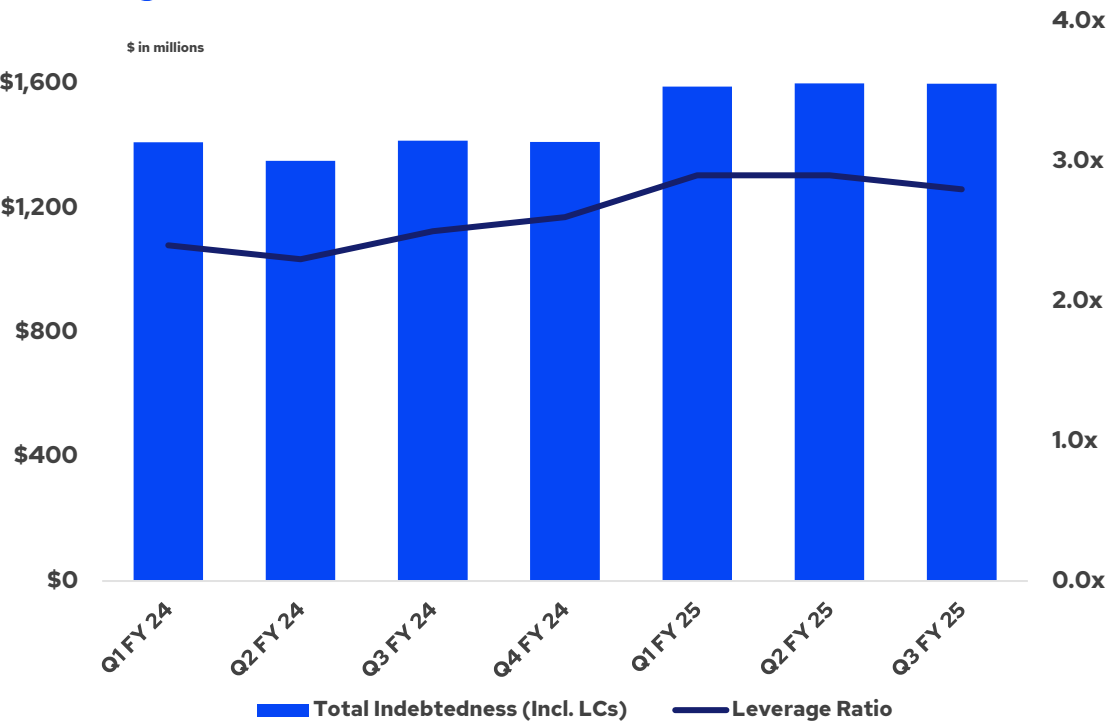


- Revenue growth driven by strong microgrid activity and acquisitions
- Profit and margin performance reflects business mix and higher amortization costs

Q3 2025 Leverage & Shareholder Returns

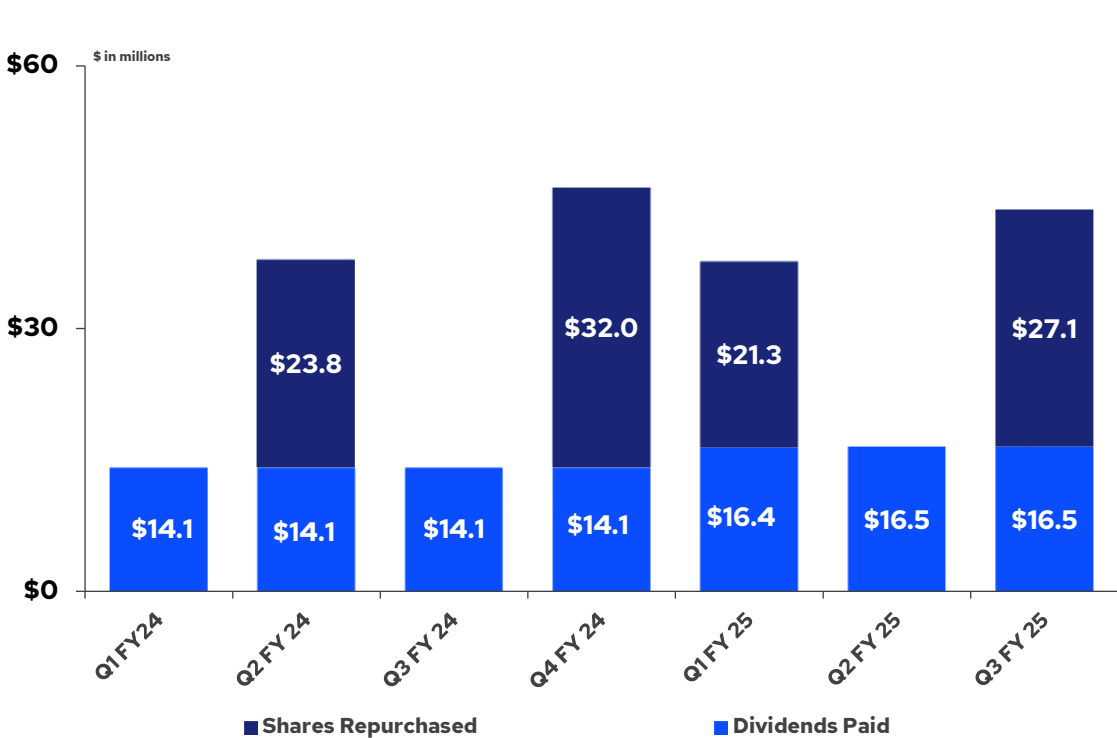


Leverage



- Total indebtedness of \$1.6B in Q3 2025; Leverage at 2.8X
- Q3 free cash flow⁽¹⁾ of \$150M, up \$135.0M sequentially reflecting strong cash collections
- Days sales outstanding significantly declines

Shareholder Returns



- Repurchased 555K shares in Q3 for \$27.1M at average cost of \$48.77
- Repurchased 491K shares thus far in Q4 for \$23M, average cost of \$46.83
- \$150M incremental share repurchase authorization approved after quarter end resulting in \$233M total capacity currently remaining under share repurchase authorization

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

Fiscal 2025 – FY 2025 Outlook



Metric	Prior Outlook	Current Outlook
Adjusted net income per diluted share ⁽¹⁾	\$3.65 – \$3.80 ⁽²⁾	Low end of outlook
Adjusted EBITDA Margin⁽¹⁾	6.3% – 6.5%	Low end of outlook
Tax rate (excl. discrete tax items and impact of non-taxable items)	29% – 30%	29% – 30%
Interest expense	\$80M – \$84M	\$96M – \$98M

2025 Working Days				
Quarter	Q1	Q2	Q3	Q4
Days	66	63	66	66
Δ y-o-y	0	-1	0	0

(1) When the company provides expectations for adjusted EPS and adjusted EBITDA margin on a forward-looking basis, a reconciliation of the differences between these non-GAAP expectations and the corresponding GAAP measures generally is not available without unreasonable effort. See "Use of Non-GAAP Financial Information" for additional information.

(2) This outlook does not give effect to any potential positive or negative prior year self-insurance adjustments

Appendix

Unaudited Reconciliation of Non-GAAP Financial Measures



\$ in millions

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2025	2024	2025	2024
Reconciliation of Net Income to Adjusted Net Income				
Net income	\$ 41.8	\$ 4.7	\$ 127.6	\$ 93.1
Items impacting comparability ^{(a)(b)}				
Legal costs and other settlements	(2.6)	0.2	2.5	0.2
Acquisition and integration related costs ^(c)	4.7	3.9	11.4	7.6
Transformation initiative costs ^(d)	11.1	11.1	30.1	27.8
Change in fair value of contingent consideration ^(e)	—	36.0	—	36.0
Other ^(f)	0.7	2.7	2.9	3.5
Total items impacting comparability	13.8	53.9	46.8	75.1
Income tax benefit ^{(g)(h)}	(3.9)	(5.0)	(13.3)	(11.3)
Items impacting comparability, net of taxes	9.9	48.9	33.5	63.8
Adjusted net income	\$ 51.7	\$ 53.6	\$ 161.1	\$ 156.9

Unaudited Reconciliation of Non-GAAP Financial Measures - Footnotes



^(a) The Company adjusts income 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) After communications with the staff of the Securities and Exchange Commission, we have revised the definition of our non-GAAP financial measures—including adjusted net income, adjusted earnings per share, adjusted EBITDA, and adjusted EBITDA margin—to no longer exclude the positive or negative impact of “prior year self-insurance adjustments”. Prior year self-insurance adjustments reflect the net changes to our self-insurance reserves for our general liability, workers’ compensation, automobile, and health insurance programs, related to claims from incidents that occurred in previous years. This definitional change has been applied to our third quarter 2025 results and retroactively to all presented periods to ensure comparability.

^(c) Represents acquisition and integration related costs associated with recent acquisitions.

^(d) Represents discrete transformational costs that primarily consist of general and administrative costs for developing technological needs and alternatives, project management, testing, training and data conversion, consulting and professional fees for i) new enterprise resource planning system, ii) client facing technology, iii) workforce management tools and iv) data analytics. These costs are not expected to recur beyond the deployment of these initiatives.

^(e) Represents an adjustment to the estimate of the fair value of the contingent consideration associated with the RavenVolt acquisition.

^(f) Nine months ended July 31, 2025 include a parking tax audit settlement related to prior years. The three and nine months ended July 31, 2024 primarily represents severance costs related to the permanent elimination of the role of Executive Vice President, Chief Strategy & Transformation Officer.

^(g) The Company's tax impact is calculated using the federal and state statutory rate of 28.11% for FY2025 and FY2024. We calculate tax from the underlying whole-dollar amounts, as a result, certain amounts may not recalculate based on reported numbers due to rounding.

^(h) The three and nine months ended July 31, 2025 include a \$0.1 million charge related to ERC refunds received from IRS. The nine months ended July 31, 2025 and 2024 include a \$0.1 million and \$0.3 million benefit for uncertain tax positions with expiring statutes.

Unaudited Reconciliation of Non-GAAP Financial Measures



\$ in millions, except per share amounts

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2025	2024	2025	2024
Reconciliation of Net Income to Adjusted EBITDA				
Net Income	\$ 41.8	\$ 4.7	\$ 127.6	\$ 93.1
Items impacting comparability	13.8	53.9	46.8	75.1
Income taxes provision	17.6	13.3	47.0	41.3
Interest expense	25.3	21.2	72.1	63.1
Depreciation and amortization	27.4	26.7	78.9	79.5
Adjusted EBITDA	<u>\$ 125.8</u>	<u>\$ 119.8</u>	<u>\$ 372.4</u>	<u>\$ 352.1</u>
Net Income margin as a % of revenues	1.9 %	0.2 %	2.0 %	1.5 %

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2025	2024	2025	2024
Revenues Excluding Management Reimbursement				
Revenue	\$ 2,224.0	\$ 2,094.2	\$ 6,450.5	\$ 6,182.0
Management Reimbursement	(88.7)	(79.6)	(255.2)	(236.6)
Revenues excluding management reimbursement	<u>\$ 2,135.3</u>	<u>\$ 2,014.6</u>	<u>\$ 6,195.4</u>	<u>\$ 5,945.4</u>
Adjusted EBITDA margin as a % of revenues excluding management reimbursement	5.9 %	5.9 %	6.0 %	5.9 %

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2025	2024	2025	2024
Reconciliation of Net Income per Diluted Share to Adjusted Net Income per Diluted Share				
Net income per diluted share	\$ 0.67	\$ 0.07	\$ 2.03	\$ 1.46
Items impacting comparability, net of taxes	0.16	0.77	0.53	1.00
Adjusted net income per diluted share	<u>\$ 0.82</u>	<u>\$ 0.84</u>	<u>\$ 2.56</u>	<u>\$ 2.47</u>
Diluted shares	62.8	63.5	63.0	63.6

Unaudited Reconciliation of Non-GAAP Financial Measures



\$ in millions

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2025	2024	2025	2024
Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow				
Net cash provided by operating activities	\$ 175.0	\$ 79.5	\$ 101.0	\$ 196.3
Additions to property, plant and equipment	(24.8)	(15.4)	(58.6)	(44.6)
Free cash flow	<u>\$ 150.2</u>	<u>\$ 64.1</u>	<u>\$ 42.4</u>	<u>\$ 151.8</u>

Thank You

Get in touch with us

Paul Goldberg
Senior Vice President – Investor Relations
Paul.Goldberg@ABM.com

ABM.com



FACILITY / ENGINEERING & INFRASTRUCTURE SOLUTIONS

ABM drives possibility through facility, engineering, and infrastructure solutions across a wide range of industries. Our diverse, inclusive teams work together to advance a healthier, more sustainable, ever-changing world. Under our care, systems perform, businesses prosper, and occupants thrive. Every day, over 100,000 of us partner with our clients to care for the people, places, and spaces important to you. We are making spaces smarter, modernizing infrastructure, and transforming facilities to become more resilient.

Driving possibility, together.