ABM®

Building Value

Fourth Quarter 2021 Review

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PAUL GOLDBERG
SVP, Investor Relations

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: The COVID-19 pandemic has had and is expected to continue having a negative effect on the global economy, and the United States economy, and it has disrupted and is expected to continue disrupting our operations and our clients' operations, which may adversely affect our business, results of operations, cash flows, and financial condition; 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; investments in and changes to our businesses, operating structure, financial reporting structure, or personnel relating to our ELEVATE strategy, 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 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; 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 experience difficulties integrating Able Services and may not realize the growth opportunities and cost synergies that are anticipated from the Able 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; 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 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; 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; 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. 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 fourth quarter and twelve months of fiscal years October 31, 2021 and 2020. 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 fourth quarter and twelve months of fiscal years 2021 and 2020. Adjusted EBITDA is 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. We cannot provide a reconciliation of forward-looking non-GAAP 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 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.)

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SCOTT SALMIRS
President &
Chief Executive Officer

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EARL ELLIS
Executive VP &
Chief Financial Officer

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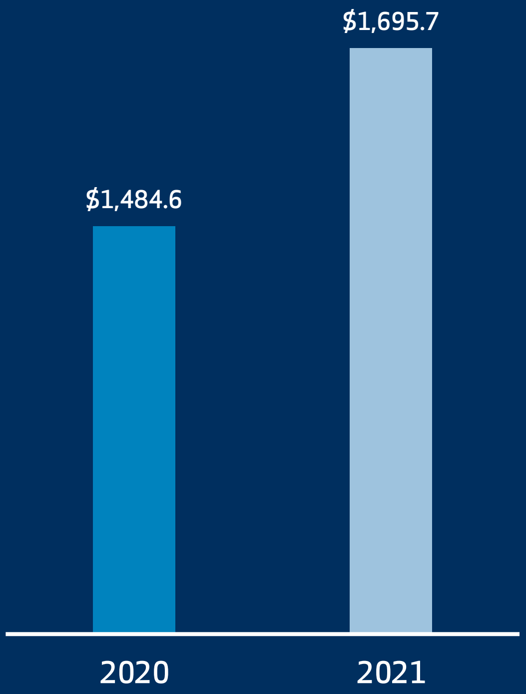
Q4 FY21 Revenue



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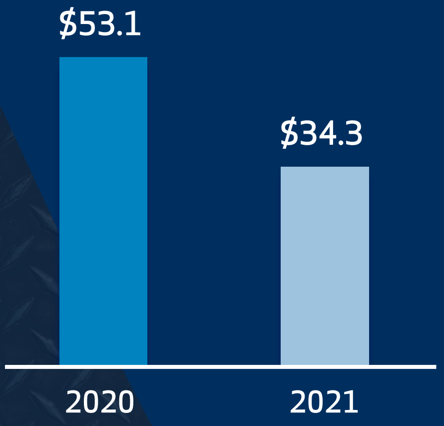
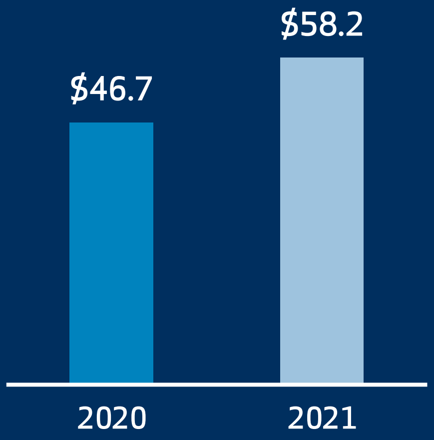
Q4 FY21 Income from Continuing Operations



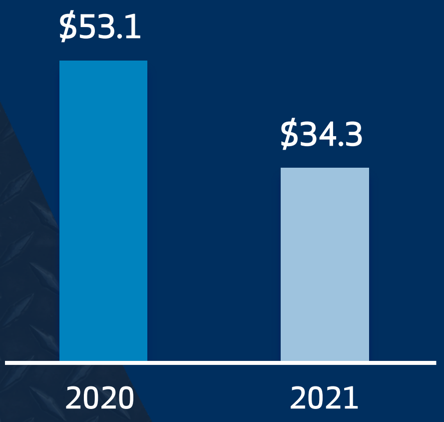
Q4 FY21 Adj. Income from Continuing Operations[1]



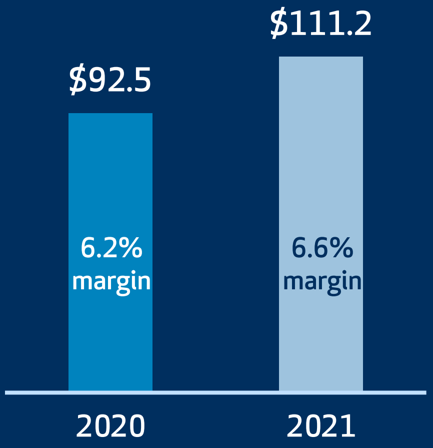
[1] Please refer to the appendix for a reconciliation of GAAP to non-GAAP measures.

Fourth Quarter 2021 Review

Q4 FY21 Net Income



Q4 FY21 Adj. EBITDA[1]



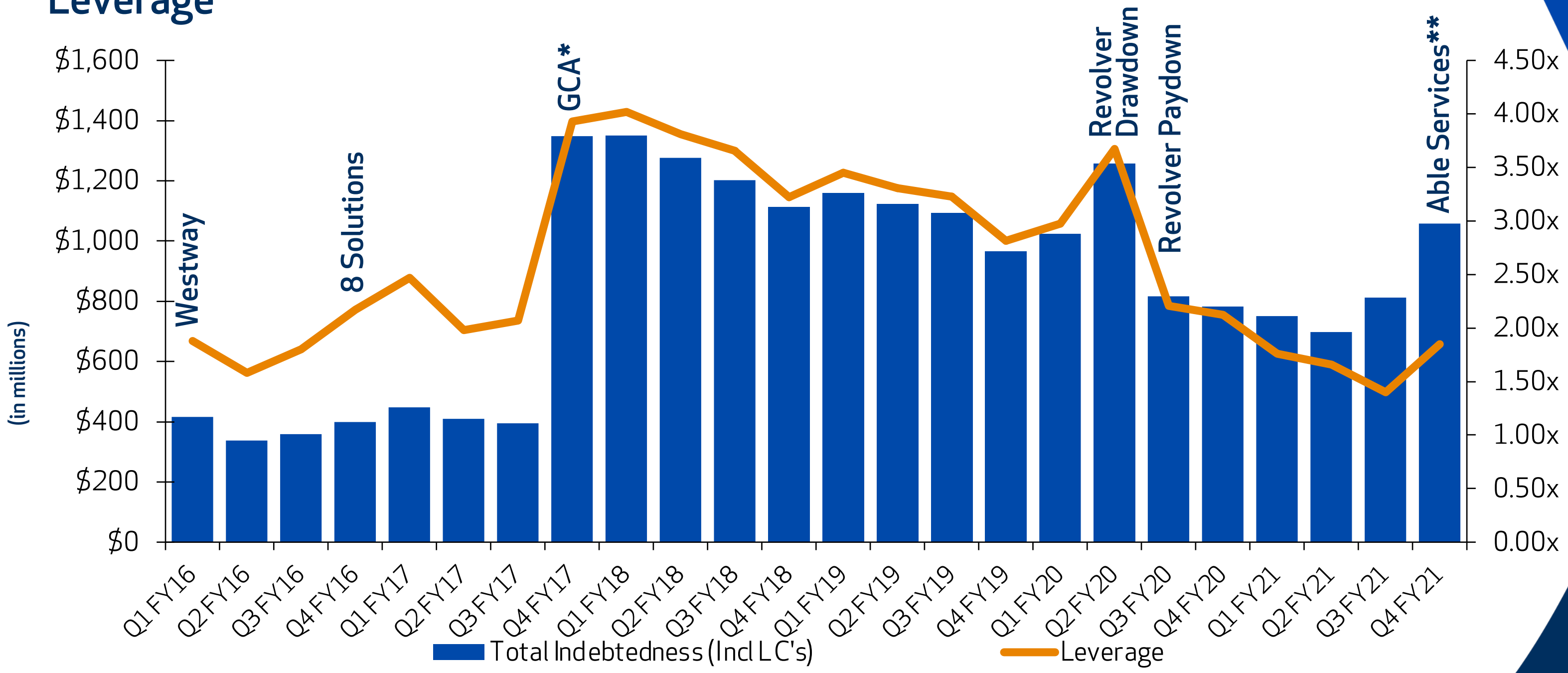
[1] Please refer to the appendix for a reconciliation of GAAP to non-GAAP measures.

Fourth Quarter 2021 Segment Results

Business & Industry	• Revenues of $933.2m vs. $794.3m last year • Operating profit of $82.1m, operating margin of 8.8%
Technology & Manufacturing	• Revenues of $245.5m vs. $245.2m last year • Operating profit of $24.5m, operating margin of 10.0%
Education	• Revenues of $204.4m vs. $212.2m last year • Operating profit of $7.7m, operating margin of 3.8%
Aviation	• Revenues of $201.7m vs. $141.0m last year • Operating profit of $13.2m, operating margin of 6.5%
Technical Solutions	• Revenues of $149.0m vs. $123.1m last year • Operating profit of $19.0m, operating margin of 12.8%

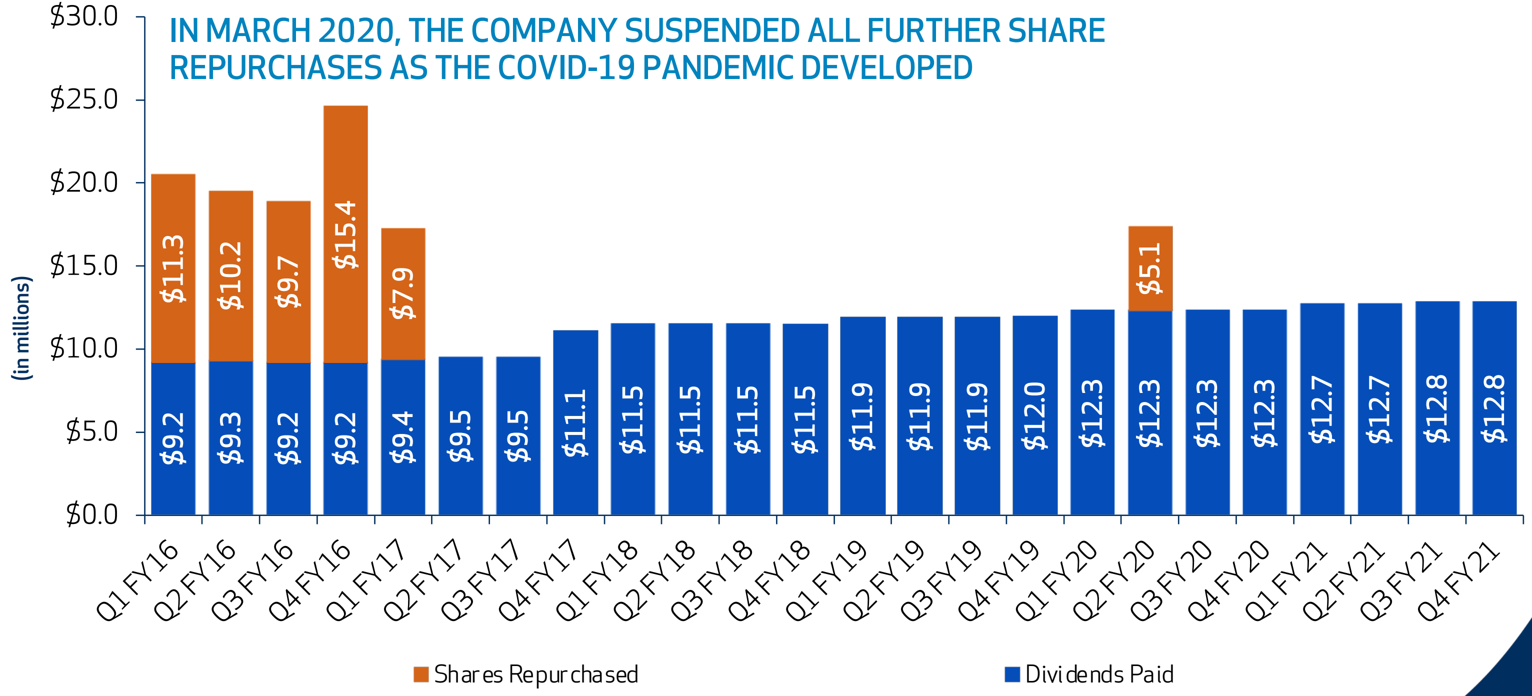
Capital Structure

Select Cash Flow and Balance Sheet Items
Leverage



*Acquired GCA Services Group for approximately $1.3b, largest acquisition in Company's history
**Acquired Able Services for $830 million, second largest acquisition in Company's history
Other acquisitions shown represent purchase price above $15m
Beginning in Q3 FY21, leverage calculated as total indebtedness net of $150m/bank-defined pro-forma adjusted EBITDA

Select Cash Flow and Balance Sheet Items
Shareholder Return



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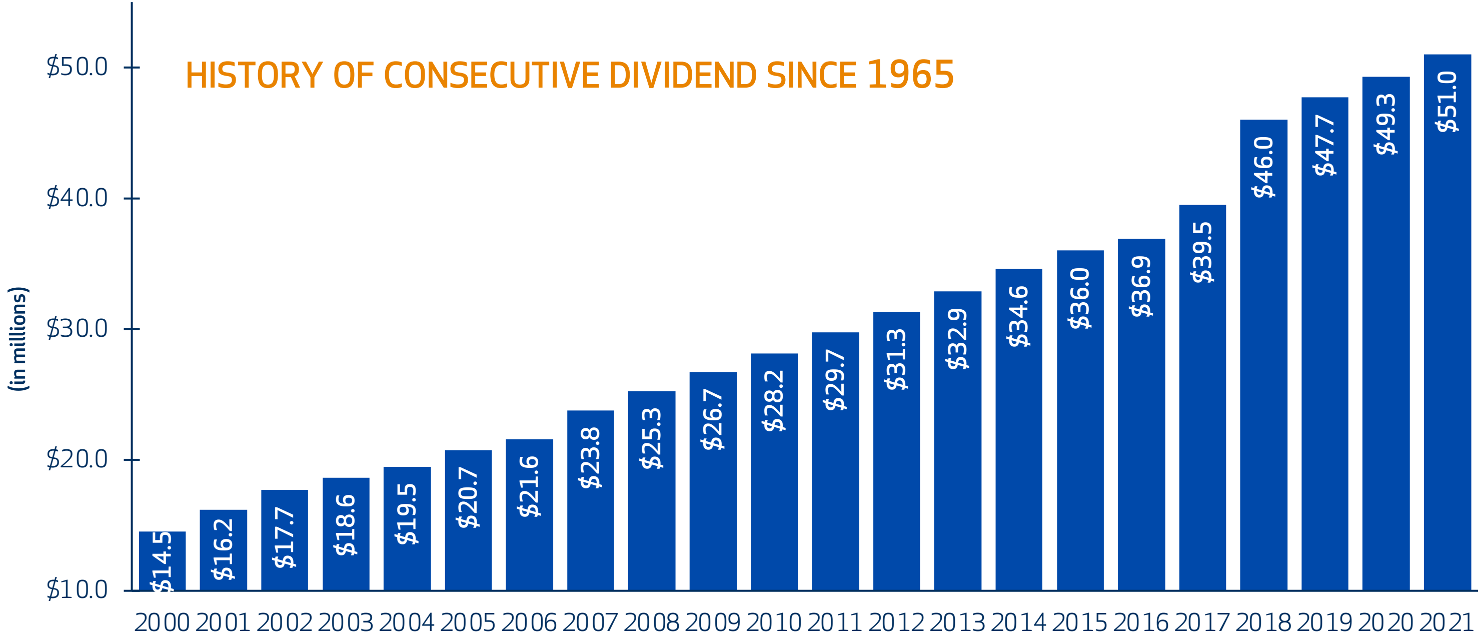
Select Cash Flow and Balance Sheet Items
Annual Dividend



4Q21 MARKS THE 222ND CONSECUTIVE QUARTERLY CASH DIVIDEND

Fiscal 2022 Outlook

Fiscal 2022 Outlook

Metric	Guidance
GAAP Income from continuing operations per diluted share	$2.05 - $2.30
Adjusted income from continuing operations per diluted share[1]	$3.30 - $3.55
Adjusted EBITDA Margin[2]	6.2% to 6.6%
Tax Rate (excluding WOTC and other discrete tax items)	~30%

2022 Working Days				
Quarter	Q1	Q2	Q3	Q4
Days	66	64	65	66
Δ y-o-y	+1	-1	0	+1

[1] Please refer to the appendix for a reconciliation of GAAP to non-GAAP measures.
[2] Adjusted EBITDA Margin is defined as adjusted EBITDA divided by revenue. We cannot provide a reconciliation of such forward looking non-GAAP measures to GAAP due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation.

Appendix

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Unaudited Reconciliation of Non-GAAP Financial Measures

(in millions, except per share amounts)	Three Months Ended Oct 31, 2021	Three Months Ended Oct 31, 2020	Years Ended Oct 31, 2021	Years Ended Oct 31, 2020
Reconciliation of Income from Continuing Operations to Adjusted Income from Continuing Operations				
Income from continuing operations	$ 34.3	$ 53.1	$ 126.3	$ 0.2
Items impacting comparability[a]				
Prior year self-insurance adjustment[b]	(6.2)	(15.1)	(43.8)	(26.4)
Restructuring and related[c]	—	2.8	—	7.6
Legal costs and other settlements[d]	7.0	8.3	158.4	14.2
Acquisition and integration related costs	19.7	—	22.3	—
Impairment loss	—	—	—	172.8
Transformation initiative costs[h]	10.3	—	10.3	—
Other[g]	0.4	0.1	9.4	(0.7)
Total items impacting comparability	31.1	(3.9)	156.7	167.6
Income tax benefit[e][f]	(7.2)	(2.5)	(39.7)	(4.3)
Items impacting comparability, net of taxes	23.9	(6.4)	117.0	163.3
Adjusted income from continuing operations	$ 58.2	$ 46.7	$ 243.3	$ 163.5

(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 October 31, 2021 and 2020, our self-insurance general liability, workers' compensation, automobile and medical and dental insurance claims related to prior period accident years was decreased by $6.2M and by $15.1M, respectively. For the years ended October 31, 2021 and 2020, the liability decreased by $43.8M and by $26.4M, respectively.

(c) Represents restructuring costs related to the integration of GCA acquisition in September 2017.

(d) The year ended October 31, 2021 includes a reserve for an ongoing litigation of $142.9 million, which will be detailed in the Company's Form 10-K.

(e) The Company's tax impact is calculated using the federal and state statutory rate of 28.11% for US and 19% for UK for FY 2021 and FY 2020. We calculate tax from the underlying whole-dollar amounts, as a result, certain amounts may not recalculate based on reported numbers due to rounding.

(f) The three months ended October 31, 2021 include $1.5 million tax benefit related to the expiring statute of limitations and $3.0 million tax charge related to non-deductible acquisitions costs. Year ended October 31, 2021 include $1.5 million tax benefit related to the expiring statute of limitations, $2.8 million charge from change of tax reserves and $3.0 million tax charge related to non-deductible acquisitions costs. The three months ended October 31, 2020 includes a $3.6 million tax benefit related to the expiring statute of limitations. Year ended October 31, 2020 includes a $3.6 million tax benefit related to the expiring statute of limitations and a $45.2 million tax charge related to impairment of nondeductible goodwill.

(g) The year ended October 31, 2021, includes $9.1 million of non-cash impairment charge for previously capitalized internal-use software related to our ERP system implementation as we determined that certain components developed will no longer be incorporated into the new ERP system.

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

Unaudited Reconciliation of Non-GAAP Financial Measures

(in millions, except per share amounts)	Three Months Ended October 31, 2021	Three Months Ended October 31, 2020	Years Ended October 31, 2021	Years Ended October 31, 2020
Reconciliation of Net Income to Adjusted EBITDA				
Net income	$ 34.3	$ 53.1	$ 126.3	$ 0.3
Items impacting comparability	31.1	(3.9)	156.7	167.6
Loss (Income) from discontinued operations	—	—	—	(0.1)
Income tax provision	16.1	9.9	53.5	53.1
Interest expense	6.0	10.1	28.6	44.6
Depreciation and amortization	23.7	23.2	89.9	96.4
Adjusted EBITDA	$ 111.2	$ 92.5	$ 455.0	$ 361.9

	Three Months Ended October 31, 2021	Three Months Ended October 31, 2020	Years Ended October 31, 2021	Years Ended October 31, 2020
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	$ 0.50	$ 0.78	$ 1.86	$ —
Items impacting comparability, net of taxes	0.35	(0.09)	1.72	2.43
Adjusted income from continuing operations per diluted share	$ 0.85	$ 0.69	$ 3.58	$ 2.43
Diluted shares	68.5	67.6	68.0	67.3

Unaudited Reconciliation of Non-GAAP Financial Measures

(in millions)	Three Months Ended October 31, 2021	Three Months Ended October 31, 2020	Years Ended October 31, 2021	Years Ended October 31, 2020
Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow				
Net cash provided by operating activities	$ 55.6	$ 198.7	$ 314.3	$ 457.5
Additions to property, plant and equipment	(11.0)	(9.1)	(34.3)	(38.0)
Free Cash Flow	$ 44.6	$ 189.6	$ 280.1	$ 419.5

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Unaudited Reconciliation of Non-GAAP Financial Measures

2022 Guidance	Year Ending October 31, 2022	
Reconciliation of Estimated Income from Continuing Operations per Diluted Share to Estimated Adjusted Income from Continuing Operations per Diluted Share	**Low Estimate**	**High Estimate**
Income from continuing operations per diluted share[a]	$ 2.05	$ 2.30
Transformation initiative costs[b]	0.76	0.76
Acquisition and integration related costs[c]	0.25	0.25
Other adjustments (d)	0.24	0.24
Adjusted Income from continuing operations per diluted share (a)	$ 3.30	$ 3.55

[a] With the exception of the 2022 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.

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

[c] Represents acquisition and integration related costs associated with Able acquisition.

[d] Represents other contingencies that could include legal settlements, adjustments to self-insurance reserves pertaining to prior year's claims and other unique items impacting comparability.