

Baird - 2012 Business Solutions Conference

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Safe Harbor

Our presentation today contains predictions, estimates and other forward-looking statements. Our use of the words estimate, expect and similar expressions are intended to identify these statements. These statements represent our current judgment on what the future holds. While we believe them to be reasonable, these statements are subject to risks and uncertainties that could cause our actual results to differ materially. Some of the important factors relating to our business are described in our 2011 Annual Report on Form 10-K and in our quarterly reports on Form 10-Q and current reports on Form 8-K that we file with the SEC.



Statements Relating to Non-GAAP Financial Measure

During the course of this presentation, a certain non-GAAP financial measure described as "Adjusted EBITDA," that was not prepared in accordance with U.S. GAAP will be presented.

A reconciliation of this non-GAAP financial measure to GAAP financial measure is available at the end of this presentation.



Fiscal Year 2011 Results Synthesis

- Revenue up 21% Surpassing the \$4 billion
- Generated record cash flow from operations of \$160 million
- Achieved adjusted EBITDA of \$184 million, a record. Increase of 18% year-over-year and a 101% increase from fiscal 2007 year-end
- Paid approximately \$30 million in dividends. 4% increase from fiscal 2010

Janitorial Services

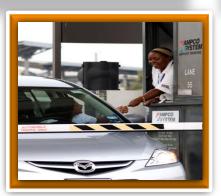
- Revenue up over 3% to \$2.4 billion
- Tag revenue up 5%
- Operating profit up \$1 million to \$141 million despite additional \$3.8 million expense for one more day of labor

Facility Solutions



- Revenue up 135% to \$899 million
- Linc acquisition contributed \$513 million
- Operating profit up 46% to \$33 million

Parking & Shuttle Services



- Revenue up 31%
- L&R acquisition contributed \$155 million
- Operating profit up 7% to \$24 million

Security Services



- Revenue up 4%
- Operating profit up 6% to \$8 million





Facility Services Market Overview

ABM Strategy & Results

Facility Services – Key Dynamics

Business Model

- Service integration widening of scope from single service provider to IFSM
- Polarisation between larger, multi-service companies operating on economies of scale and smaller operations focusing on specialized services
- Internal focus on quality of service, efficiency improvements and cost and cash-flow management

Barriers to Entry

Facility Services

- The sector has low barriers to entry and is highly fragmented
- Focus on larger clients and extending existing contracts with more sites
 - Larger firms creating entry barriers by selling complex contracts covering non- core services and internationalising clients.

Client Base

North America

- Clients increasingly seek to outsource in order to focus on core competencies
- Clients focused on optimising efficiency of their cost base with purchasing decisions increasingly on price
- Declining client loyalty in more price sensitive sectors

Sector Consolidation

- Redefinition of facilities services market towards integrated facilities management on an international and national basis
- Substantial level of fragmentation offers opportunities for acquisitive growth





Leading the way to Integrated Facility Services

From Single To Integrated Facility Services

- Outsourcing of Facility Services can be provided either using
 - Single Services providers: limited to one service sphere only
 - Module providers: specialized solutions based on bundled services

Or Integrators: integrated solutions embrace various service spheres, provided by the same company

Integrated solutions present several benefits over single solutions, including improved service quality, contract simplicity and flexibility, deeper cost savings and innovation

Consolidation Into Integrated Providers





















Soft FM



- •Building Maintenance
- Passive security
- •Utilities
- Energy services
- •HVAC

- •Cleaning
- Active security
- Moving
- Landscapping
- Catering
- Single Service Providers -



Strategic Summary: 2010 - 2014

Increase Leadership Position

- Capitalize on outsourcing & consolidation of services
- Leverage core capabilities and technology investments to differentiate ABM

Acquisition Expansion

- Grow core businesses with focus on all segments
- Broaden geographic reach and leverage client relationships

Capital Structure

- Target leverage to risk appetite (1.5X EBITDA)
- Risk threshold Max of 3.25X EBITDA
- WACC to ROE considerations

Cost Structure

- Working capital metrics held flat
- Leverage USS
- SG&A and Corporate expense decrease as % of revenue

Shareholder Value

- Average double digit EBITDA growth
- EBITDA exceeding \$300 million
- Strong dividend

Results - FY2010 & FY2011 (Revenues, adjusted EBITDA growth, Cash Flow & Dividends are averages)

- •Consolidated revenue up 11%
- •ABM Engineering revenue up 97%
- Parking revenue up17%
- •Acquired Linc to expand Engineering services, geographic reach and vertical expertise. Billion dollar enterprise in the making
- •Reduced adjusted EBITDA leverage ratio from high of 2.5x to 1.6x
- •Working capital flat from FY2009 •SG&A + Corporate at 2.5%; below <u>3%</u> target level
- •Adjusted EBITDA growth of 13%
- •Cash Flow from Operations up 15%
- •Dividends up 4%



Appendix

To supplement ABM's consolidated financial information, the Company has earnings before interest, taxes, depreciation and amortization and excluding items impacting comparability (adjusted EBITDA) for fiscal years 2010 and 2011. Adjusted EBITDA is among the indicators management uses as a basis for planning and forecasting future periods. The presentation of this non-GAAP financial measure is not meant to be considered in isolation or as a substitute for financial statements prepared in accordance with generally accepted accounting principles in the United States



Unaudited Reconciliation of non-GAAP Financial Numbers (in millions)

	Years Ended	
	2011	2010
Adjusted EBITDA	184,023	155,892
Items Impacting Comparability	(9,636)	(10,865)
Discontinued Operations	(194)	251
Income Tax	(36,980)	(40,203)
Interest Expense	(15,805)	(4,639)
Depreciation and Amortization	(52,904)	(36,315)
Net Income	\$ 68,504	\$ 64,121
Adjusted EBIT	\$ 131,119	\$ 119,577
Items Impacting Comparability	(9,636)	(10,865)
Discontinued Operations	(194)	251
Income Tax	(36,980)	(40,203)
Interest Expense	(15,805)	(4,639)
Net Income	\$ 68,504	\$ 64,121

