



Investor Presentation

FIRST QUARTER 2021

Agenda

1

Business Overview

2

Responding to COVID-19

3

Making a Difference

4

First Quarter 2021 Review

5

Capital Structure

6

Fiscal 2021 Outlook

7

Appendix

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

ABM at a Glance



Founded in 1909 | \$6.0 Billion in Revenue



350+ U.S. & International Locations



20,000+ Clients | +100,00 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



Aviation



Business &
Industry



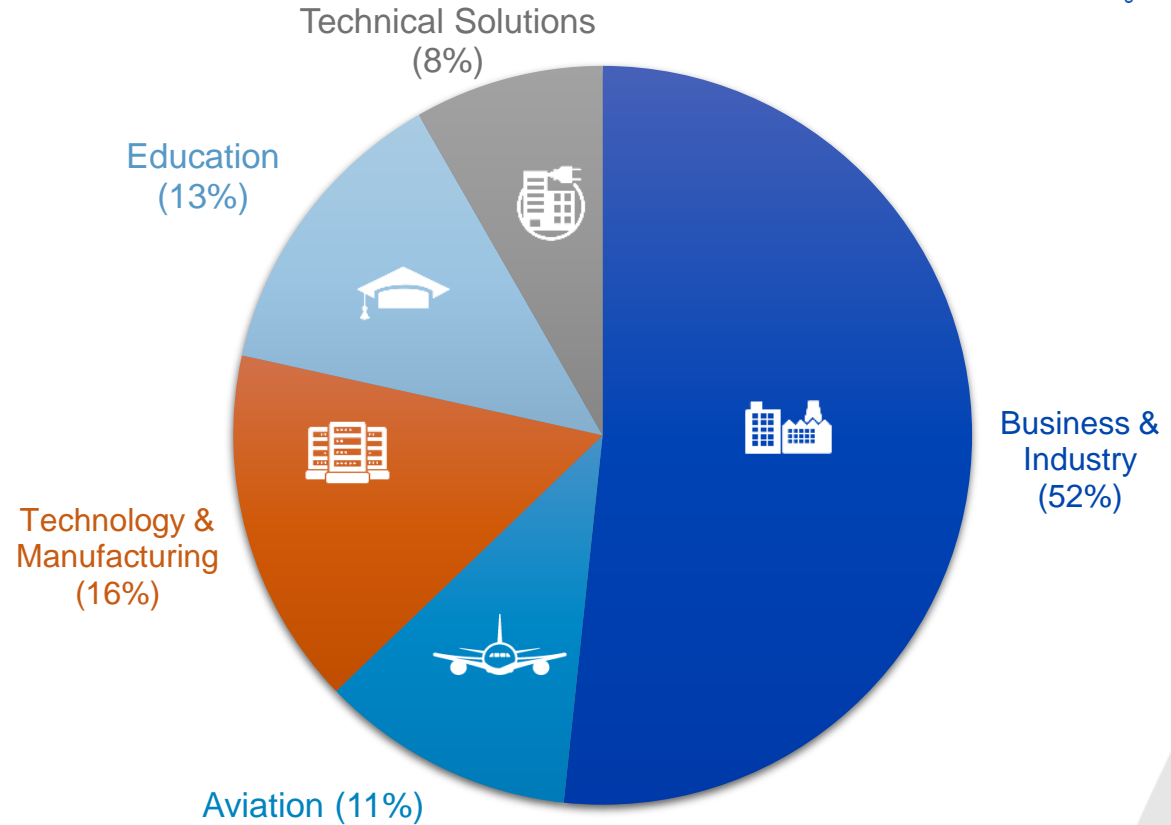
Education



Technology &
Manufacturing



Technical
Solutions



Services We Perform



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

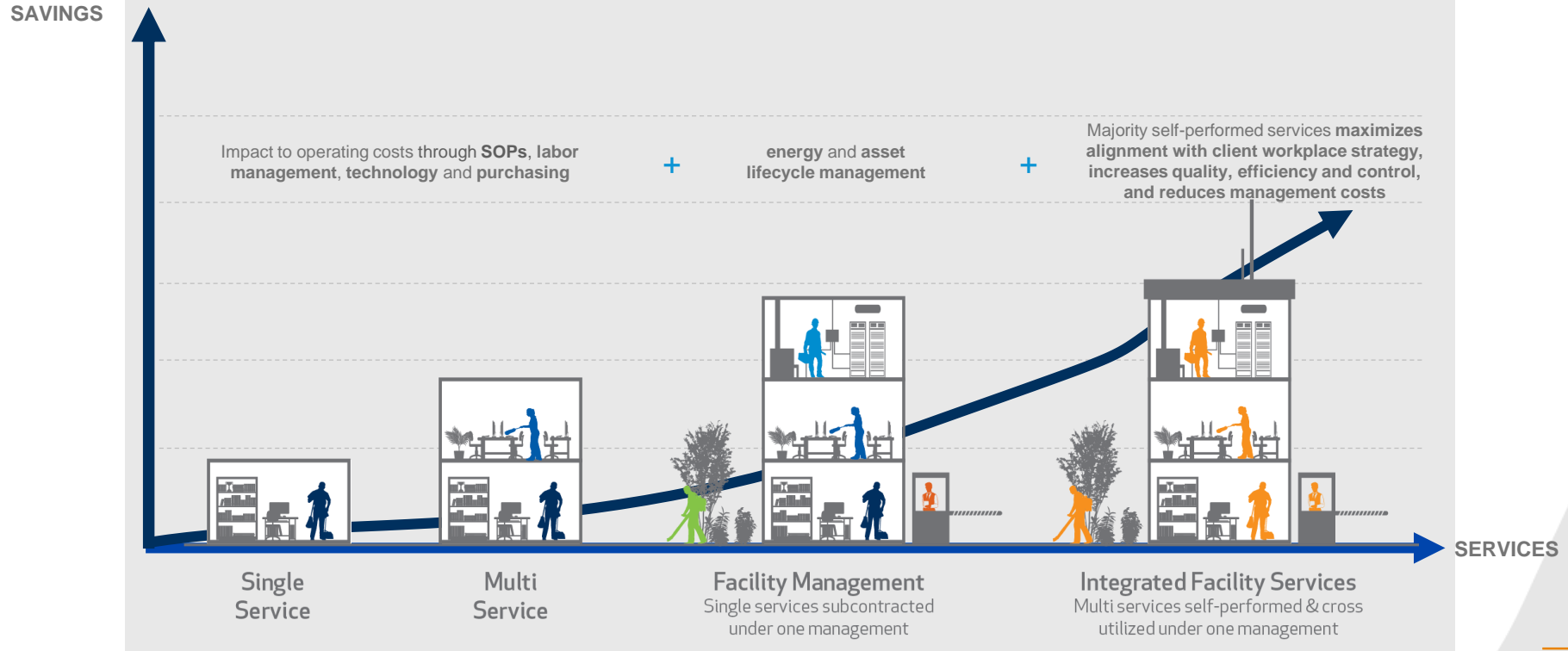


Building Technical Administration

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



WHY WE DO IT



HOW WE DO IT

WHERE WE DO IT

WHAT WE DO



In Summary...

Responding to COVID-19



As with most companies, COVID-19 has impacted our business



Impact felt across our national footprint...

This is a dynamic, rapidly shifting environment – with significant externalities

Varying safety mandates managed by city/state



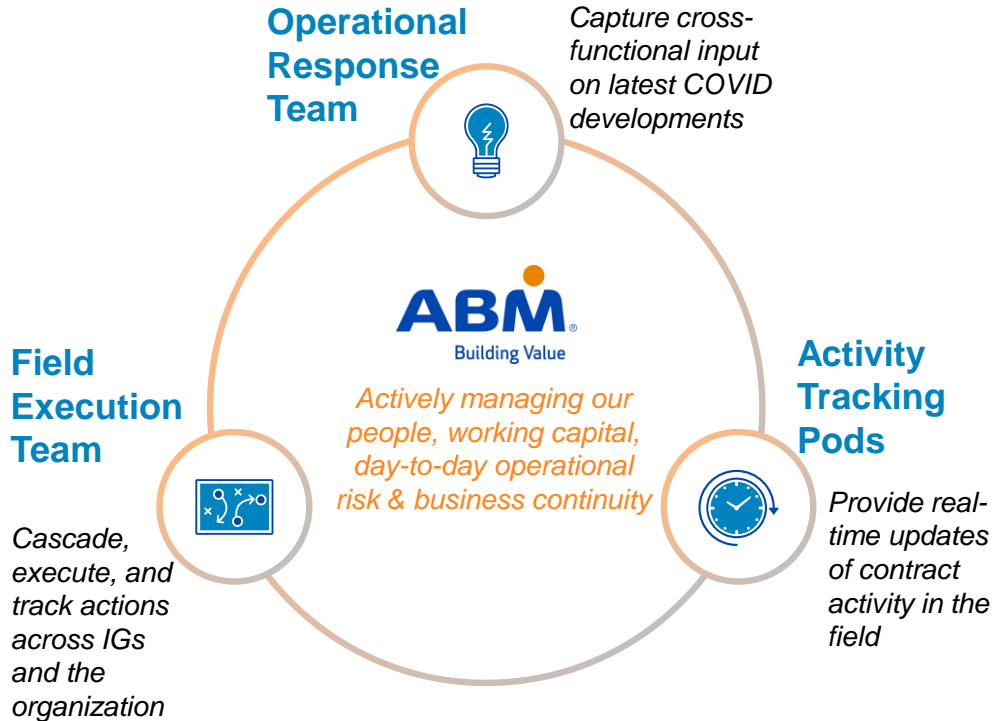
...and among our various end markets

A “new normal” for office occupancy and trends

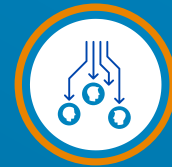
Most sensitive business segments include Aviation and Education

Technical Solutions project related work experienced select site access impediments

We took rapid action | Our agile, action-oriented teams...



...working in lockstep to take coordinated actions across



Our people



Our clients / operations



Financial resilience & risk mitigation

Potential opportunities in a post pandemic world



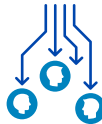
New and increased expectations for workspace and building cleanliness and disinfection as well as air quality



Rising demand for service volume and frequency



Focus on higher value-added services, such as EnhancedClean™ and EnhancedFacility™, to meet new "hyper-vigilant" cleaning environment and optimize facilities for improved air filtration and ventilation



Higher importance on scale, reach, and reliability where competitors are disrupted and not dependable



Pulse survey of ~200 clients conducted in February 2021 across all industry groups



Clients are expecting to re-open by September 2021, with reduced capacity



Despite increased usage of flexible work schedules and work from home, clients expect the total amount of space used to remain roughly the same



Clients are interested in long-term measures to protect against viruses and are increasingly working with large facilities service providers

...Validated by
Our Clients



Client reentry plans & long-term outlook on space utilization remain focused on instilling occupant confidence

Demand for space continues to be strong

89%

ABM clients expect to use the same or more space after reopening

Our clients want a frequent and visible presence of cleanliness...

87%

ABM clients expect to maintain or increase frequency of cleaning and disinfection and visual signage

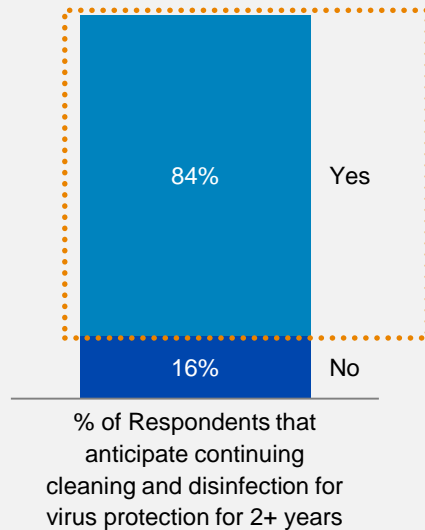
...and expect to continue heightened precautions into the future

84%

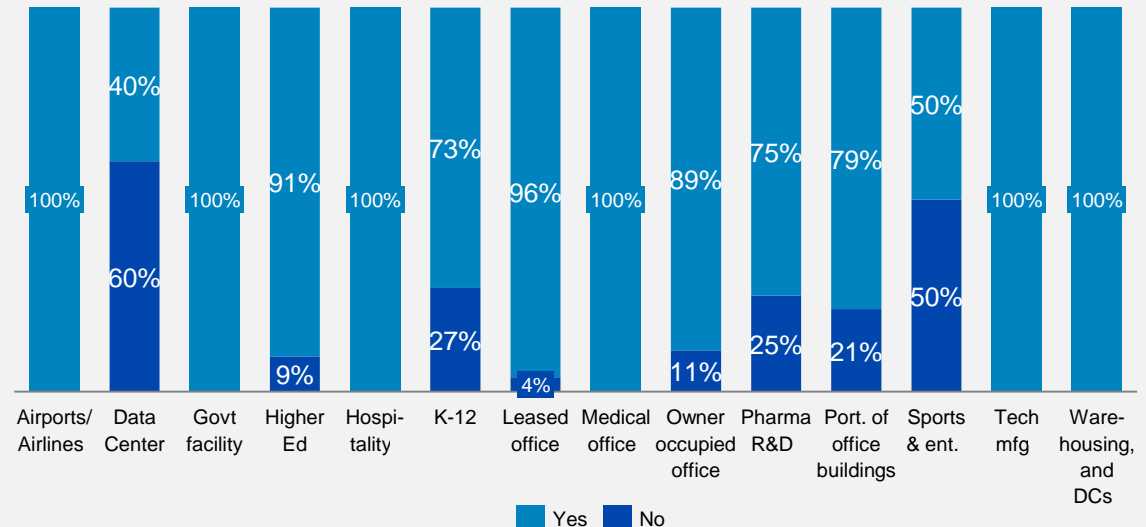
Clients expressed interest in long-term surface and air disinfection measures

Clients have put measures in place focused on surfaces and facilities, and are more reliant on large partners

8 out of 10 clients expect to continue cleaning and disinfection for years...

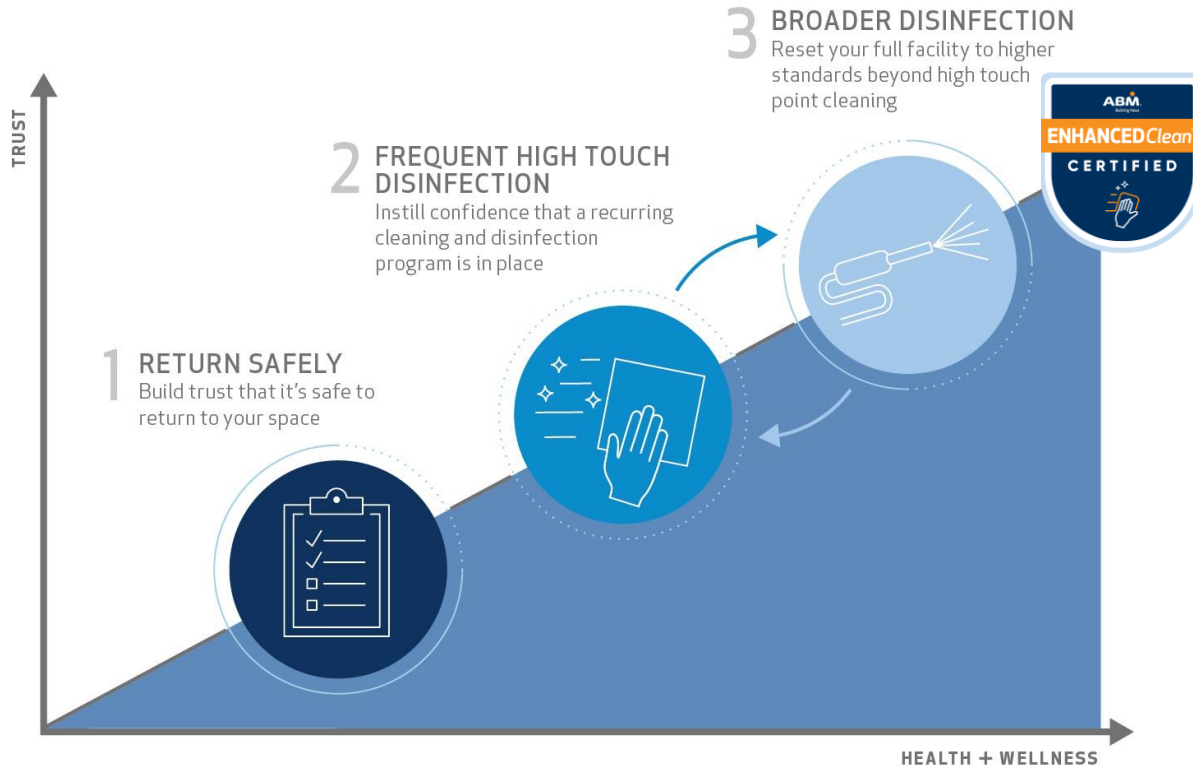


... and this is **consistent across nearly all industries** and types of facilities





ABM's EnhancedClean™ program is a three-step approach that delivers healthy spaces under the guidance of experts



3 Key Differentiators

Processes Backed by Experts

Hospital Grade Disinfectants & Specialized Equipment

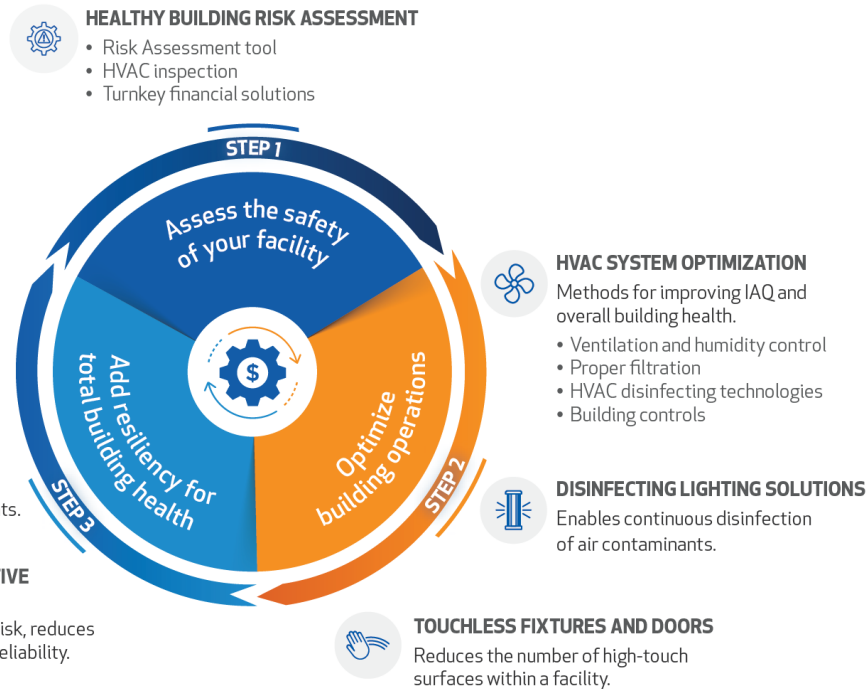
Innovative Solutions and Technology

Safety You Can See

Building brand trust through visual assurance throughout the day



ABM's EnhancedFacility program delivers healthier indoor air and more efficient operations to take care of what's most important – the health and safety of the people in your spaces.



KEY DIFFERENTIATORS:

- Fact-based approach based on expert-backed Healthy Building Risk Assessment
- Turnkey financial solutions
- Innovative solutions enabling continuous disinfection of air contaminants
- Expert Advisory Council vetting the latest technologies to sort evidence-based solutions from market noise

Getting back to moments like this requires. . .

A BUILDING HEALTH RISK ASSESSMENT

TESTING AND VALIDATION

HVAC SYSTEM OPTIMIZATION &
PREVENTATIVE MAINTENANCE

DISINFECTING LIGHTING SOLUTIONS

TOUCHLESS FIXTURES AND DOORS

ENERGY EFFICIENCY UPGRADES

BACK-UP POWER

ABM'S PASSION TO MAKE A DIFFERENCE

A NEW NORMAL

Our Post-COVID Future | ABM strengths will drive advantage across markets



Scale advantage



Engaged people



Results oriented operating culture



Comprehensive service lines + EnhancedClean™



Deep client relationships



Dislocated competition

These advantages are core components of our market strength today and will continue to propel us into the future

Making a Difference

EVERY PERSON
**MAKE A
DIFFERENCE**
EVERY DAY

Our Culture, Our Values and What We Believe

It starts with us

We believe making a difference begins with our team—creating an environment that enables every person to feel connected, valued and inspired. Together, we bring this mission to life with all those we serve.



We are one team

We promote open communication, positive environments and caring communities of engaged team members



Our core values guide us

We value respect, integrity, collaboration, innovation, excellence and trust



We strive for continual growth

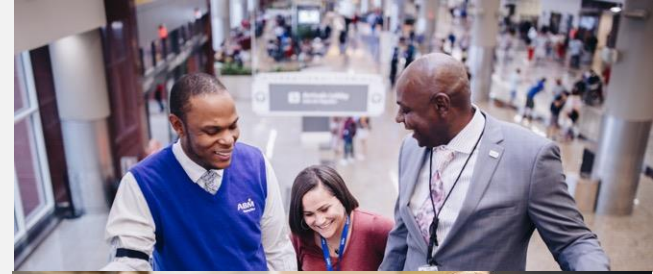
We challenge ourselves to do better and be better

Turning Action into Impact

Creating an inclusive culture where we all belong

We're committed to ensuring that everyone, from every background, can be seen, can be heard and can feel like they belong at ABM. Our first step was establishing a team member-led, executive leader sponsored Culture & Inclusion Council to turn our ideas into action and make a meaningful impact. The Council is focused on:

- ▶ **Developing inspirational leaders**
Working as a team, we'll create programs, tools and training to foster a supportive, dynamic and inclusive culture, including leadership development programs, mentorship opportunities and affinity groups
- ▶ **Empowering team members**
We'll enable every team member to be their best by reimagining how we support and develop talent at every level, approach succession planning, and develop diverse talent
- ▶ **Showing up for our team**
Valuing our team members requires us to recognize and reward success, in ways that are that are meaningful to our team members
- ▶ **Creating a culture of belonging**
Every team member has a story, and we will elevate every voice through new platforms, programs, networks and partnerships that foster a culture of connection and belonging to drive lasting change



The power of partnership

ABM philanthropic partnership opportunity – Culture & Inclusion Council



Equality as an Area of Focus

Equality in the workplace means ***all team members*** receive fair treatment. There is transparency and everyone knows what to expect in terms of rewards and consequences. Equity ensures equal opportunity and advancement for all.



Ensure Black College Community success by promoting educational excellence



Investment in quality afterschool program initiatives



Supported internship program and work experience for young persons with disabilities



Structural changes to expand democracy, eliminate disparities and achieve racial justice



Empower Latino families to successfully complete higher education



DOING BUSINESS IN A RESPONSIBLE WAY

Ensure the compliance with ethical business practices across our entire value chain; bring sustainable services to market that positively contribute to our clients' environmental performance; and engage with the local communities where we operate.

ENSURING OUR TEAM MEMBERS' WELL-BEING

Contribute to the professional and personal development of our team members while ensuring a safe and healthy work environment.

MANAGING OUR ENVIRONMENTAL FOOTPRINT

Act consistently with our offering of sustainable services and continue to grow our environmentally friendly practices to manage the carbon footprint of our own operations.

GreenCare Program

Strategic partners on fighting climate change

ABM is strongly committed to adding value to clients through our sustainable solutions portfolio

We have designed solutions to increase waste diversion rates from landfills, conduct energy efficiency retrofits, install on-site generation of renewable electricity and improve the indoor environmental quality with our green cleaning program.

- Our clients have saved more than **90 tons of CO₂ emissions** through our Energy Performance Contracting services
- We are one of the largest installers of electrical vehicle charging stations in the U.S. So far we have installed more than **16,500 EV charging stations**
- Our green cleaning program has been implemented in more than **361 million square feet** across our client's offices



16K+

EV chargers installed



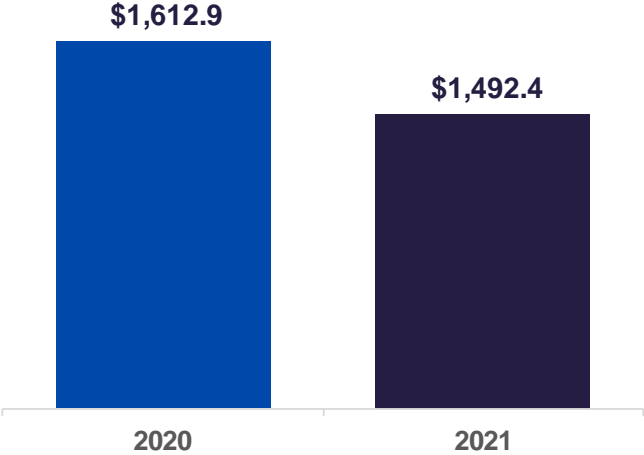
361 M+

square feet implemented by
our green cleaning program

First Quarter 2021 Review

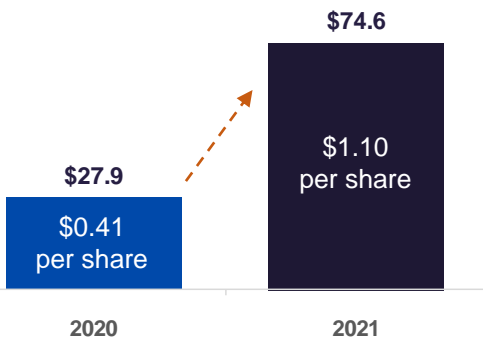
First Quarter 2021 Review

Q1 FY21 Revenue

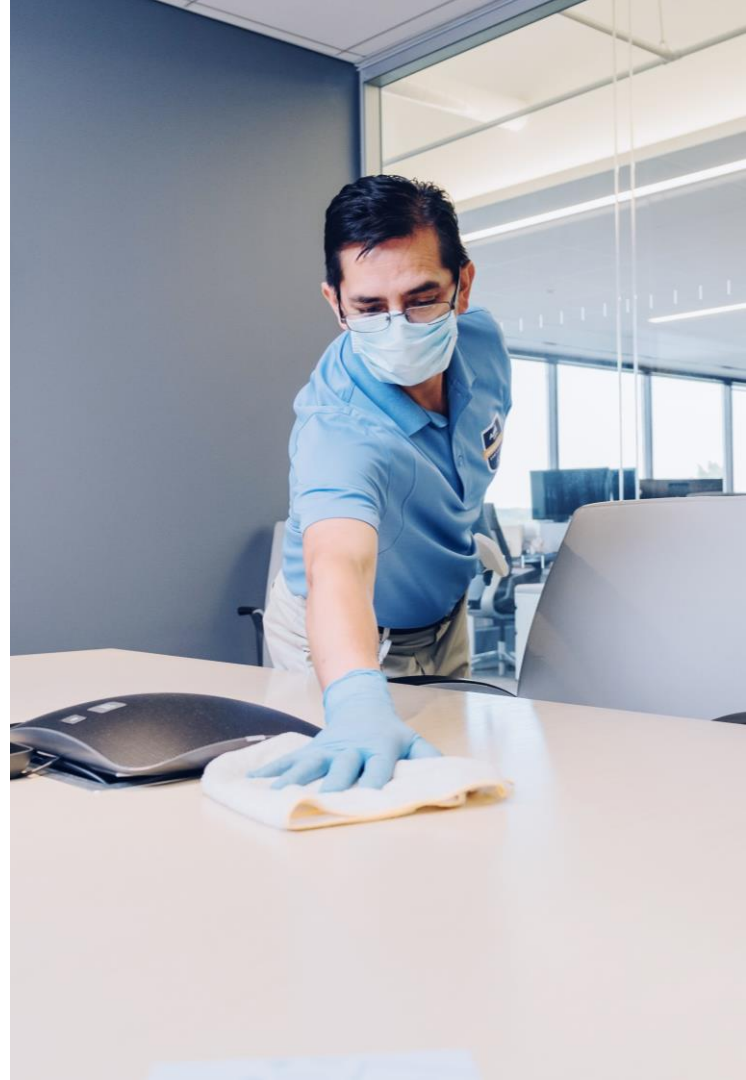
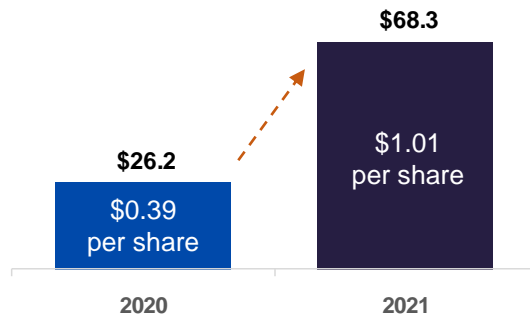


First Quarter 2021 Review

Q1 FY21 Income from Continuing Operations



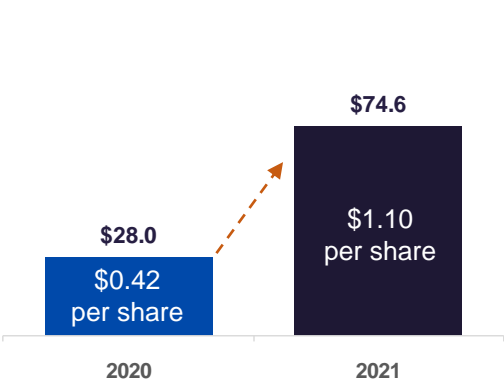
Q1 FY21 Adj. Income from Continuing Operations¹



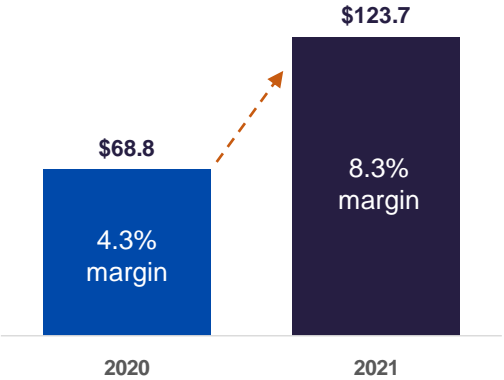
¹ Please refer to the appendix for a reconciliation of GAAP to non-GAAP measures.

First Quarter 2021 Review

Q1 FY21 Net Income



Q1 FY21 Adj. EBITDA¹



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

First Quarter 2021 Segment Results

Business & Industry

- Revenues of \$809.4m vs. \$820.9m last year
- Operating profit of \$85.7m, operating margin of 10.6%

Technology & Manufacturing

- Revenues of \$249.2m vs. \$233.9m last year
- Operating profit of \$26.9m, operating margin of 10.8%

Education

- Revenues of \$209.4m vs. \$208.0m last year
- Operating profit of \$21.5m, operating margin of 10.2%

Aviation

- Revenues of \$143.1m vs. \$238.7m last year
- Operating profit of \$3.2m, operating margin of 2.2%

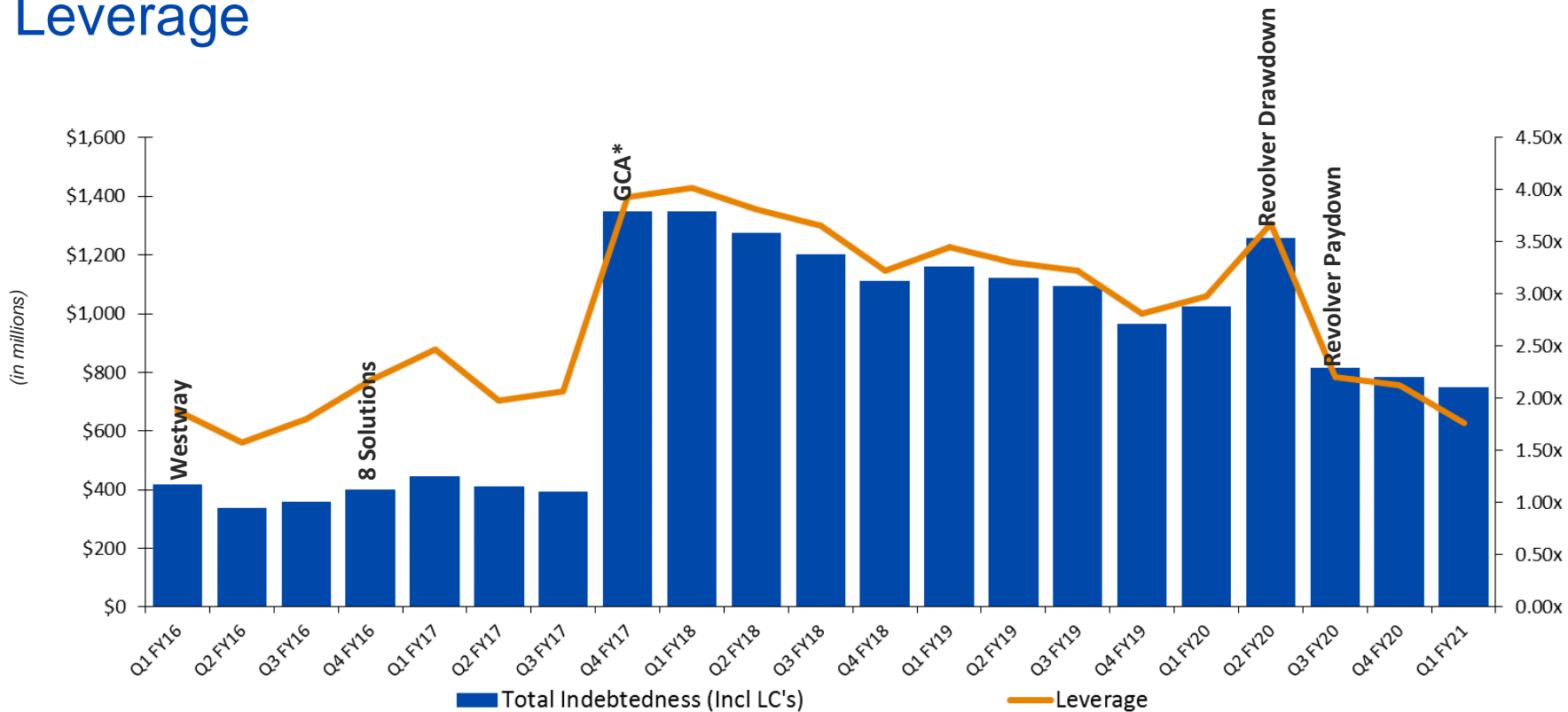
Technical Solutions

- Revenues of \$113.4m vs. \$142.0m last year
- Operating profit of \$6.0m, operating margin of 5.3%

Capital Structure

Select Cash Flow and Balance Sheet Items

Leverage

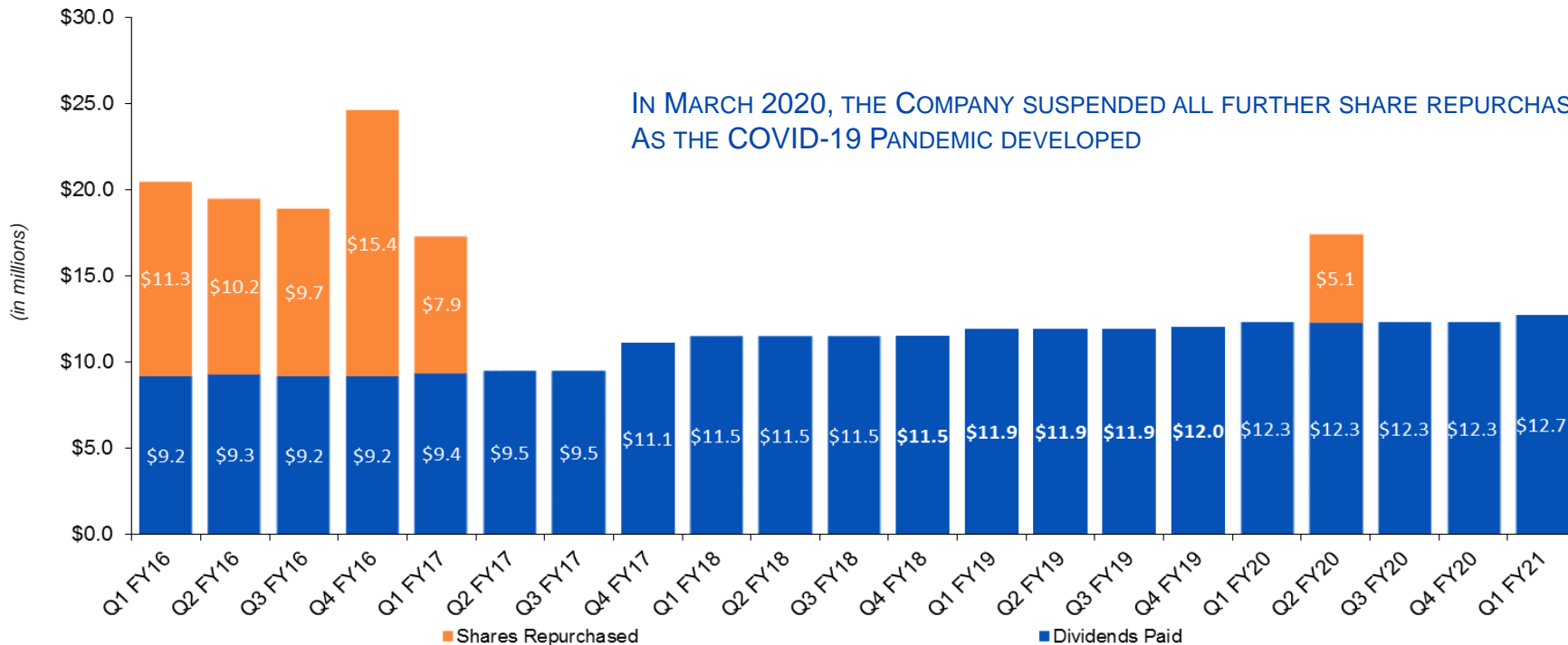


*Acquired GCA Services Group for approximately \$1.3b, largest acquisition in Company's history
 Other acquisitions shown represent purchase price above \$15m
 Beginning in Q2 FY20, leverage calculated as total indebtedness net of \$100m/bank-defined pro-forma adjusted EBITDA

Select Cash Flow and Balance Sheet Items

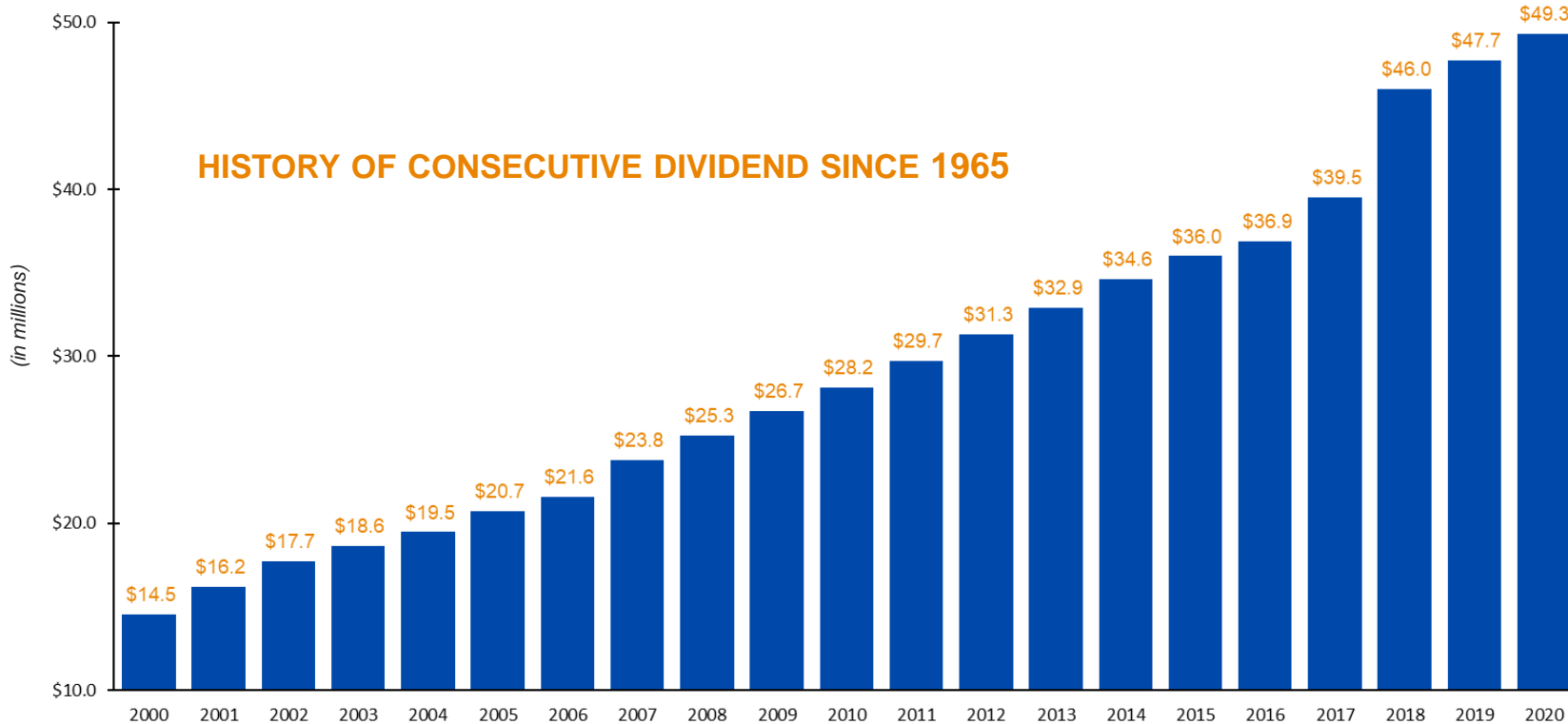
Shareholder Return

IN MARCH 2020, THE COMPANY SUSPENDED ALL FURTHER SHARE REPURCHASES AS THE COVID-19 PANDEMIC DEVELOPED



Select Cash Flow and Balance Sheet Items

Annual Dividend



1Q21 MARKS THE 219TH CONSECUTIVE QUARTERLY CASH DIVIDEND

Fiscal 2021 Outlook

Fiscal 2021 Outlook

Metric	Amount
Income from continuing operations per diluted share ¹	\$2.85- \$3.10
Adjusted Income from continuing operations per diluted share ^{1,2}	\$3.00 - \$3.25
Adjusted EBITDA Margin ³	6.6% to 7.0%
Tax Rate (excluding WOTC & other discrete tax items)	~30%

2021 Working Days				
Quarter	Q1	Q2	Q3	Q4
Days	65	65	65	65
Δ y-o-y	-1	+1	-1	0

¹ With the exception of the 2021 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. 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

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 has adversely affected and may continue to 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; 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; 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 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 first quarter of fiscal years 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 first quarter of fiscal years 2021 and 2020. 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 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.)

Unaudited Reconciliation of Non-GAAP Financial Measures

(in millions)

	<u>Three Months Ended January 31,</u>	
	<u>2021</u>	<u>2020</u>
Reconciliation of Income from Continuing Operations to Adjusted Income from Continuing Operations		
Income from continuing operations	\$ 74.6	\$ 27.9
Items impacting comparability ^(a)		
Prior year self-insurance adjustment ^(b)	(11.4)	(6.6)
Other	0.1	(0.6)
Restructuring and related ^(c)	—	3.1
Legal costs and other settlements	2.5	1.7
Total items impacting comparability	(8.9)	(2.3)
Income tax provision ^(d)	2.5	0.7
Items impacting comparability, net of taxes	(6.4)	(1.7)
Adjusted income from continuing operations	<u>\$ 68.3</u>	<u>\$ 26.2</u>

(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, 2021 and 2020, our self-insurance general liability, workers' compensation, and automobile and medical and dental insurance claims related to prior period accident years decreased by \$11.4 million and by \$6.6 million, respectively.

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

(d) 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.

Unaudited Reconciliation of Non-GAAP Financial Measures

(in millions, except per share amounts)

	Three Months Ended January 31,	
	2021	2020
Reconciliation of Net Income to Adjusted EBITDA		
Net income	\$ 74.6	\$ 28.0
Items impacting comparability	(8.9)	(2.3)
Income from discontinued operations	—	(0.1)
Income tax provision	27.2	8.6
Interest expense	8.5	10.2
Depreciation and amortization	22.3	24.4
Adjusted EBITDA	<u>\$ 123.7</u>	<u>\$ 68.8</u>

	Three Months Ended January 31,	
	2021	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	\$ 1.10	\$ 0.41
Items impacting comparability, net of taxes	(0.09)	(0.03)
Adjusted income from continuing operations per diluted share	<u>\$ 1.01</u>	<u>\$ 0.39</u>
Diluted shares	67.6	67.2

Unaudited Reconciliation of Non-GAAP Financial Measures

(in millions)

	Three Months Ended January 31,	
	2021	2020
Reconciliation of Net Cash Provided by (Used in) Operating Activities to Free Cash Flow		
Net cash provided by (used in) operating activities	\$ 45.3	\$ (34.3)
Additions to property, plant and equipment	(6.6)	(11.5)
Free Cash Flow	<u>\$ 38.7</u>	<u>\$ (45.8)</u>

Reconciliation of Estimated Income from Continuing Operations per Diluted Share to Estimated Adjusted Income from Continuing Operations per Diluted Share	Year Ending October 31, 2021	
	Low Estimate	High Estimate
Income from continuing operations per diluted share ^(a)	\$ 2.85	\$ 3.10
Adjustments ^(b)	0.15	0.15
Adjusted Income from continuing operations per diluted share ^(a)	\$ 3.00	\$ 3.25

(a) With the exception of the 2021 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) 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

INVESTOR RELATIONS

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