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

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FORM 8-K

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

Date of Report (Date of earliest event reported): June 8, 2016

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**ABM Industries Incorporated**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-8929**  
(Commission  
File Number)

**94-1369354**  
(IRS Employer  
Identification No.)

**551 Fifth Avenue, Suite 300**  
**New York, New York**  
(Address of principal executive offices)

**10176**  
(Zip Code)

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

N/A  
(Former name or former address, if changed since last report)

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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 (see General Instruction A.2. below):

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

On June 8, 2016, ABM Industries Incorporated (the "Company") issued a press release announcing financial results related to the second quarter of fiscal year 2016. A copy of the press release is attached as Exhibit 99.1, which is incorporated into this item by reference.

**Item 7.01. Regulation FD**

As disclosed in the press release attached as Exhibit 99.1, the Company will hold a live web cast on June 9, 2016 relating to the Company's financial results for the second quarter of fiscal year 2016. A copy of the slides to be presented at 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 June 8, 2016, the Company announced that the Board of Directors of the Company declared a quarterly dividend of \$0.165 per share, payable on August 1, 2016 to stockholders of record on July 7, 2016. A copy of the press release announcing the declaration of the dividend is attached as Exhibit 99.1, which is incorporated into this item by reference.

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

(c) Exhibits.

99.1 Press Release issued by ABM Industries Incorporated, dated June 8, 2016, announcing financial results related to the second quarter of fiscal year 2016 and the declaration of a dividend payable August 1, 2016 to stockholders of record on July 7, 2016.

99.2 Slides of ABM Industries Incorporated dated June 9, 2016.

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**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: June 8, 2016

By: /s/ Sarah H. McConnell  
Sarah H. McConnell  
Executive Vice President and  
General Counsel

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**EXHIBIT INDEX**

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- 99.2 Slides of ABM Industries Incorporated dated June 9, 2016.
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**ABM INDUSTRIES ANNOUNCES RESULTS FOR  
SECOND QUARTER FISCAL 2016**

*Revenue Increase of 6.9% to \$1.3 billion; Organic Growth of 4.0%*

*2020 Vision Implementation Continues*

*GAAP Continuing EPS of \$0.12; Adjusted Continuing EPS of \$0.31*

*Full Year Guidance Outlook Increased*

*Declaration of 201<sup>st</sup> Consecutive Quarterly Dividend*

New York, NY - June 8, 2016 - ABM (NYSE:ABM), a leading provider of facility solutions, today announced financial results for the second quarter of fiscal 2016.

(\$ in millions, except per share amounts) (unaudited)	Three Months Ended April 30,			Six Months Ended April 30,		
	2016	2015	Increase/ (Decrease)	2016	2015	Increase/ (Decrease)
Revenues	\$ 1,257.1	\$ 1,176.4	6.9%	\$ 2,525.5	\$ 2,370.9	6.5%
Operating profit	\$ 11.8	\$ 27.2	(56.7)%	\$ 25.4	\$ 44.0	(42.2)%
Income from continuing operations	\$ 6.8	\$ 16.0	(57.6)%	\$ 20.4	\$ 30.3	(32.6)%
Income from continuing operations per diluted share	\$ 0.12	\$ 0.28	(57.1)%	\$ 0.36	\$ 0.53	(32.1)%
Adjusted income from continuing operations	\$ 17.7	\$ 19.0	(6.7)%	\$ 39.3	\$ 37.2	5.7%
Adjusted income from continuing operations per diluted share	\$ 0.31	\$ 0.33	(6.1)%	\$ 0.69	\$ 0.65	6.2%
Net income	\$ 4.4	\$ 18.3	(76.1)%	\$ 18.4	\$ 36.0	(49.1)%
Net income per diluted share	\$ 0.08	\$ 0.32	(75.0)%	\$ 0.32	\$ 0.63	(49.2)%
Net cash provided by operating activities of continuing operations	\$ 86.7	\$ 66.6	30.2%	\$ 78.5	\$ 39.9	96.7%
Adjusted EBITDA	\$ 46.0	\$ 48.7	(5.5)%	\$ 89.7	\$ 87.5	2.6%
Adjusted EBITDA margin	3.7%	4.1%	(48) bps	3.6%	3.7%	(14) bps

This release refers to certain non-GAAP financial measures described as "Adjusted EBITDA", "Adjusted income from continuing operations," and "Adjusted income from continuing operations per diluted share". These adjustments have been made with the intent of providing financial measures that give management and investors a better 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.

## Second Quarter Performance

For the second quarter of fiscal 2016, revenues of approximately \$1.3 billion increased 6.9% compared to the second quarter of fiscal 2015. This was due primarily to strong organic growth within the Company's Janitorial segment driven by both increased Work Order (tag) sales and an increase in scope of work with existing accounts. Revenues also benefited from higher growth within the ABES (Technical Services) business. Organic revenue increased 4.0% compared to the second quarter of fiscal 2015.

On a GAAP basis, income from continuing operations was \$6.8 million, or \$0.12 per diluted share, compared to income from continuing operations of \$16.0 million, or \$0.28 per diluted share last year. Adjusted income from continuing operations for the second quarter of 2016 was \$17.7 million, or \$0.31 per diluted share, compared to \$19.0 million, or \$0.33 per diluted share for the second quarter of fiscal 2015. The decrease versus last year is attributable to higher insurance-related expenses, and one additional working day during the quarter. These expenses were partially offset by tag revenue within the Janitorial segment, higher revenue contribution from the ABES business, and the Company's 2020 Vision Savings initiatives.

Total net income for the second quarter of 2016 was \$4.4 million, or \$0.08 per diluted share, compared to net income of \$18.3 million, or \$0.32 per diluted share last year. Impacting total net income for the second quarter of 2016 was \$10.9 million related to certain corporate items impacting comparability primarily driven by restructuring and related charges and litigation and other settlements. A full reconciliation of items impacting comparability can be found in the "Reconciliation of Non-GAAP Financial Measures" table.

Adjusted EBITDA for the quarter was \$46.0 million compared to \$48.7 million in the second quarter of fiscal 2015 due to the aforementioned factors that impacted adjusted income from continuing operations. Adjusted EBITDA margin for the quarter was 3.7% versus 4.1% last year.

Scott Salmirs, President and Chief Executive Officer of ABM Industries, commented, "I am pleased with our financial performance despite the expected impact of insurance and one extra working day during the quarter. We successfully completed Phase I of our 2020 Vision transformation, and I am proud that we delivered on our goal of designing an organizational structure to support our 2020 Vision. Additionally, we are pleased to have delivered 2020 Vision savings at the high end of our projection for the first half of 2016. We are well on our way to achieving a run rate of \$40 million to \$50 million in operational efficiencies by the end of 2017."

Mr. Salmirs continued, "As we embark on the second phase of our 2020 Vision initiative, we are focused on developing the plans, tools and processes that will accelerate the impact of our new organizational structure and deliver EBITDA margin improvement."

## Operating Results

For the second quarter of fiscal 2016, revenues increased by \$80.7 million, or 6.9%, compared to the second quarter of fiscal 2015. This increase in revenues was attributable to organic growth stemming from tag sales and expansions of existing accounts within the Janitorial segment and Other (Air Serv) operations. Revenues were also driven by higher technical services revenues due to a strong backlog from the first quarter. In addition, acquisitions provided \$34.0 million of incremental revenues during the quarter primarily related to the Company's Westway acquisition in the United Kingdom, which is reflected in the Building & Energy Solutions segment.

Operating profit for the quarter was \$11.8 million compared to \$27.2 million in the second quarter of fiscal 2015. Higher revenues and better contract mix within the Janitorial segment and higher contribution from the ABES business partially offset the decline in operating profit for the second quarter of fiscal 2016. Operating profit was adversely impacted by higher insurance related expenses, one additional working day in the quarter, and certain corporate items impacting comparability (refer to Reconciliations of Non-GAAP Financial Measures).

### **Liquidity & Capital Structure**

The Company ended the quarter with total debt, including standby letters of credit, of \$336.5 million. Total debt to proforma adjusted EBITDA was approximately 1.6x.

During the quarter, the Company repurchased approximately 0.3 million shares of common stock for \$10.2 million. As of April 30, 2016, the Company had \$167.1 million of remaining buyback availability under the \$200.0 million share repurchase program.

In addition, the Company paid a quarterly cash dividend of \$0.165 per common share for a total distribution of \$9.3 million.

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

The Company also announced that the Board of Directors has declared a cash dividend of \$0.165 per common share for the third quarter of fiscal 2016 payable on August 1, 2016 to shareholders of record on July 7, 2016. This will be the Company's 201st consecutive quarterly cash dividend.

### **Fiscal 2016 Guidance**

The Company now expects GAAP income from continuing operations of \$1.07 to \$1.17 per diluted share for fiscal year 2016, or adjusted income from continuing operations of \$1.55 to \$1.65 per diluted share. This increased guidance is due to the benefit of timing associated with the 2020 Vision Initiative and other strategic project investments that have not yet occurred. This guidance excludes any potential benefits associated with certain discrete tax items that would impact the Company's effective tax rate.

### **Conference Call Information**

ABM will host its quarterly conference call for all interested parties on Thursday, June 9, 2016 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) 664-7395 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 June 17, 2016 and can be accessed by dialing (855) 859-2056 and then entering ID #13170692. 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 \$4.9 billion and over 100,000 employees in 300+ 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. Forward-looking statements are not based on historical facts but instead reflect the current expectations, estimates, or projections of ABM Industries Incorporated ("ABM"), and its subsidiaries (collectively referred to as "ABM," "we," "us," "our," or the "Company"), concerning future results or events. These statements generally can be identified by the use of forward-looking words or phrases, 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 inherently subject to known and unknown risks, uncertainties, and assumptions that are difficult to predict and could cause our actual results to differ materially from those indicated by these statements. We cannot assure you that any of our expectations, estimates, or projections will be achieved. Numerous factors could cause our actual results and events to differ materially from those expressed or implied by forward-looking statements. These factors include, but are not limited to the following: (1) changes to our businesses, operating structure, capital structure, or personnel relating to the implementation of our 2020 Vision strategic transformation initiative may not have the desired effects on our financial condition and results of operations; (2) high deductibles for certain insurable risks increases our exposure to volatility associated with those risks, including the possibility that: (i) our risk management and safety programs may not have the intended effect of reducing our insurance costs for casualty programs, and (ii) our insurance reserves may need to be materially adjusted from time to time; (3) the success of our business depends on our ability to preserve our long-term relationships with clients; (4) the success of our business depends on retaining senior management and attracting and retaining qualified personnel; (5) risks related to our acquisition strategy could have a negative impact on our results of operations; (6) intense competition could constrain our ability to gain business and reduce our profitability; (7) increases in costs that we cannot pass through to clients could negatively affect our profitability; (8) negative or unexpected tax consequences could adversely affect our results of operations; (9) expected benefits from our captive insurance company may not be achieved; (10) losses stemming from accidents or other incidents at facilities in which we operate could cause significant damage to our reputation and financial loss; (11) changes in energy prices and government regulations could adversely impact the results of operations of our Building & Energy Solutions business; (12) significant delays or reductions in appropriations for our government contracts may negatively affect our business and could have an adverse effect on our financial position, results of operations, and cash flows; (13) the failure of our joint venture partners to perform their obligations may negatively impact our ability to do business; (14) federal health care reform legislation may adversely affect our business and results of operations; (15) adverse weather conditions may negatively affect our business; (16) centralization of certain administrative functions could increase our exposure to business continuity risks; (17) cyber-security breaches, information technology interruptions, or data losses could expose us to risks; (18) services in areas of military conflict expose us to additional risks; (19) a decline in commercial office building occupancy and rental rates could reduce our revenues and profitability; (20) deterioration in general economic conditions could reduce the demand for facility services and, as a result, reduce our earnings and adversely affect our financial condition; (21) financial difficulties or bankruptcy of one or more of our clients could adversely affect our operating results; (22) future increases in the level of our debt or in interest rates could affect adversely our results of operations; (23) the ability to fund our operations and pay our debt obligations depends upon our access to cash; (24) goodwill impairment charges could have a material adverse effect on our financial condition and results of operations; (25) impairment of long-lived assets may adversely affect our operating results; (26) class and representative actions and other lawsuits alleging various claims could cause us to incur substantial liabilities; (27) changes in immigration laws or enforcement actions or investigations under such laws could significantly adversely affect our labor force, operations, and financial results; (28) labor disputes could lead to loss of revenues or expense variations; (29) participation in multiemployer pension plans could cause us to incur material liabilities; (30) actions of activist investors could be disruptive, costly, and cause uncertainty about the strategic direction of our business; and (31) disasters or acts of terrorism could disrupt services. The list of factors above is illustrative and by no means exhaustive. Additional information regarding these and other risks and uncertainties we face is contained in our Annual Report on Form 10-K for the year ended October 31, 2015 and in other reports we file from time to time with the Securities and Exchange Commission (including all amendments to those reports). 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 as adjusted for items impacting comparability, for the second quarter of fiscal years 2016 and 2015. 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 marketplace performance. In addition, the Company has presented earnings before income from discontinued operations, net of income tax benefit, interest, taxes, depreciation and*



amortization and excluding items impacting comparability (adjusted EBITDA) for the second quarter of fiscal years 2016 and 2015. 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.)

**Contact:**

Investors Relations:

Susie Choi  
(212) 297-9721  
[susie.choi@abm.com](mailto:susie.choi@abm.com)

Media:

Chas Strong  
(770) 953-5072  
[chas.strong@abm.com](mailto:chas.strong@abm.com)

## Financial Schedules

### ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

#### CONSOLIDATED INCOME STATEMENT INFORMATION (UNAUDITED)

	Three Months Ended April 30,		Increase / (Decrease)
	2016	2015	
<i>(\$ in millions, except per share amounts)</i>			
<b>Revenues</b>	\$ 1,257.1	\$ 1,176.4	6.9%
<b>Expenses</b>			
Operating	1,132.4	1,052.6	7.6%
Selling, general and administrative	97.5	90.6	7.7%
Restructuring and related	8.8	—	100.0%
Amortization of intangible assets	6.6	6.0	11.1%
Total expenses	1,245.3	1,149.2	8.4%
Operating profit	11.8	27.2	(56.7)%
Income from unconsolidated affiliates, net	0.9	2.2	(59.6)%
Interest expense	(2.4)	(2.5)	(5.1)%
Income from continuing operations before income taxes	10.3	26.9	(61.7)%
Income tax provision	(3.5)	(10.9)	(67.8)%
Income from continuing operations	6.8	16.0	(57.6)%
Net (loss) income from discontinued operations	(2.4)	2.3	NM*
<b>Net income</b>	\$ 4.4	\$ 18.3	(76.1)%
<b>Net income per common share — basic</b>			
Income from continuing operations	\$ 0.12	\$ 0.28	(57.1)%
(Loss) income from discontinued operations	(0.04)	0.04	NM*
Net income	\$ 0.08	\$ 0.32	(75.0)%
<b>Net income per common share — diluted</b>			
Income from continuing operations	\$ 0.12	\$ 0.28	(57.1)%
(Loss) income from discontinued operations	(0.04)	0.04	NM*
Net Income	\$ 0.08	\$ 0.32	(75.0)%
<b>Weighted-average common and common equivalent shares outstanding</b>			
Basic	56.4	56.8	
Diluted	56.9	57.6	
<b>Dividends declared per common share</b>	\$ 0.165	\$ 0.160	

\* Not meaningful

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT INFORMATION (UNAUDITED)

	Six Months Ended April 30,		Increase / (Decrease)
	2016	2015	
<i>(\$ in millions, except per share amounts)</i>			
<b>Revenues</b>	\$ 2,525.5	\$ 2,370.9	6.5%
<b>Expenses</b>			
Operating	2,278.7	2,125.6	7.2%
Selling, general and administrative	192.4	189.3	1.6%
Restructuring and related	16.0	—	100.0%
Amortization of intangible assets	13.0	12.0	8.1%
Total expenses	2,500.1	2,326.9	7.4%
Operating profit	25.4	44.0	(42.2)%
Income from unconsolidated affiliates, net	3.3	3.7	(11.3)%
Interest expense	(5.1)	(5.2)	(2.4)%
Income from continuing operations before income taxes	23.6	42.5	(44.4)%
Income tax provision	(3.2)	(12.2)	(73.7)%
Income from continuing operations	20.4	30.3	(32.6)%
Net (loss) income from discontinued operations	(2.0)	5.7	NM*
<b>Net income</b>	\$ 18.4	\$ 36.0	(49.1)%
<b>Net income per common share — basic</b>			
Income from continuing operations	\$ 0.36	\$ 0.54	(33.3)%
(Loss) income from discontinued operations	(0.04)	0.10	NM*
Net income	\$ 0.32	\$ 0.64	(50.0)%
<b>Net income per common share — diluted</b>			
Income from continuing operations	\$ 0.36	\$ 0.53	(32.1)%
(Loss) income from discontinued operations	(0.04)	0.10	NM*
Net Income	\$ 0.32	\$ 0.63	(49.2)%
<b>Weighted-average common and common equivalent shares outstanding</b>			
Basic	56.5	56.6	
Diluted	57.0	57.4	
<b>Dividends declared per common share</b>	\$ 0.330	\$ 0.320	

\* Not meaningful

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

SELECTED CONSOLIDATED CASH FLOW INFORMATION (UNAUDITED)

	Three Months Ended April 30,	
	2016	2015
<i>(in millions)</i>		
Net cash provided by operating activities of continuing operations	\$ 86.7	\$ 66.6
Net cash provided by operating activities of discontinued operations	0.7	4.8
<b>Net cash provided by operating activities</b>	<b>\$ 87.4</b>	<b>\$ 71.4</b>
Purchase of businesses, net of cash acquired	\$ —	\$ (4.4)
Other	(3.7)	(5.8)
Net cash used in investing activities of continuing operations	(3.7)	(10.2)
Net cash used in investing activities of discontinued operations	(3.1)	(0.1)
<b>Net cash used in investing activities</b>	<b>\$ (6.8)</b>	<b>\$ (10.3)</b>
Proceeds from issuance of share-based compensation awards, net of taxes withheld	\$ 4.0	\$ 8.6
Incremental tax benefit from share-based compensation awards	—	0.9
Repurchases of common stock	(10.2)	(7.9)
Dividends paid	(9.3)	(9.0)
Borrowings from line of credit	237.0	230.6
Repayment of borrowings from line of credit	(314.8)	(286.1)
Financing of energy savings performance contracts	6.0	—
Changes in book cash overdrafts	(3.2)	(5.9)
Repayment of capital lease obligations	(0.3)	(0.7)
<b>Net cash used in financing activities</b>	<b>\$ (90.8)</b>	<b>\$ (69.5)</b>

	Six Months Ended April 30,	
	2016	2015
<i>(in millions)</i>		
Net cash provided by operating activities of continuing operations	\$ 78.5	\$ 39.9
Net cash used in operating activities of discontinued operations	(22.5)	(0.9)
<b>Net cash provided by operating activities</b>	<b>\$ 56.0</b>	<b>\$ 39.0</b>
Purchase of businesses, net of cash acquired	\$ (81.0)	\$ (4.2)
Other	(10.3)	(9.6)
Net cash used in investing activities of continuing operations	(91.3)	(13.8)
Net cash used in investing activities of discontinued operations	(3.1)	(0.1)
<b>Net cash used in investing activities</b>	<b>\$ (94.4)</b>	<b>\$ (13.9)</b>
Proceeds from issuance of share-based compensation awards, net of taxes withheld	\$ 2.6	\$ 13.5
Incremental tax benefit from share-based compensation awards	0.5	1.2
Repurchases of common stock	(21.5)	(7.9)
Dividends paid	(18.5)	(17.9)
Deferred financing costs paid	(0.1)	(0.3)
Borrowings from line of credit	536.6	457.3
Repayment of borrowings from line of credit	(485.7)	(470.1)
Financing of energy savings performance contracts	10.5	—
Changes in book cash overdrafts	4.8	(5.9)
Repayment of capital lease obligations	(0.6)	(1.3)
<b>Net cash provided by (used in) financing activities</b>	<b>\$ 28.6</b>	<b>\$ (31.4)</b>

**ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED BALANCE SHEET INFORMATION (UNAUDITED)**

<i>(in millions)</i>	April 30, 2016	October 31, 2015
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 45.7	\$ 55.5
Trade accounts receivable, net of allowances	736.7	742.9
Prepaid expenses	95.9	68.6
Other current assets	25.1	27.0
Total current assets	903.4	894.0
Other investments		
Property, plant and equipment, net of accumulated depreciation	29.5	35.7
Other intangible assets, net of accumulated amortization	73.4	74.0
Goodwill	124.3	111.4
Deferred income tax asset, net	912.5	867.5
Other noncurrent assets	26.5	34.1
Total assets	\$ 2,184.5	\$ 2,130.7
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities		
Trade accounts payable	\$ 178.2	\$ 179.1
Accrued compensation	117.1	128.8
Accrued taxes—other than income	35.7	31.6
Insurance claims	90.3	90.0
Income taxes payable	0.6	8.9
Other accrued liabilities	146.3	129.8
Total current liabilities	568.2	568.2
Noncurrent income taxes payable		
Line of credit	54.7	53.2
Noncurrent insurance claims	208.9	158.0
Other noncurrent liabilities	304.5	297.4
Total liabilities	1,192.3	1,123.2
Total stockholders' equity	992.2	1,007.5
Total liabilities and stockholders' equity	\$ 2,184.5	\$ 2,130.7

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

REVENUES AND OPERATING PROFIT BY SEGMENT (UNAUDITED)

(\$ in millions)	Three Months Ended April 30,		Increase/ (Decrease)
	2016	2015	
<b>Revenues</b>			
Janitorial	\$ 686.4	\$ 659.5	4.1%
Facility Services	143.0	145.8	(1.9)%
Parking	164.6	153.5	7.2%
Building & Energy Solutions	153.1	121.5	25.9%
Other	110.0	96.1	14.5%
<b>Total revenues</b>	<u>\$ 1,257.1</u>	<u>\$ 1,176.4</u>	6.9%
<b>Operating profit</b>			
Janitorial	\$ 34.8	\$ 39.3	(11.4)%
Facility Services	6.9	6.6	5.5%
Parking	6.3	6.7	(6.0)%
Building & Energy Solutions	2.9	3.2	(8.8)%
Other	3.5	3.0	19.0%
Corporate	(41.0)	(29.4)	39.7%
Adjustment for income from unconsolidated affiliates, net included in Building & Energy Solutions	(0.8)	(2.2)	(61.4)%
Adjustment for tax deductions for energy efficient government buildings, included in Building & Energy Solutions	(0.9)	—	100.0%
<b>Total operating profit</b>	<u>11.8</u>	<u>27.2</u>	(56.7)%
Income from unconsolidated affiliates, net	0.9	2.2	(59.6)%
Interest expense	(2.4)	(2.5)	(5.1)%
Income from continuing operations before income taxes	10.3	26.9	(61.7)%
Income tax provision	(3.5)	(10.9)	(67.8)%
Income from continuing operations	6.8	16.0	(57.6)%
Net (loss) income from discontinued operations	(2.4)	2.3	NM*
<b>Net income</b>	<u>\$ 4.4</u>	<u>\$ 18.3</u>	(76.1)%

\* Not meaningful

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

REVENUES AND OPERATING PROFIT BY SEGMENT (UNAUDITED)

(\$ in millions)	Six Months Ended April 30,		Increase/ (Decrease)
	2016	2015	
<b>Revenues</b>			
Janitorial	\$ 1,372.1	\$ 1,325.5	3.5%
Facility Services	301.4	302.0	(0.2)%
Parking	326.7	309.2	5.7%
Building & Energy Solutions	302.9	240.9	25.7%
Other	222.3	193.3	15.0%
<b>Total revenues</b>	<u>\$ 2,525.5</u>	<u>\$ 2,370.9</u>	6.5%
<b>Operating profit</b>			
Janitorial	\$ 68.5	\$ 73.7	(7.1)%
Facility Services	12.0	12.5	(4.1)%
Parking	11.3	13.2	(14.4)%
Building & Energy Solutions	9.4	4.4	NM*
Other	5.2	5.6	(6.2)%
Corporate	(76.6)	(61.7)	24.2%
Adjustment for income from unconsolidated affiliates, net included in Building & Energy Solutions	(3.3)	(3.7)	(11.1)%
Adjustment for tax deductions for energy efficient government buildings, included in Building & Energy Solutions	(1.1)	—	100.0%
<b>Total operating profit</b>	<u>25.4</u>	<u>44.0</u>	(42.2)%
Income from unconsolidated affiliates, net	3.3	3.7	(11.3)%
Interest expense	(5.1)	(5.2)	(2.4)%
Income from continuing operations before income taxes	23.6	42.5	(44.4)%
Income tax provision	(3.2)	(12.2)	(73.7)%
Income from continuing operations	20.4	30.3	(32.6)%
Net (loss) income from discontinued operations	(2.0)	5.7	NM*
<b>Net income</b>	<u>\$ 18.4</u>	<u>\$ 36.0</u>	(49.1)%

\* Not meaningful

**ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES**
**RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)**
*(\$ in millions, except per share amounts)*

	Three Months Ended April 30,		Six Months Ended April 30,	
	2016	2015	2016	2015
<b>Reconciliation of Adjusted Income from Continuing Operations to Income from Continuing Operations</b>				
Adjusted income from continuing operations	\$ 17.7	\$ 19.0	\$ 39.3	\$ 37.2
Items impacting comparability:				
CEO/CFO Change <sup>(a)</sup>	—	(1.4)	—	(4.6)
Self-insurance adjustment	(4.7)	(3.0)	(10.7)	(3.0)
Rebranding	—	—	—	(0.1)
U.S. Foreign Corrupt Practices Act investigation <sup>(b)</sup>	—	(0.1)	(0.1)	(0.2)
Onsite realignment	—	(0.1)	—	(0.8)
Restructuring and related <sup>(c)</sup>	(8.6)	—	(15.7)	—
Acquisition costs	(0.2)	(0.5)	(1.0)	(0.7)
Litigation and other settlements <sup>(d)</sup>	(5.2)	—	(4.9)	(2.3)
Total items impacting comparability	(18.7)	(5.1)	(32.3)	(11.7)
Income tax benefit	7.8	2.1	13.4	4.8
Items impacting comparability, net of taxes	(10.9)	(3.0)	(18.9)	(6.9)
Income from continuing operations	<u>\$ 6.8</u>	<u>\$ 16.0</u>	<u>\$ 20.4</u>	<u>\$ 30.3</u>

	Three Months Ended April 30,		Six Months Ended April 30,	
	2016	2015	2016	2015
<b>Reconciliation of Adjusted EBITDA to Net Income</b>				
Adjusted EBITDA	\$ 46.0	\$ 48.7	\$ 89.7	\$ 87.5
Items impacting comparability	(18.7)	(5.1)	(32.3)	(11.7)
Net (loss) income from discontinued operations	(2.4)	2.3	(2.0)	5.7
Income tax provision	(3.5)	(10.9)	(3.2)	(12.2)
Interest expense, net <sup>(e)</sup>	(2.1)	(2.5)	(4.4)	(5.2)
Depreciation and amortization	(15.0)	(14.2)	(29.3)	(28.1)
Net income	<u>\$ 4.4</u>	<u>\$ 18.3</u>	<u>\$ 18.4</u>	<u>\$ 36.0</u>

	Three Months Ended April 30,		Six Months Ended April 30,	
	2016	2015	2016	2015
<b>Reconciliation of Adjusted Income from Continuing Operations per Diluted Share to Income from Continuing Operations per Diluted Share</b>				
Adjusted income from continuing operations per diluted share	\$ 0.31	\$ 0.33	\$ 0.69	\$ 0.65
Items impacting comparability, net of taxes	(0.19)	(0.05)	(0.33)	(0.12)
Income from continuing operations per diluted share	<u>\$ 0.12</u>	<u>\$ 0.28</u>	<u>\$ 0.36</u>	<u>\$ 0.53</u>
Diluted shares	56.9	57.6	57.0	57.4

(a) Represents severance and other costs related to the departure of our former CEO and CFO.

(b) Includes legal and other cost incurred in connection with an internal investigation into a foreign entity affiliated with a former joint venture partner.

(c) Includes costs for 2020 Vision Transformation Initiative, net of the reversal of certain share-based compensation costs.

(d) Includes costs related to a reserve established for an outstanding client receivable that is being litigated, and based on recent unfavorable developments, a significant portion of the outstanding receivable amount is no longer deemed collectible.

(e) Adjusted EBITDA does not include interest income for certain long term energy contracts, in which case a gross up of both interest income and interest expense is being recorded. Thus, interest expense for the three and six months ended April 30, 2016, is shown net of interest income of \$0.3 million and \$0.6 million, respectively.



**ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES**

**2016 GUIDANCE**

	<b>Year Ended October 31, 2016</b>	
	<b>Low Estimate</b>	<b>High Estimate</b>
<b>Reconciliation of Adjusted Income from Continuing Operations per Diluted Share to Income from Continuing Operations per Diluted Share</b>		
Previously announced adjusted income from continuing operations per diluted share	\$ 1.50	\$ 1.60
Increase <sup>(a)</sup>	0.05	0.05
Revised adjusted income from continuing operations per diluted share <sup>(b)</sup>	\$ 1.55	\$ 1.65
Adjustments <sup>(c)</sup>	(0.48)	(0.48)
Income from continuing operations per diluted share <sup>(b)</sup>	<u>\$ 1.07</u>	<u>\$ 1.17</u>

(a) Represents anticipated benefit of timing related to savings associated with the 2020 Vision Initiative and other strategic investments that have not yet occurred.

(b) This guidance excludes any potential benefits associated with certain other discrete tax items.

(c) Adjustments include potential costs associated with the strategic review and realignment, legal settlements, adjustments to self-insurance reserves pertaining to prior year's claims and other unique items impacting comparability.

A photograph of a man in a blue button-down shirt, seen from the back and side, holding a smartphone. He is standing in a server room with rows of server racks and a complex ceiling structure. The image is overlaid with a blue and orange geometric design.

**Second Quarter 2016  
Teleconference**

*June 9, 2016*

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# Agenda

1

Second Quarter 2016 Review

2

Capital Structure

3

Fiscal 2016 Outlook

**Forward-Looking Statements and Non-GAAP Financial Information:**

Our discussions during this conference call 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 2015 Annual Report on Form 10-K and in our 2016 reports on Form 10-Q and Form 8-K. These reports are available on our website at <http://investor.abm.com> under "SEC Filings". 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 will include certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). Reconciliations of those non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures can be found on the Investor Relations portion of our website at <http://investor.abm.com> and at the end of this presentation.

# Second Quarter 2016 Review

## Q2 FY16 Revenue

**Up 6.9% y-o-y**

\$1,176.4



2015

\$1,257.1



2016

- Increase of 6.9% y-o-y
- 4.0% organic growth

## Q2 FY16 Adj. EBITDA

**Down 5.5% y-o-y\***

\$48.7



2015

\$46.0



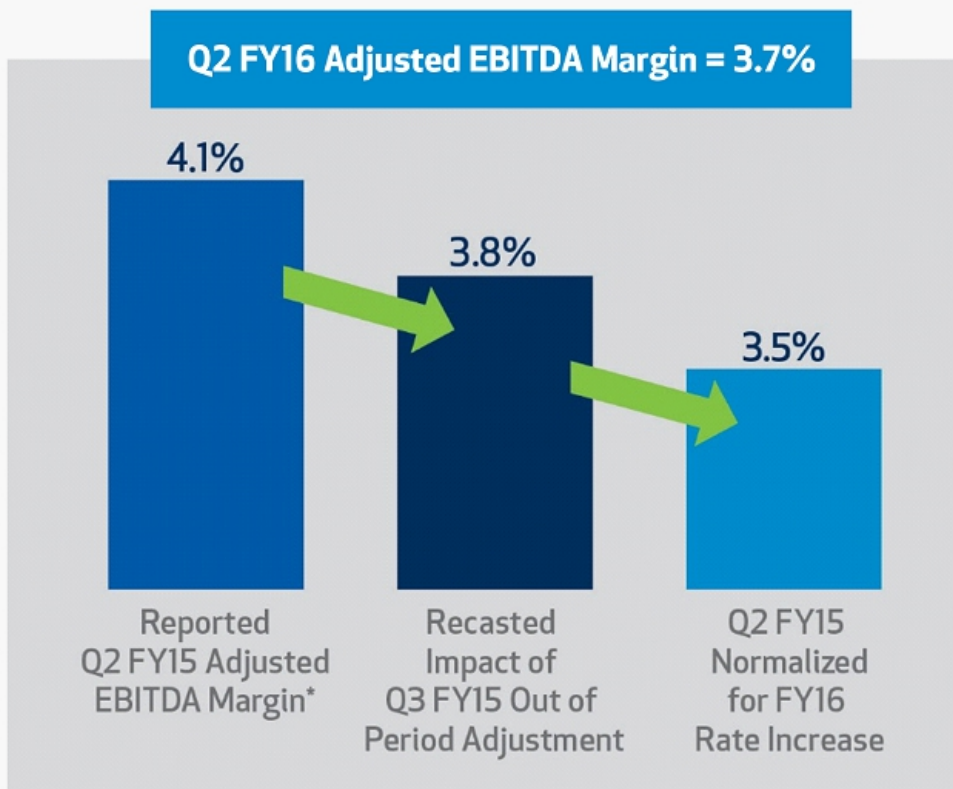
2016

- Decrease of 5.5% y-o-y
- Margin decrease of 48bps

\*Comparison reflects the impact of insurance and one extra working day

# Normalized Q2 FY15 Adj. EBITDA Margin

Illustrative for comparative purposes to provide normalized year over year comparison isolating for the impact of insurance only



\*Reflects the sale of Security

# Segment Results

## Janitorial Services

- Revenues of \$686.4m, increase of 4.1% y-o-y
- Operating profit of \$34.8m

## Facility Services

- Revenues of \$143.0m, decrease of 1.9% y-o-y
- Operating profit of \$6.9m

## Parking

- Revenues of \$164.6m, increase of 7.2% y-o-y
  - Management reimbursement revenues of \$82.5m, increase of 9.8% y-o-y
- Operating profit of \$6.3m

## BESG

- Revenues of \$153.1m, increase of 25.9% y-o-y
- Operating profit of \$2.9m

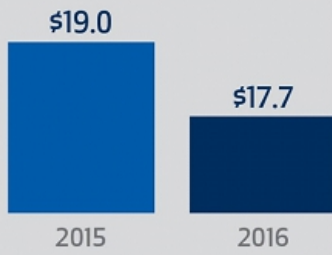
## Other (Air Serv)

- Revenues of \$110.0m, increase of 14.5% y-o-y
- Operating profit of \$3.5m

# Second Quarter 2016 Review

## Q2 FY16 Adj. Income from Continuing Operations

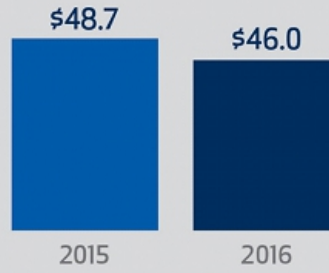
**Down 6.7% y-o-y**



- Decrease of 6.7% y-o-y
- Margin decrease of 21bps

## Q2 FY16 Adj. EBITDA

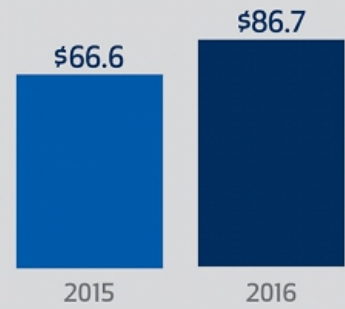
**Down 5.5% y-o-y**



- Decrease of 5.5% y-o-y
- Margin decrease of 48bps

## Q2 FY16 Continuing Operating Cash

**Up 30.2% y-o-y**



- Increase of 30.2% y-o-y

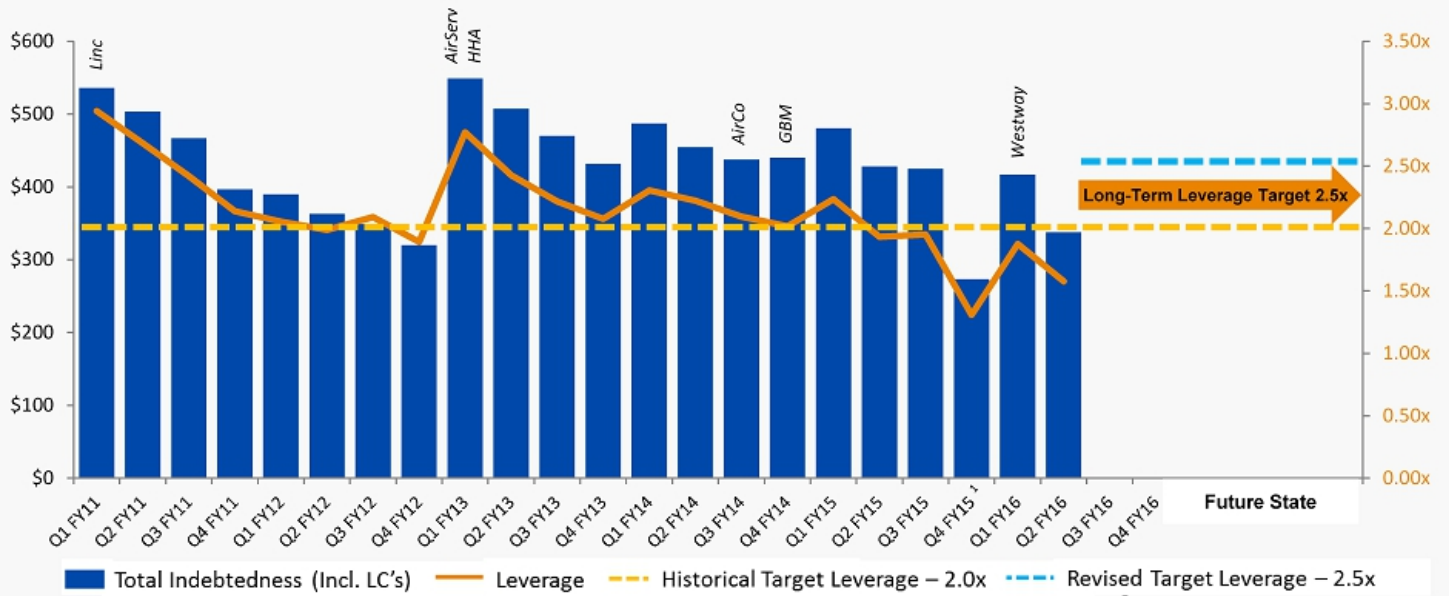


# Capital Structure



# Select Cash Flow & Balance Sheet Items

## Leverage



Note: Acquisitions shown represent purchase above \$15m

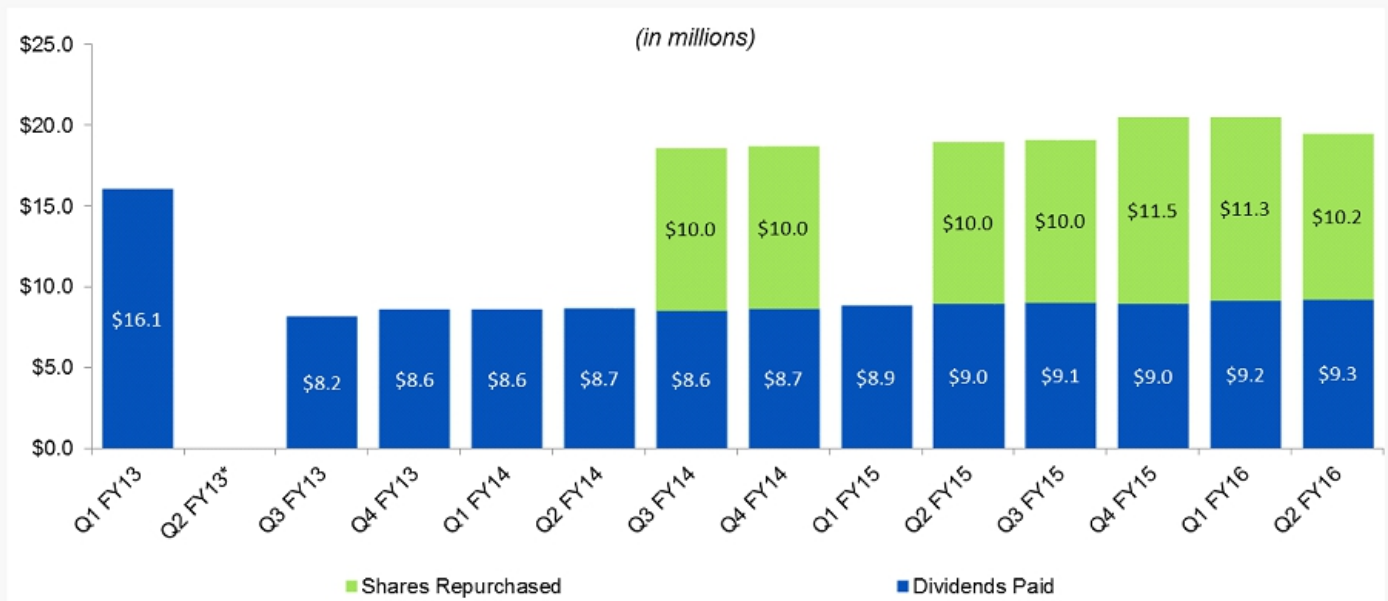
Q2 FY16 Leverage of 1.58x<sup>2</sup>

<sup>1</sup>Decrease in FY15 Q4 leverage due to disposition of Security

<sup>2</sup>Leverage calculated as total indebtedness / pro-forma adjusted EBITDA

# Select Cash Flow & Balance Sheet Items

## Shareholder Return



\*Accelerated Q2 FY13 dividend payment in Q1 FY13

A person wearing a blue cap and jacket is seen from the back, looking towards a fountain in a park. The fountain has two water jets. The background is a lush green park with trees and a building in the distance. The entire image has a blue tint.

# Fiscal 2016 Outlook

# Fiscal 2016 Outlook

Metric	Amount
Adjusted Income from continuing operations per diluted share	\$1.55 - \$1.65
Income from continuing operations per diluted share	\$1.07 - \$1.17
Depreciation & Amortization	\$56m - \$60m
Interest Expense	\$10m - \$12m
Capital Expenditures	\$40m - \$50m
Adjusted EBITDA Margin	~4.1%
Tax Rate (excluding WOTC) <sup>1</sup>	40% - 44%
Estimated 2016 Savings <b>2020 Vision</b>	H1 2016: ~\$6m
	H2 2016: ~\$14m

2016 Working Days <sup>2</sup>				
Quarter	Q1	Q2	Q3	Q4
Days	65	65	65	66
Δ y-o-y	0	+1	-1	+1

1. This tax rate excludes the \$0.20 impact of the 2015 and 2016 Work Opportunity Tax Credits
2. Fiscal 2016 has one more work day, which the Company anticipates will increase labor expense by approximately \$4m on a pre-tax basis

# Forward-Looking Statement

This presentation contains both historical and forward-looking statements. Forward-looking statements are not based on historical facts but instead reflect the current expectations, estimates, or projections of ABM Industries Incorporated ("ABM"), and its subsidiaries (collectively referred to as "ABM," "we," "us," "our," or the "Company"), concerning future results or events. These statements generally can be identified by the use of forward-looking words or phrases, 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 inherently subject to known and unknown risks, uncertainties, and assumptions that are difficult to predict and could cause our actual results to differ materially from those indicated by these statements. We cannot assure you that any of our expectations, estimates, or projections will be achieved. Numerous factors could cause our actual results and events to differ materially from those expressed or implied by forward-looking statements. These factors include, but are not limited to the following: (1) changes to our businesses, operating structure, capital structure, or personnel relating to the implementation of our 2020 Vision strategic transformation initiative may not have the desired effects on our financial condition and results of operations; (2) high deductibles for certain insurable risks increases our exposure to volatility associated with those risks, including the possibility that: (i) our risk management and safety programs may not have the intended effect of reducing our insurance costs for casualty programs, and (ii) our insurance reserves may need to be materially adjusted from time to time; (3) the success of our business depends on our ability to preserve our long-term relationships with clients; (4) the success of our business depends on retaining senior management and attracting and retaining qualified personnel; (5) risks related to our acquisition strategy could have a negative impact on our results of operations; (6) intense competition could constrain our ability to gain business and reduce our profitability; (7) increases in costs that we cannot pass through to clients could negatively affect our profitability; (8) negative or unexpected tax consequences could adversely affect our results of operations; (9) expected benefits from our captive insurance company may not be achieved; (10) losses stemming from accidents or other incidents at facilities in which we operate could cause significant damage to our reputation and financial loss; (11) changes in energy prices and government regulations could adversely impact the results of operations of our Building & Energy Solutions business; (12) significant delays or reductions in appropriations for our government contracts may negatively affect our business and could have an adverse effect on our financial position, results of operations, and cash flows; (13) the failure of our joint venture partners to perform their obligations may negatively impact our ability to do business; (14) federal health care reform legislation may adversely affect our business and results of operations; (15) adverse weather conditions may negatively affect our business; (16) centralization of certain administrative functions could increase our exposure to business continuity risks; (17) cyber-security breaches, information technology interruptions, or data losses could expose us to risks; (18) services in areas of military conflict expose us to additional risks; (19) a decline in commercial office building occupancy and rental rates could reduce our revenues and profitability; (20) deterioration in general economic conditions could reduce the demand for facility services and, as a result, reduce our earnings and adversely affect our financial condition; (21) financial difficulties or bankruptcy of one or more of our clients could adversely affect our operating results; (22) future increases in the level of our debt or in interest rates could affect adversely our results of operations; (23) the ability to fund our operations and pay our debt obligations depends upon our access to cash; (24) goodwill impairment charges could have a material adverse effect on our financial condition and results of operations; (25) impairment of long-lived assets may adversely affect our operating results; (26) class and representative actions and other lawsuits alleging various claims could cause us to incur substantial liabilities; (27) changes in immigration laws or enforcement actions or investigations under such laws could significantly adversely affect our labor force, operations, and financial results; (28) labor disputes could lead to loss of revenues or expense variations; (29) participation in multiemployer pension plans could cause us to incur material liabilities; (30) actions of activist investors could be disruptive, costly, and cause uncertainty about the strategic direction of our business; and (31) disasters or acts of terrorism could disrupt services. The list of factors above is illustrative and by no means exhaustive.

Additional information regarding these and other risks and uncertainties we face is contained in our Annual Report on Form 10-K for the year ended October 31, 2015 and in other reports we file from time to time with the Securities and Exchange Commission (including all amendments to those reports). 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.



**Appendix - Unaudited Reconciliation  
of non-GAAP Financial Measures**

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# Unaudited Reconciliation of non-GAAP Financial Measures

## ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

### RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)

(\$ in millions)	Three Months Ended April 30,		Six Months Ended April 30,	
	2016	2015	2016	2015
<b>Reconciliation of Adjusted Income from Continuing Operations to Income from Continuing Operations</b>				
Adjusted income from continuing operations	\$ 17.7	\$ 19.0	\$ 39.3	\$ 37.2
Items impacting comparability:				
CEO/CFO Change <sup>(a)</sup>	—	(1.4)	—	(4.6)
Self-insurance adjustment	(4.7)	(3.0)	(10.7)	(3.0)
Rebranding	—	—	—	(0.1)
U.S. Foreign Corrupt Practices Act investigation <sup>(b)</sup>	—	(0.1)	(0.1)	(0.2)
Onsite realignment	—	(0.1)	—	(0.8)
Restructuring and related <sup>(c)</sup>	(8.6)	—	(15.7)	—
Acquisition costs	(0.2)	(0.5)	(1.0)	(0.7)
Litigation and other settlements <sup>(d)</sup>	(5.2)	—	(4.9)	(2.3)
Total items impacting comparability	(18.7)	(5.1)	(32.3)	(11.7)
Income tax benefit	7.8	2.1	13.4	4.8
Items impacting comparability, net of taxes	(10.9)	(3.0)	(18.9)	(6.9)
Income from continuing operations	\$ 6.8	\$ 16.0	\$ 20.4	\$ 30.3

<sup>(a)</sup> Represents severance and other costs related to the departure of our former CEO and CFO.

<sup>(b)</sup> Includes legal and other cost incurred in connection with an internal investigation into a foreign entity affiliated with a former joint venture partner.

<sup>(c)</sup> Includes costs for 2020 Vision Transformation Initiative, net of the reversal of certain share-based compensation costs.

<sup>(d)</sup> Includes costs related to a reserve established for an outstanding client receivable that is being litigated, and based on recent unfavorable developments, a significant portion of the outstanding receivable amount is no longer deemed collectible.

# Unaudited Reconciliation of non-GAAP Financial Measures

## ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

### RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)

(\$ in millions, except per share amounts)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2016	2015	2016	2015
<b>Reconciliation of Adjusted EBITDA to Net Income</b>				
Adjusted EBITDA	\$ 46.0	\$ 48.7	\$ 89.7	\$ 87.5
Items impacting comparability	(18.7)	(5.1)	(32.3)	(11.7)
Net (loss) income from discontinued operations	(2.4)	2.3	(2.0)	5.7
Income tax provision	(3.5)	(10.9)	(3.2)	(12.2)
Interest expense, net <sup>(e)</sup>	(2.1)	(2.5)	(4.4)	(5.2)
Depreciation and amortization	(15.0)	(14.2)	(29.3)	(28.1)
Net income	<u>\$ 4.4</u>	<u>\$ 18.3</u>	<u>\$ 18.4</u>	<u>\$ 36.0</u>

	Three Months Ended April 30,		Six Months Ended April 30,	
	2016	2015	2016	2015
<b>Reconciliation of Adjusted Income from Continuing Operations per Diluted Share to Income from Continuing Operations per Diluted Share</b>				
Adjusted income from continuing operations per diluted share	\$ 0.31	\$ 0.33	\$ 0.69	\$ 0.65
Items impacting comparability, net of taxes	(0.19)	(0.05)	(0.33)	(0.12)
Income from continuing operations per diluted share	<u>\$ 0.12</u>	<u>\$ 0.28</u>	<u>\$ 0.36</u>	<u>\$ 0.53</u>
Diluted shares	56.9	57.6	57.0	57.4

<sup>(e)</sup> Adjusted EBITDA does not include interest income for certain long term energy contracts, in which case a gross up of both interest income and interest expense is being recorded. Thus, interest expense for the three and six months ended April 30, 2016, is shown net of interest income of \$0.3 million and \$0.6 million, respectively.



# 2016 Guidance

## ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

### 2016 GUIDANCE

	Year Ended October 31, 2016	
	Low Estimate	High Estimate
<b>Reconciliation of Adjusted Income from Continuing Operations per Diluted Share to Income from Continuing Operations per Diluted Share</b>		
Previously announced adjusted income from continuing operations per diluted share	\$ 1.50	\$ 1.60
Increase <sup>(a)</sup>	0.05	0.05
Revised adjusted income from continuing operations per diluted share <sup>(b)</sup>	\$ 1.55	\$ 1.65
Adjustments <sup>(c)</sup>	(0.48)	(0.48)
Income from continuing operations per diluted share <sup>(b)</sup>	\$ 1.07	\$ 1.17

<sup>(a)</sup> Represents anticipated benefit of timing related to savings associated with the 2020 Vision Initiative and other strategic investments that have not yet occurred.

<sup>(b)</sup> This guidance excludes any potential benefits associated with certain other discrete tax items.

<sup>(c)</sup> Adjustments include potential costs associated with the strategic review and realignment, legal settlements, adjustments to self-insurance reserves pertaining to prior year's claims and other unique items impacting comparability.