Second Quarter 2025 Earnings Presentation

June 6, 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, 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 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 second quarter and first six 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 second quarter and first six 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.

Q2 2025 Review

ABM

Financial Results

- Revenue of $2.1B
    - 3.8% organic growth
- Net income of $42.2M
- Adjusted net income(1) of $54.1M
- Adjusted EBITDA(1) of $125.9M
- GAAP EPS of $0.67
- Adjusted EPS(1) of $0.86
- Adj. EBITDA margin(1) of 6.2%

Demand Environment

- **B & I's** Commercial prime office space markets continue to improve
- **M&D** markets remain constructive
- Solid demand dynamics in **Aviation**
- **Education** remains stable
- Robust demand for microgrids in **Technical Solutions**

Highlights

- **Organic revenue growth in B&I and M&D**
- **Cash flow from operations improves $138.5 million sequentially** from Q1, reflecting reduced friction from ERP conversion
- **$1.1B in new bookings for first six months of 2025, up 11%** over prior year period, including:
    - $185M+ microgrid project for big-box retailer
    - $25M contract at Miami International Airport

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

End-to-End Facility Solutions Across Diverse Markets

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Business & Industry

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

$1,016M

48%

Aviation

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

$260M

12%

Manufacturing & Distribution

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

$398M

19%

Education

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

$228M

11%

Technical Solutions

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

$210M

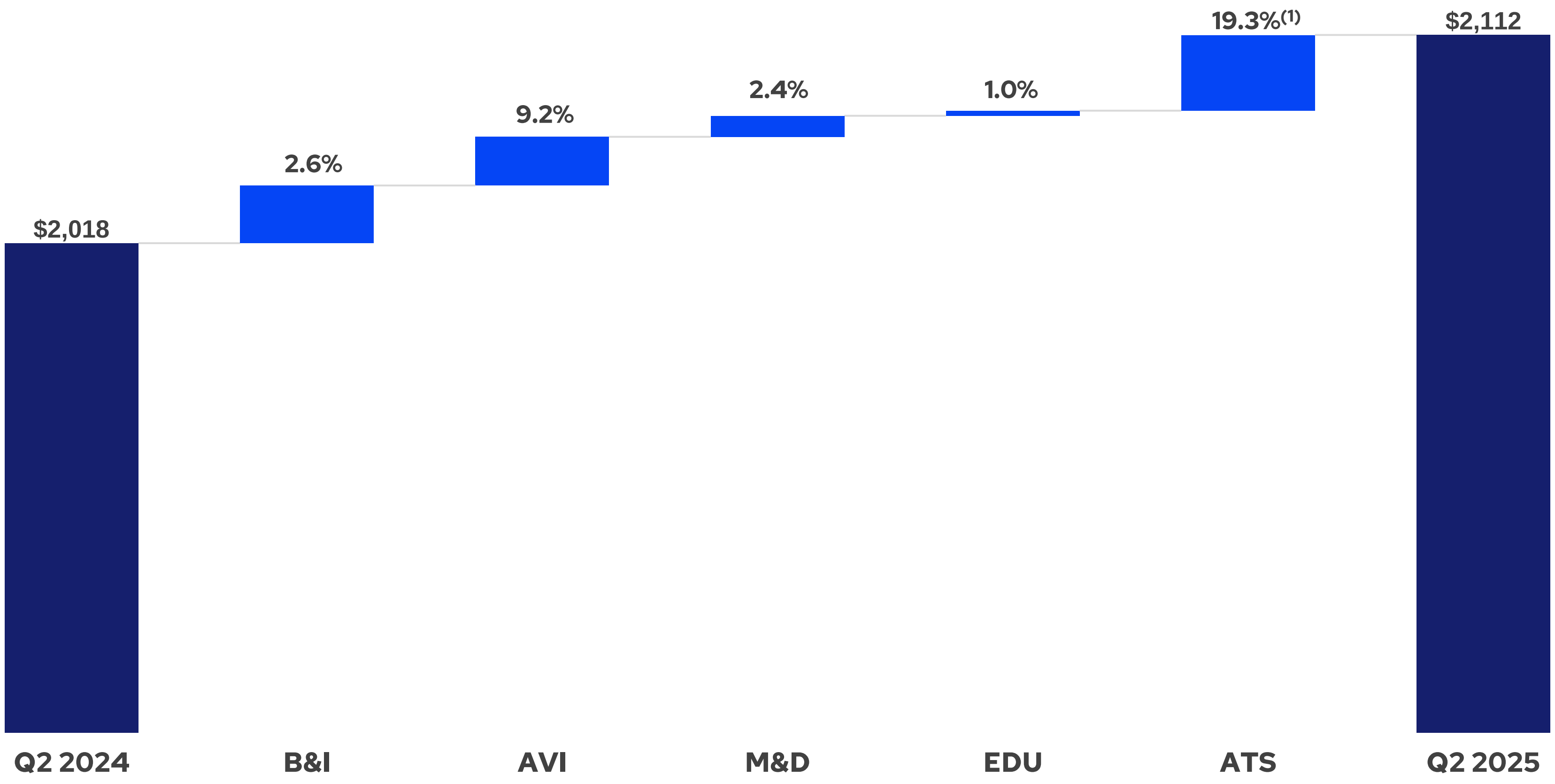
10%

Revenue

(% of Q2 2025 Total Company Revenue)

Q2 2025 Revenue

Segment Growth Rates



- Revenue increased 4.6% to $2.1B
  - 3.8% organic growth
- B&I and M&D return to organic growth
- Continued strong growth in Technical Solutions despite project delays
- Aviation remains strong

(1) Comprised of 9.8% organic revenue growth and 9.5% revenue growth from acquisition

Q2 2025 Profitability

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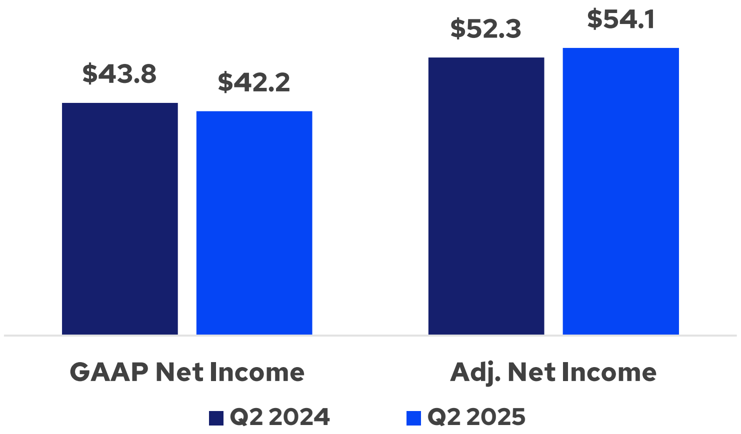
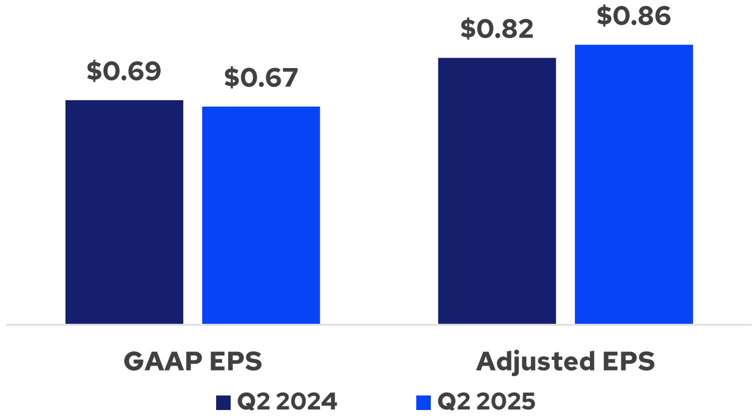
$ in millions

NET INCOME [(1)]

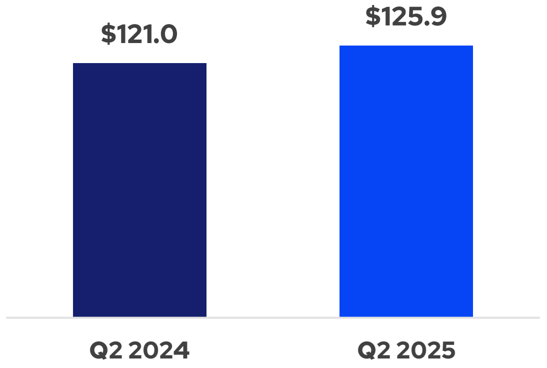


EARNINGS PER SHARE [(1)]

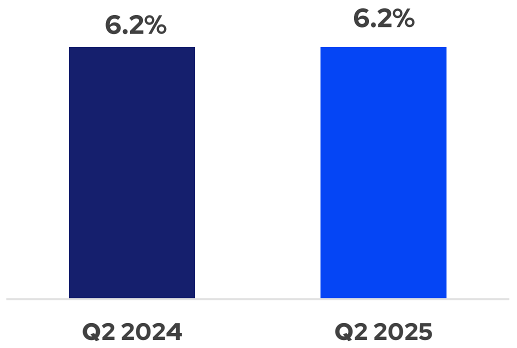


$ in millions

ADJUSTED EBITDA [(1)]



ADJ. EBITDA MARGIN [(1)]



- Decreases in GAAP net income and GAAP EPS largely reflects higher interest expense and higher transformation and integration costs, offset in part by increased segment earnings
- Increases in adjusted net income and adjusted EPS primarily driven by higher segment earnings and lower corporate costs, partially offset by higher interest expense

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

Q2 2025 Segment Performance

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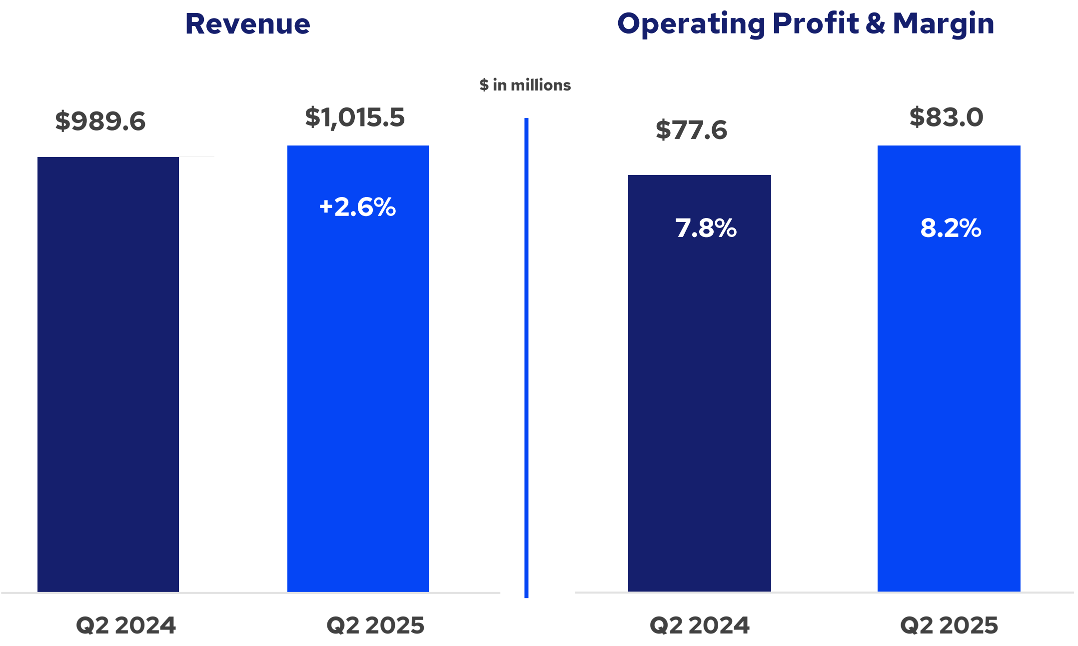
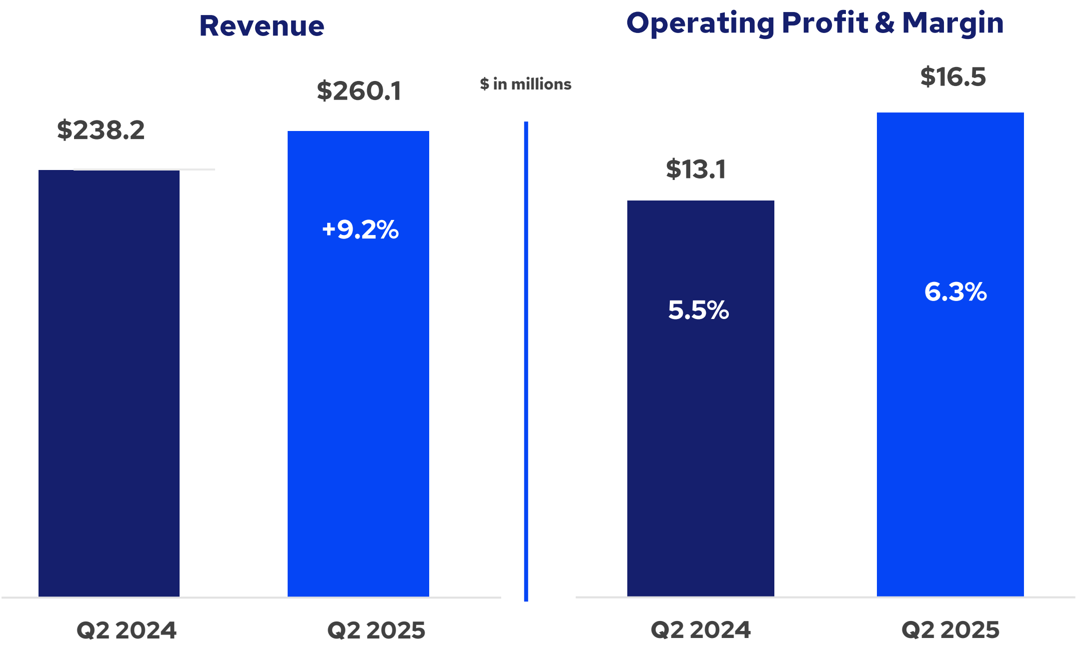
Business & Industry



- Revenue growth driven by improvements in prime commercial office markets, solid retention rates, and geographic diversification
- Profit and margin growth reflect higher volume and strong cost controls

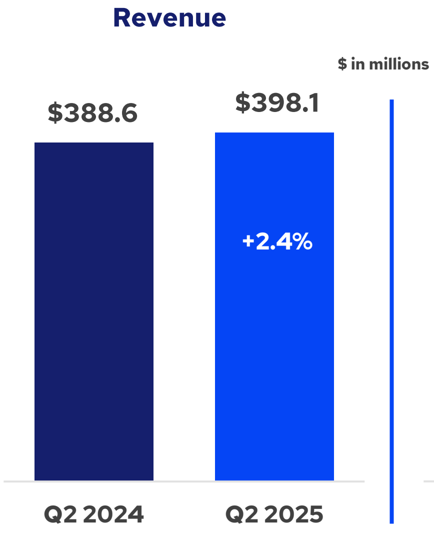
Aviation

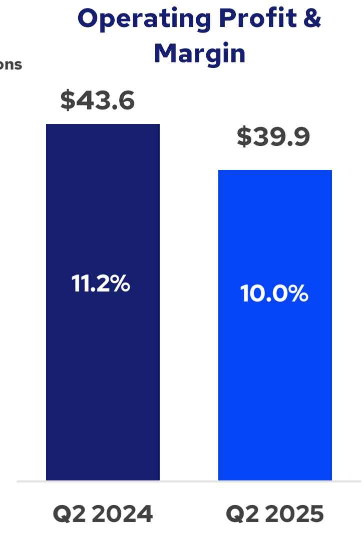


- Revenue growth driven by healthy travel markets and new clients coming on board
- Profit growth and margin growth driven by volume gains and favorable mix

Q2 2025 Segment Performance

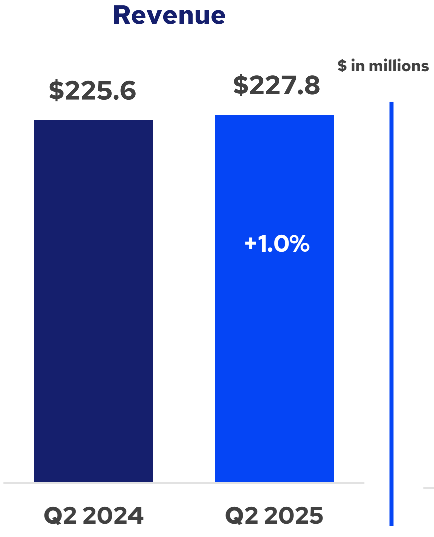
Manufacturing & Distribution

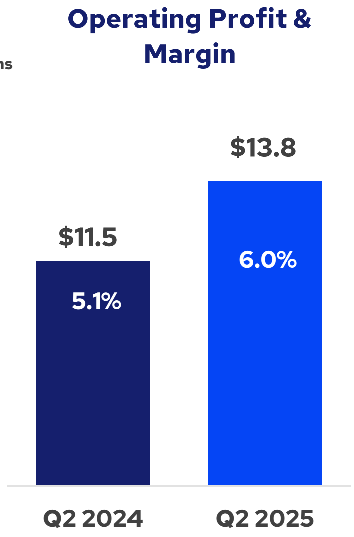




- Revenue growth driven by expansions and new wins offsetting impact of client exit in prior year
- Profit and margin performance reflects higher investments in selling organization and strategic pricing

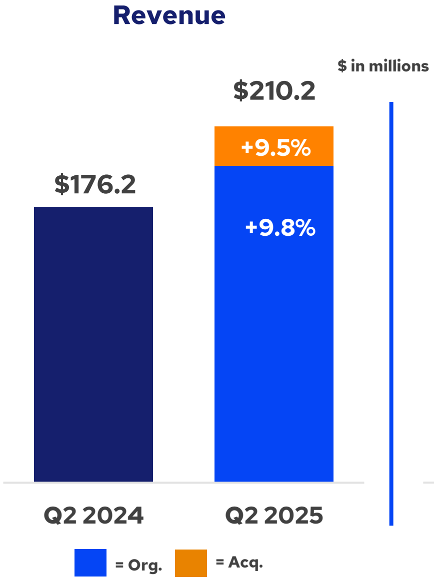
Education

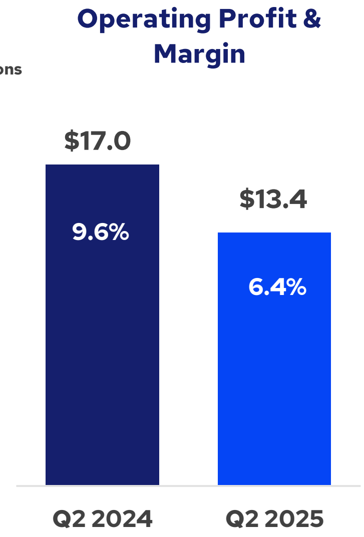




- Revenue growth driven by favorable net-pricing
- Profit and margin growth primarily due improved labor efficiency and mix

Technical Solutions

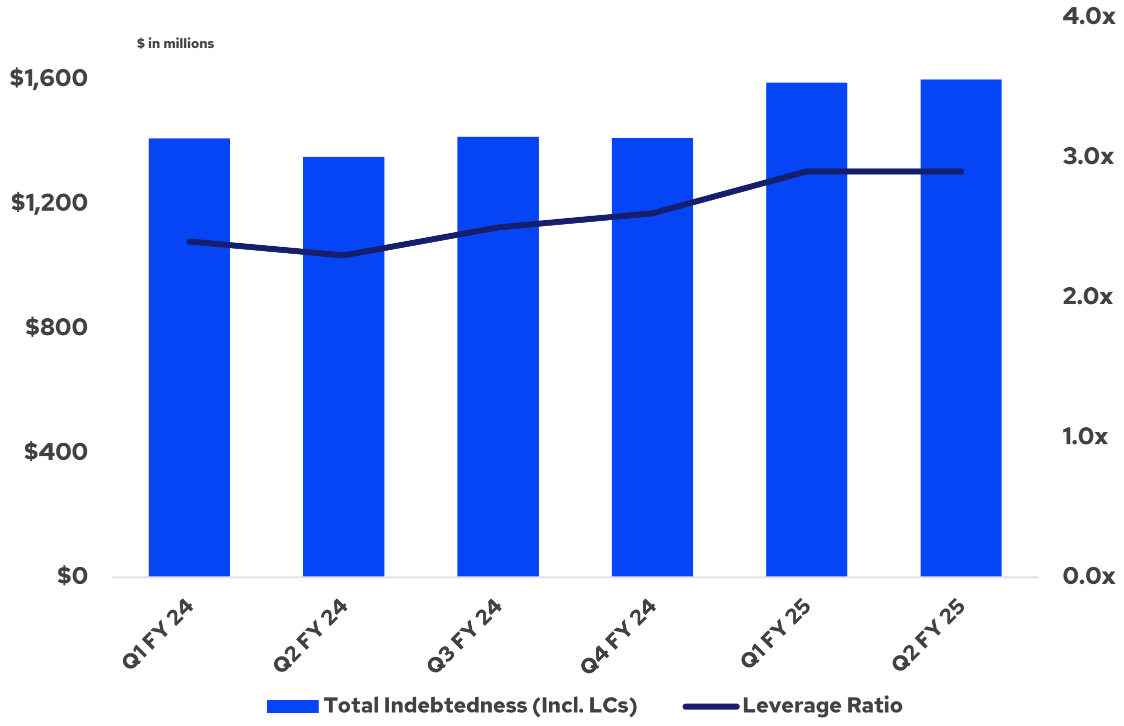




- Revenue growth driven by strong microgrid activity (including temporary project delays) and QUS acquisition
- Profit and margin performance primarily reflect impact of temporary project delays and adverse service mix

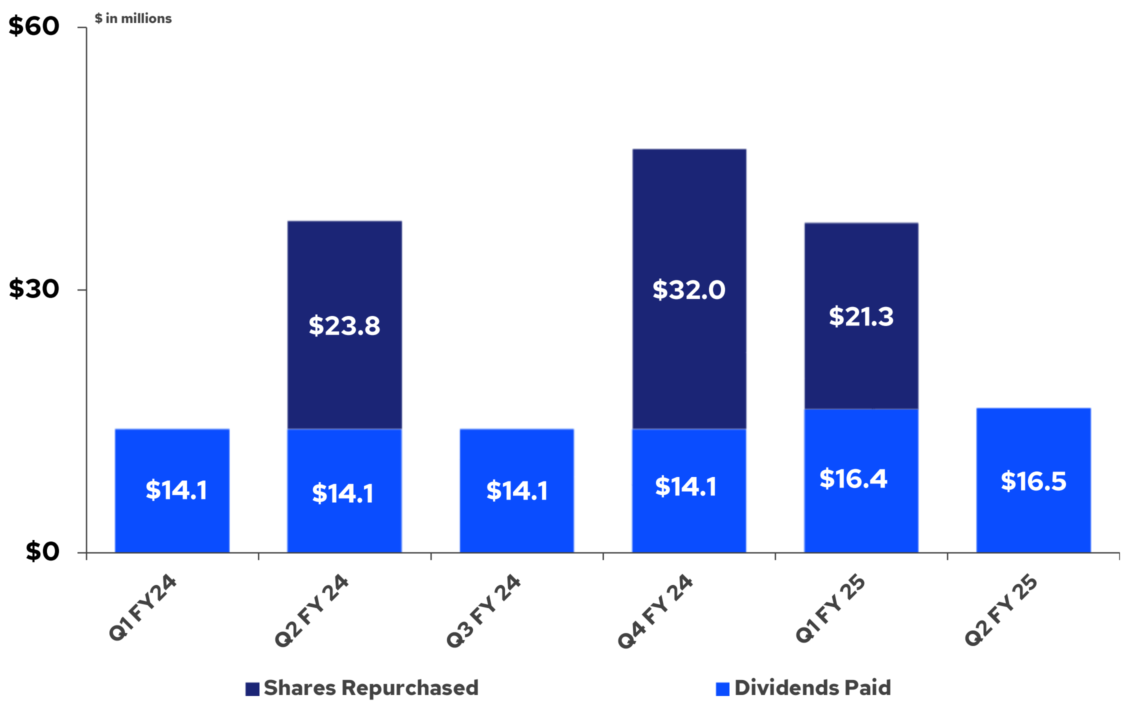
Q2 2025 Leverage & Shareholder Returns

Leverage



- Total indebtedness of $1.6B in Q2 2025, up $11M from Q1 2025; Leverage at 2.9X
- Q2 free cash flow(1) of $15M, resulting from increased in working capital related to the transition to the Company's new ERP system; up $138.5M sequentially reflecting reduced friction from ERP conversion

Shareholder Returns



- $133M remaining capacity under share repurchase authorization

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

Fiscal 2025 – Reaffirmed FY 2025 Outlook

Metric	Outlook
Adjusted net income per diluted share [1]	$3.65 - $3.80 [2]
Adjusted EBITDA Margin[1]	6.3% - 6.5% [2]
Tax rate (excl. discrete tax items and impact of non-taxable items)	29% - 30%
Interest expense	$80M - $84M

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

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$ in millions

	Three Months Ended April 30,		Six Months Ended April 30,	
	2025	2024	2025	2024
Reconciliation of Net Income to Adjusted Net Income				
Net income	$ 42.2	$ 43.8	$ 85.8	$ 88.4
Items impacting comparability[(a)(b)]				
Legal costs and other settlements	0.3	—	5.1	—
Acquisition and integration related costs[(c)]	3.4	2.3	6.8	3.7
Transformation initiative costs[(d)]	10.7	9.6	19.0	16.7
Other[(e)]	2.2	—	2.2	0.8
Total items impacting comparability	16.6	11.9	33.0	21.1
Income tax benefit [(f)(g)]	(4.7)	(3.4)	(9.4)	(6.3)
Items impacting comparability, net of taxes	11.9	8.6	23.6	14.9
Adjusted net income	$ 54.1	$ 52.3	$ 109.4	$ 103.3

Unaudited Reconciliation of Non-GAAP Financial Measures - Footnotes

ABM

(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 second quarter 2025 results and retroactively to all presented periods to ensure comparability. Of note, the definitional change had no impact in second quarter 2025 results.

(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) Three and six months ended April 30, 2025 include a parking tax audit settlement related to prior years.

(f) 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.

(g) Six months ended April 30 2025 and 2024 include a $0.1 million and a $0.3 million benefit for uncertain tax positions with expiring statues, respectively.

Unaudited Reconciliation of Non-GAAP Financial Measures

ABM

$ in millions, except per share amounts

	Three Months Ended April 30,		Six Months Ended April 30,	
	2025	2024	2025	2024
Reconciliation of Net Income to Adjusted EBITDA				
Net Income	$ 42.2	$ 43.8	$ 85.8	$ 88.4
Items impacting comparability	16.6	11.9	33.0	21.1
Income taxes provision	17.6	18.7	29.5	28.0
Interest expense	23.9	20.6	46.8	41.9
Depreciation and amortization	25.7	26.0	51.6	52.9
Adjusted EBITDA	$ 125.9	$ 121.0	$ 246.6	$ 232.3
Net Income margin as a % of revenues	2.0 %	2.2 %	2.0 %	2.2 %

	Three Months Ended April 30,		Six Months Ended April 30,	
	2025	2024	2025	2024
Revenues Excluding Management Reimbursement				
Revenue	$ 2,111.7	$ 2,018.2	$ 4,226.6	$ 4,087.8
Management Reimbursement	(84.5)	(76.9)	(166.5)	(157.0)
Revenues excluding management reimbursement	$ 2,027.2	$ 1,941.4	$ 4,060.1	$ 3,930.8
Adjusted EBITDA margin as a % of revenues excluding management reimbursement	6.2 %	6.2 %	6.1 %	5.9 %

	Three Months Ended April 30,		Six Months Ended April 30,	
	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	$ 0.69	$ 1.36	$ 1.39
Items impacting comparability, net of taxes	0.19	0.13	0.37	0.23
Adjusted net income per diluted share	$ 0.86	$ 0.82	$ 1.73	$ 1.62
Diluted shares	62.9	63.5	63.1	63.7

Unaudited Reconciliation of Non-GAAP Financial Measures

$ in millions

	Three Months Ended April 30,		Six Months Ended April 30,	
	2025	2024	2025	2024
Reconciliation of Net Cash Provided by (Used in) Operating Activities to Free Cash Flow				
Net cash provided by (used in) operating activities	$ 32.3	$ 117.0	$ (73.9)	$ 116.9
Additions to property, plant and equipment	(17.1)	(15.6)	(33.8)	(29.1)
Free cash flow	$ 15.2	$ 101.4	$ (107.8)	$ 87.7

Thank You

Get in touch with us

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ABM

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.