

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares of the registrant’s common stock outstanding as of September 1, 2016: 55,756,099

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

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FORWARD-LOOKING STATEMENTS

This Form 10-Q contains both historical and forward-looking statements regarding 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,” “show,” or 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 extent to which changes to our business, operating structure, capital structure, or personnel relating to the implementation of our 2020 Vision strategic transformation initiative are successful;
- the effectiveness of our risk management and safety programs;
- the extent to which changes in estimates of ultimate insurance losses could result in a material charge against our earnings;
- our ability to preserve long-term client relationships;
- our ability to attract and retain qualified personnel and senior management;
- our success in identifying, acquiring, and integrating synergistic businesses;
- our ability to continue to gain business despite competitive pressures;
- the impact of costs that we cannot pass through to clients;
- the effect of negative or unexpected tax consequences;
- the achievement of expected benefits from our captive insurance company;
- the impact of losses from accidents or other incidents at facilities in which we operate;
- changes in energy prices and government regulations;
- significant delays or reductions in appropriations for our government contracts;
- potential failure of our joint venture partners to perform their obligations;
- the effect of changes to federal health care reform legislation;
- potential cyber-security breaches, information technology interruptions, data loss, or business continuity risks;
- the effectiveness of managing operations in areas of military conflict;
- the impact of general reductions in commercial office building occupancy;
- the impact of deterioration in general economic conditions;
- client-specific developments, such as financial difficulties or bankruptcy;
- future increases in the level of our debt or in interest rates;
- our ability to fund our operations and pay our debt obligations;
- impairment of goodwill and long-lived assets;
- unfavorable developments in our class and representative actions and other lawsuits alleging various claims;
- changes in immigration laws or enforcement actions or investigations under such laws;
- the impact of liabilities associated with participation in multiemployer pension plans;
- disruptions to our business through the actions of activist investors; and
- weather conditions, catastrophic events and disasters, and terrorist attacks.

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.

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS.

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

(in millions, except share and per share amounts)	July 31, 2016	October 31, 2015
ASSETS		
Current assets		
Cash and cash equivalents	\$51.6	\$ 55.5
Trade accounts receivable, net of allowances of \$17.3 and \$8.6 at July 31, 2016 and October 31, 2015, respectively	774.1	742.9
Prepaid expenses	92.7	68.6
Other current assets	27.6	27.0
Total current assets	946.0	894.0
Other investments	29.6	35.7
Property, plant and equipment, net of accumulated depreciation of \$170.9 and \$148.7 at July 31, 2016 and October 31, 2015, respectively	76.8	74.0
Other intangible assets, net of accumulated amortization of \$168.2 and \$149.4 at July 31, 2016 and October 31, 2015, respectively	111.5	111.4
Goodwill	910.6	867.5
Deferred income taxes, net	32.7	34.1
Other noncurrent assets	132.2	114.0
Total assets	\$2,239.4	\$ 2,130.7
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Trade accounts payable	\$177.5	\$ 179.1
Accrued compensation	128.9	128.8
Accrued taxes—other than income	44.0	31.6
Insurance claims	92.9	90.0
Income taxes payable	0.6	8.9
Other accrued liabilities	144.1	129.8
Total current liabilities	588.0	568.2
Noncurrent income taxes payable	34.2	53.2
Line of credit	224.3	158.0
Noncurrent insurance claims	329.7	297.4
Other noncurrent liabilities	65.3	46.4
Total liabilities	1,241.5	1,123.2
Commitments and contingencies		
Stockholders' Equity		
Preferred stock, \$0.01 par value; 500,000 shares authorized; none issued	—	—
Common stock, \$0.01 par value; 100,000,000 shares authorized; 55,804,814 and 56,105,761 shares issued and outstanding at July 31, 2016 and October 31, 2015, respectively	0.6	0.6
Additional paid-in capital	262.0	275.5
Accumulated other comprehensive loss, net of taxes	(22.6) (5.1
Retained earnings	757.9	736.5
Total stockholders' equity	997.9	1,007.5
Total liabilities and stockholders' equity	\$2,239.4	\$ 2,130.7

See accompanying notes to unaudited consolidated financial statements.

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ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (UNAUDITED)

(in millions, except per share amounts)	Three Months		Nine Months	
	Ended July 31,		Ended July 31,	
	2016	2015	2016	2015
Revenues	\$1,296.9	\$1,249.9	\$3,822.4	\$3,620.8
Expenses				
Operating	1,166.5	1,156.3	3,445.2	3,281.9
Selling, general and administrative	102.8	92.8	295.1	282.1
Restructuring and related	3.3	2.2	19.3	2.2
Amortization of intangible assets	5.8	6.2	18.8	18.2
Total expenses	1,278.4	1,257.5	3,778.4	3,584.4
Operating profit (loss)	18.5	(7.6)	44.0	