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

Form 10-Q

(Mark One)

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

For the quarterly period ended February 28, 2022.

OR

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

For the transition period from to .

Commission file number 001-16583.

ACUITY BRANDS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**58-2632672**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification Number)*

1170 Peachtree Street, N.E., Suite 2300, Atlanta, Georgia 30309-7676
(Address of principal executive offices)

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

None
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading symbol	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 (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 every Interactive Data File required to be submitted 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 such files). Yes ☑ No ☐

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

Large accelerated filer	☑	Accelerated filer	☐	Non-accelerated filer	☐
Smaller reporting company	☐	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. ☐

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock — $0.01 par value — 34,580,432 shares as of April 1, 2022.

ACUITY BRANDS, INC.

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PART I. FINANCIAL INFORMATION

Item 1. *Financial Statements*

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

	February 28, 2022 (unaudited)	August 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 475.5	$ 491.3
Accounts receivable, less reserve for doubtful accounts of $1.2 and $1.2, respectively	546.8	571.8
Inventories	524.4	398.7
Prepayments and other current assets	125.3	82.5
Total current assets	1,672.0	1,544.3
Property, plant, and equipment, net	264.1	269.1
Operating lease right-of-use assets	59.5	58.0
Goodwill	1,092.4	1,094.7
Intangible assets, net	552.3	573.2
Deferred income taxes	1.8	1.9
Other long-term assets	37.1	33.9
Total assets	$ 3,679.2	$ 3,575.1
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 454.7	$ 391.5
Current operating lease liabilities	16.3	15.9
Accrued compensation	77.7	95.3
Other accrued liabilities	195.0	189.5
Total current liabilities	743.7	692.2
Long-term debt	494.7	494.3
Long-term operating lease liabilities	49.0	46.7
Accrued pension liabilities	52.1	60.2
Deferred income taxes	100.5	101.0
Other long-term liabilities	134.9	136.2
Total liabilities	1,574.9	1,530.6
Commitments and contingencies (see *Commitments and Contingencies* footnote)		
Stockholders' equity:		
Preferred stock, $0.01 par value; 50,000,000 shares authorized; none issued	—	—
Common stock, $0.01 par value; 500,000,000 shares authorized; 54,199,410 and 54,018,978 issued, respectively	0.5	0.5
Paid-in capital	1,015.6	995.6
Retained earnings	2,963.9	2,810.3
Accumulated other comprehensive loss	(102.9)	(98.2)
Treasury stock, at cost, of 19,425,436 and 18,826,611 shares, respectively	(1,772.8)	(1,663.7)
Total stockholders' equity	2,104.3	2,044.5
Total liabilities and stockholders' equity	$ 3,679.2	$ 3,575.1

The accompanying *Notes to Consolidated Financial Statements* are an integral part of these statements.

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

	Three Months Ended		Six Months Ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
Net sales	$ 909.1	$ 776.6	$ 1,835.2	$ 1,568.6
Cost of products sold	529.8	439.9	1,070.1	899.5
Gross profit	379.3	336.7	765.1	669.1
Selling, distribution, and administrative expenses	277.0	245.4	547.7	491.4
Special charges	—	0.3	—	1.0
Operating profit	102.3	91.0	217.4	176.7
Other expense:				
Interest expense, net	6.0	6.6	11.9	11.5
Miscellaneous (income) expense, net	(1.9)	2.2	(1.6)	3.8
Total other expense	4.1	8.8	10.3	15.3
Income before income taxes	98.2	82.2	207.1	161.4
Income tax expense	22.9	19.3	44.2	38.9
Net income	$ 75.3	$ 62.9	$ 162.9	$ 122.5
Earnings per share:				
Basic earnings per share	$ 2.16	$ 1.75	$ 4.65	$ 3.32
Basic weighted average number of shares outstanding	35.0	36.0	35.0	36.9
Diluted earnings per share	$ 2.13	$ 1.74	$ 4.60	$ 3.30
Diluted weighted average number of shares outstanding	35.4	36.2	35.4	37.1
Dividends declared per share	$ 0.13	$ 0.13	$ 0.26	$ 0.26
Comprehensive income:				
Net income	$ 75.3	$ 62.9	$ 162.9	$ 122.5
Other comprehensive income (loss) items:				
Foreign currency translation adjustments	4.8	6.7	(7.1)	11.3
Defined benefit plans, net of tax	1.2	1.7	2.4	3.3
Other comprehensive income (loss) items, net of tax	6.0	8.4	(4.7)	14.6
Comprehensive income	$ 81.3	$ 71.3	$ 158.2	$ 137.1

The accompanying *Notes to Consolidated Financial Statements* are an integral part of these statements.

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

	Six Months Ended	
	February 28, 2022	February 28, 2021
Cash flows from operating activities:		
Net income	$ 162.9	$ 122.5
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	47.9	50.0
Share-based payment expense	17.6	15.2
Gain on sale of property, plant, and equipment	(2.3)	—
Asset impairment	1.7	4.0
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	23.5	54.5
Inventories	(117.6)	(0.4)
Prepayments and other current assets	(51.8)	(7.6)
Accounts payable	63.4	(4.3)
Other	(18.0)	(21.3)
Net cash provided by operating activities	127.3	212.6
Cash flows from investing activities:		
Purchases of property, plant, and equipment	(24.1)	(21.2)
Proceeds from sale of property, plant, and equipment	8.9	0.4
Acquisition of businesses, net of cash acquired	(10.2)	—
Other investing activities	(1.7)	(3.1)
Net cash used for investing activities	(27.1)	(23.9)
Cash flows from financing activities:		
Issuance of long-term debt	—	493.9
Repayments of long-term debt	—	(397.1)
Repurchases of common stock	(108.0)	(338.3)
Proceeds from stock option exercises and other	10.2	0.9
Payments of taxes withheld on net settlement of equity awards	(7.3)	(3.3)
Dividends paid	(9.3)	(9.7)
Net cash used for financing activities	(114.4)	(253.6)
Effect of exchange rate changes on cash and cash equivalents	(1.6)	2.9
Net change in cash and cash equivalents	(15.8)	(62.0)
Cash and cash equivalents at beginning of period	491.3	560.7
Cash and cash equivalents at end of period	$ 475.5	$ 498.7
Supplemental cash flow information:		
Income taxes paid during the period	$ 54.4	$ 38.7
Interest paid during the period	$ 18.9	$ 15.5

The accompanying *Notes to Consolidated Financial Statements* are an integral part of these statements.

Note 1 — Description of Business and Basis of Presentation

Acuity Brands, Inc. (referred to herein as "we," "our," "us," the "Company," or similar references) is a market-leading industrial technology company. We use technology to solve problems in spaces and light. 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 the world more brilliant, productive, and connected. We achieve growth through the development of innovative new products and services, including lighting, lighting controls, building management systems, and location-aware applications.

ABL Segment

ABL's portfolio of lighting solutions includes commercial, architectural, and specialty lighting in addition to lighting controls and components that can be combined to create integrated lighting controls systems. We offer devices such as luminaires that predominantly utilize light emitting diode ("LED") technology designed to optimize energy efficiency and comfort for various indoor and outdoor applications. ABL's portfolio of products includes but is not limited to the following brands: Lithonia Lighting®, Holophane®, Peerless®, Gotham®, Mark Architectural Lighting™, Winona® Lighting, Juno®, Indy™, Aculux™, Healthcare Lighting®, Hydrel®, American Electric Lighting®, Sunoptics®, eldoLED®, nLight®, Sensor Switch®, IOTA®, A-Light™, Cyclone™, Eureka®, Lumniaire LED™, Luminis®, Dark to Light®, and RELOC® Wiring Solutions.

Principal customers of ABL include electrical distributors, retail home improvement centers, electric utilities, national accounts, digital retailers, lighting showrooms, and energy service companies located in North America and select international markets serving new construction, renovation and retrofit, and maintenance and repair applications. ABL's lighting and lighting controls solutions are sold primarily through a network of independent sales agencies that cover specific geographic areas and market channels, by internal sales representatives, through consumer retail channels, and directly to large corporate accounts. Products are delivered directly from our manufacturing facilities or through a network of distribution centers, regional warehouses, and commercial warehouses using both common carriers and a company-managed truck fleet. To serve international customers, our sales forces utilize a variety of distribution methods to meet specific individual customer or country requirements.

ABL comprised approximately 95% of consolidated revenues during the three and six months ended February 28, 2022 and 2021.

ISG Segment

ISG delivers products and services that make spaces smarter, safer, and greener. ISG offers building management systems and location-aware applications and sells predominantly to system integrators. Our building management system includes products for controlling heating, ventilation, and air conditioning ("HVAC"), lighting, shades, and building access that deliver end-to-end optimization of those building systems. Atrius™, our intelligent building platform, enhances the occupant experience, improves building system management, and automates labor intensive tasks while delivering operational energy efficiency and cost reductions. Through a connected and converged building system architecture, our platform delivers different applications, allows clients to upgrade over time with natural refresh cycles, and deploys new capability through both software and hardware updates. Customers of ISG primarily include system integrators as well as retail stores, airports, and enterprise campuses throughout North America and select international locations. ISG products and solutions are marketed under numerous brand names, including but not limited to Distech Controls®, Atrius™, and Rockpile Ventures.

ISG comprised approximately 5% of consolidated revenues during the three and six months ended February 28, 2022 and 2021.

We have prepared the *Consolidated Financial Statements* in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") to present the financial position, results of operations, and cash flows of Acuity Brands, Inc. and its wholly-owned subsidiaries.

These unaudited interim consolidated financial statements reflect all normal and recurring adjustments that are, in the opinion of management, necessary to present fairly our consolidated financial position as of February 28, 2022, our consolidated comprehensive income for the three and six months ended February 28, 2022 and 2021, and our consolidated cash flows for the six months ended February 28, 2022 and 2021. Certain information and footnote disclosures normally included in our annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. However, we believe that the disclosures included herein are adequate to make the information presented not misleading. These financial statements should be read in conjunction with the audited consolidated financial statements as of and for the three years ended August 31, 2021 and notes thereto included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on October 27, 2021 (File No. 001-16583) ("Form 10-K").

The results of operations for the three and six months ended February 28, 2022 are not necessarily indicative of the results to be expected for the full fiscal 2022 year due primarily to continued uncertainty of general economic conditions that may impact our key end markets for the remainder of fiscal 2022, seasonality, and the impact of any acquisitions, among other reasons. We are uncertain of the future impact of the ongoing COVID-19 pandemic or recovery of prior deterioration in economic conditions to our sales channels, supply chain, manufacturing, and distribution as well as overall construction, renovation, and consumer spending. Additionally, the current conflict between Russia and Ukraine and the related sanctions and other penalties imposed by countries across the globe against Russia are creating substantial uncertainty in the global economy. While we do not have operations in Russia or Ukraine and do not have significant direct exposure to customers and vendors in those countries, we are unable to predict the impact that these actions will have on the global economy or on our financial condition, results of operations, and cash flows as of the date of these financial statements.

Note 2 — Significant Accounting Policies

Use of Estimates

The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Reclassifications

We have recast prior period segment and disaggregated revenue information to conform to the current year presentation. See the *Segment Information* footnote of the *Notes to Consolidated Financial Statements* for further details. No other material reclassifications occurred during the current period.

Note 3 — Acquisitions

The following discussion relates to fiscal 2021 acquisitions. There were no acquisitions during fiscal 2022; the $10.2 million of cash outflows reflected in the fiscal 2022 *Consolidated Statements of Cash Flows* relate to working capital settlements for fiscal 2021 acquisitions.

Fiscal 2021 Acquisitions

ams OSRAM's North American Digital Systems Business

On July 1, 2021, using cash on hand, we acquired certain assets and liabilities of ams OSRAM's North American Digital Systems business ("OSRAM DS"). This acquisition is intended to enhance our LED driver and controls technology portfolio and accelerate our innovation, expand our access to market through a more fulsome original equipment manufacturer ("OEM") product offering, and give us more control over our supply chain.

Rockpile Ventures

On May 18, 2021, using cash on hand, we acquired all of the equity interests of Rockpile Ventures, an accelerator of edge artificial intelligence ("AI") startups. Rockpile Ventures helps early-stage artificial intelligence companies drive co-engineering and co-selling partnerships with major cloud ecosystems, enabling faster adoption from proof-of-concept trials to market scale.

Accounting for Acquisitions

We accounted for the acquisitions of Rockpile Ventures and OSRAM DS in accordance with Accounting Standards Codification (“ASC”) Topic 805, *Business Combinations* (“ASC 805”). Acquired assets and liabilities were recorded at their estimated acquisition-date fair values, and acquisition-related costs were expensed as incurred. The aggregate purchase price of these acquisitions reflects preliminary goodwill of $10.6 million and definite-lived customer-based intangible assets of $6.7 million, which have a preliminary useful life of approximately 11 years. Goodwill recognized from these acquisitions is comprised primarily of expected synergies from obtaining more control over our supply chain and technology, combining the operations of the acquired business with our operations, and acquiring the associated trained workforce. As of February 28, 2022, goodwill from these acquisitions totaling $7.5 million is expected to be tax deductible. Amounts recognized for these acquisitions are deemed to be provisional until disclosed otherwise, as we continue to gather information related to the identification and valuation of acquired assets and liabilities, including but not limited to, acquired interests in technology startups, tax-related items, final net working capital purchase adjustments, if any, and the residual impacts on the valuation of intangible assets.

Note 4 — New Accounting Pronouncements

Accounting Standards Adopted in Fiscal 2022

Accounting Standards Update (“ASU”) 2019-12, *Simplifying the Accounting for Income Taxes* (“ASU 2019-12”)

In December 2019, the Financial Accounting Standards Board (“FASB”) issued ASU 2019-12, which simplifies the accounting for income taxes, eliminates certain exceptions within ASC Topic 740, *Income Taxes*, and clarifies certain aspects of the current guidance to promote consistency among reporting entities. ASU 2019-12 is effective for fiscal years beginning after December 15, 2020, or our fiscal 2022. Most amendments within the standard are required to be applied on a prospective basis, while certain amendments must be applied on a retrospective or modified retrospective basis. We adopted ASU 2019-11 as of September 1, 2021 as required by the standard. This standard did not have a material effect on our financial condition, results of operations, or cash flows.

Accounting Standards Yet to Be Adopted

ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers* (“ASU 2021-08”)

In October 2021, the FASB issued ASU 2021-08, which requires companies to recognize and measure contract assets and contract liabilities acquired in a business combination as if the acquiring company originated the related revenue contracts. ASU 2021-08 is effective for fiscal years beginning after December 15, 2022, or our fiscal 2024, with early adoption permitted. We are currently assessing the impacts of ASU 2021-08 to determine whether we will adopt early or in fiscal 2024. Amendments within the standard are required to be applied on a prospective basis from the date of adoption. We will apply the provisions of ASU 2021-08 after adoption to future acquisitions, if any.

All other newly issued accounting pronouncements not yet effective have been deemed either immaterial or not applicable.

Note 5 — Fair Value Measurements

We determine fair value measurements based on the assumptions a market participant would use in pricing an asset or liability. ASC Topic 820, *Fair Value Measurement* (“ASC 820”), establishes a three level hierarchy that distinguishes between market participant assumptions based on (i) unadjusted quoted prices for identical assets or liabilities in an active market (Level 1), (ii) quoted prices in markets that are not active or inputs that are observable either directly or indirectly for substantially the full term of the asset or liability (Level 2), and (iii) prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement (Level 3).

We utilize valuation methodologies to determine the fair values of our financial assets and liabilities in conformity with the concepts of “exit price” and the fair value hierarchy as prescribed in ASC 820. All valuation methods and assumptions are validated at least quarterly to ensure the accuracy and relevance of the fair values. There were no material changes to the valuation methods or assumptions used to determine fair values during the current period. No transfers between the levels of the fair value hierarchy occurred during the current fiscal period. In the event of a transfer in or out of a level within the fair value hierarchy, the transfers would be recognized on the date of occurrence.

Financial Instruments Recorded at Fair Value

We used quoted market prices to determine the fair value of Level 1 assets and liabilities. Our cash and cash equivalents (Level 1), which are required to be carried at fair value and measured on a recurring basis, were $475.5 million and $491.3 million as of February 28, 2022 and August 31, 2021, respectively.

We hold a small number of investments in equity and debt financial instruments totaling $9.9 million and $5.3 million as of February 28, 2022 and August 31, 2021, respectively. We generally account for these investments at fair value on a recurring basis. Changes in the fair values of these financial instruments during the three and six months ended February 28, 2022 and 2021 were not material to our financial condition, results of operations, or cash flows.

Our strategic equity investments represent less than a 20% ownership interest in each of the privately-held entities, and we do not exercise significant influence or control any of the entities. Certain of these investments do not have readily determinable fair value. We have elected the practical expedient in ASC Topic 321, *Investments—Equity Securities*, to measure these investments at cost less any impairment adjusted for observable price changes, if any. During the first quarter of fiscal 2021, we recorded an impairment charge of $4.0 million for one of these investments as a recapitalization of the underlying company diluted our holding value. The impairment charge is reflected in *Miscellaneous (income) expense, net* for the six months ended February 28, 2021 within our *Consolidated Statements of Comprehensive Income.*

Disclosures of Fair Value of Financial Instruments

Disclosures of fair value information about financial instruments, for which it is practicable to estimate that value, are required each reporting period in addition to any financial instruments carried at fair value on a recurring basis as prescribed by ASC Topic 825, *Financial Instruments* ("ASC 825"). In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows.

Our senior unsecured public notes are carried at the outstanding balance, net of unamortized bond discount and deferred costs, as of the end of the reporting period. Fair value is estimated based on discounted future cash flows using rates currently available for debt of similar terms and maturity (Level 2). The estimated fair value of our senior unsecured public notes was $461.3 million and $496.5 million as of February 28, 2022 and August 31, 2021, respectively. The decrease in fair value is due to increases in market bond yields since the end of fiscal 2021. See *Debt and Lines of Credit* footnote for further details on our long-term borrowings.

ASC 825 excludes certain financial instruments and all nonfinancial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value to us. In many cases, the fair value estimates cannot be substantiated by comparison to independent markets, nor can the disclosed value be realized in immediate settlement of the instruments. In evaluating our management of liquidity and other risks, the fair values of all assets and liabilities should be taken into consideration, not only those presented above.

Note 6 — Inventories

Inventories include materials, labor, inbound freight, and related manufacturing overhead; are stated at the lower of cost (on a first-in, first-out or average cost basis) and net realizable value; and consist of the following as of the dates presented (in millions):

	February 28, 2022	August 31, 2021
Raw materials, supplies, and work in process [1]	$ 270.2	$ 209.5
Finished goods	297.1	227.2
Inventories excluding reserves	567.3	436.7
Less: Reserves	(42.9)	(38.0)
Total inventories	$ 524.4	$ 398.7

[1] Due to the immaterial amount of estimated work in process and the short lead times for the conversion of raw materials to finished goods, we do not believe the segregation of raw materials and work in process is meaningful information.

We review inventory quantities on hand and record a provision for excess or obsolete inventory primarily based on estimated future demand and current market conditions. A significant change in customer demand or market conditions could render certain inventory obsolete and could have a material adverse impact on our operating results in the period the change occurs.

Note 7 — Property, Plant, and Equipment

Property, plant, and equipment consist of the following as of the dates presented (in millions):

	February 28, 2022	August 31, 2021
Land	$ 22.2	$ 22.4
Buildings and leasehold improvements	200.5	198.0
Machinery and equipment	641.9	624.9
Total property, plant, and equipment, at cost	864.6	845.3
Less: Accumulated depreciation and amortization	(600.5)	(576.2)
Property, plant, and equipment, net	$ 264.1	$ 269.1

During the three months ended February 28, 2022, we sold one building previously classified as held for sale with a carrying value of $6.6 million for a gain of approximately $2.3 million reflected in *Selling, distribution, and administrative expenses* within our *Consolidated Statements of Comprehensive Income.*

Note 8 — Goodwill and Intangible Assets

Through multiple acquisitions, we acquired definite-lived intangible assets consisting primarily of customer relationships, patented technology, distribution networks, and trademarks and trade names associated with specific products, which are amortized over their estimated useful lives. Indefinite-lived intangible assets consist of trade names that are expected to generate cash flows indefinitely.

We recorded amortization expense for definite-lived intangible assets of $10.3 million and $10.1 million during the three months ended February 28, 2022 and 2021, respectively, and $20.6 million and $20.2 million during the six months ended February 28, 2022 and 2021, respectively. Amortization expense is generally recorded on a straight-line basis and is expected to be approximately $41.2 million in fiscal 2022, $40.5 million in fiscal 2023, $40.0 million in fiscal 2024, $31.9 million in fiscal 2025, and $29.1 million in fiscal 2026.

The following table summarizes the changes in the carrying amount of goodwill by segment during the periods presented (in millions):

	ABL	ISG	Total
Balance as of August 31, 2021	$ 1,022.2	$ 72.5	$ 1,094.7
Adjustments to provisional amounts from acquired businesses	0.6	—	0.6
Foreign currency translation adjustments	(2.6)	(0.3)	(2.9)
Balance as of February 28, 2022	$ 1,020.2	$ 72.2	$ 1,092.4

	ABL	ISG	Total
Balance as of August 31, 2020	$ 1,012.6	$ 67.4	$ 1,080.0
Foreign currency translation adjustments	2.8	1.4	4.2
Balance as of February 28, 2021	$ 1,015.4	$ 68.8	$ 1,084.2

Further discussion of goodwill and other intangible assets is included within the *Significant Accounting Policies* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K.

Note 9 — Other Current Liabilities

Other current liabilities consist of the following as of the dates presented (in millions):

	February 28, 2022	August 31, 2021
Customer incentive programs(1)	$ 22.4	$ 33.9
Refunds to customers(1)	25.3	28.1
Current deferred revenues(1)	10.2	7.7
Sales commissions	27.1	28.9
Freight costs	25.7	17.6
Warranty and recall costs(2)	17.3	16.8
Tax-related items(3)	5.3	11.7
Interest on long-term debt(4)	2.3	2.4
Other(5)	59.4	42.4
Total other current liabilities	$ 195.0	$ 189.5

(1) Refer to the *Revenue Recognition* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K for additional information.
(2) Refer to the *Commitments and Contingencies* footnote of the *Notes to Consolidated Financial Statements* for additional information.
(3) Includes accruals for income, property, sales and use, and value added taxes.
(4) Refer to the *Debt and Lines of Credit* footnote of the *Notes to Consolidated Financial Statements* for additional information.
(5) Includes an accrual of $15.8 million as of February 28, 2022, related to the securities class action matter. Refer to the *Commitments and Contingencies* footnote of the *Notes to Consolidated Financial Statements* for additional information.

Note 10 — Debt and Lines of Credit

Long-term Debt

On November 10, 2020, Acuity Brands Lighting, Inc. issued $500.0 million aggregate principal amount of 2.150% senior unsecured notes due December 15, 2030 (the “Unsecured Notes”). The Unsecured Notes bear interest at a rate of 2.150% per annum and were issued at a price equal to 99.737% of their face value. Interest on the Unsecured Notes is paid semi-annually in arrears on June 15 and December 15 of each year. The Unsecured Notes are fully and unconditionally guaranteed on a senior unsecured basis by Acuity Brands, Inc. and ABL IP Holding LLC, a wholly-owned subsidiary of Acuity Brands, Inc. We recorded $4.8 million of deferred issuance costs related to the Unsecured Notes as a direct deduction from the face amount of the Unsecured Notes. These issuance costs are amortized over the 10-year term of the Unsecured Notes. As of February 28, 2022, the balance of the Unsecured Notes net of unamortized discount and deferred issuance costs was $494.7 million.

Lines of Credit

On June 29, 2018, we entered into a credit agreement (the “Credit Agreement”) with a syndicate of banks that provides us with a $400.0 million five-year unsecured revolving credit facility (the “Revolving Credit Facility”). We had no borrowings outstanding under the Revolving Credit Facility as of February 28, 2022 or August 31, 2021. The Credit Agreement expires in June 2023, and we plan to enter into a new agreement prior to this expiration.

Generally, amounts outstanding under the Revolving Credit Facility allow for borrowings to bear interest at either the Eurocurrency Rate or the base rate at our option, plus an applicable margin. Eurocurrency Rate advances can be denominated in a variety of currencies, including U.S. Dollars, and amounts outstanding bear interest at a periodic fixed rate equal to the London Inter-Bank Offered Rate (“LIBOR”) or screen rate for the applicable currency plus an applicable margin. The Eurocurrency Rate applicable margin is based on our leverage ratio, as defined in the Credit Agreement, with such margin ranging from 1.000% to 1.375%. Base rate advances bear interest at an alternate base rate plus an applicable margin. The base rate applicable margin is based on our leverage ratio with such margin ranging from 0.000% to 0.375%.

On July 27, 2017, the U.K. Financial Conduct Authority, which regulates LIBOR, announced that it will phase out rates for the calculation of LIBOR. As a result of this change, certain LIBOR tenors and currencies were eliminated on December 31, 2021 with all other tenors and currencies of LIBOR anticipated to be eliminated on June 30, 2023.

We are required to pay certain fees in connection with the Credit Agreement, including administrative service fees and an annual facility fee. The annual facility fee is payable quarterly, in arrears, and is determined by our leverage ratio. The annual facility fee ranges from 0.125% to 0.250% of the aggregate $400.0 million commitment of the lenders under the Credit Agreement. The Credit Agreement contains financial covenants, including a minimum interest expense coverage ratio (“Minimum Interest Expense Coverage Ratio”) and a leverage ratio (“Maximum Leverage Ratio”) of total indebtedness to earnings before interest, tax, depreciation, and amortization (“EBITDA”), as such terms are defined in the Credit Agreement. These ratios are computed at the end of each fiscal quarter for the most recent 12-month period. The Credit Agreement generally allows for a Minimum Interest Expense Coverage Ratio of 2.50 and a Maximum Leverage Ratio of 3.50, subject to certain conditions.

We were in compliance with all financial covenants under the Credit Agreement as of February 28, 2022. As of February 28, 2022, we had outstanding letters of credit totaling $4.1 million, primarily for securing collateral requirements under our casualty insurance programs. At February 28, 2022, we had additional borrowing capacity under the Credit Agreement of $395.9 million under the most restrictive covenant in effect at the time, which represents the full amount of the Revolving Credit Facility less the outstanding letters of credit of $4.1 million issued under the Revolving Credit Facility.

Borrowings and repayments on our Revolving Credit Facility with terms of three months or less are reported on a net basis on our *Consolidated Statements of Cash Flows*.

Interest Expense, net

Interest expense, net, is comprised primarily of interest expense on long-term debt, line of credit borrowings, and loans that are secured by and presented net of company-owned life insurance policies on our *Consolidated Balance Sheets*. Interest expense is partially offset by interest income earned on cash and cash equivalents.

The following table summarizes the components of interest expense, net for the periods presented (in millions):

	Three Months Ended		Six Months Ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
Interest expense	$ 6.4	$ 6.9	$ 12.6	$ 12.0
Interest income	(0.4)	(0.3)	(0.7)	(0.5)
Interest expense, net	$ 6.0	$ 6.6	$ 11.9	$ 11.5

Note 11 — Commitments and Contingencies

In the normal course of business, we are subject to the effects of certain contractual stipulations, events, transactions, and laws and regulations that may, at times, require the recognition of liabilities, such as those related to self-insurance estimated liabilities and claims, legal and contractual issues, environmental laws and regulations, guarantees, and indemnities. We establish estimated liabilities when the associated costs related to uncertainties or guarantees become probable and can be reasonably estimated. For the period ended February 28, 2022, no material changes have occurred in our estimated liabilities for self-insurance, litigation, environmental matters, guarantees and indemnities, or relevant events and circumstances, from those disclosed in the *Commitments and Contingencies* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K other than the items discussed below.

Product Warranty and Recall Costs

Our products generally have a standard warranty term of five years that assures our products comply with agreed upon specifications. We record an accrual for the estimated amount of future warranty costs when the related revenue is recognized. Estimated costs related to product recalls based on a formal campaign soliciting repair or return of that product are accrued when they are deemed to be probable and can be reasonably estimated. Estimated future warranty and recall costs are primarily based on historical experience of identified warranty and recall claims. However, there can be no assurance that future warranty or recall costs will not exceed historical amounts or that new technology products may not generate unexpected costs. If actual future warranty or recall costs exceed historical amounts, additional increases in the accrual may be required, which could have a material adverse impact on our results of operations, financial position, and cash flows.

Estimated liabilities for product warranty and recall costs are included in *Other accrued liabilities* and *Other long-term liabilities* on the *Consolidated Balance Sheets* based upon when we expect to settle the incurred warranty. The following table summarizes changes in the estimated liabilities for product warranty and recall costs during the periods presented (in millions):

	Six Months Ended	
	February 28, 2022	February 28, 2021
Beginning balance	$ 20.3	$ 16.1
Warranty and recall costs	12.4	10.1
Payments and other deductions	(11.4)	(11.0)
Ending balance	$ 21.3	$ 15.2

Securities Class Action

On October 5, 2021, the parties to the shareholder class action litigation previously disclosed (and further described below) executed a term sheet for settlement of the litigation, subject to documentation of the settlement and approval of the District Court after notice to class members. On December 2, 2021, the lead plaintiff in the case filed an unopposed motion seeking preliminary approval of the settlement which attaches the settlement stipulation and exhibits thereto. If the settlement is approved, we expect that the agreed-upon settlement payment of $15.8 million will be funded entirely by applicable Directors and Officers liability insurance. As such, we do not anticipate a significant net loss or cash outflow as a result of the settlement of this matter. As of February 28, 2022, we reflected a liability for the settlement amount within *Other current liabilities* and a corresponding receivable for the offsetting insurance proceeds within *Prepayments and other current assets* on the *Consolidated Balance Sheets*.

The case was originally filed on January 3, 2018, in the United States District Court for the District of Delaware against the Company and certain of our officers on behalf of all persons who purchased or otherwise acquired our stock between June 29, 2016 and April 3, 2017. On February 20, 2018, a different shareholder filed a second class action complaint in the same venue against the same parties on behalf of all persons who purchased or otherwise acquired our stock between October 15, 2015 and April 3, 2017. The cases were transferred on April 30, 2018, to the United States District Court for the Northern District of Georgia and subsequently were consolidated as In re Acuity Brands, Inc. Securities Litigation, Civil Action No. 1:18-cv-02140-MHC (N.D. Ga.). On October 5, 2018, the court-appointed lead plaintiff filed a consolidated amended class action complaint (the “Consolidated Complaint”), which supersedes the initial complaints. The Consolidated Complaint is brought on behalf of all persons who purchased our common stock between October 7, 2015 and April 3, 2017 and alleges that we and certain of our former officers/executives violated the federal securities laws by making false or misleading statements and/or omitting to disclose material adverse facts that (i) concealed known trends negatively impacting sales of our products and (ii) overstated our ability to achieve profitable sales growth. The plaintiffs seek unspecified monetary damages, costs, and attorneys' fees. We dispute the allegations in the complaints. We filed a motion to dismiss the Consolidated Complaint. On August 12, 2019, the court entered an order granting our motion to dismiss in part and dismissing all claims based on 42 of the 47 statements challenged in the Consolidated Complaint but also denying the motion in part and allowing claims based on five challenged statements to proceed to discovery. The Eleventh Circuit Court of Appeals granted the Company permission to file an interlocutory appeal of the District Court's class certification order, and the briefing of that appeal has been completed. On October 7, 2021, the Eleventh Circuit Court of Appeals entered an order holding the appeal from the class certification order in abeyance pending a decision from the District Court concerning approval of the proposed settlement.

Shareholder Derivative Complaint

On October 1, 2021, certain alleged shareholders of the Company filed a putative derivative complaint in the United States District Court for the Northern District of Georgia asserting claims against three of the individuals named as defendants in the above securities action for breach of fiduciary duty and certain other claims arising out of the alleged facts and circumstances upon which the claims in the above securities class action are based (the "Derivative Complaint"). The Company is named as a nominal defendant, and the plaintiffs seek on behalf of the Company unspecified damages from the individual defendants and other relief. Prior to filing the Derivative Complaint, the derivative plaintiffs sent letters to the Company's Board of Directors (the "Board") demanding that the Company investigate and pursue substantially the same claims against the individual defendants that are asserted in the Derivative Complaint. The Company's Board formed a demand evaluation committee consisting of independent directors to investigate these matters and make a recommendation to the Board regarding the best interests of the Company in connection therewith. The committee's work is ongoing. On December 14, 2021, the Company filed a motion to stay the derivative action pending the conclusion of the related securities class action or, in the alternative, to dismiss the derivative action without prejudice as premature, given the demand evaluation committee's ongoing work. Also on December 14, 2021, the individual defendants filed a motion to dismiss the Derivative Complaint for failure to adequately plead any claim for relief against them.

Estimating an amount or range of possible losses or gains resulting from litigation proceedings is inherently difficult, particularly where the matters involve indeterminate claims for monetary damages and are in the stages of the proceedings where key evidential and legal issues have not been resolved. For these reasons, we are currently unable to predict the ultimate timing or outcome of or reasonably estimate the possible losses or gains or a range of possible losses or gains resulting from the matters described above.

Litigation

We are subject to various other legal claims arising in the normal course of business, including patent infringement, employment matters, and product liability claims. Based on information currently available, it is the opinion of management that the ultimate resolution of pending and threatened legal proceedings will not have a material adverse effect on our financial condition, results of operations, or cash flows. However, in the event of unexpected future developments, it is possible that the ultimate resolution of any such matters, if unfavorable, could have a material adverse effect on our financial condition, results of operations, or cash flows in future periods. We establish estimated liabilities for legal claims when associated costs become probable and can be reasonably estimated. The actual costs of resolving legal claims may be substantially higher than the amounts accrued for such claims. However, we cannot make a meaningful estimate of actual costs to be incurred that could possibly be higher or lower than the accrued amounts.

Note 12 — Changes in Stockholders' Equity

The following tables summarize changes in the components of stockholders' equity for the periods presented (in millions):

	Common Stock Outstanding		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock, at cost	Total
	Shares	Amount					
Balance, August 31, 2021	35.2	$ 0.5	$ 995.6	$ 2,810.3	$ (98.2)	$ (1,663.7)	$ 2,044.5
Net income	—	—	—	87.6	—	—	87.6
Other comprehensive loss	—	—	—	—	(10.7)	—	(10.7)
Share-based payment amortization, issuances, and cancellations	0.1	—	0.4	—	—	—	0.4
Employee stock purchase plan issuances	—	—	0.6	—	—	—	0.6
Cash dividends of $0.13 per share paid on common stock	—	—	—	(4.7)	—	—	(4.7)
Stock options exercised	0.1	—	8.0	—	—	—	8.0
Repurchases of common stock	(0.3)	—	—	—	—	(52.8)	(52.8)
Balance, November 30, 2021	35.1	0.5	1,004.6	2,893.2	(108.9)	(1,716.5)	2,072.9
Net income	—	—	—	75.3	—	—	75.3
Other comprehensive income	—	—	—	—	6.0	—	6.0
Share-based payment amortization, issuances, and cancellations	—	—	9.4	—	—	—	9.4
Employee stock purchase plan issuances	—	—	0.4	—	—	—	0.4
Cash dividends of $0.13 per share paid on common stock	—	—	—	(4.6)	—	—	(4.6)
Stock options exercised	—	—	1.2	—	—	—	1.2
Repurchases of common stock	(0.3)	—	—	—	—	(56.3)	(56.3)
Balance, February 28, 2022	34.8	$ 0.5	$ 1,015.6	$ 2,963.9	$ (102.9)	$ (1,772.8)	$ 2,104.3

	Common Stock Outstanding		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock, at cost	Total
	Shares	Amount					
Balance, August 31, 2020	38.9	$ 0.5	$ 963.6	$ 2,523.3	$ (132.7)	$ (1,227.2)	$ 2,127.5
Net income	—	—	—	59.6	—	—	59.6
Other comprehensive income	—	—	—	—	6.2	—	6.2
Cumulative effect of adoption of ASC 326	—	—	—	(0.2)	—	—	(0.2)
Share-based payment amortization, issuances, and cancellations	0.1	—	4.7	—	—	—	4.7
Employee stock purchase plan issuances	—	—	0.3	—	—	—	0.3
Cash dividends of $0.13 per share paid on common stock	—	—	—	(5.0)	—	—	(5.0)
Repurchases of common stock	(2.6)	—	—	—	—	(256.1)	(256.1)
Balance, November 30, 2020	36.4	0.5	968.6	2,577.7	(126.5)	(1,483.3)	1,937.0
Net income	—	—	—	62.9	—	—	62.9
Other comprehensive income	—	—	—	—	8.4	—	8.4
Share-based payment amortization, issuances, and cancellations	—	—	8.6	—	—	—	8.6
Employee stock purchase plan issuances	—	—	0.2	—	—	—	0.2
Cash dividends of $0.13 per share paid on common stock	—	—	—	(4.7)	—	—	(4.7)
Stock options exercised	—	—	0.4	—	—	—	0.4
Repurchases of common stock	(0.7)	—	—	—	—	(80.3)	(80.3)
Balance, February 28, 2021	35.7	$ 0.5	$ 977.8	$ 2,635.9	$ (118.1)	$ (1,563.6)	$ 1,932.5

Note 13 — Revenue Recognition

We recognize revenue when we transfer control of goods and services to our customers. Revenue is measured as the amount of consideration we expect to receive in exchange for goods and services and is recognized net of allowances for rebates, sales incentives, product returns, and discounts to customers. Further details regarding revenue recognition are included within the *Revenue Recognition* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K.

Contract Balances

Our rights related to collections from customers are unconditional and are reflected within *Accounts receivable* on the *Consolidated Balance Sheets*. We do not have any other significant contract assets. Contract liabilities arise when we receive cash or an unconditional right to collect cash prior to the transfer of control of goods or services.

The amount of transaction price from contracts with customers allocated to our contract liabilities consists of the following as of the periods presented (in millions):

	February 28, 2022	August 31, 2021
Current deferred revenues	$ 10.2	$ 7.7
Non-current deferred revenues	55.4	56.7

Current deferred revenues primarily consist of software licenses as well as professional service and sales-type warranty fees collected prior to performing the related service. Current deferred revenues are included within *Other current liabilities* on the *Consolidated Balance Sheets*. These services are expected to be performed within one year from the dates presented. Non-current deferred revenues primarily consist of long-term service-type warranties, which are typically recognized ratably as revenue between five and ten years from the date of sale, and are included within *Other long-term liabilities* on the *Consolidated Balance Sheets.* Revenue recognized from beginning balances of contract liabilities during the six months ended February 28, 2022 totaled $5.2 million.

Unsatisfied performance obligations that do not represent contract liabilities are expected to be satisfied within one year from February 28, 2022 and consist primarily of orders for physical goods that have not yet been shipped.

Disaggregated Revenues

Our ABL segment's lighting and lighting controls are sold primarily through independent sales agents who cover specific geographic areas and market channels, by internal sales representatives, through consumer retail channels, and directly to large corporate accounts. ISG sells predominantly to system integrators. The following table shows revenue from contracts with customers by sales channel and reconciles to our segment information for the periods presented (in millions):

	Three Months Ended		Six Months Ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
ABL:				
Independent sales network	$ 614.3	$ 549.9	$ 1,251.1	$ 1,109.4
Direct sales network	83.2	79.2	173.2	159.3
Retail sales	42.7	43.7	89.6	99.7
Corporate accounts	53.6	26.2	90.6	49.1
Other	69.3	37.8	142.2	72.9
Total ABL	863.1	736.8	1,746.7	1,490.4
ISG	50.0	43.3	96.4	84.1
Eliminations	(4.0)	(3.5)	(7.9)	(5.9)
Total	$ 909.1	$ 776.6	$ 1,835.2	$ 1,568.6

Note 14 — Share-based Payments

We account for share-based payments through the measurement and recognition of compensation expense for share-based payment awards made to employees and directors over the related requisite service period, including stock options, performance stock units, and restricted stock (all part of our equity incentive plan), as well as stock units representing certain deferrals into our director deferred compensation plan or our supplemental deferred savings plan.

The following table presents share-based payment expense for the periods presented (in millions):

	Three Months Ended		Six Months Ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
Share-based payment expense	$ 10.0	$ 7.5	$ 17.6	$ 15.2

We recognized excess tax benefits of $4.4 million related to share-based payment awards during the six months ended February 28, 2022.

Further details regarding our share-based payments are included within the *Share-based Payments* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K.

Note 15 — Pension Plans

We have several pension plans, both qualified and non-qualified, covering certain hourly and salaried employees. Benefits paid under these plans are based generally on employees' years of service and/or compensation during the final years of employment. We make at least the minimum annual contributions to the plans to the extent indicated by actuarial valuations and statutory requirements. Plan assets are invested primarily in fixed income and equity securities.

Service cost of net periodic pension cost is allocated between *Cost of products sold* and *Selling, distribution, and administrative expenses* in the *Consolidated Statements of Comprehensive Income* based on the nature of the employee's services. All other components of net periodic pension cost are included within *Miscellaneous (income) expense, net* in the *Consolidated Statements of Comprehensive Income*. Net periodic pension cost included the following components before tax for the periods presented (in millions):

	Three Months Ended		Six Months Ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
Service cost	$ 1.2	$ 1.3	$ 2.4	$ 2.5
Interest cost	1.6	1.5	3.1	3.1
Expected return on plan assets	(3.5)	(3.3)	(6.9)	(6.6)
Amortization of prior service cost	0.7	0.7	1.4	1.4
Recognized actuarial loss	0.9	1.3	1.8	2.7
Net periodic pension cost	$ 0.9	$ 1.5	$ 1.8	$ 3.1

Further details regarding our pension plans are included within the *Pension and Defined Contribution Plans* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K.

Note 16 — Earnings Per Share

Basic earnings per share is computed by dividing net earnings available to common stockholders by the weighted average number of common shares outstanding. Diluted earnings per share is computed similarly but reflects the potential dilution that would occur if dilutive options were exercised, all unvested share-based payment awards were vested, and other distributions related to deferred stock agreements were incurred. Common stock equivalents are calculated using the treasury stock method. The dilutive effects of share-based payment awards subject to market and/or performance conditions that were not met during the period are excluded from the computation of diluted earnings per share.

The following table calculates basic earnings per common share and diluted earnings per common share for the periods presented (in millions, except per share data):

	Three Months Ended		Six Months Ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
Net income	$ 75.3	$ 62.9	$ 162.9	$ 122.5
Basic weighted average shares outstanding	35.0	36.0	35.0	36.9
Common stock equivalents	0.4	0.2	0.4	0.2
Diluted weighted average shares outstanding	35.4	36.2	35.4	37.1
Basic earnings per share	$ 2.16	$ 1.75	$ 4.65	$ 3.32
Diluted earnings per share	$ 2.13	$ 1.74	$ 4.60	$ 3.30

The following table presents stock options, performance stock awards, and restricted stock awards that were excluded from the diluted earnings per share calculation for the periods presented as the effect of inclusion would have been antidilutive (in millions):

	Three Months Ended		Six Months Ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
Stock options	0.1	1.0	0.1	1.1
Restricted stock awards	0.1	0.1	0.1	0.1

Further discussion of our share-based payment awards is included within the *Common Stock and Related Matters* and *Share-based Payments* footnotes of the *Notes to Consolidated Financial Statements* within our Form 10-K.

Note 17 — Comprehensive Income

Comprehensive income represents a measure of all changes in equity that result from recognized transactions and other economic events other than transactions with owners in their capacity as owners. Comprehensive income includes our net income as well as other comprehensive income (loss) items. Other comprehensive income (loss) items include foreign currency translation and pension adjustments.

The following table presents the changes in each component of accumulated other comprehensive loss net of tax during the periods presented (in millions):

	Foreign Currency Items	Defined Benefit Pension Plans	Accumulated Other Comprehensive Loss Items
Balance at August 31, 2021	$ (40.2)	$ (58.0)	$ (98.2)
Other comprehensive loss before reclassifications	(7.1)	—	(7.1)
Amounts reclassified from accumulated other comprehensive loss [1]	—	2.4	2.4
Net current period other comprehensive (loss) income	(7.1)	2.4	(4.7)
Balance at February 28, 2022	$ (47.3)	$ (55.6)	$ (102.9)

	Foreign Currency Items	Defined Benefit Pension Plans	Accumulated Other Comprehensive Loss Items
Balance at August 31, 2020	$ (53.5)	$ (79.2)	$ (132.7)
Other comprehensive income before reclassifications	11.3	—	11.3
Amounts reclassified from accumulated other comprehensive loss [1]	—	3.3	3.3
Net current period other comprehensive income	11.3	3.3	14.6
Balance at February 28, 2021	$ (42.2)	$ (75.9)	$ (118.1)

[1] The before tax amounts of the defined benefit pension plan items are included in net periodic pension cost. See the *Pension and Defined Contribution Plans* footnote for additional details.

The following table summarizes the tax expense or benefit allocated to each component of other comprehensive income (loss) for the periods presented (in millions):

	Three Months Ended					
	February 28, 2022			February 28, 2021		
	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
Foreign currency translation adjustments	$ 4.8	$ —	$ 4.8	$ 6.7	$ —	$ 6.7
Defined benefit pension plans:						
Amortization of defined benefit pension items:						
Prior service cost	0.7	(0.2)	0.5	0.7	(0.1)	0.6
Actuarial losses	0.9	(0.2)	0.7	1.3	(0.2)	1.1
Total defined benefit pension plans, net	1.6	(0.4)	1.2	2.0	(0.3)	1.7
Other comprehensive income	$ 6.4	$ (0.4)	$ 6.0	$ 8.7	$ (0.3)	$ 8.4

	Six Months Ended					
	February 28, 2022			February 28, 2021		
	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
Foreign currency translation adjustments	$ (7.1)	$ —	$ (7.1)	$ 11.3	$ —	$ 11.3
Defined benefit pension plans:						
Amortization of defined benefit pension items:						
Prior service cost	1.4	(0.4)	1.0	1.4	(0.3)	1.1
Actuarial losses	1.8	(0.4)	1.4	2.7	(0.5)	2.2
Total defined benefit pension plans, net	3.2	(0.8)	2.4	4.1	(0.8)	3.3
Other comprehensive (loss) income	$ (3.9)	$ (0.8)	$ (4.7)	$ 15.4	$ (0.8)	$ 14.6

Note 18 — Segment Information

During the third quarter of fiscal 2021, we completed a realignment of our operations and structure to better support our business strategy. As a result, beginning in the third quarter of fiscal 2021, we now report our financial results of operations in two reportable segments, ABL and ISG, consistent with how our chief operating decision maker currently evaluates operating results, assesses performance, and allocates resources within the Company. We have recast historical information to conform to the current segment structure.

The accounting policies of our reportable segments are the same as those described in the *Significant Accounting Policies* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K. Corporate expenses that are primarily administrative in function and benefit the Company on an entity-wide basis are not allocated to our segments. These include expenses related to governance, policy setting, compliance, and certain other shared services functions. Additionally, we do not allocate net interest expense, net miscellaneous expense, special charges, or assets to our segments. Accordingly, this information is not used by the chief operating decision maker to make operating decisions and assess performance and is therefore excluded from our disclosures.

The following table presents financial information by operating segment for the periods presented (in millions):

	ABL	ISG	Corporate	Eliminations[1]	Total
Three Months Ended February 28, 2022					
Net sales	$ 863.1	$ 50.0	$ —	$ (4.0)	$ 909.1
Operating profit (loss)	116.5	1.2	(15.4)	—	102.3
Depreciation and amortization	19.8	3.6	0.2	—	23.6
Three Months Ended February 28, 2021					
Net sales	$ 736.8	$ 43.3	$ —	$ (3.5)	$ 776.6
Operating profit (loss)	102.0	0.8	(11.8)	—	91.0
Depreciation and amortization	21.1	3.7	0.2	—	25.0
Six Months Ended February 28, 2022					
Net sales	$ 1,746.7	$ 96.4	$ —	$ (7.9)	$ 1,835.2
Operating profit (loss)	244.6	3.2	(30.4)	—	217.4
Depreciation and amortization	40.2	7.2	0.5	—	47.9
Six Months Ended February 28, 2021					
Net sales	$ 1,490.4	$ 84.1	$ —	$ (5.9)	$ 1,568.6
Operating profit (loss)	200.4	0.7	(24.4)	—	176.7
Depreciation and amortization	42.2	7.3	0.5	—	50.0

[1] This column represents intersegment sales. Profit on these sales eliminates within gross profit on a consolidated basis.

The following table reconciles operating profit by segment to income before income taxes (in millions):

	Three Months Ended		Six Months Ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
Operating profit - ABL	$ 116.5	$ 102.0	$ 244.6	$ 200.4
Operating profit - ISG	1.2	0.8	3.2	0.7
Unallocated corporate amounts	(15.4)	(11.8)	(30.4)	(24.4)
Operating profit	102.3	91.0	217.4	176.7
Interest expense, net	6.0	6.6	11.9	11.5
Miscellaneous (income) expense, net	(1.9)	2.2	(1.6)	3.8
Income before income taxes	$ 98.2	$ 82.2	$ 207.1	$ 161.4

Note 19 — Subsequent Event

On March 31, 2022, the Board of Directors authorized the repurchase of additional shares of our common stock, bringing our total authorization to five million shares. Refer to *Part II, Item 5. Other Information* for further details.

Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

The purpose of this discussion and analysis is to enhance the understanding and evaluation of the results of operations, financial position, cash flows, indebtedness, and other key financial information of Acuity Brands, Inc. (referred to herein as "we," "our," "us," the "Company," or similar references) and its subsidiaries as of February 28, 2022 and for the three and six months ended February 28, 2022 and 2021. The following discussion should be read in conjunction with the *Consolidated Financial Statements* and *Notes to Consolidated Financial Statements* included within this report. Also, please refer to Acuity Brands, Inc.'s Annual Report on Form 10-K for the fiscal year ended August 31, 2021, filed with the Securities and Exchange Commission (the "SEC") on October 27, 2021 ("Form 10-K").

Overview

Company

We are a market-leading industrial technology company. We use technology to solve problems in spaces and light. 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 the world more brilliant, productive, and connected. We achieve growth through the development of innovative new products and services, including lighting, lighting controls, building management systems, 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.

The results of operations for the three and six months ended February 28, 2022 are not necessarily indicative of the results to be expected for the full fiscal 2022 year due primarily to continued uncertainty of general economic conditions that may impact our key end markets for fiscal 2022, seasonality, and the impact of any acquisitions, among other reasons. We are uncertain of the future impact of the ongoing COVID-19 pandemic or recovery of prior deterioration in economic conditions to our sales channels, supply chain, manufacturing, and distribution as well as overall construction, renovation, and consumer spending. Additionally, the current conflict between Russia and Ukraine and the related sanctions and other penalties imposed by countries across the globe against Russia are creating substantial uncertainty in the global economy. While we do not have operations in Russia or Ukraine and do not have significant direct exposure to customers and vendors in those countries, we are unable to predict the impact that these actions will have on the global economy or on our financial condition, results of operations, and cash flows as of the date of these financial statements.

Financial Condition, Capital Resources, and Liquidity

We have numerous sources of capital, including cash on hand and cash flows generated from operations as well as various sources of financing. Our ability to generate sufficient cash flow from operations or to access certain capital markets, including banks, is necessary to meet our capital allocation priorities, which are to reinvest in our organic growth, make strategic acquisitions and investments, pay dividends, and repurchase shares. Sufficient cash flow generation is also critical to fund our operations in the short and long-term and to maintain compliance with covenants contained in our financing agreements

Our significant contractual cash requirements primarily include principal and interest on long-term debt, payments for operating lease liabilities, and certain purchase obligations incurred in the ordinary course of business that are enforceable and legally binding. Our obligations related to these items are described further within *Management's Discussion and Analysis of Financial Condition and Results of Operations* within our Annual Report filed on Form 10-K. We believe that we will be able to meet our liquidity needs over the next 12 months based on our cash on hand, current projections of cash flows from operations, and borrowing availability under financing arrangements. Additionally, we believe that our cash flows from operations and sources of funding, including, but not limited to, future borrowings and borrowing capacity, will sufficiently support our long-term liquidity needs. In the event of a sustained market deterioration, we may need additional capital, which would require us to evaluate available alternatives and take appropriate actions.

Cash

Our cash position at February 28, 2022 was $475.5 million, a decrease of $15.8 million from August 31, 2021. Cash generated from operating activities and cash on-hand were used during the current year to fund our capital allocation priorities as discussed below.

We generated $127.3 million of cash flows from operating activities during the six months ended February 28, 2022 compared with $212.6 million in the prior-year period, a decrease of $85.3 million. This decline was due primarily to increased operating working capital, as we managed our inventory levels to support growth and insulate production facilities from inconsistent supply availability.

Financing Arrangements

See the *Debt and Lines of Credit* footnote of the *Notes to Consolidated Financial Statements* for discussion of our various financing arrangements, including the terms of our $400.0 million five-year unsecured revolving credit facility (“Revolving Credit Facility”) as well as the $500.0 million aggregate principal amount of 2.150% senior unsecured notes due December 15, 2030 (the “Unsecured Notes”). At February 28, 2022, our outstanding debt balance was $494.7 million compared to our cash position of $475.5 million. We were in compliance with all financial covenants under our financing arrangements as of February 28, 2022.

At February 28, 2022, we had additional borrowing capacity under the Revolving Credit Facility of $395.9 million under the most restrictive covenant in effect at the time, which represents the full amount of the Revolving Credit Facility less the outstanding letters of credit of $4.1 million issued under the facility. As of February 28, 2022, our cash on hand combined with the additional borrowing capacity under the Revolving Credit Facility totaled $871.4 million.

The Unsecured Notes were issued by Acuity Brands Lighting, Inc., a wholly-owned subsidiary of Acuity Brands, Inc. The Unsecured Notes are fully and unconditionally guaranteed on a senior unsecured basis by Acuity Brands, Inc. and ABL IP Holding LLC, a wholly-owned subsidiary of Acuity Brands, Inc. The following tables present summarized financial information for Acuity Brands, Inc., Acuity Brands Lighting, Inc., and ABL IP Holding LLC on a combined basis after the elimination of all intercompany balances and transactions between the combined group as well as any investments in non-guarantors as of the dates and during the period presented (in millions):

Summarized Balance Sheet Information	**February 28, 2022**	**August 31, 2021**
Current assets	$ 1,271.6	$ 1,172.0
Amounts due from non-guarantor affiliates	247.4	213.4
Non-current assets	1,385.6	1,391.7
Current liabilities	645.5	595.1
Non-current liabilities	814.5	815.7

Summarized Income Statement Information	**Six Months Ended February 28, 2022**
Net sales	$ 1,552.8
Gross profit	640.7
Net income	158.3

Capital Allocation Priorities

Our capital allocation priorities are to invest in our business for growth, to invest in mergers and acquisitions, to maintain our dividend, and to make share repurchases.

Organic Growth Investments

We invested $24.1 million and $21.2 million during the six months ended February 28, 2022 and 2021, respectively, in property, plant, and equipment, primarily related to investments in new and enhanced information technology capabilities, tooling, equipment, and facility enhancements. We currently expect to invest approximately 1.5% of net sales on capital expenditures during fiscal 2022.

Strategic Acquisitions and Investments

We seek opportunities to strategically expand and enhance our portfolio of solutions. There were no acquisitions during the first half of fiscal 2022. The $10.2 million of cash outflows reflected in the fiscal 2022 *Consolidated Statements of Cash Flows* relate to working capital settlements for fiscal 2021 acquisitions.

Please refer to the *Acquisitions* footnote of the *Notes to Consolidated Financial Statements* for more information.

Dividends

We paid dividends on our common stock of $9.3 million ($0.26 per share) and $9.7 million ($0.26 per share) during the six months ended February 28, 2022 and 2021, respectively. All decisions regarding the declaration and payment of dividends are at the discretion of the Board of Directors (the “Board”) and are evaluated regularly in light of our financial condition, earnings, growth prospects, funding requirements, applicable law, and any other factors the Board deems relevant.

Share Repurchases

During the first half of fiscal 2022, we repurchased 0.6 million shares of our outstanding common stock for $109.1 million. Total cash outflows for share repurchases during the six months ended February 28, 2022 were $108.0 million. We expect to repurchase shares on an opportunistic basis subject to various factors including stock price, Company performance, market conditions, and other possible uses of cash. As of February 28, 2022, the maximum number of shares that may yet be repurchased under the share repurchase program authorized by the Board equaled 3.2 million shares. On March 31, 2022, the Board authorized the repurchase of additional shares of our common stock, bringing our total authorization to five million shares. Refer to *Part II, Item 5. Other Information* for further details.

The COVID-19 Pandemic

The COVID-19 pandemic has resulted in intermittent worldwide government restrictions on the movement of people, goods, and services resulting in increased volatility in and disruptions to global markets. We remain committed to prioritizing the health and well-being of our associates and their families and ensuring that we operate effectively. We have implemented policies to screen associates, contractors, and vendors for COVID-19 symptoms upon entering our manufacturing, distribution, and open-office facilities in the United States, Mexico, and other locations as permitted by law. We have also implemented one-way traffic flows, additional cleaning requirements for common spaces, mandatory face coverings, hand sanitizer stations, socially-distanced workspaces, and self-serve pay stations within our cafeterias to mitigate the spread of the virus. Additionally, we have required certain employees whose job functions can be performed remotely to work primarily from home.

The COVID-19 pandemic has had an adverse impact on our results of operations. The pandemic has caused reduced construction and renovation spending as well as a disruption in our supply chain for certain components, both of which negatively impacted our operating results. Although our facilities are open, a resurgence in COVID-19 cases, including as a result of new variants, may lead to the reimposition of previously lifted business closure requirements, the imposition of new restrictions, or the issuance of new or revised local or national health guidance. We also continue to incur additional health and safety costs including expenditures for personal protection equipment and facility enhancements to maintain proper distancing guidelines issued by the Centers for Disease Control and Prevention. We have taken actions to reduce costs, including the realignment of headcount with current volumes, a limit on all non-essential employee travel, other efforts to decrease discretionary spending, and reductions in our real estate footprint. Additionally, we elected to defer certain employer payroll taxes as allowable under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES” Act) signed into law on March 27, 2020. Half of these deferrals were paid in December 2021, and the remaining deferrals are due in December 2022.

Although we have implemented significant measures to mitigate further spread of the virus, our employees, customers, suppliers, and contractors may continue to experience disruptions to business activities due to potential further government-mandated or voluntary shutdowns, general economic conditions, or other negative impacts of the COVID-19 pandemic. We are continuously monitoring the adverse effects of the pandemic and identifying steps to mitigate those effects. As the COVID-19 pandemic is continually evolving, we are uncertain of its ultimate duration and impact. See *Part I, Item 1a. Risk Factors* of our Form 10-K for further details regarding the potential impacts of COVID-19 to our results of operations, financial position, and cash flows.

Results of Operations

Second Quarter of Fiscal 2022 Compared with Second Quarter of Fiscal 2021

The following table sets forth information comparing the components of net income for the three months ended February 28, 2022 and 2021 (in millions except per share data):

	Three Months Ended			
	February 28, 2022	February 28, 2021	Increase (Decrease)	Percent Change
Net sales	$ 909.1	$ 776.6	$ 132.5	17.1 %
Cost of products sold	529.8	439.9	89.9	20.4 %
Gross profit	379.3	336.7	42.6	12.7 %
Percent of net sales	*41.7 %*	*43.4 %*	*(170) bps*	
Selling, distribution, and administrative expenses	277.0	245.4	31.6	12.9 %
Special charges	—	0.3	(0.3)	NM
Operating profit	102.3	91.0	11.3	12.4 %
Percent of net sales	*11.3 %*	*11.7 %*	*(40) bps*	
Other expense:				
Interest expense, net	6.0	6.6	(0.6)	(9.1)%
Miscellaneous (income) expense, net	(1.9)	2.2	(4.1)	NM
Total other expense	4.1	8.8	(4.7)	(53.4)%
Income before income taxes	98.2	82.2	16.0	19.5 %
Percent of net sales	*10.8 %*	*10.6 %*	*20 bps*	
Income tax expense	22.9	19.3	3.6	18.7 %
Effective tax rate	*23.3 %*	*23.5 %*		
Net income	$ 75.3	$ 62.9	$ 12.4	19.7 %
Diluted earnings per share	$ 2.13	$ 1.74	$ 0.39	22.4 %
NM - not meaningful				

Net Sales

Net sales for the three months ended February 28, 2022 increased $132.5 million, or 17.1%, to $909.1 million compared with $776.6 million in the prior-year period. Both our ABL and ISG segments benefited from recent price increases as well as higher volumes. Revenues from acquired companies contributed an almost 4% increase in sales compared to the prior year. Changes in foreign currency rates did not have a meaningful impact on net sales for the second quarter of fiscal 2022.

Gross Profit

Gross profit for the second quarter of fiscal 2022 increased $42.6 million, or 12.7%, to $379.3 million compared with $336.7 million in the prior-year period, while gross profit margin decreased 170 basis points to 41.7% from 43.4%. Throughout the current quarter, material and conversion costs as well as freight costs continued to escalate, which we were able to offset through price increases and product and productivity improvements. Gross profit margin was also unfavorably impacted by the near-term dilutive effects of recent acquisitions.

Operating Profit

Selling, distribution, and administrative expenses ("SD&A") expenses for the three months ended February 28, 2022 were $277.0 million compared with $245.4 million in the prior-year period, an increase of $31.6 million, or 12.9%. The increase in SD&A expense was due primarily to higher outbound freight and commissions costs associated with higher sales as well as increased employee-related costs due in part to recent acquisitions. SD&A expenses for the second quarter of fiscal 2022 were 30.5% of net sales compared with 31.6% for the prior-year period due primarily to improved leveraging of our operating costs.

Operating profit for the second quarter of fiscal 2022 was $102.3 million (11.3% of net sales) compared with $91.0 million (11.7% of net sales) for the prior-year period, an increase of $11.3 million, or 12.4%. The increase in operating profit was due primarily to higher gross profit associated with the increase in sales, partially offset by higher SD&A expenses. The operating profit margin decrease of 40 bps year over year was due primarily to our decline in gross profit margin as well as the unfavorable impact of acquisitions on our operating expenses. These declines were partially offset by improved leveraging of operating costs.

Other Expense

Other expense consists of net interest expense and net miscellaneous (income) expense, which includes non-service related components of net periodic pension cost, gains and losses associated with foreign currency-related transactions, and non-operating gains and losses.

Interest expense, net, was $6.0 million and $6.6 million for the three months ended February 28, 2022 and 2021, respectively.

We reported net miscellaneous income of $1.9 million for the three months ended February 28, 2022 and net miscellaneous expense of $2.2 million for the three months ended February 28, 2021. The year-over-year change in net miscellaneous (income) expense was largely due to gains and losses on foreign currency-related transactions.

Income Taxes and Net Income

Our effective income tax rate was 23.3% and 23.5% for the three months ended February 28, 2022 and 2021, respectively. We currently estimate that our blended consolidated effective income tax rate, before any discrete items, will be approximately 23% for fiscal 2022, assuming the rates in our taxing jurisdictions remain generally consistent throughout the year.

Net income for the three months ended February 28, 2022 increased $12.4 million, or 19.7%, to $75.3 million from $62.9 million reported for the prior-year period. The increase in net income resulted primarily from an increased operating profit compared to the prior-year period. Diluted earnings per share for the three months ended February 28, 2022 increased $0.39, or 22.4%, to $2.13 compared with diluted earnings per share of $1.74 for the prior-year period. This increase reflects higher net income as well as lower outstanding diluted shares.

Segment Results

The following table sets forth information comparing the operating results of our segments, ABL and ISG, for the three months ended February 28, 2022 and 2021 (in millions). We have recast historical information to conform to the current segment structure.

	Three Months Ended			
	February 28, 2022	**February 28, 2021**	**Increase (Decrease)**	**Percent Change**
ABL:				
Net sales	$ 863.1	$ 736.8	$ 126.3	17.1 %
Operating profit	116.5	102.0	14.5	14.2 %
Operating profit margin	13.5 %	13.8 %	(30) *bps*	
ISG:				
Net sales	$ 50.0	$ 43.3	$ 6.7	15.5 %
Operating profit	1.2	0.8	0.4	50.0 %
Operating profit margin	2.4 %	1.8 %	60 *bps*	

ABL net sales for the three months ended February 28, 2022 increased $126.3 million, or 17.1%, to $863.1 million compared with $736.8 million in the prior-year period. Sales within the independent and direct network channels increased due primarily to benefits from recent price increases as well as higher volumes. Additionally, sales within the corporate accounts channel increased year over year as some large accounts began previously deferred maintenance and renovations. Acquisitions contributed an almost 4% increase in sales compared to the prior year and are reflected within the other sales channel in ABL's disaggregated revenue. Operating profit for ABL was $116.5 million (13.5% of ABL net sales) for the three months ended February 28, 2022 compared to $102.0 million (13.8% of ABL net sales) in the prior-year period, an increase of $14.5 million. The increase in operating profit was due primarily to contributions from higher sales partially offset by increased materials and freight costs as well as higher operating costs to support the increase in sales.

ISG net sales for the three months ended February 28, 2022 increased $6.7 million, or 15.5%, to $50.0 million compared with $43.3 million in the prior-year period driven primarily by strong demand for building and heating, ventilation, and air-conditioning controls as well as price increases. ISG operating profit was $1.2 million for the three months ended February 28, 2022 compared to $0.8 million in the prior-year period, an increase of $0.4 million. This increase was due primarily to contributions from higher sales, partially offset by increased employee costs.

First Six Months of Fiscal 2022 Compared with First Six Months of Fiscal 2021

The following table sets forth information comparing the components of net income for the six months ended February 28, 2022 and 2021 (in millions except per share data):

	Six Months Ended			
	February 28, 2022	**February 28, 2021**	**Increase (Decrease)**	**Percent Change**
Net sales	$ 1,835.2	$ 1,568.6	$ 266.6	17.0 %
Cost of products sold	1,070.1	899.5	170.6	19.0 %
Gross profit	765.1	669.1	96.0	14.3 %
Percent of net sales	*41.7 %*	*42.7 %*	*(100) bps*	
Selling, distribution, and administrative expenses	547.7	491.4	56.3	11.5 %
Special charges	—	1.0	(1.0)	NM
Operating profit	217.4	176.7	40.7	23.0 %
Percent of net sales	*11.8 %*	*11.3 %*	*50 bps*	
Other expense:				
Interest expense, net	11.9	11.5	0.4	3.5 %
Miscellaneous (income) expense, net	(1.6)	3.8	(5.4)	NM
Total other expense	10.3	15.3	(5.0)	(32.7)%
Income before income taxes	207.1	161.4	45.7	28.3 %
Percent of net sales	*11.3 %*	*10.3 %*	*100 bps*	
Income tax expense	44.2	38.9	5.3	13.6 %
Effective tax rate	*21.3 %*	*24.1 %*		
Net income	$ 162.9	$ 122.5	$ 40.4	33.0 %
Diluted earnings per share	$ 4.60	$ 3.30	$ 1.30	39.4 %
NM - not meaningful				

Net Sales

Net sales for the six months ended February 28, 2022 increased $266.6 million, or 17.0%, to $1.84 billion compared with $1.57 billion in the prior-year period. Both our ABL and ISG segments benefited from recent price increases as well as higher volumes. Revenues from acquired companies contributed an almost 4% increase in sales compared to the prior year. Changes in foreign currency rates did not have a meaningful impact on net sales for the first six months of fiscal 2022.

Gross Profit

Gross profit for the six months ended February 28, 2022 increased $96.0 million, or 14.3%, to $765.1 million compared with $669.1 million in the prior-year period. Gross profit margin decreased 100 basis points to 41.7% for the six months ended February 28, 2022 compared with 42.7% in the prior-year period. Throughout the first six months of fiscal 2022, material and conversion costs as well as freight costs continued to escalate, which we were able to offset through price increases and product and productivity improvements. Gross profit margin was also unfavorably impacted by the near-term dilutive effects of recent acquisitions.

Operating Profit

SD&A expenses for the six months ended February 28, 2022 were $547.7 million compared with $491.4 million in the prior-year period, an increase of $56.3 million, or 11.5%. The increase in SD&A expense was due primarily to higher outbound freight and commissions costs associated with higher sales as well as increased employee-related costs due in part to recent acquisitions. SD&A expenses for the first six months of fiscal 2022 were 29.8% of net sales compared with 31.3% for the prior-year period due primarily to improved leveraging of our operating costs.

Operating profit for the first six months of fiscal 2022 was $217.4 million (11.8% of net sales) compared with $176.7 million (11.3% of net sales) for the prior-year period, an increase of $40.7 million, or 23.0%. The increase in operating profit was due primarily to higher gross profit associated with the increase in sales, partially offset by higher SD&A expenses. The operating profit margin increase of 50 bps year over year was the result of improved leveraging of operating costs, partially offset by lower gross profit margin.

Other Expense

Other expense consists of net interest expense and net miscellaneous (income) expense, which includes non-service related components of net periodic pension cost, gains and losses associated with foreign currency-related transactions, and non-operating gains and losses.

Interest expense, net, was $11.9 million and $11.5 million for the six months ended February 28, 2022 and 2021, respectively.

We reported net miscellaneous income of $1.6 million for the six months ended February 28, 2022 and net miscellaneous expense of $3.8 million for the six months ended February 28, 2021. During the first six months of fiscal 2021, we recorded an impairment charge of $4.0 million for an unconsolidated equity investment. Further details regarding the impairment charge are included in the *Fair Value Measurements* footnote of the *Notes to Consolidated Financial Statements*. Excluding the impairment, the year-over-year change in net miscellaneous (income) expense was largely due to gains and losses on foreign currency-related transactions.

Income Taxes and Net Income

Our effective income tax rate was 21.3% and 24.1% for the six months ended February 28, 2022 and 2021, respectively. The decrease in the effective income tax rate was primarily due to favorable discrete items recognized in the first quarter of fiscal 2022 related to excess tax benefits on share-based payments. We currently estimate that our blended consolidated effective income tax rate, before any discrete items, will be approximately 23% for fiscal 2022, assuming the rates in our taxing jurisdictions remain generally consistent throughout the year.

Net income for the first six months of fiscal 2022 increased $40.4 million, or 33.0%, to $162.9 million from $122.5 million reported for the prior-year period. The increase in net income was due primarily to an increased operating profit. Diluted earnings per share for the six months ended February 28, 2022 increased $1.30 to $4.60 compared with diluted earnings per share of $3.30 for the prior-year period. This increase reflects higher net income as well as lower outstanding diluted shares.

Segment Results

The following table sets forth information comparing the operating results of our segments, ABL and ISG, for the six months ended February 28, 2022 and 2021 (in millions). We have recast historical information to conform to the current segment structure.

	Six Months Ended			
	February 28, 2022	February 28, 2021	Increase (Decrease)	Percent Change
ABL:				
Net sales	$ 1,746.7	$ 1,490.4	$ 256.3	17.2 %
Operating profit	244.6	200.4	44.2	22.1 %
Operating profit margin	14.0 %	13.4 %	60	*bps*
ISG:				
Net sales	$ 96.4	$ 84.1	$ 12.3	14.6 %
Operating profit	3.2	0.7	2.5	357.1 %
Operating profit margin	3.3 %	0.8 %	250	*bps*

ABL net sales for the six months ended February 28, 2022 increased 17.2% compared with the prior-year period. Sales within the independent and direct network channels increased due primarily to benefits from recent price increases as well as higher volumes. Additionally, sales within the corporate accounts channel increased year over year as some large accounts began previously deferred maintenance and renovations. Acquisitions contributed an almost 4% increase in sales compared to the prior year and are reflected within the other sales channel in ABL's disaggregated revenue. These increases were partially offset by declines in the retail sales channel. Operating profit for ABL was $244.6 million (14.0% of ABL net sales) for the six months ended February 28, 2022 compared to $200.4 million (13.4% of ABL net sales) in the prior-year period, an increase of $44.2 million. The increase in operating profit was due primarily to contributions from higher sales partially offset by increased materials and freight costs as well as higher operating costs to support the increase in sales.

ISG net sales for the six months ended February 28, 2022 increased 14.6% compared with the prior-year period primarily driven by strong demand for building and heating, ventilation, and air-conditioning controls as well as price increases. ISG operating profit was $3.2 million for the six months ended February 28, 2022 compared with $0.7 million in the prior-year period, an increase of $2.5 million. This increase was due primarily to contributions from higher sales, partially offset by increased employee costs.

Critical Accounting Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations addresses the financial condition and results of operations as reflected in our *Consolidated Financial Statements*, which have been prepared in accordance U.S. generally accepted accounting principles ("U.S. GAAP"). As discussed in the *Description of Business and Basis of Presentation* footnote of the *Notes to Consolidated Financial Statements*, the preparation of financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expense during the reporting period. On an ongoing basis, we evaluate our estimates and judgments, including those related to revenue recognition; inventory valuation; goodwill and indefinite-lived intangible assets; share-based payment expense; and product warranty and recall costs. We base our estimates and judgments on our substantial historical experience and other relevant factors, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates. We discuss the development of critical accounting estimates with the Audit Committee of the Board of Directors.

There have been no material changes in our critical accounting estimates during the current period. For a detailed discussion of other significant accounting policies that may involve a higher degree of judgment, refer to our Form 10-K.

Cautionary Statement Regarding Forward-Looking Statements and Information

This filing contains forward-looking statements within the meaning of the federal securities laws. Statements made herein that may be considered forward-looking include statements incorporating terms such as "expects," "believes," "intends," "anticipates," and similar terms that relate to future events, performance, or results of the Company. In addition, the Company, or the executive officers on the Company's behalf, may from time to time make forward-looking statements in reports and other documents we file with the U.S. Securities and Exchange Commission or in connection with oral statements made to the press, current and potential investors, or others. Forward-looking statements include, without limitation: (a) our projections regarding financial performance, including our expected margins and ability to leverage operating costs, liquidity, capital structure, capital expenditures, investments, share repurchases, and dividends; (b) expectations about the impact of any changes in demand, including improvements in our end markets, as well as volatility, challenges, and uncertainty in general economic conditions; (c) expectations about volatility in raw material, purchased finished goods, and transportation costs as well as component and labor availability; (d) our ability to execute and realize benefits from initiatives related to streamlining our operations and integrating recent acquisitions, realize synergies from acquisitions, capitalize on growth opportunities, introduce innovative products and services, and realize benefits from sustainability initiatives; (e) our estimate of our fiscal 2022 effective income tax rate, results of operations, and cash flows; (f) our estimate of future amortization expense; (g) our ability to achieve our long-term financial goals and measures; (h) our expectations about the resolution of securities class action and other legal matters; (i) our expectations about our ability to enter into a new credit agreement prior to the expiration of the current agreement as well as any impacts of the phase out of the London Inter-Bank Offered Rate ("LIBOR"); and (j) our expectations of the impact of the ongoing COVID-19 pandemic and the conflict between Russia and Ukraine. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this quarterly report. 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 quarterly report or to reflect the occurrence of unanticipated events. Our forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience and management's present expectations or projections. These risks and uncertainties that could cause our actual results to differ materially from those expressed in our forward-looking statements are discussed in *Part I, Item 1a. Risk Factors* of our Form 10-K.

Item 3. ***Quantitative and Qualitative Disclosures about Market Risk***

General. We are exposed to market risks that may impact our *Consolidated Balance Sheets*, *Consolidated Statements of Comprehensive Income,* and *Consolidated Statements of Cash Flows* due primarily to fluctuations in interest rates, foreign exchange rates, and commodity prices. There have been no material changes to our exposure from market risks from those disclosed in *Part II, Item 7a. Quantitative and Qualitative Disclosures About Market Risk* of our Form 10-K.

Item 4. ***Controls and Procedures***

Disclosure controls and procedures are controls and other procedures that are designed to reasonably ensure that information required to be disclosed in the reports filed or submitted by us under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission (the “SEC”) rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to reasonably ensure that information required to be disclosed by us in the reports filed under the Exchange Act is accumulated and communicated to management, including the principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

As required by SEC rules, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of February 28, 2022. This evaluation was carried out under the supervision and with the participation of management, including the principal executive officer and principal financial officer. Based on this evaluation, these officers have concluded that the design and operation of our disclosure controls and procedures are effective at a reasonable assurance level as of February 28, 2022. However, because all disclosure procedures must rely to a significant degree on actions or decisions made by employees throughout the organization, such as reporting of material events, the Company and its reporting officers believe that they cannot provide absolute assurance that all control issues and instances of fraud or errors and omissions, if any, within the Company will be detected. Limitations within any control system, including our control system, include faulty judgments in decision-making or simple errors or mistakes. In addition, controls can be circumvented by an individual, by collusion between two or more people, or by management override of the control. Because of these limitations, misstatements due to error or fraud may occur and may not be detected.

During the second half of fiscal 2021, we acquired Rockpile Ventures and ams OSRAM's North American Digital Systems business (“OSRAM DS”), collectively the (“2021 Acquisitions”). SEC guidance permits management to omit an assessment of an acquired business' internal control over financial reporting from management's assessment of internal control over financial reporting for a period not to exceed one year from the date of the acquisition. Accordingly, management has not assessed the 2021 Acquisitions' internal control over financial reporting as of February 28, 2022. We began integrating the 2021 Acquisitions into our existing control procedures from their respective dates of acquisition. We do not anticipate the integration of the acquired companies to result in changes that would materially affect our internal control over financial reporting. As of and for the three and six months ended February 28, 2022, the 2021 Acquisitions constituted less than 4% of each of the Company’s consolidated assets, stockholders' equity, net sales, and pre-tax income.

There have been no changes in our internal control over financial reporting that occurred during our most recent completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

Information regarding reportable legal proceedings is contained in *Part I, Item 3. Legal Proceedings* in our Form 10-K. Information set forth in this report's *Commitments and Contingencies* footnote of the *Notes to Consolidated Financial Statements* describes any legal proceedings that became reportable during the three and six months ended February 28, 2022, and updates any descriptions of previously reported legal proceedings in which there have been material developments during such period. The discussion of legal proceedings included within the *Commitments and Contingencies* footnote of the *Notes to Consolidated Financial Statements* is incorporated into this Item 1 by reference.

Item 1a. *Risk Factors*

There have been no material changes in our risk factors from those disclosed in *Part I, Item 1a. Risk Factors* of our Form 10-K.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

On October 23, 2020, the Board of Directors (the "Board") authorized the repurchase of up to six million shares of our common stock. As of February 28, 2022, the maximum number of shares that may yet be repurchased under the share repurchase program authorized by the Board equaled 3.2 million shares. The following table reflects activity related to equity securities we repurchased during the quarter ended February 28, 2022:

Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Maximum Number of Shares that May Yet Be Purchased Under the Plans
12/1/2021 through 12/31/2021	—	$ —	—	3,537,798
1/1/2022 through 1/31/2022	168,299	$ 194.81	168,299	3,369,499
2/1/2022 through 2/28/2022	130,100	$ 180.71	130,100	3,239,399
Total	298,399	$ 188.66	298,399	3,239,399

Item 5. *Other Information*

Declaration of Dividend

On March 31, 2022, the Board of Directors (the "Board") declared a quarterly dividend of $0.13 per share. The dividend is payable on May 2, 2022 to stockholders of record on April 18, 2022.

Share Repurchase Authorization

As of February 28, 2022, the maximum number of shares that may yet be repurchased under the share repurchase program authorized by the Board equaled 3.2 million shares. We repurchased an additional 0.2 million shares of our common stock from March 1, 2022 through March 30, 2022, leaving 3.0 million shares available for repurchase under the October 2020 authorization. On March 31, 2022, the Board authorized the repurchase of an additional two million shares of our common stock, bringing our total authorization to five million shares. Under the new increased share repurchase authorization, we may repurchase shares of our common stock from time to time at prevailing market prices, depending on market conditions, through open market or privately negotiated transactions. No date has been established for the completion of the share repurchase program, and we are not obligated to repurchase any shares. Subject to applicable corporate securities laws, repurchases may be made at such times and in such amounts as management deems appropriate. Repurchases under the program can be discontinued at any time management feels additional repurchases are not warranted.

Item 6. *Exhibits*

Exhibits are listed on the Index to Exhibits.

INDEX TO EXHIBITS

EXHIBIT 3	(a)	Restated Certificate of Incorporation of Acuity Brands, Inc. (formerly Acuity Brands Holdings, Inc.), dated as of September 26, 2007.	Reference is made to Exhibit 3.1 of registrant's Form 8-K as filed with the Commission on September 26, 2007, which is incorporated herein by reference.
	(b)	Certificate of Amendment of Restated Certification of Incorporation of Acuity Brands, Inc. (formerly Acuity Brands Holdings, Inc.), dated as of September 26, 2007.	Reference is made to Exhibit 3.2 of registrant's Form 8-K as filed with the Commission on September 26, 2007, which is incorporated herein by reference.
	(c)	Certificate of Amendment to the Restated Certificate of Incorporation of Acuity Brands, Inc., dated as of January 6, 2017.	Reference is made to Exhibit 3.C of registrant's Form 10-Q as filed with the Commission on January 9, 2017, which is incorporated herein by reference.
	(d)	Certificate of Amendment to the Restated Certificate of Incorporation of Acuity Brands, Inc., dated as of January 7, 2021.	Reference is made to Exhibit 3.D of registrant's Form 10-Q as filed with the Commission on January 7, 2020, which is incorporated herein by reference.
	(e)	Amended and Restated Bylaws of Acuity Brands, Inc., dated as of January 7, 2021.	Reference is made to Exhibit 3.E of registrant's Form 10-Q as filed with the Commission on January 7, 2020, which is incorporated herein by reference.
EXHIBIT 22		List of Guarantors and Subsidiary Issuers of Guaranteed Securities.	Reference is made to Exhibit 22 of registrant's Form 10-K as filed with the Commission on October 27, 2021, which is incorporated herein by reference.
EXHIBIT 31	(a)	Certification of the Chief Executive Officer of the Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed with the Commission as part of this Form 10-Q.
	(b)	Certification of the Chief Financial Officer of the Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed with the Commission as part of this Form 10-Q.
EXHIBIT 32	(a)	Certification of the Chief Executive Officer of the Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Filed with the Commission as part of this Form 10-Q.
	(b)	Certification of the Chief Financial Officer of the Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Filed with the Commission as part of this Form 10-Q.
EXHIBIT 101	.INS	XBRL Instance Document	The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
	.SCH	XBRL Taxonomy Extension Schema Document.	Filed with the Commission as part of this Form 10-Q.
	.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.	Filed with the Commission as part of this Form 10-Q.
	.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	Filed with the Commission as part of this Form 10-Q.
	.LAB	XBRL Taxonomy Extension Label Linkbase Document.	Filed with the Commission as part of this Form 10-Q.
	.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.	Filed with the Commission as part of this Form 10-Q.
EXHIBIT 104		Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)	Filed with the Commission as part of this Form 10-Q

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, thereunto duly authorized.

ACUITY BRANDS, INC.

Date: April 5, 2022	By:	/S/ NEIL M. ASHE
		NEIL M. ASHE **CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER**
Date: April 5, 2022	By:	/S/ KAREN J. HOLCOM
		KAREN J. HOLCOM **SENIOR VICE PRESIDENT AND** **CHIEF FINANCIAL OFFICER (Principal Financial and Accounting Officer)**

EXHIBIT 31(a)

I, Neil M. Ashe, certify that:

1. I have reviewed this report on Form 10-Q of Acuity Brands, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s second fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: April 5, 2022

/s/ Neil M. Ashe

Neil M. Ashe
Chairman, President and Chief Executive Officer

[A signed original of this written statement required by Section 302 of the Sarbanes-Oxley Act has been provided to Acuity Brands, Inc., and will be retained by Acuity Brands, Inc., and furnished to the Securities and Exchange Commission or its staff upon request.]

EXHIBIT 31(b)

I, Karen J. Holcom, certify that:

1. I have reviewed this report on Form 10-Q of Acuity Brands, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's second fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 5, 2022

/s/ Karen J. Holcom

Karen J. Holcom
Senior Vice President and Chief Financial Officer

[A signed original of this written statement required by Section 302 of the Sarbanes-Oxley Act has been provided to Acuity Brands, Inc., and will be retained by Acuity Brands, Inc., and furnished to the Securities and Exchange Commission or its staff upon request.]

EXHIBIT 32(a)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and in connection with the Quarterly Report on Form 10-Q of Acuity Brands, Inc. (the “Corporation”) for the quarter ended February 28, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, the Chairman, President and Chief Executive Officer of the Corporation, certifies that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

/s/ Neil M. Ashe

Neil M. Ashe
Chairman, President and Chief Executive Officer
April 5, 2022

[A signed original of this written statement required by Section 906 has been provided to Acuity Brands, Inc., and will be retained by Acuity Brands, Inc., and furnished to the Securities and Exchange Commission or its staff upon request.]

EXHIBIT 32(b)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and in connection with the Quarterly Report on Form 10-Q of Acuity Brands, Inc. (the “Corporation”) for the quarter ended February 28, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, the Senior Vice President and Chief Financial Officer of the Corporation, certifies that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

/s/ Karen J. Holcom

Karen J. Holcom
Senior Vice President and Chief Financial Officer
April 5, 2022

[A signed original of this written statement required by Section 906 has been provided to Acuity Brands, Inc., and will be retained by Acuity Brands, Inc., and furnished to the Securities and Exchange Commission or its staff upon request.]