



First Quarter 2026 Earnings Presentation

March 10, 2026

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 strategic initiatives, including 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; 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 may not realize the growth opportunities and synergies that are anticipated from the WGNSTAR acquisition; 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 first quarter of fiscal years 2026 and 2025. 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 first quarter of fiscal years 2026 and 2025. Adjusted EBITDA is among the indicators management uses as a basis for planning and forecasting future periods. The Company also presents total segment operating profit, which is the sum of the segment operating profit of each of its segments, and total segment operating margin, defined as total segment operating profit divided by total revenue, because management believes they are useful as they represent the aggregate value of [income] [profit] created by its segments and exclude items not directly related to the segments for performance evaluation purposes. The Company also presents total segment operating profit, which is the sum of the segment operating profit of each of its segments, and total segment operating margin, defined as total segment operating profit divided by total revenue, because management believes they are useful as they represent the aggregate value of [income] [profit] created by its segments and exclude items not directly related to the segments for performance evaluation purposes. 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
 - 5.5% organic growth
- **Net income** of \$38.8M
- **Adjusted net income**⁽¹⁾⁽²⁾ of \$50.4M
- **Adjusted EBITDA**⁽¹⁾⁽²⁾ of \$117.8M
- **GAAP EPS** of \$0.64
- **Adjusted EPS**⁽¹⁾⁽²⁾ of \$0.83
- **Segment operating margin** of 7.1%

Demand Environment



- **B & I's** Prime office space markets largely unchanged from Q4
- **M&D** markets remain constructive, especially technology-related markets
- Healthy air travel dynamics in **Aviation**
- **Education** remains stable
- Robust demand continues for electrification-related services, including microgrids in **Technical Solutions**

Highlights



- **Broad-based organic revenue growth**
- **Cash flow from operations of \$62.0 million** and **free cash flow of \$48.9**, up significantly over prior year
- **Repurchased 2.1M shares for \$91.1M** in Q1
- Closed **WGNSTAR acquisition after** quarter-end

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

(2) There were no prior year self insurance reserve adjustments in Q1 2025 or Q1 2026



Business & Industry

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

\$1,065M

47%

Revenue
(% of Q1 2026
Total Company
Revenue)



Aviation

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

\$298M

13%



Manufacturing & Distribution

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

\$422M

19%



Education

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

\$229M

10%



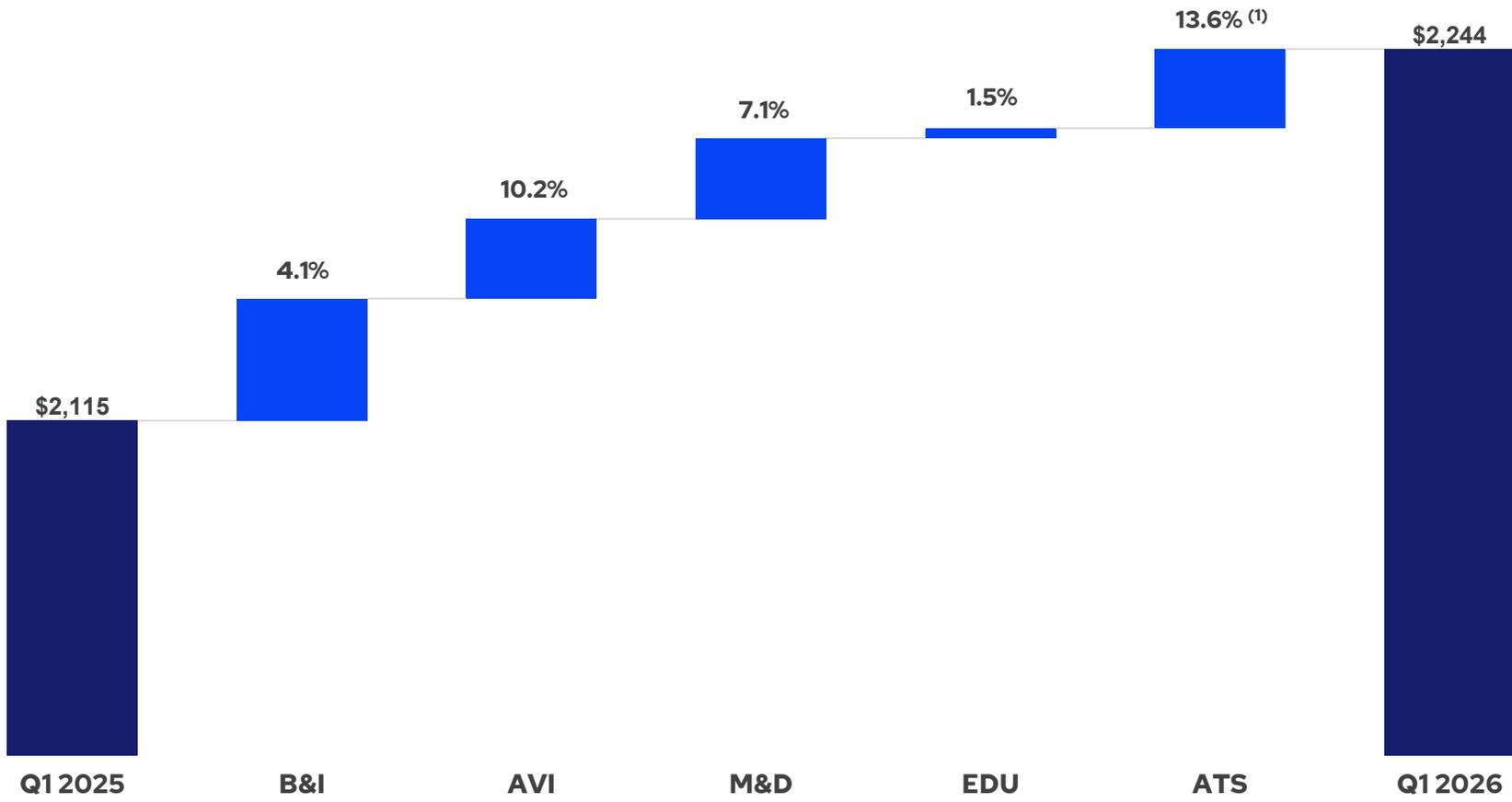
Technical Solutions

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

\$230M

10%

Segment Growth Rates



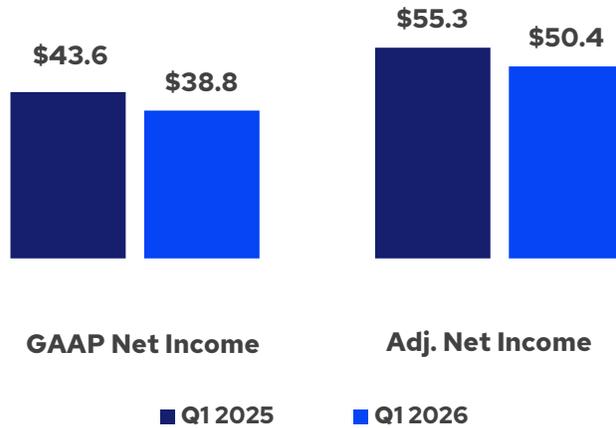
- Revenue of \$2.2B, up 6.1%
 - 5.5% organic growth
- Organic growth across all segments
- Aviation growth reflects by strong markets and new wins
- M&D growth driven by new wins in technology-related markets

(1) Comprised of 7.1% organic revenue growth and 6.5% revenue growth from acquisitions

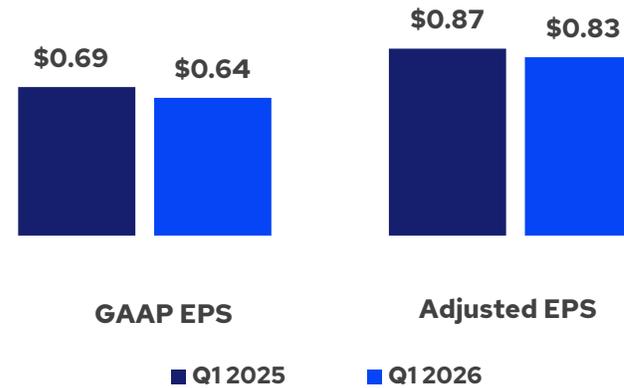
Q1 2026 Profitability

\$ in millions

NET INCOME ⁽¹⁾

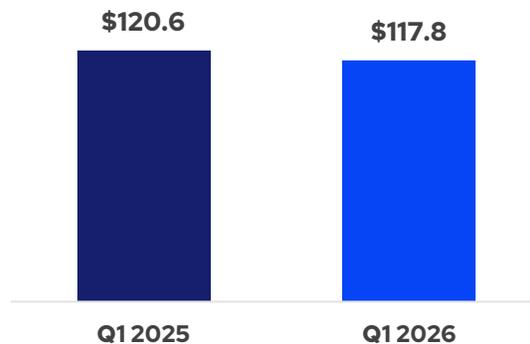


EARNINGS PER SHARE ⁽¹⁾

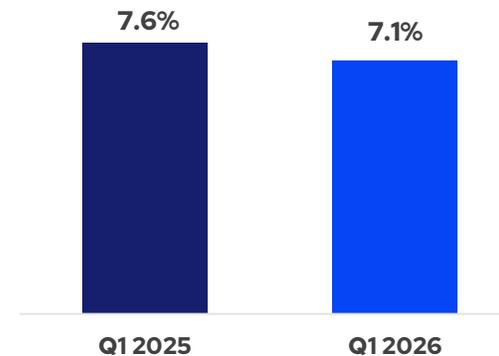


\$ in millions

ADJUSTED EBITDA ⁽¹⁾



SEGMENT OPERATING MARGIN



- Changes in GAAP net income, adjusted net income, GAAP EPS, and adjusted EPS largely reflect lower segment income, most notably in Technical Solutions, and higher interest and tax expense, partially offset by lower corporate costs
- The change in segment operating margin was driven by unfavorable project timing and service mix within ATS, and by the margin impact of newer contracts that came online last year in M&D and B&I.
 - These items were partially offset by strong execution and margin expansion in Education

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

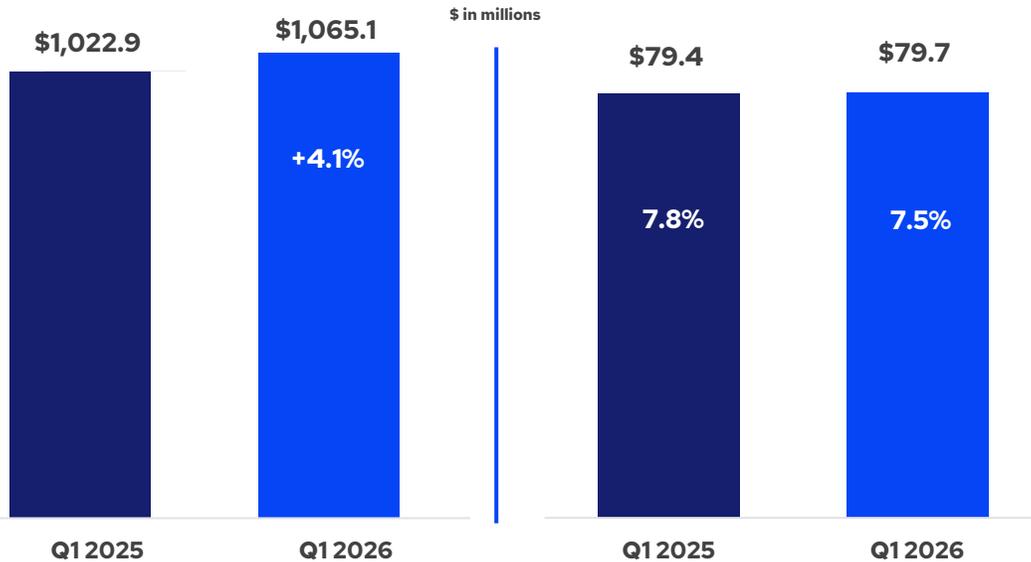
Q1 2026 Segment Performance

Business & Industry



Revenue

Operating Profit & Margin



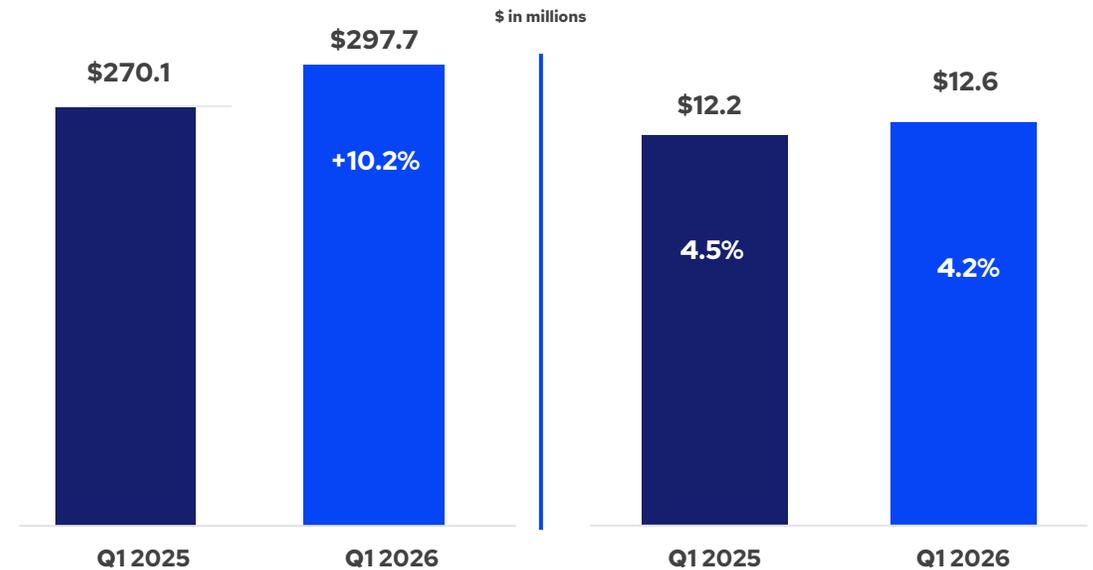
- Revenue growth driven by increases in work orders, expansion with existing clients, strength in our UK markets, and price escalations
- Profit and margin performance reflects shifts in contract mix and increased investments in sales resources

Aviation



Revenue

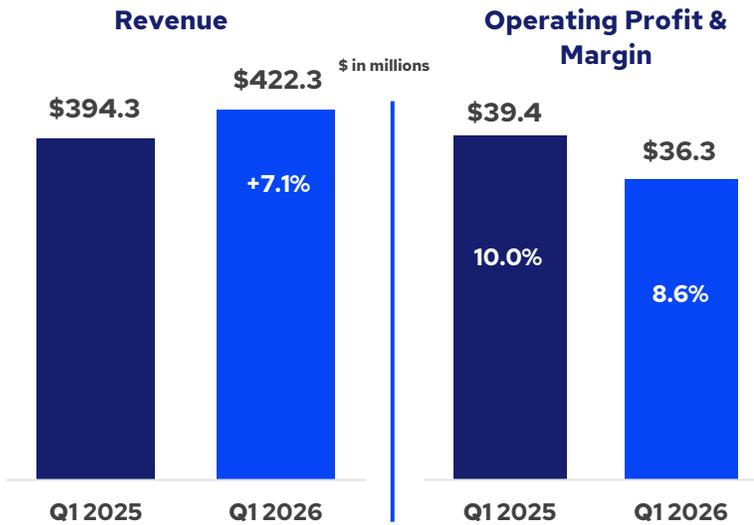
Operating Profit & Margin



- Revenue growth driven by healthy travel markets and the continued ramp of several new clients
- Profit and margin results primarily reflect modestly higher weather-related labor and supply costs

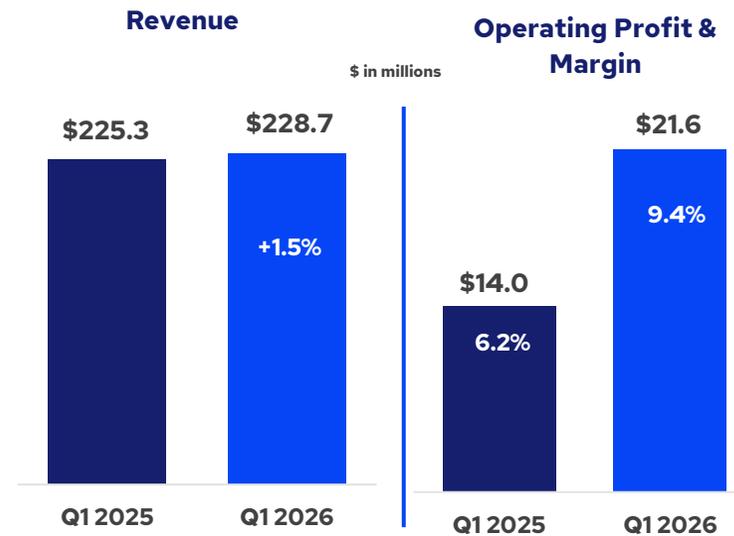
Q1 2026 Segment Performance

Manufacturing & Distribution



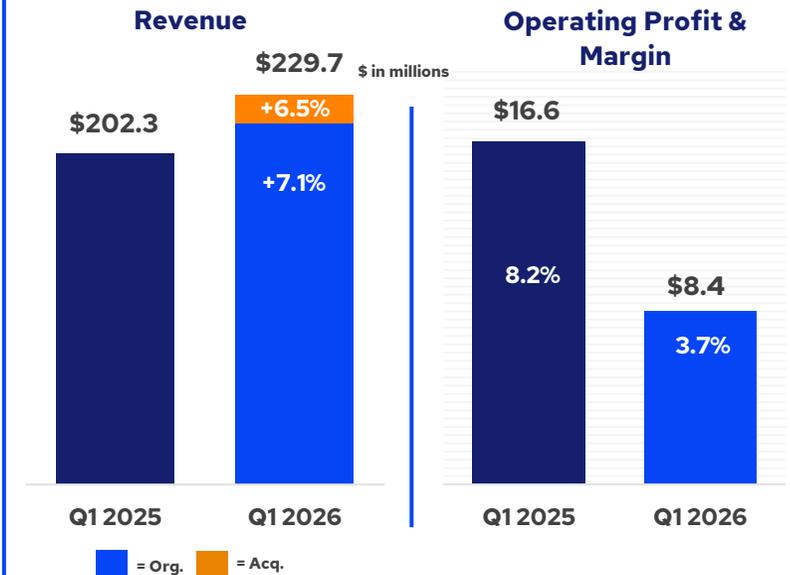
- Revenue growth driven by expansions and new wins
- Profit and margin performance reflects business mix, including newer wins that came online last year

Education



- Revenue growth driven by favorable net-pricing and strong client retention
- Profit and margin growth reflects strong execution, including labor efficiency and escalations, as well as temporary weather-related benefits

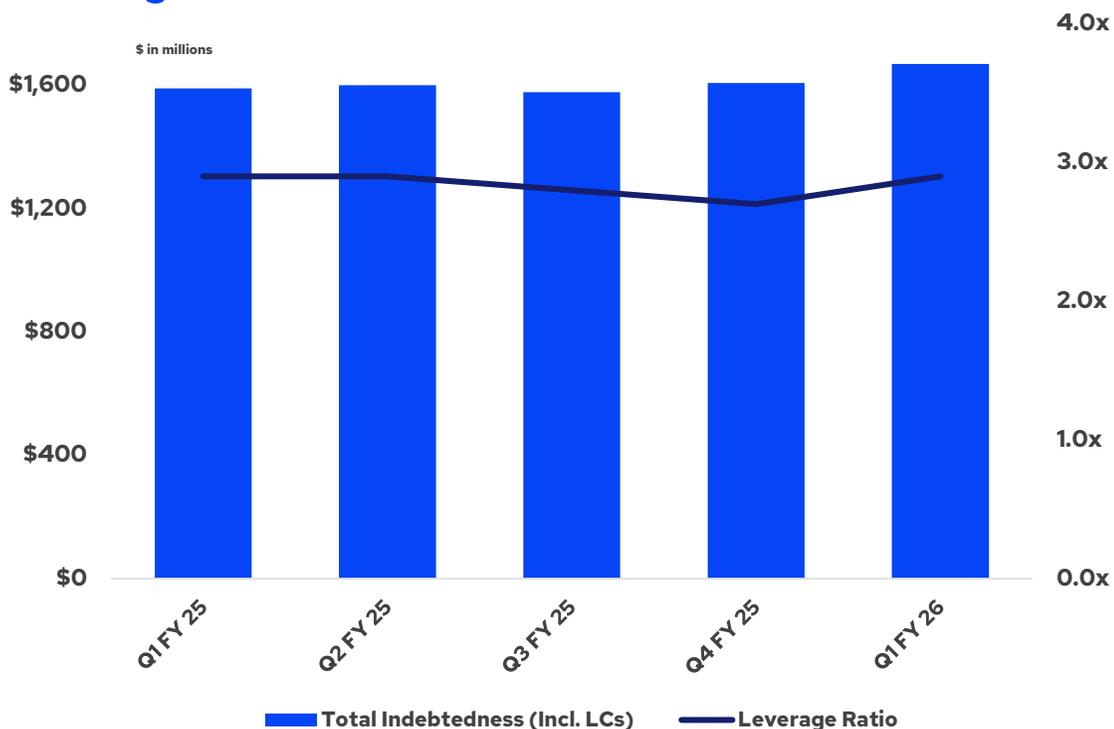
Technical Solutions



- Revenue growth driven by strong datacenter activity and acquisitions; microgrids impacted by weather-related delays
- Profit and margin performance reflects adverse service mix and impact of project-delays

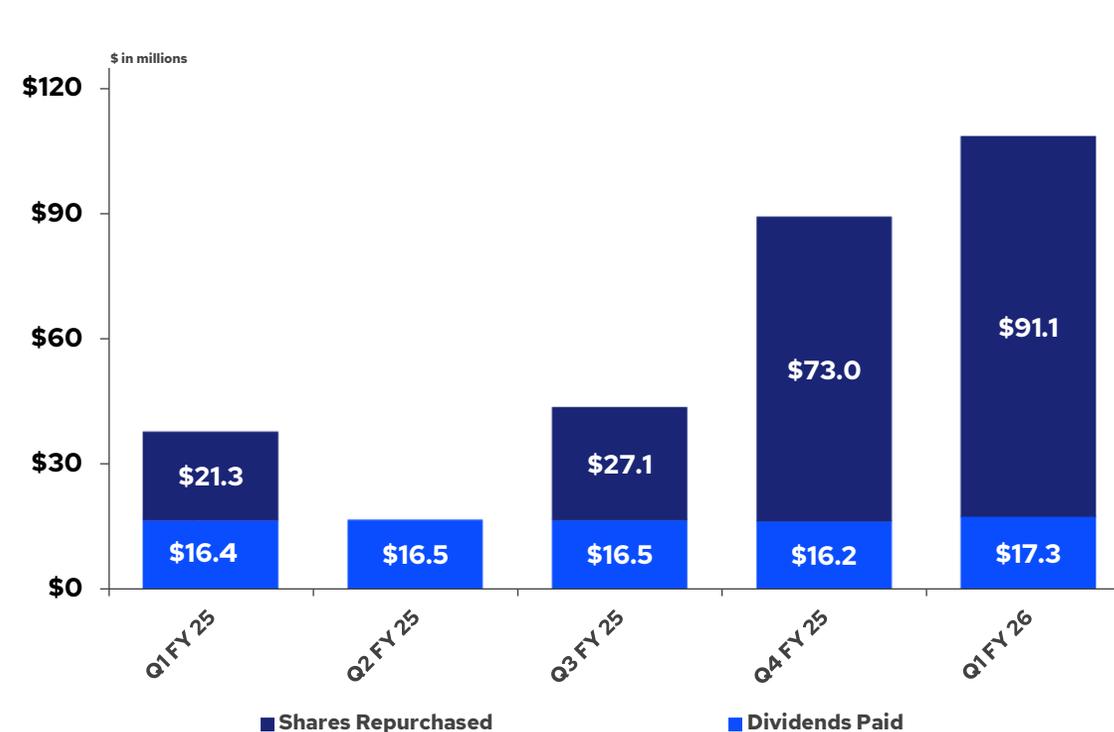
Q1 2026 Leverage & Shareholder Returns

Leverage



- Total indebtedness of \$1.7B in Q1 2026; Leverage at 2.9X
- Q1 free cash flow⁽¹⁾ of \$48.9M, up significantly from prior year reflecting further progress on ERP stabilization and strong cash collections

Shareholder Returns



- Repurchased 2.1M shares in Q1 for \$91.1M at average cost of \$44.13
- \$92M total capacity currently remaining under share repurchase authorization

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

| Metric | Full Year Outlook |
|--|-------------------|
| Organic revenue growth | 3% - 4% |
| Total revenue growth | 4% - 5% |
| Segment operating profit margin ⁽¹⁾ | 7.8% - 8.0% |
| Tax rate - excluding discrete tax items and impact of non-taxable items | 29% - 30% |
| Interest expense | \$95M - \$105M |
| Adjusted EPS ^{(2) (3)} | \$3.85 - \$4.15 |

| 2026 Working Days | | | | |
|-------------------|----|----|----|----|
| Quarter | Q1 | Q2 | Q3 | Q4 |
| Days | 65 | 64 | 66 | 65 |
| Δ y-o-y | -1 | +1 | 0 | -1 |

(1) Segment operating margin defined as total operating profit minus corporate expenses, divided by total revenue

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

(3) When the company provides expectations for adjusted EPS 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

Appendix

Unaudited Reconciliation of Non-GAAP Financial Measures



\$ in millions

| | Three Months Ended January 31, | |
|--|---------------------------------------|-------------|
| | 2026 | 2025 |
| Reconciliation of Net Income to Adjusted Net Income | | |
| Net income | \$ 38.8 | \$ 43.6 |
| Items impacting comparability ^{(a)(b)} | | |
| Restructuring and related ^(c) | 3.7 | — |
| Legal costs and other settlements | — | 4.8 |
| Acquisition and integration related costs ^(d) | 2.7 | 3.4 |
| Transformation initiative costs ^(e) | 8.9 | 8.3 |
| Other | 0.7 | — |
| Total items impacting comparability | 16.0 | 16.4 |
| Income tax benefit ^(f) | (4.4) | (4.7) |
| Items impacting comparability, net of taxes | 11.6 | 11.7 |
| Adjusted net income | \$ 50.4 | \$ 55.3 |

- (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, and adjusted EBITDA 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 first quarter 2026 results and retroactively to all presented periods to ensure comparability.
- (c) Represents costs associated with restructuring program to further streamline our operations and improve the efficiency of our support functions.
- (d) Represents acquisition and integration related costs associated with recent acquisitions.
- (e) 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.
- (f) The Company's tax impact is calculated using the federal and state statutory rate of 27.72% and 28.11% for FY2026 and FY2025, respectively. 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



\$ in millions, except per share amounts

| | Three Months Ended January 31, | |
|--|--------------------------------|-----------------|
| | 2026 | 2025 |
| Reconciliation of Net Income to Adjusted EBITDA | | |
| Net Income | \$ 38.8 | \$ 43.6 |
| Items impacting comparability | 16.0 | 16.4 |
| Income taxes provision | 13.4 | 11.9 |
| Interest expense | 24.0 | 22.9 |
| Depreciation and amortization | 25.7 | 25.9 |
| Adjusted EBITDA | \$ 117.8 | \$ 120.6 |
| Net Income margin as a % of revenues | 1.7 % | 2.1 % |

| | Three Months Ended January 31, | |
|--|--------------------------------|----------------|
| | 2026 | 2025 |
| Reconciliation of Net Income per Diluted Share to Adjusted Net Income per Diluted Share | | |
| Net income per diluted share | \$ 0.64 | \$ 0.69 |
| Items impacting comparability, net of taxes | 0.19 | \$ 0.19 |
| Adjusted net income per diluted share | \$ 0.83 | \$ 0.87 |
| Diluted shares | 60.7 | 63.2 |

Unaudited Reconciliation of Non-GAAP Financial Measures



\$ in millions

| | Three Months Ended January 31, | |
|--|--------------------------------|-------------------|
| | 2026 | 2025 |
| Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow | | |
| Net cash provided by (used in) operating activities | \$ 62.0 | \$ (106.2) |
| Additions to property, plant and equipment | (13.2) | (16.7) |
| Free cash flow | <u>\$ 48.9</u> | <u>\$ (122.9)</u> |

Thank You

Get in touch with us

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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.