



# FISCAL THIRD QUARTER 2022 RESULTS

June 30, 2022



## FORWARD LOOKING STATEMENTS

This presentation and the related conference call and webcast and press-release include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are based on management’s beliefs and assumptions and information currently available to management. Forward-looking statements are subject to known and unknown risks and uncertainties, many of which may be beyond our control. We caution you that the forward-looking information presented in this presentation is not a guarantee of future events, and that actual events may differ materially from those made in or suggested by the forward-looking information contained in this presentation. In addition, forward-looking statements are statements other than those of historical fact and may include statements relating to goals, plans, market conditions and projections regarding Acuity Brands’ strategy, and specifically include statements made in this presentation and the related conference call regarding: our expectations of conditions in the fourth quarter, continued focus on product vitality and service while managing supply chain constraints, strong performance, significant and sustained improvements and generating permanent value.

Generally, forward-looking statements can be identified by the use of forward-looking terminology such as “may,” “plan,” “seek,” “comfortable with,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “future,” “should,” “looks to,” “leading to” or “continue” or the negative thereof or variations thereon or similar terminology. A number of important factors could cause actual events to differ materially from those contained in or implied by the forward-looking statements, including those factors discussed in our annual report on Form 10-K for the fiscal year ended August 31, 2021, filed on October 27, 2021 and those described from time to time in our other filings with the U.S. Securities and Exchange Commission (the “SEC”), which can be found at the SEC’s website [www.sec.gov](http://www.sec.gov). Any forward-looking information presented herein is made only as of the date of this presentation, and we do not undertake any obligation to update or revise any forward-looking information, whether written or oral, to reflect changes in assumptions, the occurrence of events, or otherwise.

# NON-GAAP FINANCIAL MEASURES



This presentation includes the following non-generally accepted accounting principles ("GAAP") financial measures: "adjusted operating profit" and "adjusted operating profit margin" for total company and by segment; "adjusted net income," "adjusted diluted EPS;" "earnings before interest, taxes, depreciation, and amortization ("EBITDA");" "adjusted EBITDA" and "free cash flow ("FCF")". These non-GAAP financial measures are provided to enhance the reader's overall understanding of the Company's current financial performance and prospects for the future. Specifically, management believes that these non-GAAP measures provide useful information to investors by excluding or adjusting items for amortization of acquired intangible assets, share-based payment expense, acquisition-related items, impairment on investment, and special charges associated with continued efforts to streamline the organization and integrate recent acquisitions. FCF is provided to enhance the reader's understanding of the Company's ability to generate additional cash from its business. Management typically adjusts for these items for internal reviews of performance and uses the above non-GAAP measures for baseline comparative operational analysis, decision making, and other activities. Management believes these non-GAAP measures provide greater comparability and enhanced visibility into the Company's results of operations as well as comparability with many of its peers, especially those companies focused more on technology and software. Non-GAAP financial measures included in this news release should be considered in addition to, and not as a substitute for or superior to, results prepared in accordance with GAAP.

The most directly comparable GAAP measures for adjusted operating profit and adjusted operating profit margin for total company and by segment are "operating profit" and "operating profit margin," respectively, for total company and by segment, which include the impact of amortization of acquired intangible assets, acquisition-related items, share-based payment expense, and special charges. Adjusted operating profit margin is adjusted operating profit divided by net sales for total company and by segment. The most directly comparable GAAP measures for adjusted net income and adjusted diluted EPS are "net income" and "diluted EPS," respectively, which include the impact of acquisition-related items, amortization of acquired intangible assets, share-based payment expense, impairments of investments, and special charges. Adjusted diluted EPS is adjusted net income divided by diluted weighted average shares outstanding. The most directly comparable GAAP measure for FCF is "net cash provided by operating activities, which include the impact of purchases of property, plant and equipment." The most directly comparable GAAP measure for EBITDA is "net income", which includes the impact of net interest expense, income taxes, depreciation, and amortization of acquired intangible assets. The most directly comparable GAAP measure for adjusted EBITDA is "net income", which includes the impact of net interest expense, income taxes, depreciation, amortization of acquired intangible assets, share-based payment expense, acquisition-related items, special charges, and miscellaneous (income) expense, net. A reconciliation of each measure to the most directly comparable GAAP measure is available in this news release. The Company's non-GAAP financial measures may not be comparable to similarly titled non-GAAP financial measures used by other companies, have limitations as an analytical tool, and should not be considered in isolation or as a substitute for GAAP financial measures. Our presentation of such measures, which may include adjustments to exclude unusual or non-recurring items, should not be construed as an inference that our future results will be unaffected by other unusual or non-recurring items.

# FISCAL 2022 THIRD QUARTER PERFORMANCE

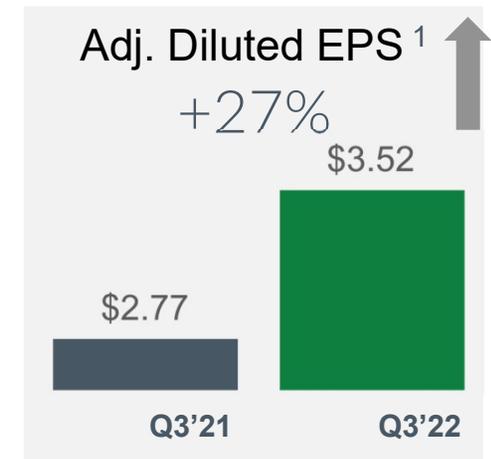
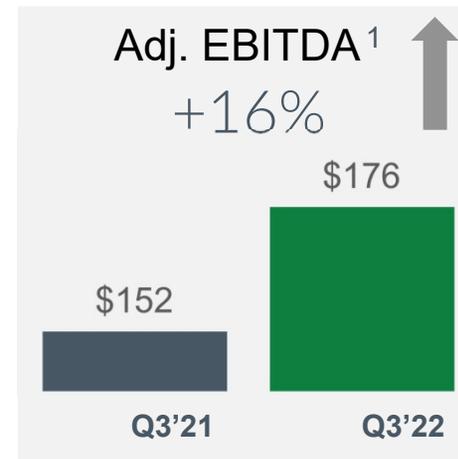
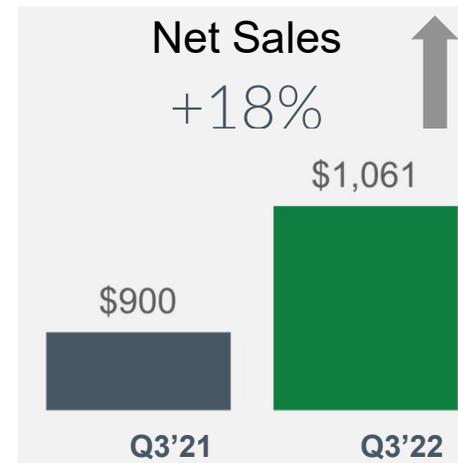
(\$ in Millions Except Per Share Data)

Second \$1B Quarter in AYI's History  
Resulting in 18% Net Sales Growth

Consistent Execution as a Result of  
Product and Productivity Improvements

Continued Focus on  
Product Vitality and Service

~\$300M Capital Deployed to Share  
Repurchases



<sup>1</sup> Adjusted Operating Profit, EBITDA, Adjusted EBITDA and Adjusted Diluted EPS for the Third Quarter are Reconciled in Appendix on Slides 12, 13 and 14.

# FISCAL 2022 THIRD QUARTER SEGMENT RESULTS



## Lighting and Lighting Controls (ABL)

Providing sustainable, inspiring, and intelligent lighting solutions that enrich the communities where people live, learn, work, and play.

## Intelligent Spaces Group (ISG)

Using technology to make spaces smarter, safer, and greener.

Net Sales	\$1.0B	+ \$158M VPY + 19% VPY	\$58M	+ \$3M VPY + 5% VPY
Adj. Operating Profit <sup>1</sup>	\$160M	+ \$24M VPY + 18% VPY	\$14M	+ \$3M VPY + 23% VPY
Adj. Operating Profit Margin	15.8%	(20) BPS VPY	23.3%	+ 330 BPS VPY
Select Brands				

<sup>1</sup> Adjusted Operating Profit for the Third Quarter is Reconciled in Appendix on Slide 15 and 16

# FISCAL 2022 YTD CAPITAL ALLOCATION

**\$166M**

Operating Cash Flow

**\$38M**

CapEx

**\$405M**

Share Repurchase

## Capital Allocation Priorities

1. Growth in Current Businesses
2. Acquisitions
3. Maintain Dividend
4. Share Repurchases

# FISCAL 2022 THIRD QUARTER IN SUMMARY

Second \$1B Quarter in AYI's History Resulting in  
18% Net Sales Growth

Consistent Execution as a Result of Product and  
Productivity Improvement

Continued Focus on  
Product Vitality and Service

~\$300M Capital Deployed to Share Repurchases





# APPENDIX

and Non-GAAP Reconciliations



# AYI: QUARTERLY TRENDS

Net Sales (\$ in Millions)



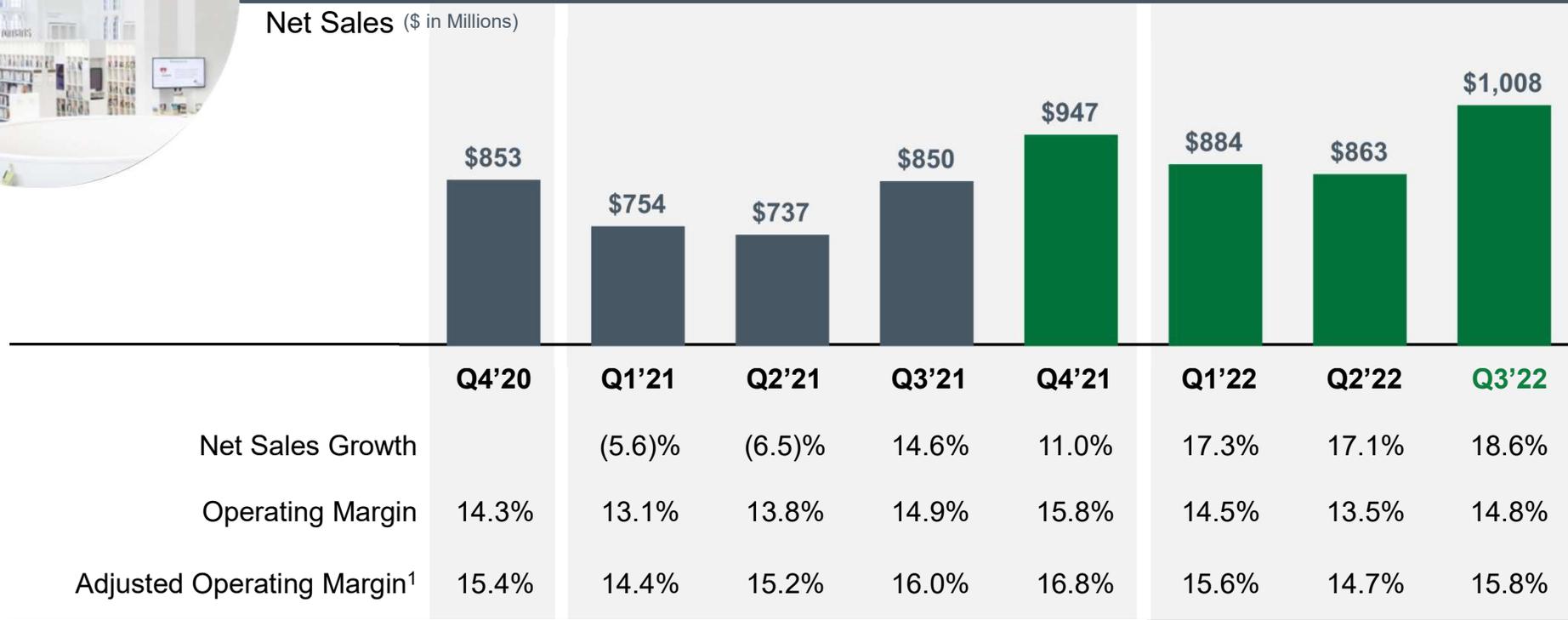
	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22
Net Sales Growth	(5.0%)	(5.1%)	(5.8%)	15.9%	11.4%	16.9%	17.1%	17.9%
Gross Profit Margin	42.1%	42.0%	43.4%	43.0%	42.2%	41.7%	41.7%	42.0%
Operating Margin	11.9%	10.8%	11.7%	13.1%	13.4%	12.4%	11.3%	13.5%
Adjusted Operating Margin <sup>1</sup>	14.7%	13.2%	14.0%	15.2%	15.8%	14.4%	13.5%	15.3%
Diluted EPS	\$1.87	\$1.57	\$1.74	\$2.37	\$2.72	\$2.46	\$2.13	\$3.07
Adjusted Diluted EPS <sup>1</sup>	\$2.35	\$2.03	\$2.12	\$2.77	\$3.27	\$2.85	\$2.57	\$3.52

<sup>1</sup> Adjusted Operating Profit and Adjusted Diluted EPS are Reconciled in Appendix on Slides 12 and 13



# ABL: QUARTERLY TRENDS

Net Sales (\$ in Millions)



<sup>1</sup> Adjusted Operating Profit and Adjusted Operating Profit Margin for ABL are Reconciled in Appendix on Slide 15



# ISG: QUARTERLY TRENDS

Net Sales (\$ in Millions)



	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22
Net Sales Growth		3.8%	10.7%	46.9%	23.5%	13.7%	15.5%	5.2%
Operating Margin	(3.9%)	(0.2%)	1.8%	13.0%	4.0%	4.3%	2.4%	15.8%
Adjusted Operating Margin <sup>1</sup>	5.1%	9.1%	11.1%	20.0%	11.9%	13.1%	11.2%	23.3%

<sup>1</sup> Adjusted Operating Profit and Adjusted Operating Profit Margin for ISG are Reconciled in Appendix on Slide 16



# AYI QUARTERLY RECONCILIATION OF NON-GAAP MEASURES:

## Adjusted Operating Profit and Adjusted Profit Margin

(\$ in Millions)

**Operating Profit (GAAP)**

**Operating Profit (GAAP) Margin**

+ Amortization of acquired intangible assets

+ Share-based payment expense

+ Acquisition-related items <sup>(1)</sup>

+ Special charges

**Adjusted Operating Profit**

**Adjusted Operating Profit Margin**

	Fourth Quarter		First Quarter		Second Quarter		Third Quarter	
	2021	2020	2022	2021	2022	2021	2022	2021
<b>Operating Profit (GAAP)</b>	<b>\$132.8</b>	\$105.9	<b>\$115.1</b>	\$85.7	<b>\$102.3</b>	\$91.0	<b>\$142.7</b>	\$118.1
<b>Operating Profit (GAAP) Margin</b>	<b>13.4 %</b>	11.9 %	<b>12.4 %</b>	10.8 %	<b>11.3 %</b>	11.7 %	<b>13.5 %</b>	13.1 %
+ Amortization of acquired intangible assets	<b>10.3</b>	10.9	<b>10.3</b>	10.1	<b>10.3</b>	10.1	<b>10.2</b>	10.2
+ Share-based payment expense	<b>10.2</b>	5.7	<b>7.6</b>	7.7	<b>10.0</b>	7.5	<b>9.9</b>	7.1
+ Acquisition-related items <sup>(1)</sup>	<b>1.3</b>	—	<b>—</b>	—	<b>—</b>	—	<b>—</b>	0.9
+ Special charges	<b>1.8</b>	8.2	<b>—</b>	0.7	<b>—</b>	0.3	<b>—</b>	0.5
<b>Adjusted Operating Profit</b>	<b>\$156.4</b>	\$130.7	<b>\$133.0</b>	\$104.2	<b>\$122.6</b>	\$108.9	<b>\$162.8</b>	\$136.8
<b>Adjusted Operating Profit Margin</b>	<b>15.8 %</b>	14.7 %	<b>14.4 %</b>	13.2 %	<b>13.5 %</b>	14.0 %	<b>15.3%</b>	15.2 %

<sup>1</sup> Acquisition-related items include professional fees.



# AYI QUARTERLY RECONCILIATION OF NON-GAAP MEASURES:

## Adjusted Net Income and Adjusted Earnings Per Share

(\$ in Millions Except Per Share Data)

### Net Income (GAAP)

- + Amortization of acquired intangible assets
- + Share-based payment expense
- + Acquisition-related items <sup>(1)</sup>
- + Special charges
- + Impairments of investments

### Total pre-tax adjustments to net income

Income tax effects

### Adjusted net income

Diluted weighted average number of shares outstanding

### Diluted Earnings Per Share

### Adjusted Diluted Earnings Per Share

	Fourth Quarter		First Quarter		Second Quarter		Third Quarter	
	2021	2020	2022	2021	2022	2021	2022	2021
<b>Net Income (GAAP)</b>	<b>\$98.1</b>	\$73.7	<b>\$87.6</b>	\$59.6	<b>\$75.3</b>	\$62.9	<b>\$105.7</b>	\$85.7
+ Amortization of acquired intangible assets	<b>10.3</b>	10.9	<b>10.3</b>	10.1	<b>10.3</b>	10.1	<b>10.2</b>	10.2
+ Share-based payment expense	<b>10.2</b>	5.7	<b>7.6</b>	7.7	<b>10.0</b>	7.5	<b>9.9</b>	7.1
+ Acquisition-related items <sup>(1)</sup>	<b>1.3</b>	—	<b>—</b>	—	<b>—</b>	—	<b>—</b>	0.9
+ Special charges	<b>1.8</b>	8.2	<b>—</b>	0.7	<b>—</b>	0.3	<b>—</b>	0.5
+ Impairments of investments	<b>2.0</b>	—	<b>—</b>	4.0	<b>—</b>	—	<b>—</b>	—
<b>Total pre-tax adjustments to net income</b>	<b>25.6</b>	24.8	<b>17.9</b>	22.5	<b>20.3</b>	17.9	<b>20.1</b>	18.7
Income tax effects	<b>(6.0)</b>	(5.7)	<b>(4.2)</b>	(5.2)	<b>(4.6)</b>	(4.1)	<b>(4.5)</b>	(4.0)
<b>Adjusted net income</b>	<b>\$117.7</b>	\$92.8	<b>\$101.3</b>	\$76.9	<b>\$91.0</b>	\$76.7	<b>\$121.3</b>	\$100.4
Diluted weighted average number of shares outstanding	<b>36.0</b>	39.5	<b>35.5</b>	37.8	<b>35.4</b>	36.2	<b>34.4</b>	36.2
<b>Diluted Earnings Per Share</b>	<b>\$2.72</b>	\$1.87	<b>\$2.46</b>	\$1.57	<b>\$2.13</b>	\$1.74	<b>\$3.07</b>	\$2.37
<b>Adjusted Diluted Earnings Per Share</b>	<b>\$3.27</b>	\$2.35	<b>\$2.85</b>	\$2.03	<b>\$2.57</b>	\$2.12	<b>\$3.52</b>	\$2.77

<sup>1</sup> Acquisition-related items include professional fees.



# AYI QUARTERLY RECONCILIATION OF NON-GAAP MEASURES:

## EBITDA and Adjusted EBITDA

(\$ in Millions)

### Net Income (GAAP)

+ Interest expense, net

+ Income tax expense

+ Depreciation

+ Amortization

### EBITDA (Non-GAAP)

+ Share-based payment expense

+ Miscellaneous expense (income), net

+ Special charges

+ Acquisition-related items <sup>(1)</sup>

### Adjusted EBITDA (Non-GAAP)

	First Quarter		Second Quarter		Third Quarter	
	2022	2021	2022	2021	2022	2021
Net Income (GAAP)	\$87.6	\$59.6	\$75.3	\$62.9	\$105.7	\$85.7
+ Interest expense, net	5.9	4.9	6.0	6.6	6.2	6.2
+ Income tax expense	21.3	19.6	22.9	19.3	32.3	23.5
+ Depreciation	14.0	14.9	13.3	14.9	13.3	14.8
+ Amortization	10.3	10.1	10.3	10.1	10.2	10.2
<b>EBITDA (Non-GAAP)</b>	<b>139.1</b>	109.1	<b>127.8</b>	113.8	<b>167.7</b>	140.4
+ Share-based payment expense	7.6	7.7	10.0	7.5	9.9	7.1
+ Miscellaneous expense (income), net	0.3	1.6	(1.9)	2.2	(1.5)	2.7
+ Special charges	—	0.7	—	0.3	—	0.5
+ Acquisition-related items <sup>(1)</sup>	—	—	—	—	—	0.9
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$147.0</b>	\$119.1	<b>\$135.9</b>	\$123.8	<b>\$176.1</b>	\$151.6

<sup>1</sup> Acquisition-related Items include professional fees.



# ABL QUARTERLY RECONCILIATION OF NON-GAAP MEASURES:

## Segment Breakdown (ABL)

(\$ in Millions)

**Operating Profit (GAAP)**

**Operating Profit (GAAP) Margin**

+ Amortization of acquired intangible assets

+ Share-based payment expense

**Adjusted Operating Profit**

**Adjusted Operating Profit Margin**

	Fourth Quarter		First Quarter		Second Quarter		Third Quarter	
	2021	2020	2022	2021	2022	2021	2022	2021
<b>Operating Profit (GAAP)</b>	<b>\$149.3</b>	\$121.8	<b>\$128.1</b>	\$98.4	<b>\$116.5</b>	\$102.0	<b>\$149.6</b>	\$126.5
<b>Operating Profit (GAAP) Margin</b>	<b>15.8 %</b>	14.3 %	<b>14.5 %</b>	13.1 %	<b>13.5 %</b>	13.8 %	<b>14.8 %</b>	14.9 %
+ Amortization of acquired intangible assets	7.1	7.2	7.1	7.0	7.1	6.9	7.0	6.9
+ Share-based payment expense	2.7	2.3	3.0	2.9	3.3	3.0	3.2	2.4
<b>Adjusted Operating Profit</b>	<b>\$159.1</b>	\$131.3	<b>\$138.2</b>	\$108.3	<b>\$126.9</b>	\$111.9	<b>\$159.8</b>	\$135.8
<b>Adjusted Operating Profit Margin</b>	<b>16.8 %</b>	15.4 %	<b>15.6 %</b>	14.4 %	<b>14.7 %</b>	15.2 %	<b>15.8 %</b>	16.0 %



# ISG QUARTERLY RECONCILIATION OF NON-GAAP MEASURES:

## Segment Breakdown (ISG)

(\$ in Millions)

**Operating Profit (GAAP)**

**Operating Profit (GAAP) Margin**

+ Amortization of acquired intangible assets

+ Share-based payment expense

**Adjusted Operating Profit**

**Adjusted Operating Profit Margin**

	Fourth Quarter		First Quarter		Second Quarter		Third Quarter	
	2021	2020	2022	2021	2022	2021	2022	2021
<b>Operating Profit (GAAP)</b>	\$2.0	\$(1.6)	\$2.0	\$(0.1)	\$1.2	\$0.8	\$9.2	\$7.2
<b>Operating Profit (GAAP) Margin</b>	4.0 %	(3.9)%	4.3 %	0.2 %	2.4 %	1.8 %	15.8 %	13.0 %
+ Amortization of acquired intangible assets	3.2	3.7	3.2	3.1	3.2	3.2	3.2	3.3
+ Share-based payment expense	0.8	—	0.9	0.7	1.2	0.8	1.2	0.6
<b>Adjusted Operating Profit</b>	\$6.0	\$2.1	\$6.1	\$3.7	\$5.6	\$4.8	\$13.6	\$11.1
<b>Adjusted Operating Profit Margin</b>	11.9 %	5.1 %	13.1 %	9.1 %	11.2 %	11.1 %	23.3 %	20.0 %