

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

FORM 8-K

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

Date of Report (Date of earliest event reported): April 3, 2024

ACUITY BRANDS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-16583
(Commission File Number)

58-2632672
(IRS Employer
Identification Number)

1170 Peachtree Street, N.E., Suite 1200, Atlanta, Georgia 30309
(Address of principal executive offices)

(404) 853-1400
(Registrant's telephone number, including area code)

None
(Former Name or Former Address, if Changed Since Last Report)

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.01 par value per share	AYI	New York Stock Exchange

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

Emerging growth company

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

Item 2.02. Results of Operations and Financial Condition.

On April 3, 2024, Acuity Brands, Inc. (“we,” “our,” “us,” “the Company,” or similar references) issued a press release containing information about our results of operations for our fiscal quarter ended February 29, 2024. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K, which is incorporated herein by reference. The information contained in this paragraph, as well as Exhibit 99.1 referenced herein, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits**

- 99.1 [Press Release dated April 3, 2024.](#)
- 104 Cover Page Interactive Data File (embedded within the inline XBRL document).

Signatures

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

Date: April 3, 2024

ACUITY BRANDS, INC.

By: /s/ Karen J. Holcom
Karen J. Holcom
Senior Vice President and Chief Financial
Officer

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Acuity Brands Reports Fiscal 2024 Second-Quarter Results
Solid Execution Continues Delivering Margin Expansion and EPS Growth

- **Delivered Net Sales of \$906M, a 4% Decline Compared to the Prior Year**
- **Grew Operating Profit to \$118M, up 6% Over the Prior Year; Adjusted Operating Profit of \$140M, up 6% Over the Prior Year**
- **Reported Diluted EPS of \$2.84, up 11% Over the Prior Year; Adjusted Diluted EPS of \$3.38, up 11% Over the Prior Year**
- **Generated \$293M in Year-to-Date Cash Flow from Operations**

ATLANTA, April 3, 2024 - Acuity Brands, Inc. (NYSE: AYI) (the "Company"), a market-leading industrial technology company, announced net sales of \$905.9 million in the second quarter of fiscal 2024 ended February 29, 2024, a decrease of \$37.7 million, or 4.0 percent, compared to the prior year.

"Our fiscal 2024 second quarter was another quarter of solid execution," stated Neil Ashe, Chairman, President and Chief Executive Officer of Acuity Brands, Inc. "We increased our adjusted operating profit, adjusted operating profit margin and adjusted diluted earnings per share. We generated strong free cash flow, and we allocated capital effectively to drive value."

Operating profit was \$118.1 million in the second quarter of fiscal 2024, an increase of \$6.6 million, or 5.9 percent, compared to the prior year. Operating profit as a percent of net sales was 13.0 percent in the second quarter of fiscal 2024, an increase of 120 basis points compared to the prior year. Adjusted operating profit was \$140.1 million in the second quarter of fiscal 2024, an increase of \$8.0 million, or 6.1 percent, compared to the prior year. Adjusted operating profit as a percent of net sales was 15.5 percent in the second quarter of fiscal 2024, an increase of 150 basis points compared to the prior year.

Diluted earnings per share was \$2.84 in the second quarter of fiscal 2024, an increase of \$0.27, or 10.5 percent, compared to the prior year. Adjusted diluted earnings per share was \$3.38 in the second quarter of fiscal 2024, an increase of \$0.32, or 10.5 percent, from \$3.06 in the prior year.

Segment Performance

Acuity Brands Lighting and Lighting Controls (“ABL”)

ABL generated net sales of \$843.5 million in the second quarter of fiscal 2024, a decrease of \$47.3 million, or 5.3 percent, compared to the prior year.

ABL operating profit was \$126.0 million in the second quarter of fiscal 2024, an increase of \$2.4 million, or 1.9 percent, compared to the prior year. ABL operating profit as a percent of ABL net sales was 14.9 percent in the second quarter of fiscal 2024, an increase of 100 basis points compared to the prior year. ABL adjusted operating profit was \$136.4 million in the second quarter of fiscal 2024, an increase of \$3.1 million, or 2.3 percent, compared to the prior year. ABL adjusted operating profit as a percent of ABL net sales was 16.2 percent in the second quarter of fiscal 2024, an increase of 120 basis points compared to the prior year.

Intelligent Spaces Group (“ISG”)

ISG generated net sales of \$68.1 million in the second quarter of fiscal 2024, an increase of \$9.9 million, or 17.0 percent, compared to the prior year.

ISG operating profit was \$9.1 million in the second quarter of fiscal 2024, an increase of \$2.8 million compared to the prior year. ISG operating profit as a percent of ISG net sales was 13.4 percent in the second quarter of fiscal 2024, an increase of 260 basis points compared to the prior year. ISG adjusted operating profit was \$14.3 million in the second quarter of fiscal 2024, an increase of \$3.5 million compared to the prior year. ISG adjusted operating profit as a percent of ISG net sales was 21.0 percent in the second quarter of fiscal 2024, an increase of 240 basis points compared to the prior year.

Cash Flow and Capital Allocation

Net cash from operating activities was \$292.6 million for the first half of fiscal 2024, a decrease of \$13.8 million compared to the prior year.

Year-to-Date, the Company repurchased approximately 370,000 shares of common stock for a total of approximately \$68 million.

Today's Call Details

The Company will host a conference call at 8:00 a.m. (ET) today, Wednesday, April 3, 2024. Neil Ashe, Chairman, President and Chief Executive Officer of Acuity Brands, Inc. will lead the call. The conference call and earnings release can be accessed via the Investor Relations section of the Company's website at www.investors.acuitybrands.com. A replay of the call will also be posted to the Investor Relations website within two hours of the completion of the conference call and will be available on the website for a limited time.

About Acuity Brands

Acuity Brands, Inc. (NYSE: AYI) is a market-leading industrial technology company. We use technology to solve problems in spaces, light, and more things to come. Through our two business segments, Acuity

Brands Lighting and Lighting Controls (ABL) and the Intelligent Spaces Group (ISG), we design, manufacture, and bring to market products and services that make a valuable difference in people's lives.

We achieve growth through the development of innovative new products and services, including lighting, lighting controls, building management solutions, and location-aware applications. We achieve customer-focused efficiencies that allow us to increase market share and deliver superior returns. We look to aggressively deploy capital to grow the business and to enter attractive new verticals.

Acuity Brands, Inc. is based in Atlanta, Georgia, with operations across North America, Europe, and Asia. The Company is powered by approximately 12,000 dedicated and talented associates. Visit us at www.acuitybrands.com

Non-GAAP Financial Measures

This news release 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");" and "adjusted EBITDA". 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, loss on sale of business, and special charges associated with continued efforts to streamline the organization and integrate recent acquisitions.

We also provide "free cash flow" ("FCF") 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, 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 amortization of acquired intangible assets, loss on sale of business, share-based payment expense, and special charges. Adjusted diluted EPS is adjusted net income divided by diluted weighted average shares outstanding. 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. EBITDA margin is EBITDA divided by net sales for total company. 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, special charges, and miscellaneous (income)

expense, net. Adjusted EBITDA margin is Adjusted EBITDA divided by net sales for total company. A reconciliation of each measure to the most directly comparable GAAP measure is available in this news release.

The Company defines FCF as net cash provided by operating activities less purchases of property, plant and equipment. A calculation of this 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.

Forward-Looking Information

This press release includes "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, pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the "Act"). Forward-looking statements use words such as "expect," "believe," "intend," "anticipate," "indicative," "projection," "predict," "plan," "may," "could," "should," "would," "potential," and words of similar meaning, as well as other words or expressions referencing future events, conditions, or circumstances. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Act. Statements that describe or relate to the Company's plans, goals, intentions, strategies, or financial outlook, and statements that do not relate to historical or current fact, are examples of forward-looking statements. Forward-looking statements are not guarantees of future performance. Our forward-looking statements are based on our current beliefs, expectations, and assumptions, which may not prove to be accurate, and are subject to known and unknown risks and uncertainties, many of which are outside of our control. These risks and uncertainties could cause actual results to differ materially from our historical experience and management's present expectations or projections. These risks and uncertainties are discussed in our filings with the U.S. Securities and Exchange Commission, including our most recent annual report on Form 10-K (including, but not limited to, Part I, Item 1A Risk Factors), quarterly reports on Form 10-Q, and current reports on Form 8-K. Any forward-looking statement speaks only as of the date on which it is made. You are cautioned not to place undue reliance on any forward-looking statements. Except as required by law, we undertake no obligation to publicly update or release any revisions to these forward-looking statements to reflect any events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events, whether as a result of new information, future events, or otherwise.

ACUITY BRANDS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except per-share data)

	February 29, 2024	August 31, 2023
	<i>(unaudited)</i>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 578.9	\$ 397.9
Accounts receivable, less reserve for doubtful accounts of \$1.2 and \$1.3, respectively	494.9	555.3
Inventories	375.8	368.5
Prepayments and other current assets	97.2	73.5
Total current assets	1,546.8	1,395.2
Property, plant, and equipment, net	296.0	297.6
Operating lease right-of-use assets	76.2	84.1
Goodwill	1,097.1	1,097.9
Intangible assets, net	462.9	481.2
Deferred income taxes	0.8	3.0
Other long-term assets	46.0	49.5
Total assets	\$ 3,525.8	\$ 3,408.5
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 322.4	\$ 285.7
Current operating lease liabilities	19.6	19.7
Accrued compensation	83.9	103.3
Other current liabilities	172.0	186.7
Total current liabilities	597.9	595.4
Long-term debt	495.9	495.6
Long-term operating lease liabilities	67.5	75.5
Accrued pension liabilities	38.7	38.4
Deferred income taxes	42.3	59.0
Other long-term liabilities	133.9	129.2
Total liabilities	1,376.2	1,393.1
Stockholders' equity:		
Preferred stock, \$0.01 par value per share; 50.0 shares authorized; none issued	—	—
Common stock, \$0.01 par value per share; 500.0 shares authorized; 54.6 and 54.4 issued, respectively	0.5	0.5
Paid-in capital	1,087.7	1,066.8
Retained earnings	3,686.4	3,505.4
Accumulated other comprehensive loss	(112.7)	(112.6)
Treasury stock, at cost, of 23.7 and 23.4 shares, respectively	(2,512.3)	(2,444.7)
Total stockholders' equity	2,149.6	2,015.4
Total liabilities and stockholders' equity	\$ 3,525.8	\$ 3,408.5

ACUITY BRANDS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(In millions, except per-share data)

	Three Months Ended		Six Months Ended	
	February 29, 2024	February 28, 2023	February 29, 2024	February 28, 2023
Net sales	\$ 905.9	\$ 943.6	\$ 1,840.6	\$ 1,941.5
Cost of products sold	493.5	536.9	999.8	1,118.3
Gross profit	412.4	406.7	840.8	823.2
Selling, distribution, and administrative expenses	294.3	295.2	589.8	595.9
Special charges	—	—	—	6.9
Operating profit	118.1	111.5	251.0	220.4
Other expense:				
Interest (income) expense, net	(0.1)	5.7	0.8	12.3
Miscellaneous expense (income), net	0.6	(3.7)	1.7	5.4
Total other expense	0.5	2.0	2.5	17.7
Income before income taxes	117.6	109.5	248.5	202.7
Income tax expense	28.4	26.3	58.7	44.6
Net income	\$ 89.2	\$ 83.2	\$ 189.8	\$ 158.1
Earnings per share ⁽¹⁾ :				
Basic earnings per share	\$ 2.89	\$ 2.60	\$ 6.13	\$ 4.91
Basic weighted average number of shares outstanding	30.864	32.048	30.940	32.178
Diluted earnings per share	\$ 2.84	\$ 2.57	\$ 6.05	\$ 4.86
Diluted weighted average number of shares outstanding	31.399	32.386	31.388	32.545
Dividends declared per share	\$ 0.15	\$ 0.13	\$ 0.28	\$ 0.26

⁽¹⁾ Earnings per share is calculated using unrounded numbers. Amounts in the table may not recalculate exactly due to rounding.

ACUITY BRANDS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(In millions)

	Six Months Ended	
	February 29, 2024	February 28, 2023
Cash flows from operating activities:		
Net income	\$ 189.8	\$ 158.1
Adjustments to reconcile net income to cash flows from operating activities:		
Depreciation and amortization	45.6	48.5
Share-based payment expense	23.1	22.0
Loss on disposal of property, plant, and equipment	0.3	—
Asset impairment	—	4.3
Loss on sale of a business	—	11.2
Changes in operating assets and liabilities, net of acquisitions and divestitures:		
Accounts receivable	60.1	142.6
Inventories	(4.7)	44.5
Prepayments and other current assets	(23.0)	(1.7)
Accounts payable	39.2	(69.1)
Other operating activities	(37.8)	(54.0)
Net cash provided by operating activities	<u>292.6</u>	<u>306.4</u>
Cash flows from investing activities:		
Purchases of property, plant, and equipment	(29.0)	(35.6)
Other investing activities	(3.7)	6.4
Net cash used for investing activities	<u>(32.7)</u>	<u>(29.2)</u>
Cash flows from financing activities:		
Repayments on credit facility, net of borrowings	—	(18.0)
Repurchases of common stock	(67.8)	(121.7)
Proceeds from stock option exercises and other	7.0	1.7
Payments of taxes withheld on net settlement of equity awards	(9.4)	(12.9)
Dividends paid	(8.8)	(8.5)
Net cash used for financing activities	<u>(79.0)</u>	<u>(159.4)</u>
Effect of exchange rate changes on cash and cash equivalents	0.1	(2.0)
Net change in cash and cash equivalents	181.0	115.8
Cash and cash equivalents at beginning of period	397.9	223.2
Cash and cash equivalents at end of period	<u>\$ 578.9</u>	<u>\$ 339.0</u>

ACUITY BRANDS, INC.
DISAGGREGATED NET SALES
(In millions)

The following tables show net sales by channel for the periods presented:

	Three Months Ended		Increase (Decrease)	Percent Change
	February 29, 2024	February 28, 2023		
ABL:				
Independent sales network	\$ 612.3	\$ 635.3	\$ (23.0)	(3.6) %
Direct sales network	93.0	94.7	(1.7)	(1.8) %
Retail sales	46.4	50.4	(4.0)	(7.9) %
Corporate accounts	38.1	54.0	(15.9)	(29.4) %
Original equipment manufacturer and other	53.7	56.4	(2.7)	(4.8) %
Total ABL	843.5	890.8	(47.3)	(5.3) %
ISG	68.1	58.2	9.9	17.0 %
Eliminations	(5.7)	(5.4)	(0.3)	5.6 %
Total	<u>\$ 905.9</u>	<u>\$ 943.6</u>	<u>\$ (37.7)</u>	<u>(4.0) %</u>

	Six Months Ended		Increase (Decrease)	Percent Change
	February 29, 2024	February 28, 2023		
ABL:				
Independent sales network	\$ 1,237.5	\$ 1,309.0	\$ (71.5)	(5.5) %
Direct sales network	190.4	201.1	(10.7)	(5.3) %
Retail sales	102.0	100.3	1.7	1.7 %
Corporate accounts	79.6	103.1	(23.5)	(22.8) %
Original equipment manufacturer and other	110.4	124.4	(14.0)	(11.3) %
Total ABL	1,719.9	1,837.9	(118.0)	(6.4) %
ISG	132.3	115.0	17.3	15.0 %
Eliminations	(11.6)	(11.4)	(0.2)	1.8 %
Total	<u>\$ 1,840.6</u>	<u>\$ 1,941.5</u>	<u>\$ (100.9)</u>	<u>(5.2) %</u>

ACUITY BRANDS, INC.
Reconciliation of Non-U.S. GAAP Measures

The tables below reconcile certain GAAP financial measures to the corresponding non-GAAP measures for total Company as well as our reportable operating segments (in millions except per share data):

	Three Months Ended		Increase (Decrease)	Percent Change
	February 29, 2024	February 28, 2023		
Net sales	\$ 905.9	\$ 943.6	\$ (37.7)	(4.0) %
Operating profit (GAAP)	\$ 118.1	\$ 111.5	\$ 6.6	5.9 %
<i>Percent of net sales (GAAP)</i>		13.0 %	11.8 %	120 bps
Add-back: Amortization of acquired intangible assets	10.0	9.3		
Add-back: Share-based payment expense	12.0	11.3		
Adjusted operating profit (Non-GAAP)	<u>\$ 140.1</u>	<u>\$ 132.1</u>	\$ 8.0	6.1 %
<i>Percent of net sales (Non-GAAP)</i>		15.5 %	14.0 %	150 bps
Net income (GAAP)	\$ 89.2	\$ 83.2	\$ 6.0	7.2 %
Add-back: Amortization of acquired intangible assets	10.0	9.3		
Add-back: Share-based payment expense	12.0	11.3		
Total pre-tax adjustments to net income	22.0	20.6		
Income tax effects	(5.1)	(4.8)		
Adjusted net income (Non-GAAP)	<u>\$ 106.1</u>	<u>\$ 99.0</u>	\$ 7.1	7.2 %
Diluted earnings per share (GAAP)	\$ 2.84	\$ 2.57	\$ 0.27	10.5 %
Adjusted diluted earnings per share (Non-GAAP)	\$ 3.38	\$ 3.06	\$ 0.32	10.5 %
Net income (GAAP)	\$ 89.2	\$ 83.2	\$ 6.0	7.2 %
<i>Percent of net sales (GAAP)</i>		9.8 %	8.8 %	100 bps
Interest (income) expense, net	(0.1)	5.7		
Income tax expense	28.4	26.3		
Depreciation	12.9	12.7		
Amortization of acquired intangible assets	10.0	9.3		
EBITDA (Non-GAAP)	<u>140.4</u>	<u>137.2</u>	3.2	2.3 %
<i>Percent of net sales (Non-GAAP)</i>		15.5 %	14.5 %	100 bps
Share-based payment expense	12.0	11.3		
Miscellaneous expense (income), net	0.6	(3.7)		
Adjusted EBITDA (Non-GAAP)	<u>\$ 153.0</u>	<u>\$ 144.8</u>	\$ 8.2	5.7 %
<i>Percent of net sales (Non-GAAP)</i>		16.9 %	15.3 %	160 bps

ABL	Three Months Ended		Increase (Decrease)	Percent Change
	February 29, 2024	February 28, 2023		
Net sales	\$ 843.5	\$ 890.8	\$ (47.3)	(5.3) %
Operating profit (GAAP)	\$ 126.0	\$ 123.6	\$ 2.4	1.9 %
Add-back: Amortization of acquired intangible assets	6.6	6.2		
Add-back: Share-based payment expense	3.8	3.5		
Adjusted operating profit (Non-GAAP)	\$ 136.4	\$ 133.3	\$ 3.1	2.3 %
Operating profit margin (GAAP)	14.9 %	13.9 %	100	bps
Adjusted operating profit margin (Non-GAAP)	16.2 %	15.0 %	120	bps

ISG	Three Months Ended		Increase (Decrease)	Percent Change
	February 29, 2024	February 28, 2023		
Net sales	\$ 68.1	\$ 58.2	\$ 9.9	17.0 %
Operating profit (GAAP)	\$ 9.1	\$ 6.3	\$ 2.8	44.4 %
Add-back: Amortization of acquired intangible assets	3.4	3.1		
Add-back: Share-based payment expense	1.8	1.4		
Adjusted operating profit (Non-GAAP)	\$ 14.3	\$ 10.8	\$ 3.5	32.4 %
Operating profit margin (GAAP)	13.4 %	10.8 %	260	bps
Adjusted operating profit margin (Non-GAAP)	21.0 %	18.6 %	240	bps

(In millions, except per share data)

	Six Months Ended		Increase (Decrease)	Percent Change
	February 29, 2024	February 28, 2023		
Net sales	\$ 1,840.6	\$ 1,941.5	\$ (100.9)	(5.2)%
Operating profit (GAAP)	\$ 251.0	\$ 220.4	\$ 30.6	13.9 %
<i>Percent of net sales (GAAP)</i>		13.6 %	11.4 %	220 bps
Add-back: Amortization of acquired intangible assets ⁽¹⁾	19.9	22.9		
Add-back: Share-based payment expense	23.1	22.0		
Add-back: Special charges	—	6.9		
Adjusted operating profit (Non-GAAP)	<u>\$ 294.0</u>	<u>\$ 272.2</u>	\$ 21.8	8.0 %
<i>Percent of net sales (Non-GAAP)</i>		16.0 %	14.0 %	200 bps
Net income (GAAP)	\$ 189.8	\$ 158.1	\$ 31.7	20.1 %
Add-back: Amortization of acquired intangible asset ⁽¹⁾	19.9	22.9		
Add-back: Share-based payment expense	23.1	22.0		
Add-back: Loss on sale of a business	—	11.2		
Add-back: Special charges	—	6.9		
Total pre-tax adjustments to net income	<u>43.0</u>	<u>63.0</u>		
Income tax effect	<u>(9.9)</u>	<u>(14.6)</u>		
Adjusted net income (Non-GAAP)	<u>\$ 222.9</u>	<u>\$ 206.5</u>	\$ 16.4	7.9 %
Diluted earnings per share (GAAP)	\$ 6.05	\$ 4.86	\$ 1.19	24.5 %
Adjusted diluted earnings per share (Non-GAAP)	\$ 7.10	\$ 6.35	\$ 0.75	11.8 %
Net income (GAAP)	\$ 189.8	\$ 158.1	\$ 31.7	20.1 %
<i>Percent of net sales (GAAP)</i>		10.3 %	8.1 %	220 bps
Interest expense, net	0.8	12.3		
Income tax expense	58.7	44.6		
Depreciation	25.7	25.6		
Amortization	<u>19.9</u>	<u>22.9</u>		
EBITDA (Non-GAAP)	<u>294.9</u>	<u>263.5</u>	31.4	11.9 %
<i>Percent of net sales (Non-GAAP)</i>		16.0 %	13.6 %	240 bps
Share-based payment expense	23.1	22.0		
Miscellaneous expense, net	1.7	5.4		
Special charges	—	6.9		
Adjusted EBITDA (Non-GAAP)	<u>\$ 319.7</u>	<u>\$ 297.8</u>	\$ 21.9	7.4 %
<i>Percent of net sales (Non-GAAP)</i>		17.4 %	15.3 %	210 bps

⁽¹⁾ Amortization expense for the first six months of fiscal 2023 includes accelerated amortization of \$4.0 million for certain discontinued brands.

ABL	Six Months Ended		Increase (Decrease)	Percent Change
	February 29, 2024	February 28, 2023		
Net sales	\$ 1,719.9	\$ 1,837.9	\$ (118.0)	(6.4)%
Operating profit (GAAP)	\$ 269.8	\$ 241.7	\$ 28.1	11.6 %
Add-back: Amortization of acquired intangible assets ⁽¹⁾	13.1	16.7		
Add-back: Share-based payment expense	7.3	6.8		
Add-back: Special charges	—	6.9		
Adjusted operating profit (Non-GAAP)	<u>\$ 290.2</u>	<u>\$ 272.1</u>	\$ 18.1	6.7 %
Operating profit margin (GAAP)	15.7 %	13.2 %	250 bps	
Adjusted operating profit margin (Non-GAAP)	16.9 %	14.8 %	210 bps	

⁽¹⁾ Amortization expense for the first six months of fiscal 2023 includes accelerated amortization of \$4.0 million for certain discontinued brands.

ISG	Six Months Ended		Increase (Decrease)	Percent Change
	February 29, 2024	February 28, 2023		
Net sales	\$ 132.3	\$ 115.0	\$ 17.3	15.0 %
Operating profit (GAAP)	\$ 14.4	\$ 14.0	\$ 0.4	2.9 %
Add-back: Amortization of acquired intangible assets	6.8	6.2		
Add-back: Share-based payment expense	3.4	2.7		
Adjusted operating profit (Non-GAAP)	<u>\$ 24.6</u>	<u>\$ 22.9</u>	\$ 1.7	7.4 %
Operating profit margin (GAAP)	10.9 %	12.2 %	(130) bps	
Adjusted operating profit margin (Non-GAAP)	18.6 %	19.9 %	(130) bps	

	Six Months Ended		Increase (Decrease)	Percent Change
	February 29, 2024	February 28, 2023		
Net cash provided by operating activities (GAAP)	\$ 292.6	\$ 306.4	\$ (13.8)	(4.5)%
Less: Purchases of property, plant, and equipment	(29.0)	(35.6)		
Free cash flow (Non-GAAP)	<u>\$ 263.6</u>	<u>\$ 270.8</u>	\$ (7.2)	(2.7)%