



Second Quarter 2026 Earnings Presentation

June 5, 2026

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 strategic initiatives, 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 may not realize the growth opportunities and synergies that are anticipated from the WGNSTAR acquisition; we manage our insurable risks through a combination of third-party purchased policies and self-insurance, and we retain a substantial portion of the risk associated with expected losses under these programs, which exposes us to volatility associated with those risks, including the possibility that changes in estimates to our ultimate insurance loss reserves could result in material charges against our earnings; our risk management and safety programs may not have the intended effect of reducing our liability for personal injury or property loss; 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 the first six months of fiscal years 2026 and 2025. 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 the first six months of fiscal years 2026 and 2025. Adjusted EBITDA is among the indicators management uses as a basis for planning and forecasting future periods. The Company also presents total segment operating profit, which is the sum of the segment operating profit of each of its segments, and total segment operating margin, defined as total segment operating profit divided by total revenue, because management believes they are useful as they represent the aggregate value of profit created by its segments and exclude items not directly related to the segments for performance evaluation purposes. 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.

Financial Results

- **Record Q2 revenue** of \$2.3B
 - 6.1% organic growth
 - 2.3% acquisition growth
- **Net income** of \$43.1M
- **Adjusted net income⁽¹⁾** of \$52.9M
- **Adjusted EBITDA⁽¹⁾** of \$131.7M
- **GAAP EPS** of \$0.73
- **Adjusted EPS⁽¹⁾** of \$0.90
- **Segment operating margin** of 7.3%

Demand Environment

- **B & I's** Prime office space markets largely stable
- **M&D** markets remain constructive, especially semiconductor
- Healthy air travel dynamics in **Aviation**
- **Education** remains solid
- Robust demand for microgrids, battery energy storage systems and HVAC services in **Technical Solutions**

Highlights

- **Healthy organic revenue growth**
- Sequential **segment margin improvement**
- **Cash flow from operations of \$66.2 million** and **free cash flow of \$22.4**, up significantly over prior year
- **Large new wins:**
 - **\$100M+** Microgrid project
 - **\$25M+** Detroit Public Schools
 - Expansions with multiple semiconductor and electronic equipment manufacturers

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



Business & Industry

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

\$1,016M

44%

Revenue
(% of Q2 2026
Total Company
Revenue)



Aviation

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

\$311M

14%



Manufacturing & Distribution

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

\$464M

20%



Education

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

\$232M

10%



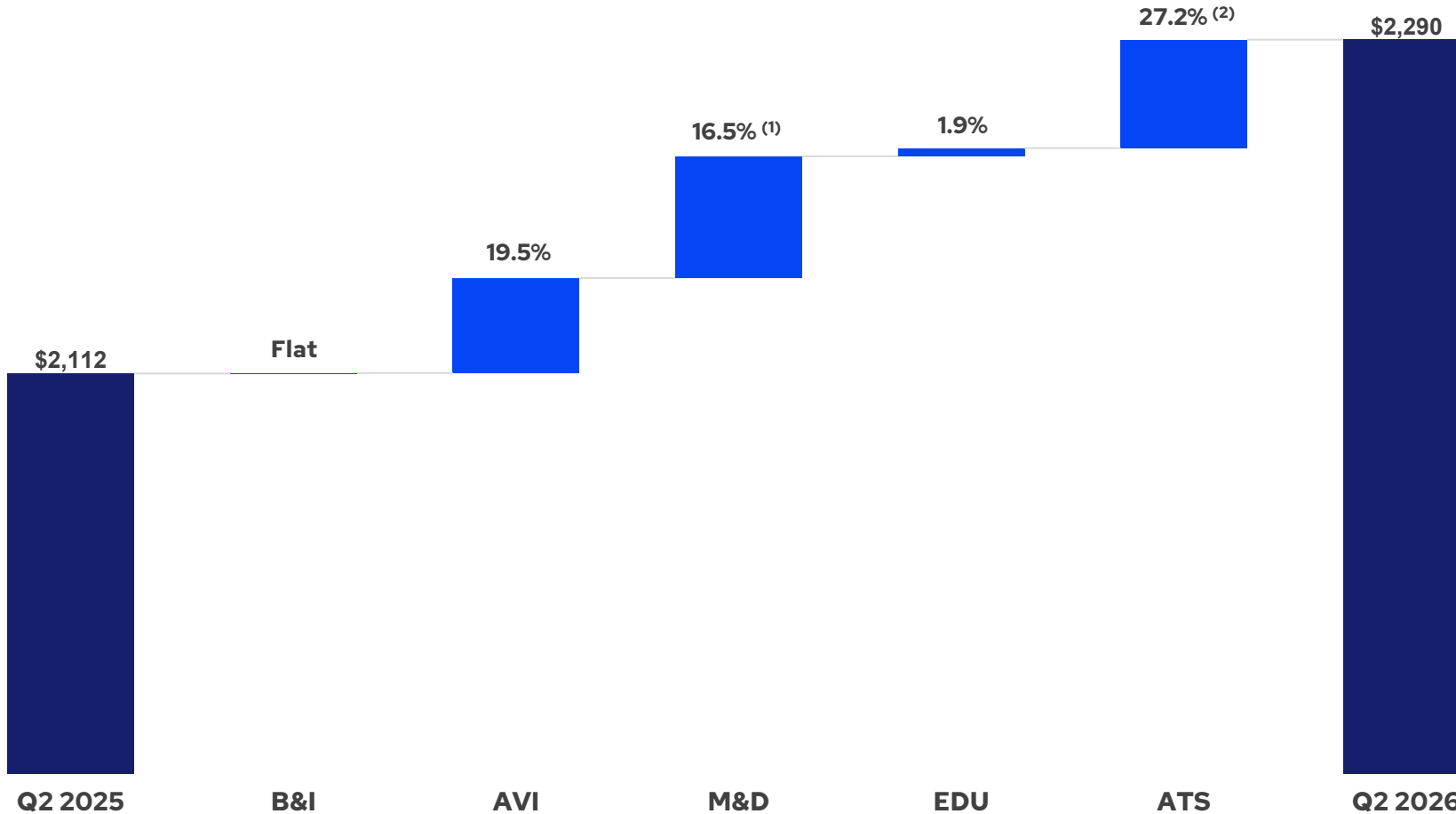
Technical Solutions

- Cleanroom services
- Downtime and data loss prevention
- Infrastructure maintenance
- Microgrids
- Battery energy storage systems
- Semiconductor support services

\$267M

12%

Segment Growth Rates



- Revenue of \$2.3B, up 8.4%
 - 6.1% organic growth
- ATS growth driven by strong battery energy storage system and HVAC activity
- Aviation growth reflects Heathrow win and strong domestic travel markets
- M&D growth driven by the WGNSTAR acquisition and recent wins in technology-related markets

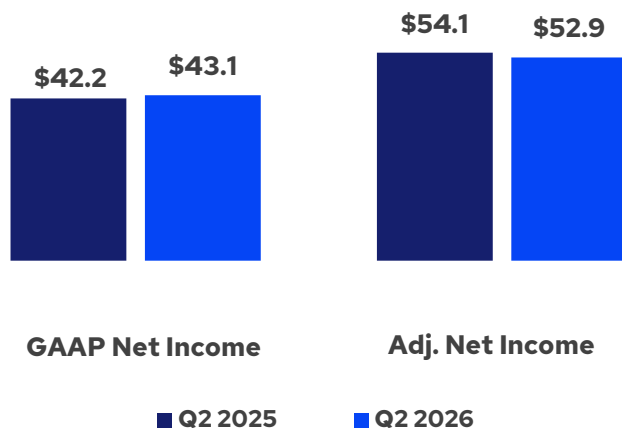
(1) Comprised of 7.3% organic revenue growth and 9.2% revenue growth from acquisitions
 (2) Comprised of 21.5% organic revenue growth and 5.7% revenue growth from acquisitions

Q2 2026 Profitability

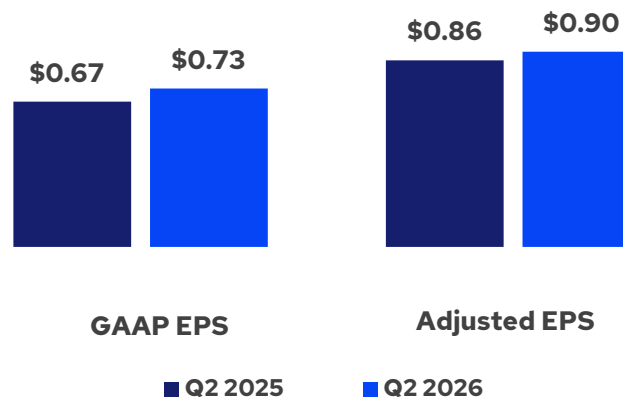


\$ in millions

NET INCOME ⁽¹⁾

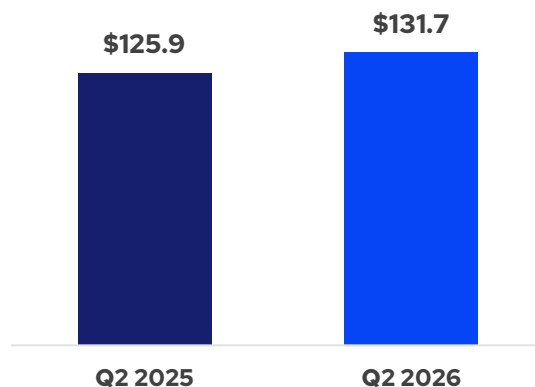


EARNINGS PER SHARE ⁽¹⁾

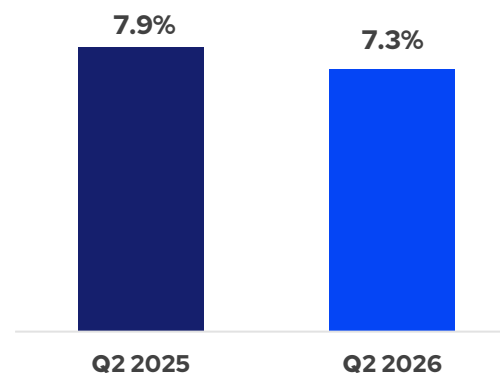


\$ in millions

ADJUSTED EBITDA ⁽¹⁾



SEGMENT OPERATING MARGIN



- Changes in GAAP net income and adjusted net income largely reflect higher interest and \$4M incremental amortization expense related to the WGNSTAR acquisition, offset by lower tax expense and reduced corporate costs.
- Increases in GAAP EPS and adjusted EPS were driven by ABM's recent share repurchase activities
- Adjusted EBITDA up 5%, primarily on higher operating profit
- Segment margin improves 20 basis sequentially. YoY results reflect the impact of mix of contracts that came online last year in M&D and B&I. Excluding incremental amortization, margin was 7.5%

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

Q2 2026 Segment Performance

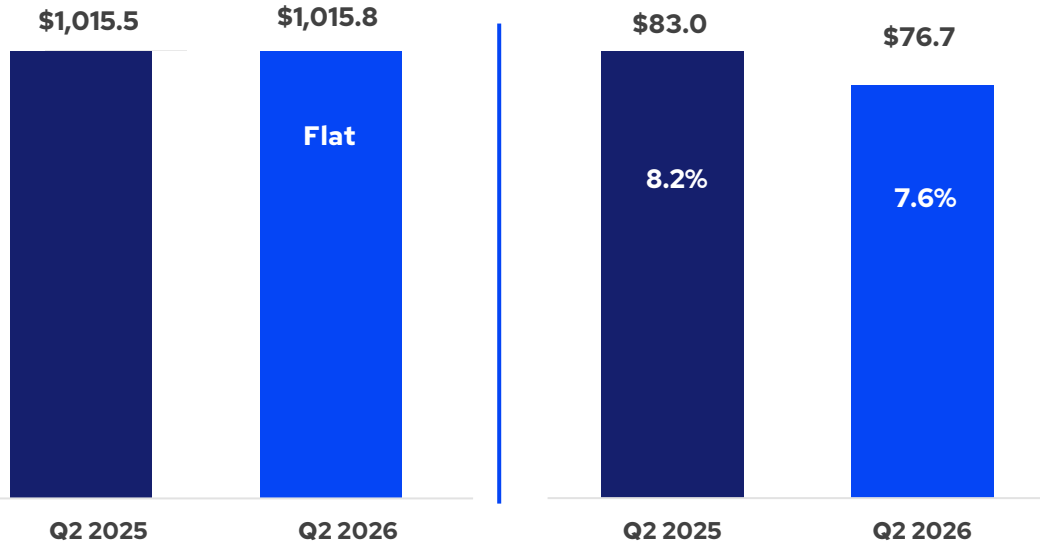
Business & Industry



Revenue

Operating Profit & Margin

\$ in millions



- Revenue results reflect strength in our UK markets, partially offset by the mid-quarter end of our Transport for London contract, and other client exits on the west coast which did not meet margin hurdle rates
- Profit and margin performance reflects shifts in contract mix

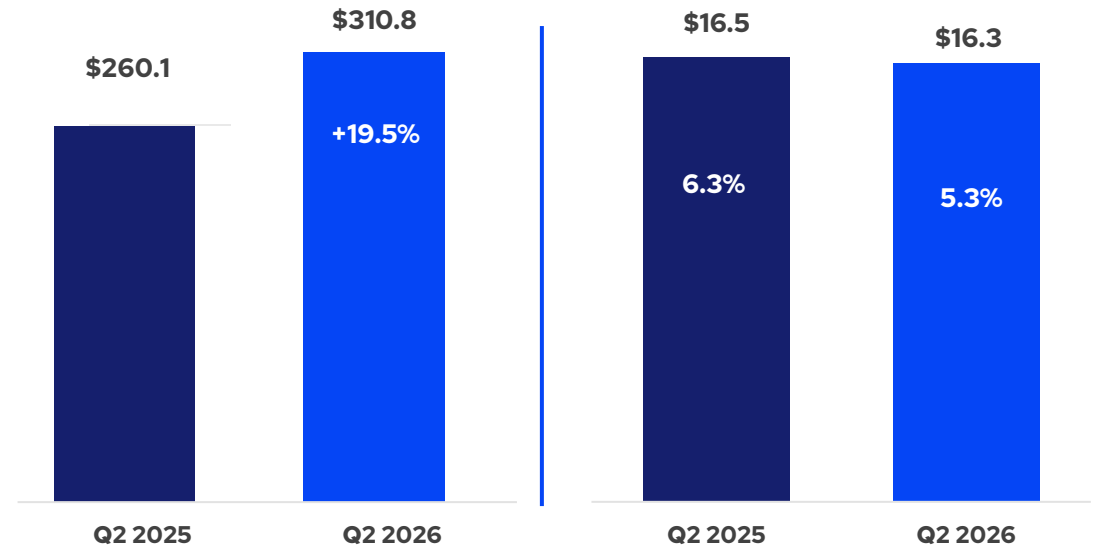
Aviation



Revenue

Operating Profit & Margin

\$ in millions



- Revenue growth driven by healthy domestic travel markets and the ramp of new clients, including Heathrow Airport
- Profit and margin results primarily reflect frictional costs from adverse weather and TSA inefficiencies early in Q2, as well as ramp up costs

Q2 2026 Segment Performance

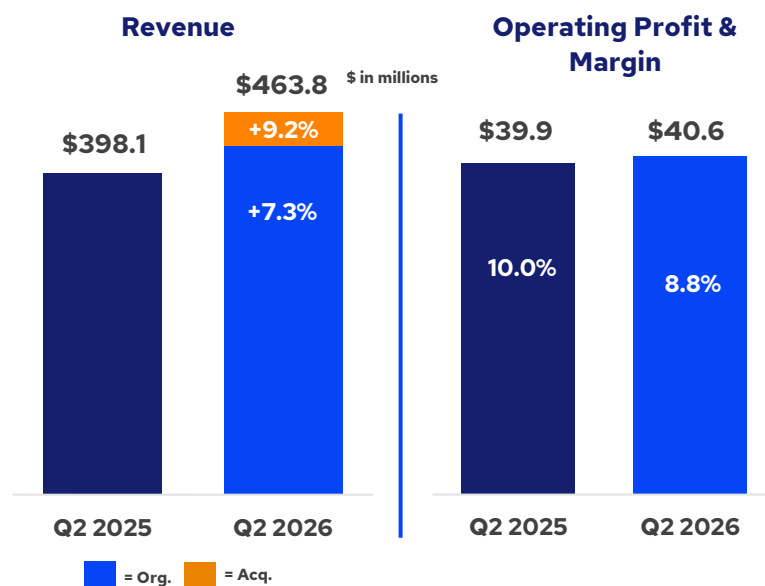
Manufacturing & Distribution



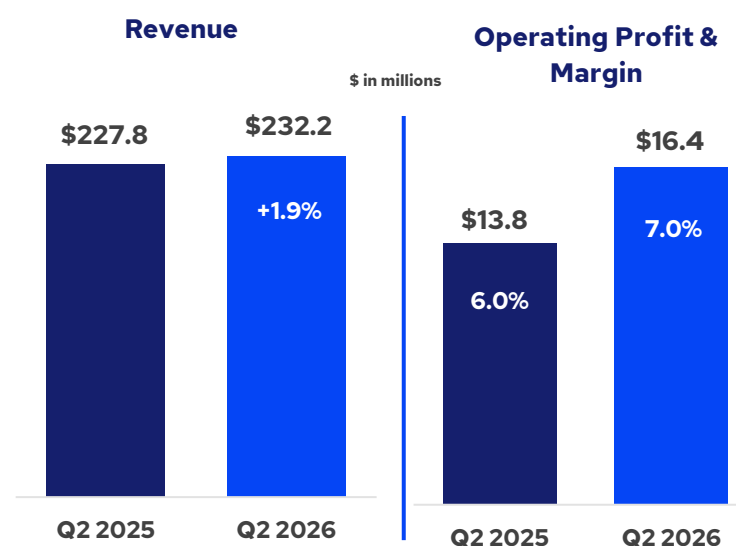
Education



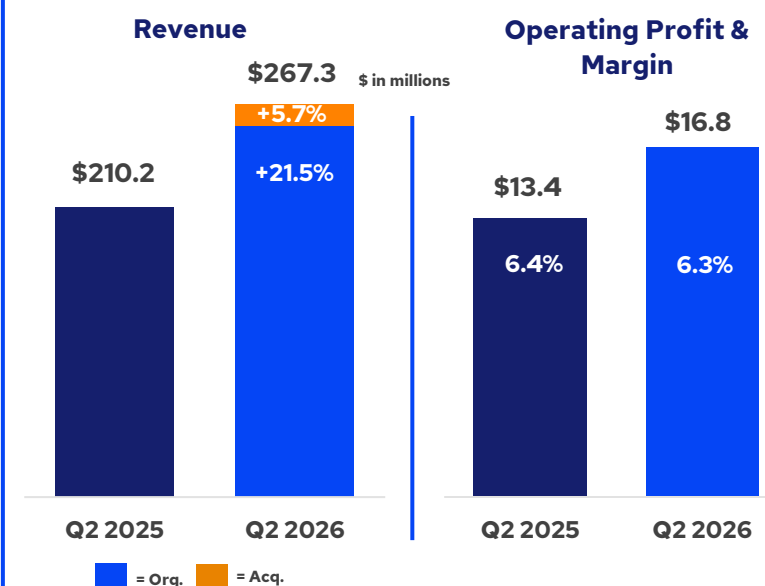
Technical Solutions



- Revenue growth driven by expansions, new wins and WGNSTAR
- Margin reflects business mix, including new clients brought on in Q3 2025. Results also include an additional \$4M in amortization expense for WGNSTAR



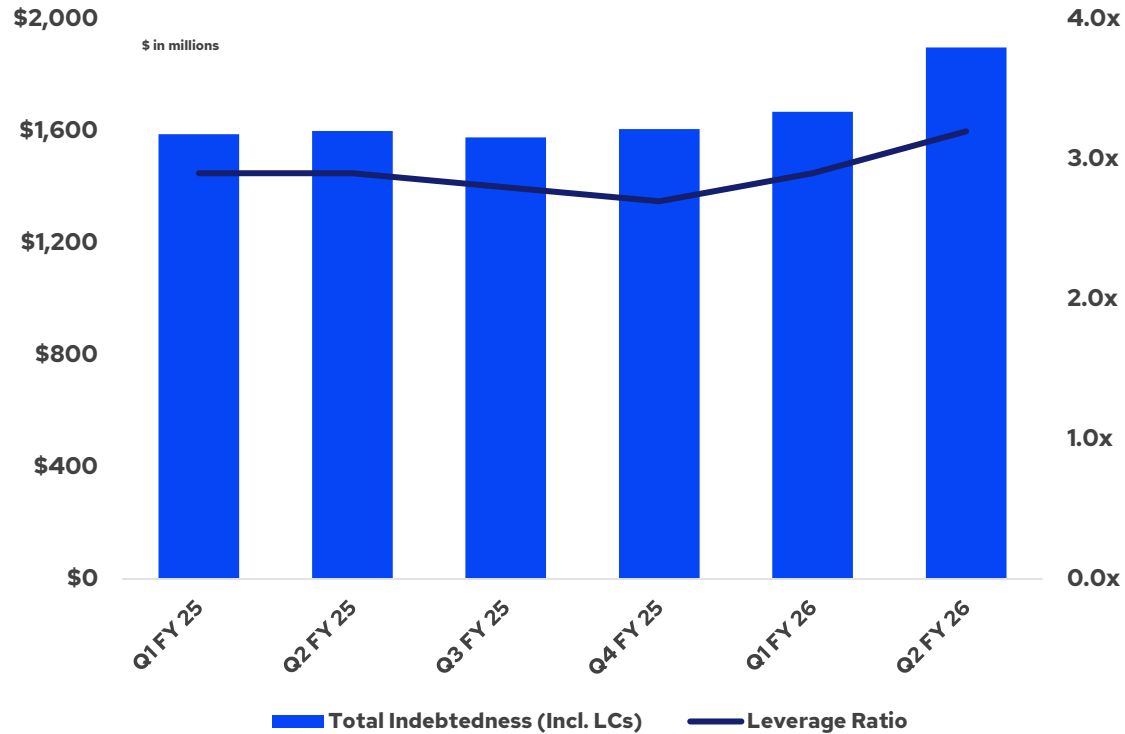
- Revenue growth driven by favorable net-pricing
- Profit and margin growth reflects strong execution, including labor efficiency and escalations



- Revenue growth reflects strong battery energy storage system, datacenter and HVAC project activity. Microgrid activity expected to begin ramping in Q3
- Profit growth driven by significantly higher volume, while margin reflects service mix

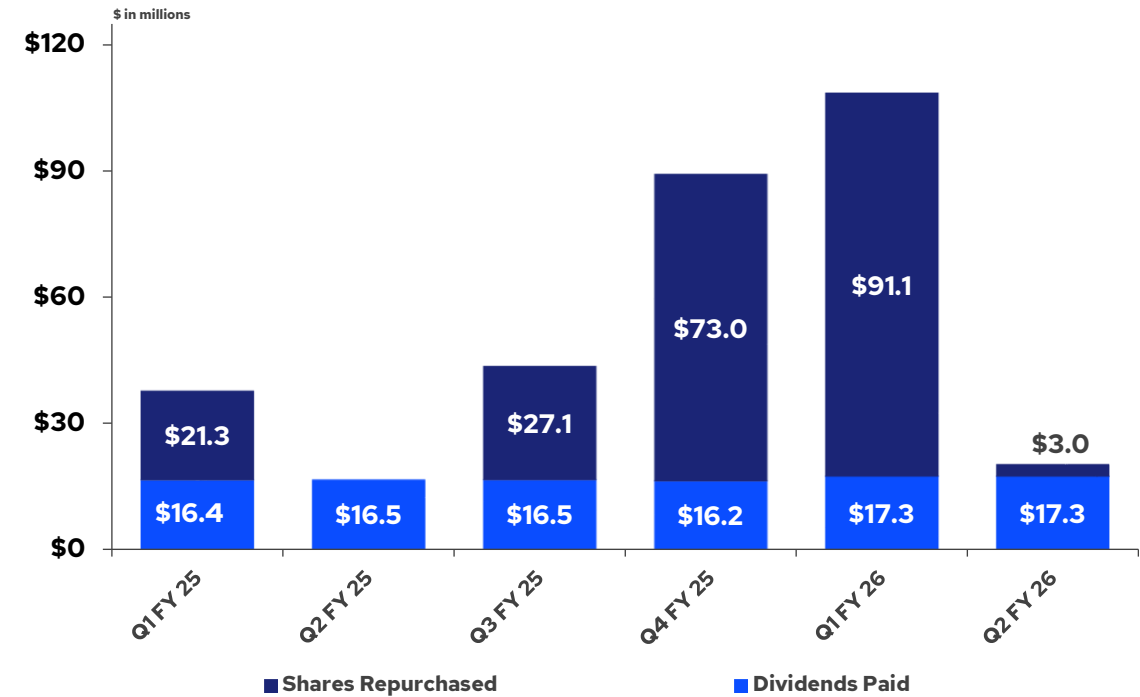
Q2 2026 Leverage & Shareholder Returns

Leverage



- Total indebtedness of \$1.9B in Q2 2026; Leverage at 3.2X
- Q2 free cash flow⁽¹⁾ of \$22.4M, up 47% over prior year
- Company expects to bring leverage below 3.0X by fiscal year-end

Shareholder Returns



- \$89M total capacity currently remaining under share repurchase authorization

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

Fiscal 2026 – Unchanged Adjusted EPS Outlook



Metric	Full Year Outlook	Comments
Organic revenue growth	3% - 4%	Toward high end
Total revenue growth	4% - 5%	Toward high end
Segment operating profit margin ⁽¹⁾	7.8% - 8.0%	Toward low end
Tax rate - excluding discrete tax items and impact of non-taxable items	29% - 30%	
Interest expense	≈ \$110M	Was \$95M - \$105M
Adjusted EPS ⁽²⁾	\$3.85 - \$4.15	

2026 Working Days				
Quarter	Q1	Q2	Q3	Q4
Days	65	64	66	65
Δ y-o-y	-1	+1	0	-1

(1) Segment operating margin defined as total operating profit minus corporate expenses, divided by total revenue

(2) When the company provides expectations for adjusted EPS 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

Appendix

Unaudited Reconciliation of Non-GAAP Financial Measures



\$ in millions

	Three Months Ended April 30,		Six Months Ended April 30,	
	2026	2025	2026	2025
Reconciliation of Net Income to Adjusted Net Income				
Net income	\$ 43.1	\$ 42.2	\$ 81.8	\$ 85.8
Items impacting comparability ^{(a)(b)}				
Restructuring and related ^(c)	3.1	—	6.8	—
Legal costs and other settlements	(0.3)	0.3	(0.3)	5.1
Acquisition and integration related costs ^(d)	5.5	3.4	8.2	6.8
Transformation initiative costs ^(e)	5.3	10.7	14.2	19.0
Other ^(f)	—	2.2	0.7	2.2
Total items impacting comparability	13.7	16.6	29.7	33.0
Income tax benefit ^(g)	(3.8)	(4.7)	(8.2)	(9.4)
Items impacting comparability, net of taxes	9.9	11.9	21.5	23.6
Adjusted net income	\$ 52.9	\$ 54.1	\$ 103.3	\$ 109.4

(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, and adjusted EBITDA, 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 second quarter 2026 and first six months of 2026 results and retroactively to all presented periods to ensure comparability.

(c) Represents costs associated with restructuring program to further streamline our operations and improve the efficiency of our support functions.

(d) Represents acquisition and integration related costs associated with recent acquisitions.

(e) 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.

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

(g) The Company's tax impact is calculated using the federal and state statutory rate of 27.72% and 28.11% for FY2026 and FY2025, respectively. We calculate tax from the underlying whole-dollar amounts, as a result, certain amounts may not recalculate based on reported numbers due to rounding.

Unaudited Reconciliation of Non-GAAP Financial Measures



\$ in millions, except per share amounts

	Three Months Ended April 30,		Six Months Ended April 30,	
	2026	2025	2026	2025
Reconciliation of Net Income to Adjusted EBITDA				
Net Income	\$ 43.1	\$ 42.2	\$ 81.8	\$ 85.8
Items impacting comparability	13.7	16.6	29.7	33.0
Income taxes provision	16.6	17.6	30.0	29.5
Interest expense	28.1	23.9	52.1	46.8
Depreciation and amortization	30.2	25.7	55.9	51.6
Adjusted EBITDA	\$ 131.7	\$ 125.9	\$ 249.5	\$ 246.6
Net Income margin as a % of revenues	1.9 %	2.0 %	1.8 %	2.0 %

	Three Months Ended April 30,		Six Months Ended April 30,	
	2026	2025	2026	2025
Reconciliation of Net Income per Diluted Share to Adjusted Net Income per Diluted Share				
Net income per diluted share	\$ 0.73	\$ 0.67	\$ 1.37	\$ 1.36
Items impacting comparability, net of taxes	0.17	\$ 0.19	0.36	0.37
Adjusted net income per diluted share	\$ 0.90	\$ 0.86	\$ 1.72	\$ 1.73
Diluted shares	59.1	62.9	59.9	63.1

Unaudited Reconciliation of Non-GAAP Financial Measures



\$ in millions

	Three Months Ended April 30,		Six Months Ended April 30,	
	2026	2025	2026	2025
Reconciliation of Net Cash Provided by (Used in) Operating Activities to Free Cash Flow				
Net cash provided by (used in) operating activities	\$ 66.2	\$ 32.3	\$ 128.2	\$ (73.9)
Additions to property, plant and equipment	(43.8)	(17.1)	(57.0)	(33.8)
Free cash flow	\$ 22.4	\$ 15.2	\$ 71.2	\$ (107.8)

Thank You

Get in touch with us

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ABM.com



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.