

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

**FORM 8-K**

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): December 16, 2020

**ABM Industries Incorporated**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction  
of incorporation)

**1-8929**

(Commission File  
Number)

**94-1369354**

(IRS Employer  
Identification No.)

**One Liberty Plaza, 7<sup>th</sup> Floor  
New York, New York**

(Address of principal executive offices)

**10006**

(Zip Code)

Registrant's telephone number, including area code **(212) 297-0200**

**N/A**

(Former name or former address if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>Common Stock, \$0.01 par value</b>	<b>ABM</b>	<b>New York Stock Exchange</b>

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- Emerging growth company
- If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02. Results of Operations and Financial Condition.**

On December 16, 2020, ABM Industries Incorporated (the “Company”) issued a press release announcing financial results related to the fourth quarter and fiscal year ended October 31, 2020. A copy of the press release is being furnished as Exhibit 99.1 to this Form 8-K, which is incorporated into this item by reference.

**Item 7.01. Regulation FD Disclosure.**

As disclosed in the press release furnished as Exhibit 99.1, the Company will hold a live web cast on December 17, 2020, relating to the Company’s financial results for the fourth quarter and fiscal year ended October 31, 2020. A copy of the slides to be presented during the Company’s web cast and discussed in the conference call relating to such financial results is being furnished as Exhibit 99.2 to this Form 8-K.

**Item 8.01. Other Events.**

On December 16, 2020, the Company announced that the Board of Directors of the Company declared a quarterly dividend of \$0.190 per share, payable on February 1, 2021, to stockholders of record on January 7, 2021.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

[99.1](#) [Press Release issued by ABM Industries Incorporated, dated December 16, 2020, announcing financial results related to the fourth quarter and fiscal year ended October 31, 2020, and the declaration of a dividend payable February 1, 2021, to stockholders of record on January 7, 2021.](#)

[99.2](#) [Slides of ABM Industries Incorporated, Fourth Quarter 2020.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ABM INDUSTRIES INCORPORATED

Dated: December 16, 2020

By: /s/ Andrea R. Newborn  
Andrea R. Newborn  
Executive Vice President, General  
Counsel and Secretary

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**ABM INDUSTRIES ANNOUNCES**

**FOURTH QUARTER AND FULL YEAR 2020 FINANCIAL RESULTS**

*Resilient Operational and Financial Performance Continues*

*Fourth Quarter GAAP Continuing EPS of \$0.78; Adjusted Continuing EPS of \$0.69*

*Record Quarterly Cash Flow from Continuing Operations of Approximately \$200 Million*

*First Quarter Guidance Outlook Issued for Fiscal 2021*

*Company Increases Dividend By 2.7%*

NEW YORK, NY - December 16, 2020 - ABM (NYSE: ABM), a leading provider of facility solutions, today announced financial results for the fourth quarter and full year that ended October 31, 2020.

Scott Salmirs, President and Chief Executive Officer of ABM Industries commented, "Fiscal 2020 was a pivotal year for ABM as the COVID-19 pandemic created a historic shift in the demand for our essential services. I could not be prouder of our teams for their incredible commitment to the health and safety of our employees and clients as we navigated an ever-evolving operating environment. We will continue to leverage the heightened awareness for virus protection and operational excellence, including our EnhancedClean offering. We will address our clients' needs as they manage through various stages of the pandemic and recovery."

Mr. Salmirs continued, "Our fourth quarter revenue improved sequentially compared to the third quarter underscoring the resilience of our business model. Pandemic-related work orders and labor management continued to drive solid profit growth. In 2020, our 6.0% adjusted EBITDA margin accelerated us to our longer term target range and we generated record cash flow. The strength of our market positioning, as well as our liquidity, has enabled us to navigate the risks and opportunities of the pandemic confidently."

(\$ in millions, except per share amounts) (unaudited)	Three Months Ended October 31,			Years Ended October 31,		
	2020	2019	Increase/(Decrease)	2020	2019	Increase/(Decrease)
Revenues	\$ 1,484.6	\$ 1,648.0	(9.9)%	\$ 5,987.6	\$ 6,498.6	(7.9)%
Operating profit <sup>1</sup>	\$ 73.0	\$ 66.2	10.2%	\$ 95.7	\$ 208.3	(54.0)%
Income from continuing operations <sup>1</sup>	\$ 53.1	\$ 48.1	10.4%	\$ 0.2	\$ 127.5	(99.8)%
Income from continuing operations per diluted share <sup>1</sup>	\$ 0.78	\$ 0.71	9.9%	\$ —	\$ 1.91	NM*
Adjusted income from continuing operations	\$ 46.7	\$ 44.7	4.5%	\$ 163.5	\$ 137.2	19.2%
Adjusted income from continuing operations per diluted share	\$ 0.69	\$ 0.66	4.5%	\$ 2.43	\$ 2.05	18.5%
Net income <sup>1</sup>	\$ 53.1	\$ 47.9	10.7%	\$ 0.3	\$ 127.4	(99.8)%
Net income per diluted share <sup>1</sup>	\$ 0.78	\$ 0.71	9.9%	\$ —	\$ 1.90	NM*
Adjusted EBITDA	\$ 92.5	\$ 93.0	(0.6)%	\$ 361.9	\$ 339.5	6.6%
Adjusted EBITDA margin	6.2	5.6	58 bps	6.0	5.2	82 bps
Net cash provided by operating activities of continuing operations <sup>2</sup>	\$ 198.7	\$ 148.8	33.5%	\$ 457.5	\$ 262.8	74.1%
Free cash flow <sup>2</sup>	\$ 189.6	\$ 133.5	42.0%	\$ 419.5	\$ 203.1	NM*

<sup>1</sup> The year ended October 31, 2020 includes pre-tax non-cash goodwill and intangible impairment charge of \$172.8 million or \$2.54 per diluted share. The goodwill portion of the impairment charge is nondeductible for tax purposes.

<sup>2</sup> The year ended October 31, 2020 includes the deferral of approximately \$101 million of payroll taxes provided by the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

\* Not meaningful (due to variance greater than or equal to +/-100%)

This release refers to certain non-GAAP financial measures described as "Adjusted EBITDA," defined as earnings before income from discontinued operations, net of taxes, interest, taxes, depreciation and amortization and excluding items impacting comparability, "Adjusted EBITDA margin," defined as adjusted EBITDA divided by revenue, "Adjusted income from continuing operations," "Adjusted income from continuing operations per diluted share," and "free cash flow." Free cash flow is defined as net cash provided by operating activities less additions to property, plant and equipment. These adjustments have been made with the intent of providing financial measures that give management and investors a more representative understanding of underlying operational results and trends as well as the Company's operational performance. Management also uses Adjusted EBITDA as a basis for planning and forecasting future periods. Please refer to the accompanying financial schedules for supplemental financial data and corresponding reconciliation of these non-GAAP financial measures to certain GAAP financial measures. We round amounts in these schedules to millions and 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.

#### Fourth Quarter Summary

- Total revenue of \$1,484.6 million, a decrease of 9.9% versus last year, reflecting the ongoing impact of the COVID-19 operating environment.
- Record, annual new sales bookings of \$1.2 billion for fiscal 2020.
- Income from continuing operations of \$53.1 million or \$0.78 per diluted share, including favorable self-insurance adjustments.
- Adjusted income from continuing operations increased 4.5% to \$46.7 million, or \$0.69 per diluted share, versus last year.
- Net income of \$53.1 million, or \$0.78 per diluted share.
- Adjusted EBITDA of \$92.5 million, which led to an adjusted EBITDA margin of 6.2% versus 5.6% last year.
- Operating results for the fourth quarter of fiscal 2020 reflect a \$17.6 million reserve of notes receivables related to a single project within the Company's Technical Solutions segment.
- Record net cash provided by operating activities and free cash flow provided by operating activities of \$198.7 million and \$189.6 million, respectively.
- Total debt to bank-defined pro forma adjusted EBITDA of 2.1x and ample liquidity of \$990 million inclusive of cash and cash equivalents.

#### Fourth Quarter Results

For the fourth quarter of fiscal 2020, the Company achieved revenues of \$1.5 billion. Revenue declines were primarily driven by pandemic-related client disruptions, such as facility closures and service scope changes, particularly within the Company's Aviation and Technical Solutions segments. Higher demand for COVID-19 related work orders continued, particularly in the Business & Industry and Technology & Manufacturing segments, which partially offset the overall revenue decline.

On a GAAP basis, income from continuing operations was \$53.1 million, or \$0.78 per diluted share, compared to income from continuing operations of \$48.1 million, or \$0.71 per diluted share last year. Income from continuing operations for the fourth quarter of fiscal 2020 reflects a total benefit from self-insurance adjustments of \$21.3 million, of which \$15.1 million was related to prior years.

Adjusted income from continuing operations for the fourth quarter of fiscal 2020 was \$46.7 million, or \$0.69 per diluted share, compared to \$44.7 million, or \$0.66 per diluted share, for the fourth quarter of fiscal 2019. Adjusted results exclude items impacting comparability. A description of items impacting comparability can be found in the "Reconciliation of Non-GAAP Financial Measures" table.

Results from continuing operations for the quarter on both a GAAP and adjusted basis reflect the significant increase in higher margin work orders as clients continue to respond to COVID-19, as well as the continued management of direct labor to align with the demand environment for legacy services. The quarter also reflected one less working day. Partially offsetting these results was the reserve of notes receivables related to a unique, entertainment-related project within the Technical Solutions segment. The Company also continued its operational investments in its EnhancedClean™ program and re-engaged corporate projects within certain areas, such as information technology, that were previously paused due to the pandemic.

Net income for the fourth quarter of 2020 was \$53.1 million, or \$0.78 per diluted share, compared to \$47.9 million, or \$0.71 per diluted share last year.

Adjusted EBITDA for the fourth quarter of 2020 was \$92.5 million compared to \$93.0 million in the fourth quarter of 2019. Adjusted EBITDA margin for the quarter was 6.2% versus 5.6% in the fourth quarter of fiscal 2019. Adjusted results exclude items impacting comparability. A description of items impacting comparability can be found in the "Reconciliation of Non-GAAP Financial Measures" table.

### **Fiscal 2020 Results**

For fiscal 2020, the Company achieved revenues of approximately \$6.0 billion, a decrease of 7.9% reflecting the COVID-19 pandemic's impact on business operations predominantly during the third and fourth quarters of the fiscal year.

On a GAAP basis, income from continuing operations was \$0.2 million, or \$0.00 per diluted share, which includes a pre-tax, non-cash impairment charge of \$172.8 million, or \$2.54 per diluted share, related to goodwill and intangible assets. This was partially offset by \$26.4 million of prior year self insurance adjustments. These results compare to \$127.5 million, or \$1.91 per diluted share last year.

Adjusted income from continuing operations for fiscal 2020 was \$163.5 million, or \$2.43 per diluted share, compared to \$137.2 million, or \$2.05 per diluted share for fiscal 2019. Adjusted results exclude items impacting comparability. A description of items impacting comparability can be found in the "Reconciliation of Non-GAAP Financial Measures" table.

Net income for fiscal 2020 was \$0.3 million, or \$0.00 per diluted share, compared to \$127.4 million, or \$1.90 per diluted share last year.

Adjusted EBITDA for fiscal 2020 was \$361.9 million compared to \$339.5 million in fiscal 2019. Adjusted EBITDA margin for the year was 6.0% versus 5.2% last year. Adjusted results exclude items impacting comparability. A description of items impacting comparability can be found in the "Reconciliation of Non-GAAP Financial Measures" table.

### **Liquidity & Capital Structure**

The majority of the Company's revolving line of credit remains undrawn. Additionally, the Company's cash and cash equivalents totaled \$394.2 million as of October 31, 2020.

The Company ended the quarter with total debt of \$883.4 million, including \$153.1 million in standby letters of credit.

Total debt to pro forma adjusted EBITDA (including standby letters of credit) was 2.1x for the fourth quarter of fiscal 2020.

These results led to total liquidity of more than \$990.0 million, inclusive of cash and cash equivalents.

The Company paid a quarterly cash dividend of \$0.185 per common share for a total distribution of \$12.3 million.

### **Declaration of Quarterly Cash Dividend**

The Company also announced that the Board of Directors approved a 2.7% increase for the quarterly cash dividend to \$0.190 per common share, payable on February 1, 2021 to stockholders of record on January 7, 2021. This marks ABM's 219<sup>th</sup> consecutive quarterly cash dividend.

### **Guidance**

Due to the extraordinary and evolving nature of the COVID-19 pandemic, it remains difficult for the Company to predict an accurate full year fiscal 2021 guidance outlook range. As such, the Company is providing a shorter-term outlook at this time. For the first quarter of fiscal 2021, the Company expects GAAP income from continuing operations of \$0.53 to \$0.58 per diluted share, and adjusted income from continuing operations of \$0.60 to \$0.65 per diluted share. This guidance outlook assumes COVID-19 will impact results for the first quarter of fiscal 2021 compared to the first quarter of fiscal 2020. Additionally, the Company expects its on-going operational and corporate investments will extend into fiscal 2021.

With the exception of the 2020 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.

Mr. Salmirs continued, "The COVID-19 pandemic continues to impact the operating environment and we anticipate conditions to remain uncertain in fiscal 2021. However, as our fiscal 2020 results demonstrated, our teams have proven their ability to respond to these unparalleled times and I am confident we will continue to be strong partners to our clients as they manage their future needs. In addition to navigating the evolving impacts of the pandemic, our approach to fiscal 2021 will be dedicated to pursuing key enablers for our business. Among them, we intend to develop our digital roadmap and move ahead with our technological transformation as we position ourselves for long-term success."

### **Conference Call Information**

ABM will host its quarterly conference call for all interested parties on Thursday, December 17, 2020 at 8:30 AM (ET). The live conference call can be accessed via audio webcast at the "Investors" section of the Company's website, located at [www.abm.com](http://www.abm.com), or by dialing (877) 451-6152 approximately 15 minutes prior to the scheduled time.

A supplemental presentation will accompany the webcast on the Company's website.

A replay will be available approximately two hours after the recording through December 31, 2020 and can be accessed by dialing (844) 512-2921 and then entering ID #13713551. An archive will also be available on the ABM website for 90 days.

### **ABOUT ABM**

ABM ([NYSE: ABM](http://NYSE:ABM)) is a leading provider of facility solutions with revenues of approximately \$6.0 billion and more than 100,000 employees in 350+ offices throughout the United States and various international locations. ABM's comprehensive capabilities include janitorial, electrical & lighting, energy solutions, facilities engineering, HVAC & mechanical, landscape & turf, mission critical solutions and parking, provided through stand-alone or integrated solutions. ABM provides custom facility solutions in urban, suburban and rural areas to properties of all sizes - from schools and commercial buildings to hospitals, data centers, manufacturing plants and airports. ABM Industries Incorporated, which operates through its subsidiaries, was founded in 1909. For more information, visit [www.abm.com](http://www.abm.com).

## Cautionary Statement under the Private Securities Litigation Reform Act of 1995

*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: 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 fourth quarter and twelve months of fiscal years October 31, 2020 and 2019. 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 of fiscal years 2020 and 2019. 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.)

### **Contact:**

Investor Relations & Treasury:

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## Financial Schedules

### ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

#### CONSOLIDATED INCOME STATEMENT INFORMATION (UNAUDITED)

<i>(in millions, except per share amounts)</i>	<b>Three Months Ended October 31,</b>		<b>Increase / (Decrease)</b>
	<b>2020</b>	<b>2019</b>	
<b>Revenues</b>	\$ 1,484.6	\$ 1,648.0	(9.9)%
Operating expenses	1,242.2	1,453.3	(14.5)%
Selling, general and administrative expenses	155.1	112.1	38.4%
Restructuring and related expenses	2.8	2.7	3.8%
Amortization of intangible assets	11.5	13.6	(16.0)%
<b>Operating profit</b>	<u>73.0</u>	<u>66.2</u>	10.2%
Income from unconsolidated affiliates	0.1	0.6	(76.9)%
Interest expense	(10.1)	(11.9)	(15.1)%
Income from continuing operations before income taxes	63.0	54.9	14.7%
Income tax provision	(9.9)	(6.8)	44.7%
Income from continuing operations	53.1	48.1	10.4%
Loss from discontinued operations	—	(0.1)	(95.3)%
<b>Net income</b>	<u><u>53.1</u></u>	<u><u>47.9</u></u>	10.7%
<b>Net income per common share — Basic</b>			
Income from continuing operations	\$ 0.79	\$ 0.72	9.7%
Income from discontinued operations	—	—	NM*
Net income	<u><u>\$ 0.79</u></u>	<u><u>\$ 0.72</u></u>	9.7%
<b>Net income per common share — Diluted</b>			
Income from continuing operations	\$ 0.78	\$ 0.71	9.9%
Income from discontinued operations	—	—	NM*
Net income	<u><u>\$ 0.78</u></u>	<u><u>\$ 0.71</u></u>	9.9%
<b>Weighted-average common and common equivalent shares outstanding</b>			
Basic	67.0	66.8	
Diluted	67.6	67.2	
<b>Dividends declared per common share</b>	\$ 0.185	\$ 0.180	

\* Not meaningful (due to variance greater than or equal to +/-100%)

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT INFORMATION (UNAUDITED)

<i>(in millions, except per share amounts)</i>	Years Ended October 31,		Increase / (Decrease)
	2020	2019	
<b>Revenues</b>	\$ 5,987.6	\$ 6,498.6	(7.9)%
Operating expenses	5,157.0	5,767.5	(10.6)%
Selling, general and administrative expenses	506.1	452.9	11.7%
Restructuring and related expenses	7.6	11.2	(32.2)%
Amortization of intangible assets	48.4	58.5	(17.3)%
Impairment loss	172.8	—	NM*
<b>Operating profit</b>	95.7	208.3	(54.0)%
Income from unconsolidated affiliates	2.2	3.0	(28.3)%
Interest expense	(44.6)	(51.1)	(12.8)%
Income from continuing operations before income taxes	53.3	160.2	(66.7)%
Income tax provision	(53.1)	(32.7)	62.5%
Income from continuing operations	0.2	127.5	(99.8)%
Income (loss) from discontinued operations, net of taxes	0.1	(0.1)	NM*
<b>Net income</b>	0.3	127.4	(99.8)%
<b>Net income per common share — Basic</b>			
Income from continuing operations	\$ —	\$ 1.92	NM*
Income from discontinued operations	—	—	NM*
Net income	—	1.91	NM*
<b>Net income per common share — Diluted</b>			
Income from continuing operations	\$ —	\$ 1.91	NM*
Income from discontinued operations	—	—	NM*
Net income	\$ —	\$ 1.90	NM*
<b>Weighted-average common and common equivalent shares outstanding</b>			
Basic	66.9	66.6	
Diluted	67.3	66.9	
<b>Dividends declared per common share</b>	\$ 0.740	\$ 0.720	

\* Not meaningful (due to variance greater than or equal to +/-100%)

**ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES**  
**SELECTED CONSOLIDATED CASH FLOW INFORMATION (UNAUDITED)**

<i>(in millions)</i>	<b>Three Months Ended October 31,</b>	
	<b>2020</b>	<b>2019</b>
Net cash provided by operating activities of continuing operations	\$ 198.7	\$ 148.8
Net cash used in operating activities of discontinued operations	—	(0.1)
<b>Net cash provided by operating activities</b>	<b>\$ 198.7</b>	<b>\$ 148.7</b>
Additions to property, plant and equipment	(9.1)	(15.2)
Other	(0.3)	1.0
<b>Net cash used in investing activities</b>	<b>\$ (9.4)</b>	<b>\$ (14.2)</b>
Taxes withheld from issuance of share-based compensation awards, net	(0.3)	(1.9)
Dividends paid	(12.3)	(12.0)
Borrowings from credit facility	6.5	536.0
Repayment of borrowings from credit facility	(38.6)	(659.7)
Changes in book cash overdrafts	9.8	(3.5)
Financing of energy savings performance contracts	9.6	3.1
Repayment of capital lease obligations	(0.8)	(0.4)
<b>Net cash used in financing activities</b>	<b>\$ (26.0)</b>	<b>\$ (138.4)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>1.5</b>	<b>1.9</b>

<i>(in millions)</i>	<b>Years Ended October 31,</b>	
	<b>2020</b>	<b>2019</b>
Net cash provided by operating activities of continuing operations	\$ 457.4	\$ 262.8
Net cash provided by (used in) operating activities of discontinued operations	0.1	(0.1)
<b>Net cash provided by operating activities</b>	<b>\$ 457.5</b>	<b>\$ 262.7</b>
Additions to property, plant and equipment	(38.0)	(59.6)
Other	10.5	1.3
<b>Net cash used in investing activities</b>	<b>\$ (27.5)</b>	<b>\$ (58.3)</b>
Taxes withheld from issuance of share-based compensation awards, net	(0.9)	(1.3)
Repurchases of common stock	(5.1)	—
Dividends paid	(49.3)	(47.7)
Deferred financing costs paid	(4.4)	—
Borrowings from credit facility	1,058.5	1,755.9
Repayment of borrowings from credit facility	(1,141.6)	(1,896.5)
Changes in book cash overdrafts	41.2	(0.2)
Financing of energy savings performance contracts	11.1	8.1
Repayment of capital lease obligations	(3.4)	(3.1)
<b>Net cash used in financing activities</b>	<b>\$ (94.1)</b>	<b>\$ (184.8)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(0.2)</b>	<b>(0.2)</b>

**ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEET INFORMATION (UNAUDITED)**

<i>(in millions)</i>	October 31,	
	2020	2019
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 394.2	\$ 58.5
Trade accounts receivable, net of allowances	854.2	1,013.2
Costs incurred in excess of amounts billed	52.2	72.6
Prepaid expenses	85.4	75.7
Other current assets	55.9	55.5
Total current assets	1,441.9	1,275.4
Other investments	11.1	14.0
Property, plant and equipment, net of accumulated depreciation	133.7	150.3
Right-of-use assets	143.1	—
Other intangible assets, net of accumulated amortization	239.7	297.2
Goodwill	1,671.4	1,835.4
Other noncurrent assets	136.1	120.3
<b>Total assets</b>	<b>\$ 3,776.9</b>	<b>\$ 3,692.6</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Current portion of long-term debt, net	\$ 116.7	\$ 57.2
Trade accounts payable	273.3	280.7
Accrued compensation	187.6	189.3
Accrued taxes—other than income	45.5	63.6
Insurance claims	155.2	149.8
Income taxes payable	6.2	3.5
Current portion of lease liabilities	35.0	—
Other accrued liabilities	167.3	158.2
Total current liabilities	986.9	902.4
Long-term debt, net	603.0	744.2
Long-term lease liabilities	131.4	—
Deferred income tax liability, net	10.8	47.7
Noncurrent insurance claims	366.3	365.2
Other noncurrent liabilities	168.1	78.8
Noncurrent income taxes payable	10.1	12.2
<b>Total liabilities</b>	2,276.6	2,150.6
Total stockholders' equity	1,500.3	1,542.0
<b>Total liabilities and stockholders' equity</b>	<b>\$ 3,776.9</b>	<b>\$ 3,692.6</b>

**ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES**  
**REVENUES AND OPERATING PROFIT BY SEGMENT (UNAUDITED)**

(\$ in millions)	Three Months Ended October 31,		Increase/(Decrease)
	2020	2019	
<b>Revenues</b>			
Business & Industry	\$ 794.3	\$ 806.9	(1.6)%
Technology & Manufacturing	245.2	229.7	6.7%
Education	212.2	213.8	(0.7)%
Aviation	141.0	251.5	(43.9)%
Technical Solutions	123.1	175.5	(29.8)%
Elimination of inter-segment revenues	(31.3)	(29.4)	(6.5)%
<b>Total revenues</b>	<u>\$ 1,484.6</u>	<u>\$ 1,648.0</u>	(9.9)%
<b>Operating profit (loss)</b>			
Business & Industry	84.7	51.1	65.7%
Technology & Manufacturing	23.5	18.1	30.3%
Education	15.1	5.6	NM*
Aviation	3.5	3.9	(10.1)%
Technical Solutions	(3.6)	20.1	NM*
Corporate	(49.2)	(31.9)	(54.1)%
Adjustment for income from unconsolidated affiliates, included in Aviation	(0.1)	(0.6)	76.9%
Adjustment for tax deductions for energy efficient government buildings, included in Technical Solutions	(0.9)	—	NM*
<b>Total operating profit</b>	<u>73.0</u>	<u>66.2</u>	10.2%
Income from unconsolidated affiliates	0.1	0.6	(76.9)%
Interest expense	(10.1)	(11.9)	(15.1)%
Income from continuing operations before income taxes	<u>63.0</u>	<u>54.9</u>	14.7%
Income tax provision	(9.9)	(6.8)	44.7%
Income from continuing operations	<u>53.1</u>	<u>48.1</u>	10.4%
Loss from discontinued operations	—	(0.1)	(95.3)%
<b>Net income</b>	<u>\$ 53.1</u>	<u>\$ 47.9</u>	10.7%

\* Not meaningful (due to variance greater than or equal to +/-100%)

**ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES**  
**REVENUES AND OPERATING PROFIT BY SEGMENT (UNAUDITED)**

(\$ in millions)	Years Ended October 31,		Increase/(Decrease)
	2020	2019	
<b>Revenues</b>			
Business & Industry	\$ 3,157.8	\$ 3,251.4	(2.9)%
Technology & Manufacturing	956.0	917.0	4.3%
Education	808.8	847.4	(4.6)%
Aviation	680.9	1,017.3	(33.1)%
Technical Solutions	506.6	593.2	(14.6)%
Elimination of inter-segment revenues	(122.4)	(127.7)	4.2%
<b>Total revenues</b>	<u>\$ 5,987.6</u>	<u>\$ 6,498.6</u>	(7.9)%
<b>Operating profit (loss)</b>			
Business & Industry	\$ 253.7	\$ 182.3	39.2%
Technology & Manufacturing	84.4	72.5	16.5%
Education (2020 includes \$99.3m impairment charge)	(41.1)	39.0	NM*
Aviation (2020 includes \$61.1m impairment charge)	(59.6)	21.1	NM*
Technical Solutions (2020 includes \$12.4m impairment charge)	9.5	55.4	(82.9)%
Government Services	(0.1)	(0.1)	NM*
Corporate	(146.9)	(159.0)	7.6%
Adjustment for income from unconsolidated affiliates, included in			
Aviation	(2.2)	(3.0)	27.4%
Adjustment for tax deductions for energy efficient government buildings, included in Technical Solutions	(2.1)	0.1	NM*
<b>Total operating profit</b>	<u>95.7</u>	<u>208.3</u>	(54.0)%
Income from unconsolidated affiliates	2.2	3.0	(28.3)%
Interest expense	(44.6)	(51.1)	(12.8)%
Income from continuing operations before income taxes	53.3	160.2	(66.7)%
Income tax provision	(53.1)	(32.7)	62.5%
Income from continuing operations	0.2	127.5	(99.8)%
Income (loss) from discontinued operations, net of taxes	0.1	(0.1)	NM*
<b>Net income</b>	<u>\$ 0.3</u>	<u>\$ 127.4</u>	(99.8)%

\* Not meaningful (due to variance greater than or equal to +/-100%)

**ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES**  
**RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)**

(\$ in millions, except per share amounts)

	Three Months Ended October 31,		Years Ended October 31,	
	2020	2019	2020	2019
<b>Reconciliation of Income from Continuing Operations to Adjusted Income from Continuing Operations</b>				
Income from continuing operations	\$ 53.1	\$ 48.1	\$ 0.2	\$ 127.5
Items impacting comparability <sup>(a)</sup>				
Prior year self-insurance adjustment <sup>(b)</sup>	(15.1)	(5.4)	(26.4)	(4.1)
Union pension settlement <sup>(c)</sup>	—	—	—	3.9
Other <sup>(d)</sup>	0.1	1.3	(0.7)	4.8
Restructuring and related <sup>(e)</sup>	2.8	2.7	7.6	11.2
Litigation and other settlements	8.3	1.5	14.2	4.8
Impairment loss	—	—	172.8	—
Total items impacting comparability	(3.9)	0.1	167.6	20.8
Income tax benefit <sup>(f) (g)</sup>	(2.5)	(3.5)	(4.3)	(11.1)
Items impacting comparability, net of taxes	(6.4)	(3.4)	163.3	9.7
Adjusted income from continuing operations	\$ 46.7	\$ 44.7	\$ 163.5	\$ 137.2

	Three Months Ended October 31,		Years Ended October 31,	
	2020	2019	2020	2019
<b>Reconciliation of Net Income to Adjusted EBITDA</b>				
Net income	\$ 53.1	\$ 47.9	\$ 0.3	\$ 127.4
Items impacting comparability	(3.9)	0.1	167.6	20.8
Loss (Income) from discontinued operations	—	0.1	(0.1)	0.1
Income tax provision	9.9	6.8	53.1	32.7
Interest expense	10.1	11.9	44.6	51.1
Depreciation and amortization	23.2	26.1	96.4	107.4
Adjusted EBITDA	\$ 92.5	\$ 93.0	\$ 361.9	\$ 339.5

	Three Months Ended October 31,		Years Ended October 31,	
	2020	2019	2020	2019
<b>Reconciliation of Income from Continuing Operations per Diluted Share to Adjusted Income from Continuing Operations per Diluted Share</b>				
Income from continuing operations per diluted share	\$ 0.78	\$ 0.71	\$ —	\$ 1.91
Items impacting comparability, net of taxes	(0.09)	(0.05)	2.43	0.14
Adjusted income from continuing operations per diluted share	\$ 0.69	\$ 0.66	\$ 2.43	\$ 2.05
Diluted shares	67.6	67.2	67.3	66.9

	Three Months Ended October 31,		Years Ended October 31,	
	2020	2019	2020	2019
<b>Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow</b>				
Net cash provided by operating activities	\$ 198.7	\$ 148.7	\$ 457.5	\$ 262.7
Additions to property, plant and equipment	(9.1)	(15.2)	(38.0)	(59.6)
Free Cash Flow	\$ 189.6	\$ 133.5	\$ 419.5	\$ 203.1

(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, 2020 and 2019, our self-insurance general liability, workers' compensation, automobile and medical and dental insurance claims related to prior period accident years was decreased by \$15.1M and by \$5.4M, respectively. For the years ended October 31, 2020 and 2019, the liability decreased by \$26.4M and by \$4.1M, respectively.

(c) The Company lost a client account where ABM employees assigned to the account participated in a defined-benefit multiemployer pension fund where contributions to the pension fund by ABM were limited to that single client account. As a result of losing the account, ABM anticipates receiving a withdrawal liability assessment pursuant to the Multiemployer Pension Plan Amendments Act of 1980. The estimated amount of the withdrawal liability is \$3.9M. In most cases, ABM's pension contributions are made pursuant to union agreements that cover multiple client accounts across specific geographic areas, such that the loss of single client accounts would not trigger this type of liability.

(d) Primarily represents one-time implementation costs related to the Company's transformational IT infrastructure projects and requirements associated with General Data Protection Regulation standards.

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

(f) 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 2020 and FY 2019. 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) QTD FY20 includes a \$3.6M tax credit related to the expiring statute of limitations. YTD FY20 includes a \$3.6M tax credit related to the expiring statute of limitations and a \$45.2M tax charge related to impairment of nondeductible goodwill. The QTD FY19 and YTD FY19 include credits of \$3.5M and \$5.3M, respectively, related to the expiring statute of limitations, a benefit from the transition tax and other one-time items.

## ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

### FIRST QUARTER 2021 GUIDANCE

<b>Reconciliation of Estimated Income from Continuing Operations per Diluted Share to Estimated Adjusted Income from Continuing Operations per Diluted Share</b>	<b>Quarter Ending January 31, 2021</b>	
	<b>Low Estimate</b>	<b>High Estimate</b>
Income from continuing operations per diluted share <sup>(a)</sup>	\$ 0.53	\$ 0.58
Adjustments <sup>(b)</sup>	0.07	0.07
<b>Adjusted Income from continuing operations per diluted share <sup>(a)</sup></b>	<b>\$ 0.60</b>	<b>\$ 0.65</b>

(a) With the exception of the 2020 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.





# Investor Presentation

FOURTH QUARTER 2020



# Agenda

1

Business Overview

2

Responding to COVID-19

3

Fourth Quarter and Full Year 2020 Review

4

Capital Structure

5

First Quarter 2021 Outlook

6

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>.

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# Business Overview



## Who We Are

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### 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 | +110,00 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



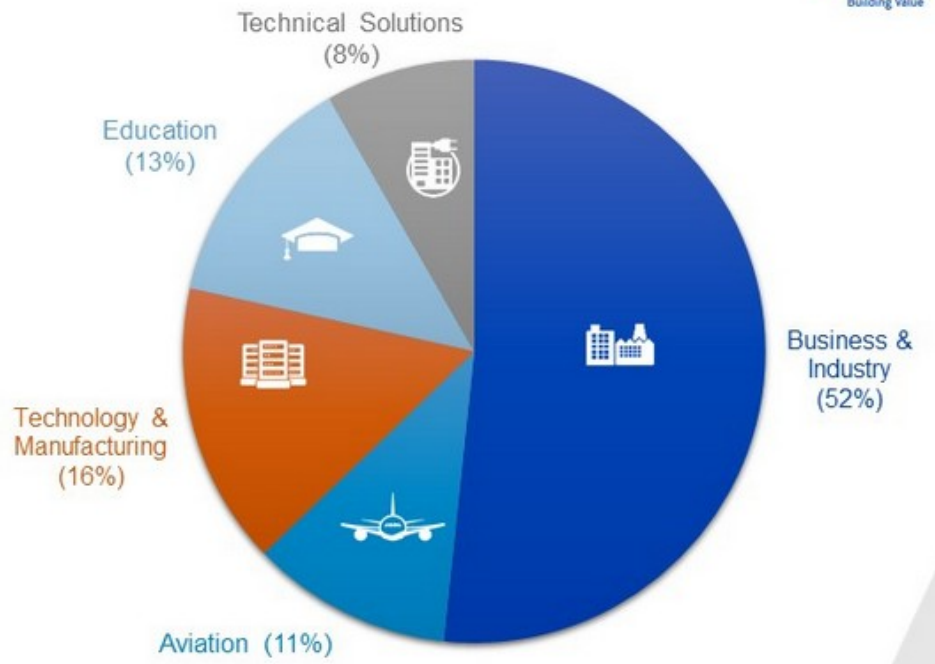
Education



Technology & Manufacturing



Technical Solutions



Results as of fiscal 2020.

# 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



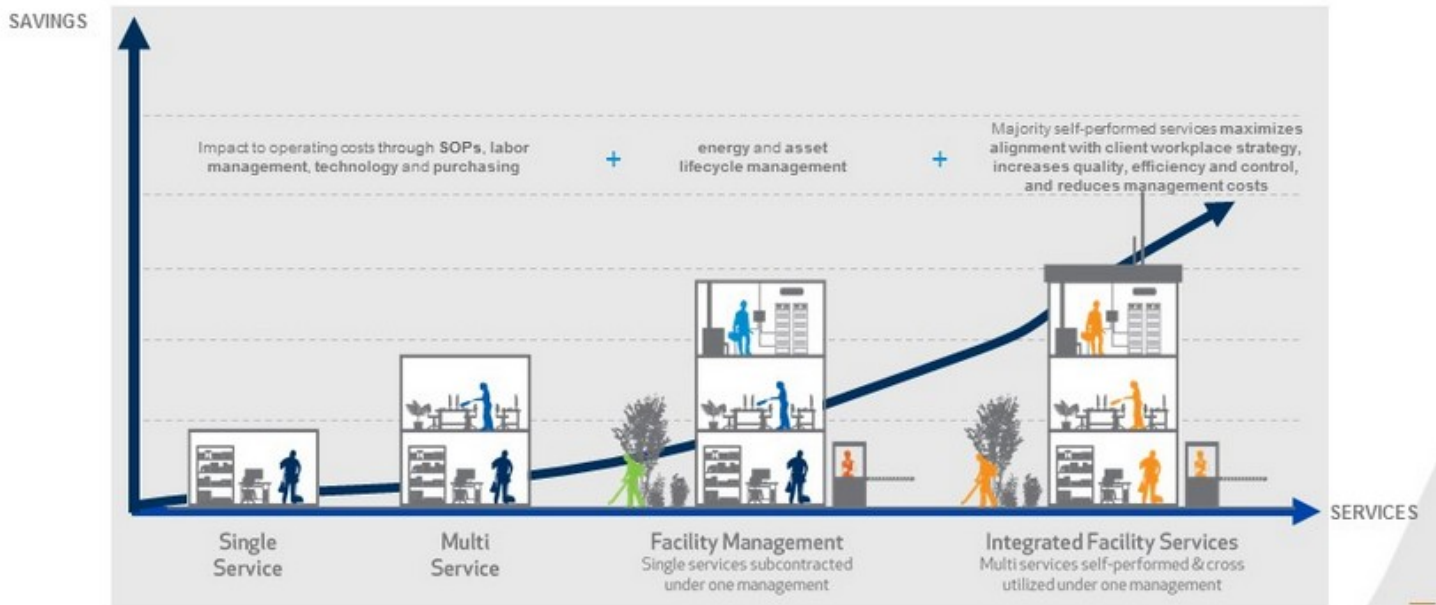
## Building Technical Administration

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



\$ Value = direct operational cost savings + increased client portfolio asset value + enhanced client workforce productivity

# 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 COVID-19  
world:**



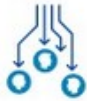
New and increased expectations for workspace and building cleanliness and sanitization



Rising demand for service volume and frequency



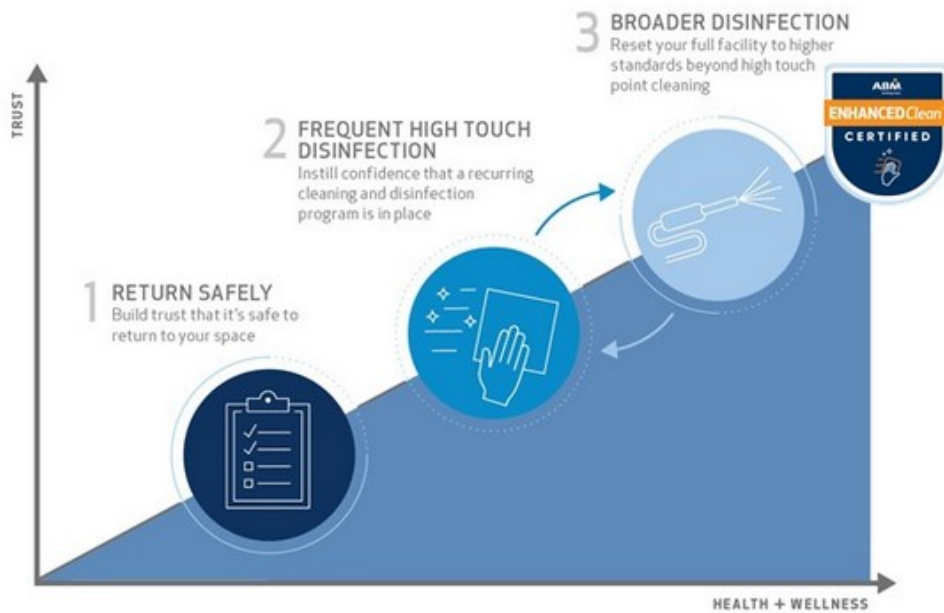
Focus on higher value-added services, such as EnhancedClean™, to meet new "hyper-vigilant" cleaning environment



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

# ABM EnhancedClean™

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







THREE STEP  
APPROACH

EXPERT ADVISORY  
COUNCIL

CERTIFICATION  
& TRAINING

DISINFECTANTS  
& SUPPLY CHAIN

VISIBLE REASSURANCE  
IN YOUR FACILITY

# EnhancedClean is *Safety Seen*

Safeguarding people and spaces demands a beyond-normal approach to cleaning and disinfecting.

[CONTACT US](#)

[WATCH VIDEO](#)



# Safety Seen

## IN OPEN SPACES

Safeguarding people and spaces demands a beyond-normal approach to cleaning and disinfecting that is visibly effective and backed by deep expertise and resources. Ask the country's largest employers and property managers why they trust ABM.

**ENHANCED** Clean™ 

# ▶ Safety Seen

## IN SMALL SPACES

Safeguarding people and spaces demands a beyond-normal approach to cleaning and disinfecting that is visibly effective and backed by deep expertise and resources. Ask the country's largest employers and property managers why they trust ABM.

**ENHANCEDClean™** 



▶ **Safety** **Seen**

**EVERYWHERE**

Safeguarding people and spaces demands a beyond-normal approach to cleaning and disinfecting that is visibly effective and backed by deep expertise and resources. Ask the country's largest employers and property managers why they trust ABM.

**ENHANCEDClean** 

## 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

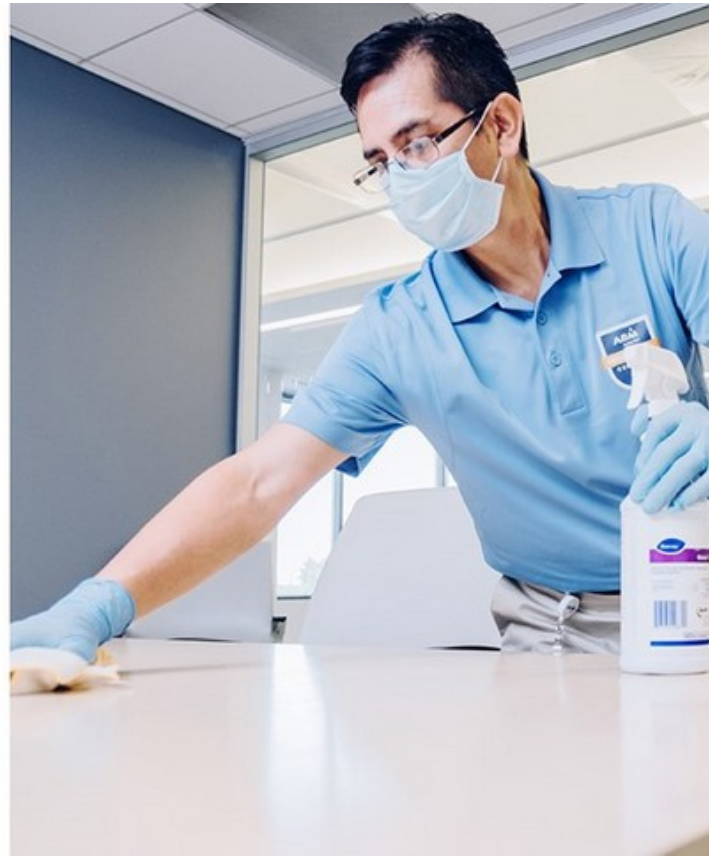
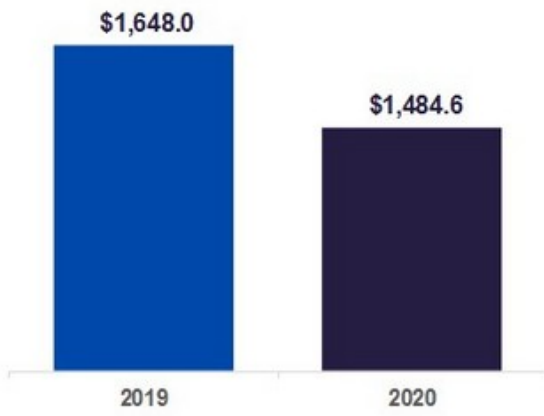
These advantages are core components of our market strength today and will continue to propel us into the future

# Fourth Quarter and Full Year 2020 Review



# Fourth Quarter 2020 Review

## Q4 FY20 Revenue



# Fourth Quarter 2020 Review

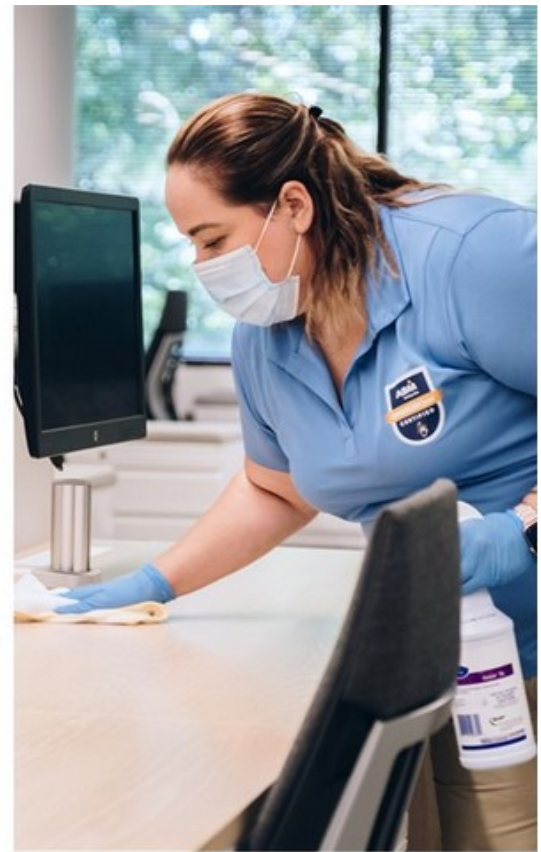
## Q4 FY20 Income from Continuing Operations



## Q4 FY20 Adj. Income from Continuing Operations<sup>1</sup>



<sup>1</sup> Please refer to the appendix for a reconciliation of GAAP to non-GAAP measures.

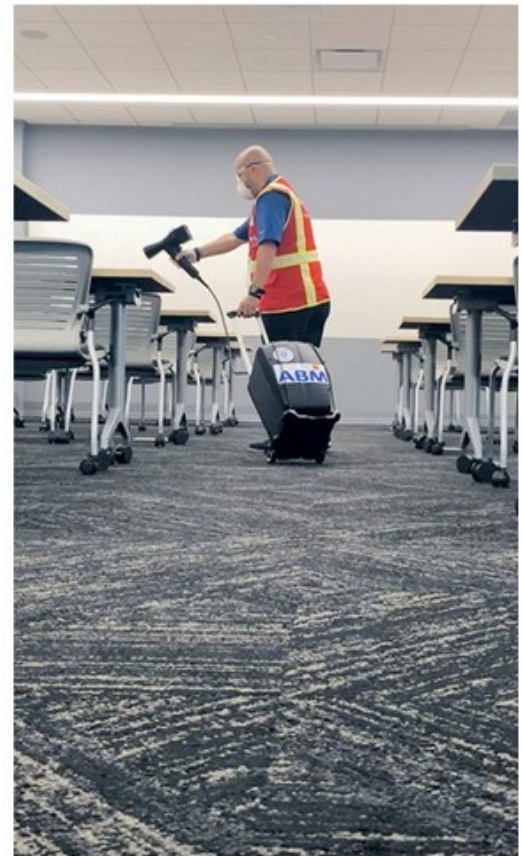




# Fourth Quarter 2020 Review



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



# Fourth Quarter 2020 Segment Results

## Business & Industry

- Revenues of \$794.3m vs. \$806.9m last year
- Operating profit of \$84.7m, operating margin of 10.7%

## Technology & Manufacturing

- Revenues of \$245.2m vs. \$229.7m last year
- Operating profit of \$23.5m, operating margin of 9.6%

## Education

- Revenues of \$212.2m vs. \$213.8m last year
- Operating profit of \$15.1m, operating margin of 7.1%

## Aviation

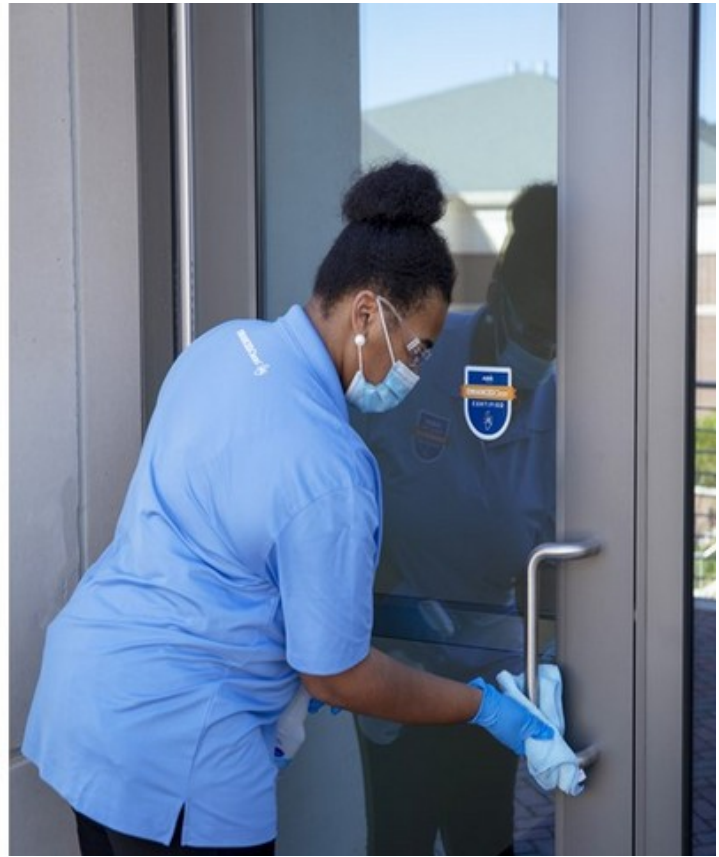
- Revenues of \$141.0m vs. \$251.5m last year
- Operating profit of \$3.5m, operating margin of 2.5%

## Technical Solutions

- Revenues of \$123.1m vs. \$175.5m last year
- Operating loss of \$3.6m, operating margin of -2.9%\*

\* Reflects a \$17.6m reserve on notes receivable related to a unique, entertainment-related project.

# Full Year 2020 Review



# Full Year 2020 Review



<sup>1</sup> FY 2020 includes pre-tax non-cash goodwill and intangible impairment charge of \$172.8 million, \$170.6 million after tax or \$2.54 per diluted share.  
<sup>2</sup> Please refer to the appendix for a reconciliation of GAAP to non-GAAP measures.



# Full Year 2020 Review



<sup>1</sup> FY 2020 includes pre-tax non-cash goodwill and intangible impairment charge of \$172.8 million, \$170.6 million after tax or \$2.54 per diluted share.  
<sup>2</sup> Please refer to the appendix for a reconciliation of GAAP to non-GAAP measures.



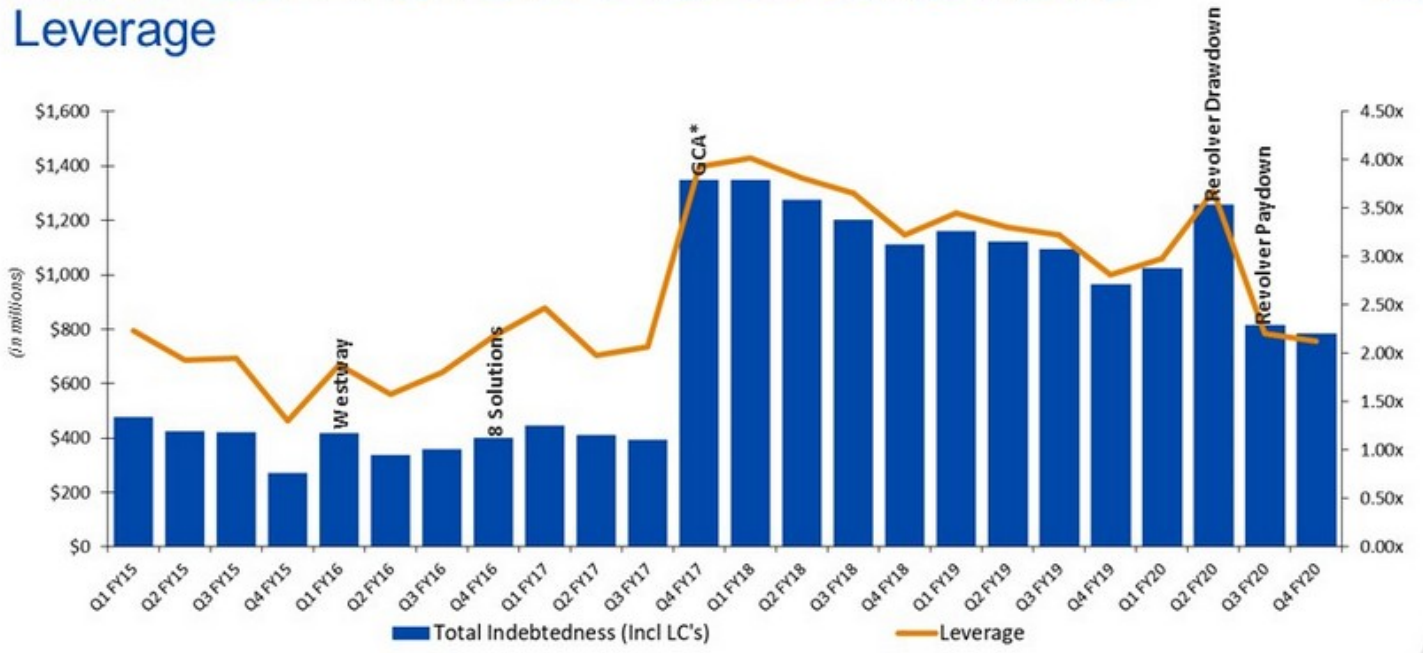
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# Capital Structure



# Select Cash Flow and Balance Sheet Items

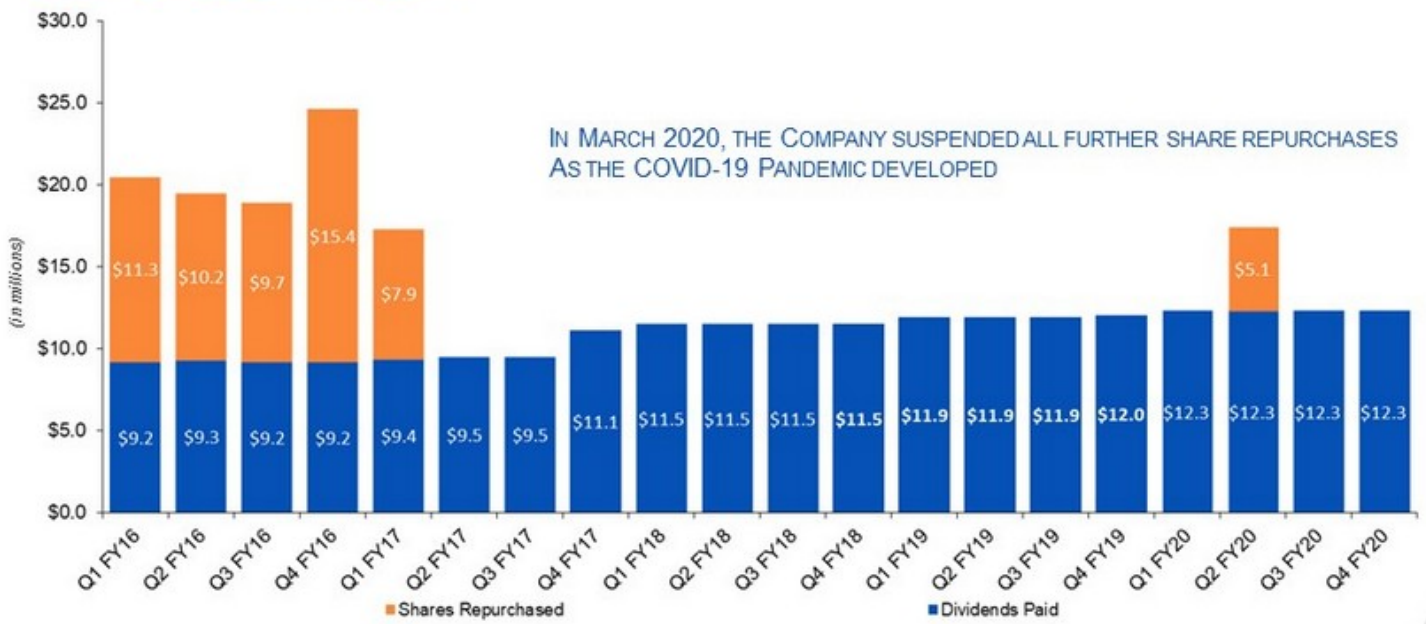
## Leverage



\*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 \$100mbank-defined pro-forma adjusted EBITDA

# Select Cash Flow and Balance Sheet Items

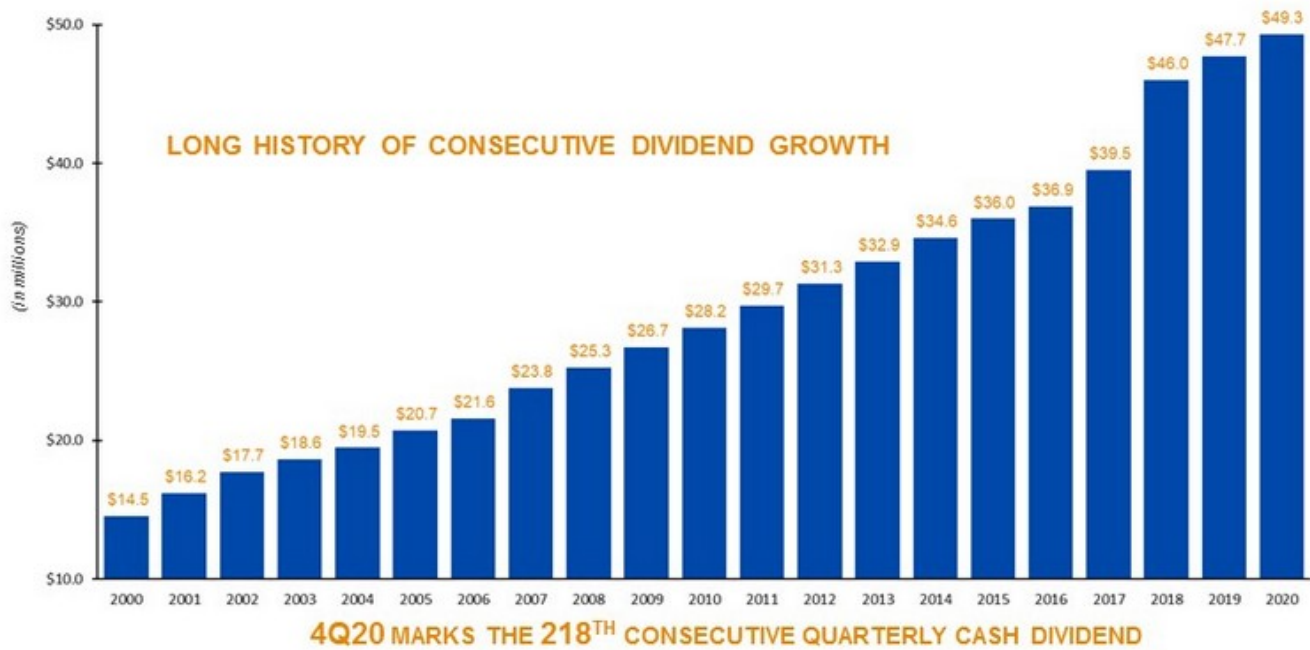
## Shareholder Return





# Select Cash Flow and Balance Sheet Items

## Annual Dividend



# First Quarter 2021 Outlook



# First Quarter 2021 Outlook

Metric	Amount
Income from continuing operations per diluted share <sup>1</sup>	\$0.53 - \$0.58
Adjusted Income from continuing operations per diluted share <sup>1,2</sup>	\$0.60 - \$0.65
Adjusted EBITDA Margin <sup>3</sup>	6.1% to 6.4%
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

<sup>1</sup> With the exception of the 2020 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.

<sup>2</sup> Please refer to the appendix for a reconciliation of GAAP to non-GAAP measures.

<sup>3</sup> 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.

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# 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 fourth quarter and twelve months of fiscal years October 31, 2020 and 2019. 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 of fiscal years 2020 and 2019. Adjusted EBITDA is among the indicators management uses as a basis for planning and forecasting future periods. 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)

	Three Months Ended October 31,		Years Ended October 31,	
	2020	2019	2020	2019
<b>Reconciliation of Income from Continuing Operations to Adjusted Income from Continuing Operations</b>				
Income from continuing operations	\$ 53.1	\$ 48.1	\$ 0.2	\$ 127.5
Items impacting comparability <sup>(a)</sup>				
Prior year self-insurance adjustment <sup>(b)</sup>	(15.1)	(5.4)	(26.4)	(4.1)
Union pension settlement <sup>(c)</sup>	—	—	—	3.9
Other <sup>(d)</sup>	0.1	1.3	(0.7)	4.8
Restructuring and related <sup>(e)</sup>	2.8	2.7	7.6	11.2
Litigation and other settlements	8.3	1.5	14.2	4.8
Impairment loss	—	—	172.8	—
Total items impacting comparability	(3.9)	0.1	167.6	20.8
Income tax benefit <sup>(f)</sup>	(2.5)	(3.5)	(4.3)	(11.1)
Items impacting comparability, net of taxes	(6.4)	(3.4)	163.3	9.7
Adjusted income from continuing operations	\$ 46.7	\$ 44.7	\$ 163.5	\$ 137.2

- (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, 2020 and 2019, our self-insurance general liability, workers' compensation, automobile and medical and dental insurance claims related to prior period accident years was decreased by \$15.1M and by \$5.4M, respectively. For the years ended October 31, 2020 and 2019, the liability decreased by \$26.4M and by \$4.1M, respectively.
- (c) The Company lost a client account where ABM employees assigned to the account participated in a defined-benefit multiemployer pension fund where contributions to the pension fund by ABM were limited to that single client account. As a result of losing the account, ABM anticipates receiving a withdrawal liability assessment pursuant to the Multiemployer Pension Plan Amendments Act of 1980. The estimated amount of the withdrawal liability is \$3.9M. In most cases, ABM's pension contributions are made pursuant to union agreements that cover multiple client accounts across specific geographic areas, such that the loss of single client accounts would not trigger this type of liability.
- (d) Primarily represents one-time implementation costs related to the Company's transformational IT infrastructure projects and requirements associated with General Data Protection Regulation standards.
- (e) Represents restructuring costs related to the continued integration of GCA acquisition in September 2017.
- (f) 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 2020 and FY 2019. 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) QTD FY20 includes a \$3.6M tax credit related to the expiring statute of limitations and a \$45.2M tax charge related to impairment of non-deductible goodwill. The QTD FY19 and YTD FY19 includes credits of \$3.5M and \$5.3M, respectively, related to the expiring statute of limitations, a benefit from the transition tax and other one-time items.

# Unaudited Reconciliation of Non-GAAP Financial Measures

(*\$ in millions, except per share amounts*)

	Three Months Ended October 31,		Years Ended October 31,	
	2020	2019	2020	2019
<b>Reconciliation of Net Income to Adjusted EBITDA</b>				
Net income	\$ 53.1	\$ 47.9	\$ 0.3	\$ 127.4
Items impacting comparability	(3.9)	0.1	167.6	20.8
Loss (Income) from discontinued operations	—	0.1	(0.1)	0.1
Income tax provision	9.9	6.8	53.1	32.7
Interest expense	10.1	11.9	44.6	51.1
Depreciation and amortization	23.2	26.1	96.4	107.4
Adjusted EBITDA	\$ 92.5	\$ 93.0	\$ 361.9	\$ 339.5

	Three Months Ended October 31,		Years Ended October 31,	
	2020	2019	2020	2019
<b>Reconciliation of Income from Continuing Operations per Diluted Share to Adjusted Income from Continuing Operations per Diluted Share</b>				
Income from continuing operations per diluted share	\$ 0.78	\$ 0.71	\$ —	\$ 1.91
Items impacting comparability, net of taxes	(0.09)	(0.05)	2.43	0.14
Adjusted income from continuing operations per diluted share	\$ 0.69	\$ 0.66	\$ 2.43	\$ 2.05
Diluted shares	67.6	67.2	67.3	66.9



# First 2021 Quarter Guidance



<b>Reconciliation of Estimated Income from Continuing Operations per Diluted Share to Estimated Adjusted Income from Continuing Operations per Diluted Share</b>	<b>Quarter Ending January 31, 2021</b>	
	<b>Low Estimate</b>	<b>High Estimate</b>
Income from continuing operations per diluted share <sup>(a)</sup>	\$ 0.53	\$ 0.58
Adjustments <sup>(b)</sup>	0.07	0.07
Adjusted Income from continuing operations per diluted share <sup>(a)</sup>	\$ 0.60	\$ 0.65

(a) With the exception of the 2020 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 years claims and other unique items including comparability.



## Contact Us

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