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 May 31, 2019.

OR

o **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)	*(Zip Code)*

(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 o

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 o

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 o	Non-accelerated filer o
Smaller reporting company o	Emerging growth company o	

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. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o 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 — 39,899,076 shares as of June 28, 2019.

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)

	May 31, 2019 (unaudited)	August 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 333.7	$ 129.1
Accounts receivable, less reserve for doubtful accounts of $1.3 and $1.3, respectively	586.0	637.9
Inventories	390.6	411.8
Prepayments and other current assets	69.0	32.3
Total current assets	1,379.3	1,211.1
Property, plant, and equipment, at cost:		
Land	22.7	22.9
Buildings and leasehold improvements	190.0	189.1
Machinery and equipment	539.0	516.6
Total property, plant, and equipment	751.7	728.6
Less — Accumulated depreciation and amortization	(471.2)	(441.9)
Property, plant, and equipment, net	280.5	286.7
Goodwill	964.1	970.6
Intangible assets, net	473.1	498.7
Deferred income taxes	2.8	2.9
Other long-term assets	21.3	18.8
Total assets	$ 3,121.1	$ 2,988.8
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 378.8	$ 451.1
Current maturities of long-term debt	9.1	0.4
Accrued compensation	66.4	67.0
Other accrued liabilities	176.7	164.2
Total current liabilities	631.0	682.7
Long-term debt	347.5	356.4
Accrued pension liabilities	61.9	64.6
Deferred income taxes	89.6	92.5
Self-insurance reserves	7.5	7.9
Other long-term liabilities	98.7	67.9
Total liabilities	1,236.2	1,272.0
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; 53,754,706 and 53,667,327 issued, respectively	0.5	0.5
Paid-in capital	924.7	906.3
Retained earnings	2,204.9	1,999.2
Accumulated other comprehensive loss	(122.1)	(114.8)
Treasury stock, at cost — 14,075,197 and 13,676,689 shares, respectively	(1,123.1)	(1,074.4)
Total stockholders' equity	1,884.9	1,716.8
Total liabilities and stockholders' equity	$ 3,121.1	$ 2,988.8

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		Nine Months Ended	
	May 31, 2019	May 31, 2018	May 31, 2019	May 31, 2018
Net sales	$ 947.6	$ 944.0	$ 2,734.6	$ 2,618.9
Cost of products sold	564.0	554.9	1,649.6	1,545.4
Gross profit	383.6	389.1	1,085.0	1,073.5
Selling, distribution, and administrative expenses	263.4	271.8	751.1	745.7
Special charge	(0.1)	9.9	1.3	10.7
Operating profit	120.3	107.4	332.6	317.1
Other expense (income):				
Interest expense, net	8.3	8.4	25.6	24.5
Miscellaneous expense (income), net	0.2	(0.2)	2.6	3.8
Total other expense	8.5	8.2	28.2	28.3
Income before income taxes	111.8	99.2	304.4	288.8
Income tax expense	23.4	26.2	70.1	47.4
Net income	$ 88.4	$ 73.0	$ 234.3	$ 241.4
Earnings per share:				
Basic earnings per share	$ 2.23	$ 1.81	$ 5.89	$ 5.86
Basic weighted average number of shares outstanding	39.7	40.4	39.8	41.2
Diluted earnings per share	$ 2.22	$ 1.80	$ 5.87	$ 5.85
Diluted weighted average number of shares outstanding	39.8	40.5	39.9	41.3
Dividends declared per share	$ 0.13	$ 0.13	$ 0.39	$ 0.39
Comprehensive income:				
Net income	$ 88.4	$ 73.0	$ 234.3	$ 241.4
Other comprehensive income (loss) items:				
Foreign currency translation adjustments	(8.7)	(7.6)	(12.6)	(15.6)
Defined benefit plans, net of tax	1.3	1.9	5.3	5.3
Other comprehensive loss, net of tax	(7.4)	(5.7)	(7.3)	(10.3)
Comprehensive income	$ 81.0	$ 67.3	$ 227.0	$ 231.1

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)

	Nine Months Ended	
	May 31, 2019	**May 31, 2018**
Cash flows from operating activities:		
Net income	$ 234.3	$ 241.4
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	65.7	58.5
Share-based payment expense	22.9	24.4
Loss on sale or disposal of property, plant, and equipment	0.6	0.1
Deferred income taxes	0.2	(32.0)
Change in assets and liabilities, net of effect of acquisitions, divestitures, and exchange rate changes:		
Accounts receivable	72.1	6.5
Inventories	20.5	(66.4)
Prepayments and other current assets	(23.6)	0.6
Accounts payable	(71.5)	62.9
Other current liabilities	(21.6)	(2.6)
Other	12.4	6.3
Net cash provided by operating activities	312.0	299.7
Cash flows from investing activities:		
Purchases of property, plant, and equipment	(39.8)	(32.2)
Acquisition of businesses, net of cash acquired	—	(163.5)
Other investing activities	2.9	1.0
Net cash used for investing activities	(36.9)	(194.7)
Cash flows from financing activities:		
Borrowings on credit facility	86.5	237.3
Repayments of borrowings on credit facility	(86.5)	(236.1)
Repayments of long-term debt	(0.3)	(0.3)
Repurchases of common stock	(48.7)	(298.4)
Proceeds from stock option exercises and other	0.5	1.6
Payments of taxes withheld on net settlement of equity awards	(4.9)	(7.2)
Dividends paid	(15.6)	(16.2)
Net cash used for financing activities	(69.0)	(319.3)
Effect of exchange rate changes on cash and cash equivalents	(1.5)	(2.5)
Net change in cash and cash equivalents	204.6	(216.8)
Cash and cash equivalents at beginning of period	129.1	311.1
Cash and cash equivalents at end of period	$ 333.7	$ 94.3
Supplemental cash flow information:		
Income taxes paid during the period	$ 89.0	$ 101.5
Interest paid during the period	$ 24.8	$ 23.7

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. ("Acuity Brands") is the parent company of Acuity Brands Lighting, Inc. ("ABL") and other wholly-owned subsidiaries (Acuity Brands, ABL, and such other subsidiaries are collectively referred to herein as "we," "our," "us," "the Company," or similar references) and was incorporated in 2001 under the laws of the State of Delaware. We are one of the world's leading providers of lighting and building management solutions and services for commercial, institutional, industrial, infrastructure, and residential applications throughout North America and select international markets. Our lighting and building management solutions include devices such as luminaires, lighting controls, controllers for various building systems, power supplies, prismatic skylights, and drivers, as well as integrated systems designed to optimize energy efficiency and comfort for various indoor and outdoor applications. Additionally, we continue to expand our solutions portfolio, including software and services, to provide a host of other economic benefits resulting from data analytics that enables the Internet of Things ("IoT"), supports the advancement of smart buildings, smart cities, and the smart grid, and allows businesses to develop custom applications to scale their operations. We have one reportable segment serving the North American lighting market and select international markets.

We 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 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 May 31, 2019, our consolidated comprehensive income for the three and nine months ended May 31, 2019 and 2018, and our consolidated cash flows for the nine months ended May 31, 2019 and 2018. 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 of the Company as of and for the three years ended August 31, 2018 and notes thereto included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on October 25, 2018 (File No. 001-16583) ("Form 10-K").

The results of operations for the three and nine months ended May 31, 2019 and 2018 are not necessarily indicative of the results to be expected for the full fiscal year due primarily to seasonality, which results in our net sales and net income generally being higher in the second half of our fiscal year, the impact of any acquisitions, and, among other reasons, the continued uncertainty of general economic conditions that may impact our key end markets for the remainder of fiscal 2019.

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

Certain prior-period amounts have been reclassified to conform to the current year presentation. No material reclassifications occurred during the current period. Refer to the *New Accounting Pronouncements* footnote for additional information regarding retrospective reclassifications related to accounting standards adopted in the current year.

Note 3 — Acquisitions and Investments

No acquisitions were completed during the first nine months of fiscal 2019. The following discussion relates to acquisitions completed during fiscal 2018.

IOTA Engineering, LLC

On May 1, 2018, using cash on hand and borrowings available under existing credit arrangements, we acquired all of the equity interests of IOTA Engineering, LLC ("IOTA"). IOTA is headquartered in Tucson, Arizona and manufactures highly engineered emergency lighting products and power equipment for commercial and institutional applications both in the U.S. and international markets. The operating results of IOTA have been included in our consolidated financial statements since the date of acquisition and are not material to our financial condition, results of operations, or cash flows.

Lucid Design Group, Inc.

On February 12, 2018, using cash on hand, we acquired all of the equity interests of Lucid Design Group, Inc ("Lucid"). Lucid is headquartered in Oakland, California and provides a data and analytics platform to make data-driven decisions to improve building efficiency and drive energy conservation and savings. The operating results of Lucid have been included in our consolidated financial statements since the date of acquisition and are not material to our financial condition, results of operations, or cash flows.

Accounting for Fiscal 2018 Acquisitions

Acquisition-related costs were expensed as incurred. Amounts related to the acquisition accounting for these acquisitions are reflected in the *Consolidated Balance Sheets*. The aggregate purchase price of these acquisitions reflects total goodwill and identified intangible assets of approximately $76.8 million and $81.8 million, respectively, as of May 31, 2019. Identified intangible assets consist of indefinite-lived marketing-related intangibles as well as definite-lived customer-based and technology-based assets, which have a weighted average useful life of approximately 14 years. As of May 31, 2019, we have finalized the acquisition accounting for Lucid and IOTA. There were no material changes to our financial statements as a result of the finalization of the acquisition accounting for Lucid or IOTA.

Note 4 — New Accounting Pronouncements

Accounting Standards Adopted in Fiscal 2019

ASU 2017-01 -— Clarifying the Definition of a Business

In January 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business* ("ASU 2017-01"), which requires an evaluation of whether substantially all of the fair value of assets obtained in an acquisition is concentrated in a single identifiable asset or a group of similar identifiable assets. If so, the transaction does not qualify as a business. The guidance also requires an acquired business to include at least one substantive process and narrows the definition of outputs. We adopted ASU 2017-01 effective September 1, 2018 and applied the guidance prospectively. The provisions of ASU 2017-01 did not have a material effect on our financial condition, results of operations, or cash flows.

ASU 2016-15 — Statement of Cash Flows

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15"), which is intended to reduce the diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. These cash flows include debt prepayment and extinguishment costs, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, and proceeds from the settlement of corporate-owned life insurance. We adopted ASU 2016-15 effective September 1, 2018 and applied the changes retrospectively. We maintain life insurance policies on certain former employees primarily to satisfy obligations under certain deferred compensation plans. As required by the standard, proceeds from these policies are now classified as cash inflows from investing activities. We received $0.8 million and $1.0 million from corporate-owned life insurance policies during the nine months ended May 31, 2019 and 2018, respectively. As such, cash flows from operations for the nine months ended May 31, 2018 decreased $1.0 million, with a corresponding increase to cash flows from investing activities, compared to amounts previously reported. The remaining provisions of ASU 2016-15 did not impact our financial statements for the periods presented.

ASU 2017-07 — Presentation of Net Periodic Pension Cost

In March 2017, the FASB issued ASU No. 2017-07, *Compensation — Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* ("ASU 2017-07"), which changes the presentation of net periodic pension cost related to employer sponsored defined benefit plans and other postretirement benefits. Service cost is now included within the same income statement line item as other compensation costs arising from services rendered during the period, while other components of net periodic pension cost are presented separately outside of operating income. Additionally, only service costs may be capitalized in assets. We adopted ASU 2017-07 effective as of September 1, 2018. We applied the standard retrospectively for the presentation of the service cost component and the other components of net periodic pension cost within our income statements. As a practical expedient, we used amounts previously disclosed in the *Pension and Defined Contribution Plans* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K as the basis for retrospective application because amounts capitalized in inventory at a given point in time are de minimis and determining these amounts was impractical. Upon adoption of ASU 2017-07, our previously reported *Operating profit* for the three and nine months ended May 31, 2018 increased $1.5 million and $4.6 million, respectively, with a corresponding increase to *Miscellaneous expense (income), net*. The provisions of ASU 2017-07 have no impact to our net income or earnings per share.

The impact of the provisions of ASU 2017-07 on the *Consolidated Statement of Comprehensive Income* for the three and nine months ended May 31, 2018 are as follows (in millions):

	Three Months Ended May 31, 2018			Nine Months Ended May 31, 2018		
	As Revised	Previously Reported	Higher (Lower)	As Revised	Previously Reported	Higher (Lower)
Cost of products sold	$ 554.9	$ 554.6	$ 0.3	$ 1,545.4	$ 1,544.4	$ 1.0
Selling, distribution, and administrative expenses	271.8	273.6	(1.8)	745.7	751.3	(5.6)
Miscellaneous expense (income), net	(0.2)	(1.7)	1.5	3.8	(0.8)	4.6

ASC 606 — Revenue from Contracts with Customers

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), which replaced the existing revenue recognition guidance in U.S. GAAP. Since the issuance of ASU 2014-09, the FASB released several amendments to improve and clarify the implementation guidance, as well as to change the effective date. These standards have been collectively codified within Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers* ("ASC 606"). ASC 606 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The standard also requires additional disclosures about the nature, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in those judgments.

We adopted ASC 606 effective September 1, 2018 using the modified retrospective method and recognized a cumulative effect of applying ASC 606 of $13.0 million in *Retained earnings* on the *Consolidated Balance Sheet* as of this date. We applied the standard to all contracts as of the transition date. Information for prior years presented has not been restated and continues to reflect the authoritative accounting standards in effect for those periods.

Adjustments related to the adoption of ASC 606 include additional deferrals of revenue recognition for service-type warranties and the gross presentation of right of return assets and refund liabilities for sales with a right of return. The effects of the adoption of ASC 606 on our *Consolidated Statement of Comprehensive Income* for the three and nine months ended May 31, 2019, and the *Consolidated Balance Sheet* as of May 31, 2019 are as follows (in millions except per share amounts):

Consolidated Statement of Comprehensive Income	**Three Months Ended May 31, 2019**			**Nine Months Ended May 31, 2019**		
	As Currently Reported	**Without ASC 606 Adoption**	**Higher (Lower)**	**As Currently Reported**	**Without ASC 606 Adoption**	**Higher (Lower)**
Net sales	$ 947.6	$ 951.4	$ (3.8)	$ 2,734.6	$ 2,742.4	$ (7.8)
Cost of products sold	564.0	566.2	(2.2)	1,649.6	1,653.6	(4.0)
Selling, distribution, and administrative expenses	263.4	263.4	—	751.1	750.9	0.2
Operating profit	120.3	121.9	(1.6)	332.6	336.6	(4.0)
Income tax expense	23.4	23.8	(0.4)	70.1	71.1	(1.0)
Net income	88.4	89.6	(1.2)	234.3	237.3	(3.0)
Basic earnings per share	$ 2.23	$ 2.26	$ (0.03)	$ 5.89	$ 5.97	$ (0.08)
Diluted earnings per share	2.22	2.25	(0.03)	5.87	5.95	(0.08)

Consolidated Balance Sheet	**May 31, 2019**		
	As Currently Reported	**Without ASC 606 Adoption**	**Higher (Lower)**
Accounts receivable, net	$ 586.0	564.7	$ 21.3
Prepayments and other current assets	69.0	53.7	15.3
Other accrued liabilities	176.7	139.8	36.9
Deferred income tax liabilities	89.6	94.8	(5.2)
Other long-term liabilities	98.7	77.8	20.9
Retained earnings	2,204.9	2,220.9	(16.0)

Accounting Standards Yet to Be Adopted

In August 2018, the FASB issued ASU No. 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract* (“ASU 2018-15”), which will require customers to apply internal-use software guidance to determine the implementation costs that are able to be capitalized. Capitalized implementation costs will be required to be amortized over the term of the arrangement, beginning when the cloud computing arrangement is ready for its intended use. ASU 2018-15 is effective for fiscal years (and interim reporting periods within those years) beginning after December 15, 2019. The standard allows changes to be applied either retrospectively or prospectively. We will adopt the standard as required in fiscal 2021. The provisions of ASU 2018-15 are not expected to have a material effect on our financial condition, results of operations, or cash flows.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (“ASU 2016-13”), which requires an entity to assess impairment of its financial instruments based on its estimate of expected credit losses. The provisions of ASU 2016-13 are effective for fiscal years (and interim reporting periods within those years) beginning after December 15, 2019. Entities are required to apply these changes through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. We will adopt the amendments as required in fiscal 2021. The provisions of ASU 2016-13 are not expected to have a material effect on our financial condition, results of operations, or cash flows.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (“ASU 2016-02”), which requires lessees to include most leases on the balance sheet. ASU 2016-02 is effective for fiscal years (and interim reporting periods within those years) beginning after December 15, 2018. Since the issuance of ASU 2016-02, the FASB released several amendments to improve and clarify the implementation guidance, as well as to change the allowable adoption methods. These standards have been collectively codified within ASC 842, *Leases* (“ASC 842”). The standard allows entities to present the effects of the accounting change as either a cumulative adjustment as of the beginning of the earliest period presented or as of the date of adoption. We have an implementation team tasked with reviewing our lease obligations and determining the impact of the new standard to our financial statements. The team is also tasked with identifying appropriate changes to our business processes, systems, and controls to support recognition and disclosure under the new standard. Currently, the implementation team has substantially completed its review of outstanding property and equipment leases, which represent our primary outstanding lease obligations. The team is in the process of reviewing and analyzing other contracts that may have ASC 842 impacts, including information technology contracts. The implementation team reports its findings and progress of the project to management on a frequent basis and to the Audit Committee of the Board of Directors on a quarterly basis. Based on our current lease portfolio, we preliminarily expect ASC 842 to have a material impact on our consolidated balance sheets primarily related to the recognition of operating lease assets and liabilities. However, we do not expect the standard to have a material impact on our consolidated statements of comprehensive income or cash flows. Further details regarding our undiscounted future lease payments as well as the timing of those payments are included within the *Commitments and Contingencies* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K. We will adopt the standard as required on September 1, 2019.

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

Note 5 — 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. Sales and use taxes collected on behalf of governmental authorities are excluded from revenues. Payment is generally due and received within 60 days from the point of sale or prior to the transfer of control of certain goods and services. No payment terms extend beyond one year, and we apply the practical expedient within ASC 606 to conclude that no significant financing terms exist within our contracts with customers. Allowances for cash discounts to customers are estimated using the expected value method based on historical experience and are recorded as a reduction to sales. Our standard terms and conditions of sale allow for the return of certain products within four months of the date of shipment. We also provide for limited product return rights to certain distributors and other customers, primarily for slow moving or damaged items subject to certain defined criteria. The limited product return rights generally allow customers to return resalable products purchased within a specified time period and subject to certain limitations, including, at times, when accompanied by a replacement order of equal or greater value. At the time revenue is recognized, we record a refund liability for the expected value of future returns primarily based on historical experience, specific notification of pending returns, or based on contractual terms with the respective customers. Although historical product returns generally have been within expectations, there can be no assurance that future product returns will not exceed historical amounts. A significant increase in product returns could have a material adverse impact on our operating results in future periods.

Total refund liabilities recorded under ASC 606 related to rights of return, cash discounts, and other miscellaneous credits to customers were $38.8 million and $41.2 million as of May 31, 2019 and September 1, 2018, respectively, and are reflected within *Other accrued liabilities* on the *Consolidated Balance Sheets*. Additionally, we record right of return assets for products expected to be returned to our distribution centers, which are included within *Prepayments and other current assets* on the *Consolidated Balance Sheets*. Such assets totaled $15.3 million and $16.4 million as of May 31, 2019 and September 1, 2018, respectively.

We also maintain one-time or ongoing marketing and trade-promotion programs with certain customers that require us to estimate and accrue the expected costs of such programs. These arrangements include cooperative marketing programs, merchandising of our products, introductory marketing funds for new products, and other trade-promotion activities conducted by the customer. Costs associated with these programs are generally estimated based on the most likely amount expected to be settled based on the context of the individual contract and are reflected within the *Consolidated Statements of Comprehensive Income* in accordance with ASC 606, which in most instances requires such costs to be recorded as reductions of revenue. The refund liabilities associated with these programs totaled $31.8 million and $43.9 million as of May 31, 2019 and September 1, 2018, respectively, and are reflected within *Other accrued liabilities* on the *Consolidated Balance Sheets*.

Costs to obtain and fulfill contracts, such as sales commissions and shipping and handling activities, are short-term in nature and are expensed as incurred.

Nature of Goods and Services

Products

Approximately 95% of revenues for the periods presented were generated from short-term contracts with our customers to deliver tangible goods such as luminaires, lighting controllers, controllers for various building systems, power supplies, prismatic skylights, and drivers. We record revenue from these contracts when the customer obtains control of those goods. For sales designated free on board shipping point, control is transferred at the time of shipment. For sales designated free on board destination, customers take control when a product is delivered to the customer's delivery site.

Professional Services

We collect fees associated with training, installation, and technical support services, primarily related to the set up of our lighting solutions. We recognize revenue for these one-time services at the time the service is performed. We also sell certain service-type warranties that extend coverages for products beyond their base warranties. We account for service-type warranties as distinct performance obligations and recognize revenue for these contracts ratably over the life of the additional warranty period. Claims related to service-type warranties are expensed as incurred.

Software

Software sales include licenses for software, data usage fees, and software as a service arrangements, which generally extend for one year or less. We recognize revenue for software based on the contractual rights provided to a customer, which typically results in the recognition of revenue ratably over the contractual service period.

Shipping and Handling Activities

We account for all shipping and handling activities as activities to fulfill the promise to transfer products to our customers. As such, we do not consider shipping and handling activities to be separate performance obligations, and we expense these costs as incurred.

Contracts with Multiple Performance Obligations

A small portion (approximately 5% for the periods presented) of our revenue was derived from the combination of any or all of our products, professional services, and software licenses. Significant judgment may be required to determine which performance obligations are distinct and should be accounted for separately. We allocate the expected consideration to be collected to each distinct performance obligation based on its standalone selling price. Standalone selling price is generally determined using a cost plus margin valuation when no observable input is available. The amount of consideration allocated to each performance obligation is recognized as revenue in accordance with the timing for products, professional services, and software as described above.

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 as of May 31, 2019 and September 1, 2018 consists of the following (in millions):

	May 31, 2019	September 1, 2018
Current deferred revenues	$ 8.5	$ 4.8
Non-current deferred revenues	43.7	35.0

Current deferred revenues primarily consist of customer prepayments, software licenses, and to a lesser extent 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. 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 nine months ended May 31, 2019 totaled $3.7 million.

Unsatisfied performance obligations that do not represent contract liabilities consist primarily of orders for physical goods that have not yet been shipped. This backlog of orders at any given time is affected by various factors, including seasonality, cancellations, sales promotions, production cycle times, and the timing of receipt and shipment of orders, which are usually shipped within a few weeks of order receipt. Accordingly, a comparison of backlog orders from period to period is not necessarily meaningful and may not be indicative of future shipments.

Disaggregated Revenues

Our lighting and building management solutions 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. The following table shows revenue from contracts with customers by sales channel for the three and nine months ended May 31, 2019 (in millions):

	Three Months Ended May 31, 2019	Nine Months Ended May 31, 2019
Independent sales network	$ 650.3	$ 1,871.4
Direct sales network	97.2	283.5
Retail sales	58.7	217.8
Corporate accounts	97.1	224.5
Other	44.3	137.4
Total	$ 947.6	$ 2,734.6

Note 6 — Fair Value Measurements

We determine fair value measurements based on the assumptions a market participant would use in pricing an asset or liability. ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"), establishes a three level hierarchy making a distinction 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).

Our cash and cash equivalents (Level 1), which are required to be carried at fair value and measured on a recurring basis, were $333.7 million and $129.1 million as of May 31, 2019 and August 31, 2018, respectively.

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.

We used quoted market prices to determine the fair value of Level 1 assets and liabilities. 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.

Disclosures of fair value information about financial instruments (whether or not recognized in the balance sheet), 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 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.

The carrying values and estimated fair values of certain of our financial instruments were as follows at May 31, 2019 and August 31, 2018 (in millions):

	May 31, 2019		August 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Senior unsecured public notes, net of unamortized discount and deferred costs	$ 349.8	$ 355.1	$ 349.5	$ 361.7
Industrial revenue bond	4.0	4.0	4.0	4.0
Bank loans	2.8	3.0	3.3	3.3

The 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 industrial revenue bond is carried at the outstanding balance as of the end of the reporting period. The industrial revenue bond is a tax-exempt, variable-rate instrument that resets on a weekly basis; therefore, we estimate that the face amount of the bond approximates fair value as of May 31, 2019 based on bonds of similar terms and maturity (Level 2).

The bank loans are carried at the outstanding balance 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).

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 7 — Goodwill and Intangible Assets

Through multiple acquisitions, we acquired definite-lived intangible assets consisting primarily of trademarks and trade names associated with specific products, distribution networks, patented technology, non-compete agreements, and customer relationships, 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 of $7.7 million and $7.2 million during the three months ended May 31, 2019 and 2018, respectively, and $23.1 million and $20.5 million during the nine months ended May 31, 2019 and 2018, respectively. Amortization expense is generally recorded on a straight-line basis and is expected to be approximately $30.7 million in fiscal 2019, $30.7 million in fiscal 2020, $27.9 million in fiscal 2021, $27.0 million in fiscal 2022, and $25.8 million in fiscal 2023.

The changes in the carrying amount of goodwill during the nine months ended May 31, 2019 and 2018 are summarized below (in millions):

	Nine Months Ended	
	May 31, 2019	May 31, 2018
Beginning balance	$ 970.6	$ 900.9
Additions from acquired businesses	—	75.7
Adjustments to provisional amounts	(0.2)	—
Foreign currency translation adjustments	(6.3)	(6.1)
Ending balance	$ 964.1	$ 970.5

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 8 — 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 (in millions):

	May 31, 2019	August 31, 2018
Raw materials, supplies, and work in process [1]	$ 178.9	$ 196.8
Finished goods	240.3	251.8
Inventories excluding reserves	419.2	448.6
Less: Reserves	(28.6)	(36.8)
Total inventories	$ 390.6	$ 411.8

[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.

Note 9 — Earnings Per Share

Basic earnings per share for the periods presented 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.

The following table calculates basic earnings per common share and diluted earnings per common share for the three and nine months ended May 31, 2019 and 2018 (in millions, except per share data):

	Three Months Ended		Nine Months Ended	
	May 31, 2019	May 31, 2018	May 31, 2019	May 31, 2018
Net income	$ 88.4	$ 73.0	$ 234.3	$ 241.4
Basic weighted average shares outstanding	39.7	40.4	39.8	41.2
Common stock equivalents	0.1	0.1	0.1	0.1
Diluted weighted average shares outstanding	39.8	40.5	39.9	41.3
Basic earnings per share	$ 2.23	$ 1.81	$ 5.89	$ 5.86
Diluted earnings per share	$ 2.22	$ 1.80	$ 5.87	$ 5.85

The following table presents stock options and restricted stock awards that were excluded from the diluted earnings per share calculation for the three and nine months ended May 31, 2019 and 2018 as the effect of inclusion would have been antidilutive:

	Three Months Ended		Nine Months Ended	
	May 31, 2019	May 31, 2018	May 31, 2019	May 31, 2018
Stock options	283,731	239,230	297,445	179,385
Restricted stock awards	107,800	240,783	169,672	257,617

Further discussion of our stock options and restricted stock 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 10 — Changes in Stockholders' Equity

The following tables summarize changes in the components of stockholders' equity for the three and nine months ended May 31, 2019 and 2018 (in millions):

	Common Stock Outstanding						
	Shares	Amount	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock, at cost	Total
Balance, August 31, 2018	40.0	$ 0.5	$ 906.3	$ 1,999.2	$ (114.8)	$ (1,074.4)	$ 1,716.8
Net income	—	—	—	79.6	—	—	79.6
Other comprehensive loss	—	—	—	—	(6.2)	—	(6.2)
ASC 606 adjustments	—	—	—	(13.0)	—	—	(13.0)
Amortization, issuance, and cancellations of restricted stock grants	0.1	—	3.8	—	—	—	3.8
Employee stock purchase plan issuances	—	—	0.1	—	—	—	0.1
Cash dividends of $0.13 per share paid on common stock	—	—	—	(5.2)	—	—	(5.2)
Repurchases of common stock	(0.2)	—	—	—	—	(25.0)	(25.0)
Balance, November 30, 2018	39.9	0.5	910.2	2,060.6	(121.0)	(1,099.4)	1,750.9
Net income	—	—	—	66.3	—	—	66.3
Other comprehensive income	—	—	—	—	6.3	—	6.3
Amortization, issuance, and cancellations of restricted stock grants	—	—	7.1	—	—	—	7.1
Employee stock purchase plan issuances	—	—	0.2	—	—	—	0.2
Cash dividends of $0.13 per share paid on common stock	—	—	—	(5.3)	—	—	(5.3)
Repurchases of common stock	(0.2)	—	—	—	—	(23.7)	(23.7)
Balance, February 28, 2019	39.7	0.5	917.5	2,121.6	(114.7)	(1,123.1)	1,801.8
Net income	—	—	—	88.4	—	—	88.4
Other comprehensive loss	—	—	—	—	(7.4)	—	(7.4)
Amortization, issuance, and cancellations of restricted stock grants	—	—	7.0	—	—	—	7.0
Employee stock purchase plan issuances	—	—	0.2	—	—	—	0.2
Cash dividends of $0.13 per share paid on common stock	—	—	—	(5.1)	—	—	(5.1)
Balance, May 31, 2019	39.7	$ 0.5	$ 924.7	$ 2,204.9	$ (122.1)	$ (1,123.1)	$ 1,884.9

	Common Stock Outstanding						
	Shares	Amount	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock, at cost	Total
Balance, August 31, 2017	41.8	$ 0.5	$ 881.0	$ 1,659.9	$ (99.7)	$ (776.1)	$ 1,665.6
Net income	—	—	—	71.5	—	—	71.5
Other comprehensive loss	—	—	—	—	(8.9)	—	(8.9)
Amortization, issuance, and cancellations of restricted stock grants	0.1	—	2.5	—	—	0.1	2.6
Employee stock purchase plan issuances	—	—	0.2	—	—	—	0.2
Cash dividends of $0.13 per share paid on common stock	—	—	—	(5.5)	—	—	(5.5)
Stock options exercised	—	—	0.6	—	—	—	0.6
Balance, November 30, 2017	41.9	0.5	884.3	1,725.9	(108.6)	(776.0)	1,726.1
Net income	—	—	—	96.9	—	—	96.9
Other comprehensive income	—	—	—	—	4.3	—	4.3
Reclassification of stranded tax effects of the TCJA (1)	—	—	—	11.1	(11.1)	—	—
Amortization, issuance, and cancellations of restricted stock grants	0.1	—	7.6	—	—	—	7.6
Employee stock purchase plan issuances	—	—	0.1	—	—	—	0.1
Cash dividends of $0.13 per share paid on common stock	—	—	—	(5.4)	—	—	(5.4)
Stock options exercised	—	—	0.5	—	—	—	0.5
Repurchases of common stock	(1.2)	—	—	—	—	(194.3)	(194.3)
Balance, February 28, 2018	40.8	0.5	892.5	1,828.5	(115.4)	(970.3)	1,635.8
Net income	—	—	—	73.0	—	—	73.0
Other comprehensive loss	—	—	—	—	(5.7)	—	(5.7)
Amortization, issuance, and cancellations of restricted stock grants	—	—	6.5	—	—	—	6.5
Employee stock purchase plan issuances	—	—	0.2	—	—	—	0.2
Cash dividends of $0.13 per share paid on common stock	—	—	—	(5.3)	—	—	(5.3)
Repurchases of common stock	(0.8)	—	—	—	—	(104.1)	(104.1)
Balance, May 31, 2018	40.0	$ 0.5	$ 899.2	$ 1,896.2	$ (121.1)	$ (1,074.4)	$ 1,600.4

(1) See *Income Taxes* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K for additional details.

Note 11 — 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. Other comprehensive income (loss) includes foreign currency translation and pension adjustments. The before tax amounts of the defined benefit pension plan items reclassified from *Accumulated other comprehensive loss* are included in *Miscellaneous expense, net* on the *Consolidated Statements of Comprehensive Income*. See the *Pension Plans* footnote within the *Notes to Consolidated Financial Statements* for additional details.

The following table presents the changes in each component of accumulated other comprehensive loss during the nine months ended May 31, 2019 and 2018 (in millions):

	Foreign Currency Items	Defined Benefit Pension Plans	Accumulated Other Comprehensive Loss Items
Balance at August 31, 2018	$ (53.9)	$ (60.9)	$ (114.8)
Other comprehensive (loss) income before reclassifications	(12.6)	0.9	(11.7)
Amounts reclassified from accumulated other comprehensive loss	—	4.4	4.4
Net current period other comprehensive (loss) income	(12.6)	5.3	(7.3)
Balance at May 31, 2019	$ (66.5)	$ (55.6)	$ (122.1)

	Foreign Currency Items	Defined Benefit Pension Plans	Accumulated Other Comprehensive Loss Items
Balance at August 31, 2017	$ (28.7)	$ (71.0)	$ (99.7)
Other comprehensive loss before reclassifications	(15.6)	—	(15.6)
Amounts reclassified from accumulated other comprehensive loss	—	5.3	5.3
Net current period other comprehensive (loss) income	(15.6)	5.3	(10.3)
Reclassification of stranded tax effects of TCJA [1]	—	(11.1)	(11.1)
Balance at May 31, 2018	$ (44.3)	$ (76.8)	$ (121.1)

[1] See *Income Taxes* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K for additional details.

The following table presents the tax expense or benefit allocated to each component of other comprehensive loss for the three and nine months ended May 31, 2019 and 2018 (in millions):

	Three Months Ended					
	May 31, 2019			May 31, 2018		
	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
Foreign currency translation adjustments	$ (8.7)	$ —	$ (8.7)	$ (7.6)	$ —	$ (7.6)
Defined benefit pension plans:						
Amortization of defined benefit pension items:						
Prior service cost	0.8	(0.2)	0.6	0.8	(0.1)	0.7
Actuarial losses	1.0	(0.3)	0.7	1.7	(0.5)	1.2
Total defined benefit pension plans, net	1.8	(0.5)	1.3	2.5	(0.6)	1.9
Other comprehensive loss	$ (6.9)	$ (0.5)	$ (7.4)	$ (5.1)	$ (0.6)	$ (5.7)

	Nine Months Ended					
	May 31, 2019			May 31, 2018		
	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
Foreign currency translation adjustments	$ (12.6)	$ —	$ (12.6)	$ (15.6)	$ —	$ (15.6)
Defined benefit pension plans:						
Actuarial gain or loss	1.3	(0.4)	0.9	—	—	—
Amortization of defined benefit pension items:						
Prior service cost	2.3	(0.5)	1.8	2.4	(0.7)	1.7
Actuarial losses	3.1	(0.8)	2.3	5.1	(1.5)	3.6
Settlement losses	0.4	(0.1)	0.3	—	—	—
Total defined benefit pension plans, net	7.1	(1.8)	5.3	7.5	(2.2)	5.3
Other comprehensive loss	$ (5.5)	$ (1.8)	$ (7.3)	$ (8.1)	$ (2.2)	$ (10.3)

Note 12 — Debt and Lines of Credit

Lines of Credit

On June 29, 2018, we entered into a credit agreement ("Credit Agreement") with a syndicate of banks that provides us with a $400.0 million five-year unsecured revolving credit facility ("Revolving Credit Facility") and a $400.0 million unsecured delayed draw term loan facility ("Term Loan Facility"). We had no borrowings outstanding under the current Revolving Credit Facility or Term Loan Facility as of May 31, 2019. Additionally, we had no borrowings outstanding under our previous credit facility as of August 31, 2018.

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 Interbank Offered Rate ("LIBOR") or screen rate for the applicable currency plus an applicable margin. The Eurocurrency 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, as defined in the Credit Agreement, with such margin ranging from 0.000% to 0.375%. The Term Loan Facility allows for borrowings to be drawn over a period ending December 31, 2019, utilizing up to four separate installments, which are U.S. dollar denominated. Borrowings under the Term Loan Facility will amortize in equal quarterly installments of 2.5% per year in year one, 2.5% per year in year two, 5.0% per year in year three, 5.0% per year in year four, and 7.5% per year in year five. Any remaining borrowings under the Term Loan Facility are due and payable in full on June 29, 2023. The Term Loan Facility allows for borrowings to bear interest at either a Eurocurrency Rate or the base rate, at our option, in each case 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 LIBOR or screen rate for the applicable currency plus an applicable margin. The Eurocurrency applicable margin is based on our leverage ratio, as defined in the Credit Agreement, with such margin ranging from 0.875% to 1.250%. 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, as defined in the Credit Agreement, with such margin ranging from 0.0% to 0.25%.

We are required to pay certain fees in connection with the Credit Agreement, including administrative service fees and annual facility fees. The annual facility fee is payable quarterly, in arrears, and is determined by our leverage ratio as defined in the Credit Agreement. The facility fee ranges from 0.125% to 0.25% of the aggregate $800.0 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, as such terms are defined in the Credit Agreement.

We were in compliance with all financial covenants under the Credit Agreement as of May 31, 2019. At May 31, 2019, we had additional borrowing capacity under the Credit Agreement of $794.7 million under the most restrictive covenant in effect at the time, which represents the full amount of the Revolving Credit Facility and the Term Loan Facility less the outstanding letters of credit of $5.3 million issued under the Revolving Credit Facility. As of May 31, 2019, we had outstanding letters of credit totaling $9.5 million, primarily for securing collateral requirements under our casualty insurance programs and for providing credit support for our industrial revenue bond, which includes the $5.3 million issued under the Revolving Credit Facility.

Long-term Debt

At May 31, 2019, we had $350.0 million of publicly-traded, senior unsecured notes outstanding at a 6% interest rate that are scheduled to mature in December 2019 (the "Unsecured Notes"). Although the Unsecured Notes will mature within one year from May 31, 2019, we have the ability and intent to refinance these borrowings using availability under our Term Loan Facility, subject to satisfying the applicable conditions precedent. Currently, we plan to refinance the Unsecured Notes in full at maturity with borrowings under the Term Loan Facility, of which $341.1 million of the current carrying value of the Unsecured Notes would be due more than one year from the anticipated refinancing date. As such, this amount is reflected within *Long-term debt* on the *Consolidated Balance Sheets* as of May 31, 2019. We also had $4.0 million of tax-exempt industrial revenue bonds that are scheduled to mature in 2021 and $2.8 million outstanding under fixed-rate bank loans outstanding at May 31, 2019. Further discussion of our long-term debt is included within the *Debt and Lines of Credit* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K.

Interest Expense, net

Interest expense, net, is comprised primarily of interest expense on long-term debt, obligations in connection with non-qualified retirement benefits, and Revolving Credit Facility borrowings, partially offset by interest income earned on cash and cash equivalents.

The following table summarizes the components of interest expense, net for the three and nine months ended May 31, 2019 and 2018 (in millions):

	Three Months Ended		Nine Months Ended	
	May 31, 2019	May 31, 2018	May 31, 2019	May 31, 2018
Interest expense	$ 9.1	$ 8.9	$ 27.4	$ 26.3
Interest income	(0.8)	(0.5)	(1.8)	(1.8)
Interest expense, net	$ 8.3	$ 8.4	$ 25.6	$ 24.5

Note 13 — 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 reserves and claims, legal and contractual issues, environmental laws and regulations, guarantees, and indemnities. We establish reserves when the associated costs related to uncertainties or guarantees become probable and can be reasonably estimated. For the period ended May 31, 2019, no material changes have occurred in our reserves 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.

Product Warranty and Recall Costs

Our products generally have a standard warranty term of five years that assure our products comply with agreed upon specifications. We record an allowance 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 allowances may be required, which could have a material adverse impact on our results of operations and cash flows.

Reserves for these product warranty and recall costs are included in *Other accrued liabilities* and *Other long-term liabilities* on the *Consolidated Balance Sheets.* The changes in the reserves for product warranty and recall costs during the nine months ended May 31, 2019 and 2018 are summarized as follows (in millions):

	Nine Months Ended	
	May 31, 2019	May 31, 2018
Beginning balance	$ 27.3	$ 22.0
Warranty and recall costs	12.9	21.4
Payments and other deductions	(14.2)	(19.5)
Acquired warranty and recall liabilities	—	0.6
ASC 606 adjustments [1]	(14.8)	—
Ending balance	$ 11.2	$ 24.5

[1] Certain service-type warranties accounted for as contingent liabilities prior to the adoption of ASC 606 are now reflected as contract liabilities effective September 1, 2018. Refer to the *New Accounting Pronouncements* and *Revenue Recognition* footnotes for additional information.

Securities Class Action

On January 3, 2018, a shareholder filed a class action complaint 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 the Company and certain of our current officers and one former executive 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 the Company’s products and (ii) overstated our ability to achieve profitable sales growth. The plaintiff seeks class certification, unspecified monetary damages, costs, and attorneys’ fees. We dispute the allegations and intend to vigorously defend against the claims. We have filed a motion to dismiss the Consolidated Complaint. Estimating an amount or range of possible losses 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 factual 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 a range of possible losses resulting from the matters described above. We maintain Director and Officer insurance policies that may cover any liability arising out of this litigation up to the policies’ limits, subject to a self-insured retention and other terms and conditions.

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 any such 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 reserves 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 reserved 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 amounts reserved.

Trade Compliance Matters

In the course of routine reviews of import and export activity, we previously determined that we misclassified and/or inaccurately valued certain international shipments of products. We are conducting a detailed review of this activity to determine the extent of any liabilities and implementing the appropriate remedial measures. At this time, we are unable to determine the likelihood or amount of loss, if any, associated with these shipments.

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, including stock options and restricted shares (all part of our equity incentive plan), and share units representing certain deferrals into our director deferred compensation plan or our supplemental deferred savings plan.

The following table presents share-based payment expense and new shares issued upon exercise of stock options for the three and nine months ended May 31, 2019 and 2018 (in millions, except shares):

	Three Months Ended		Nine Months Ended	
	May 31, 2019	May 31, 2018	May 31, 2019	May 31, 2018
Share-based payment expense	$ 7.6	$ 7.6	$ 22.9	$ 24.4
Shares issued from option exercises	—	—	—	9,364

Further details regarding each of these award programs and 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 annual contributions to the plans to the extent indicated by actuarial valuations and statutory requirements. Plan assets are invested primarily in equity and fixed income 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 expense, net* in the *Consolidated Statements of Comprehensive Income*. Net periodic pension cost during the three and nine months ended May 31, 2019 and 2018 included the following components before tax (in millions):

	Three Months Ended		Nine Months Ended	
	May 31, 2019	May 31, 2018	May 31, 2019	May 31, 2018
Service cost	$ 0.8	$ 0.7	$ 2.4	$ 2.1
Interest cost	2.2	2.2	6.7	6.6
Expected return on plan assets	(3.1)	(3.1)	(9.4)	(9.3)
Amortization of prior service cost	0.8	0.8	2.3	2.4
Settlement loss	—	—	0.4	—
Recognized actuarial loss	1.0	1.7	3.1	5.1
Net periodic pension cost	$ 1.7	$ 2.3	$ 5.5	$ 6.9

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 — Special Charge

During fiscal 2019, we recognized pre-tax special charges of $1.3 million. These charges primarily related to move costs associated with the previously announced transfer of activities from a planned facility closure. During fiscal 2018, we recognized special charges consisting primarily of severance and employee-related benefit costs for the elimination of certain operations and positions following a realignment of our operating structure, including positions within various selling, distribution, and administrative ("SD&A") departments. Further details regarding our special charges are included within the *Special Charge* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K.

Costs reflected within *Special charge* on the *Consolidated Statements of Comprehensive Income* for the three and nine months ended May 31, 2019 and 2018 are summarized as follows (in millions):

	Three Months Ended		Nine Months Ended	
	May 31, 2019	May 31, 2018	May 31, 2019	May 31, 2018
Severance and employee-related costs	$ —	$ 9.9	$ (0.8)	$ 10.5
Move and other restructuring costs	(0.1)	—	2.1	0.2
Total special charge	$ (0.1)	$ 9.9	$ 1.3	$ 10.7

As of May 31, 2019, remaining restructuring reserves were $3.9 million and are included in *Accrued compensation* on the *Consolidated Balance Sheets*. The changes in the reserves related to these programs during the nine months ended May 31, 2019 are summarized as follows (in millions):

	Fiscal 2018 Actions	Fiscal 2017 Actions	Total
Balance at August 31, 2018	$ 9.2	$ 0.9	10.1
Severance costs	(0.4)	(0.4)	(0.8)
Payments made during the period	(4.9)	(0.5)	(5.4)
Balance at May 31, 2019	$ 3.9	$ —	$ 3.9

Note 17 — Income Taxes

During the second quarter of fiscal 2019, we finalized our accounting for the tax effects of the U.S. Tax Cuts and Jobs Act (“TCJA”) in accordance with Staff Accounting Bulletin No. 118 (“SAB 118”). As a result, we recorded a net tax benefit of $0.9 million related to TCJA impacts including, but not limited to, our one-time transition tax, deferred income taxes, and executive compensation.

Previously, we asserted that all undistributed earnings and original investments in foreign subsidiaries were indefinitely reinvested and, therefore, had not recorded any deferred taxes related to any outside basis differences associated with our foreign subsidiaries. As of May 31, 2019, the estimated undistributed earnings from foreign subsidiaries was $84.4 million. A significant portion of these earnings was subject to U.S. federal taxation in fiscal 2018 as part of the one-time transition tax. We are no longer asserting indefinite reinvestment on the portion of our unremitted earnings that were previously subject to U.S. federal taxation with the one-time transition tax. Accordingly, we recognized a deferred income tax liability of $0.6 million for certain foreign withholding taxes and U.S. state taxes during the second quarter of fiscal 2019. With respect to unremitted earnings and original investments in foreign subsidiaries where we are continuing to assert indefinite reinvestment, any future remittances could be subject to additional foreign withholding taxes, U.S. state taxes, and certain tax impacts relating to foreign currency exchange effects. It is not practicable to estimate the amount of any unrecognized tax effects on these reinvested earnings and original investments in foreign subsidiaries.

We have elected to account for the tax on Global Intangible Low-Taxed Income (“GILTI”) as a period cost and, therefore, do not record deferred taxes related to GILTI on our foreign subsidiaries.

Further details regarding the effects of the TCJA are included within the *Income Taxes* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K.

Note 18 — Supplemental Guarantor Condensed Consolidating Financial Statements

In December 2009, ABL, the 100% owned and principal operating subsidiary of Acuity Brands, refinanced the then current outstanding debt through the issuance of the Unsecured Notes. See *Debt and Lines of Credit* footnote for further information.

In accordance with the registration rights agreement by and between ABL and the guarantors to the Unsecured Notes and the initial purchasers of the Unsecured Notes, ABL and the guarantors to the Notes filed a registration statement with the SEC for an offer to exchange the Unsecured Notes for an issue of SEC-registered notes with identical terms. Due to the filing of the registration statement and offer to exchange, we determined the need for compliance with Rule 3-10 of SEC Regulation S-X ("Rule 3-10"). In lieu of providing separate audited financial statements for ABL and ABL IP Holding, we have included the accompanying Condensed Consolidating Financial Statements in accordance with Rule 3-10(d) of SEC Regulation S-X since the Unsecured Notes are fully and unconditionally guaranteed by Acuity Brands and ABL IP Holding. The column marked "Parent" represents the financial condition, results of operations, and cash flows of Acuity Brands. The column marked "Subsidiary Issuer" represents the financial condition, results of operations, and cash flows of ABL. The column entitled "Subsidiary Guarantor" represents the financial condition, results of operations, and cash flows of ABL IP Holding. Lastly, the column listed as "Non-Guarantors" includes the financial condition, results of operations, and cash flows of the non-guarantor direct and indirect subsidiaries of Acuity Brands, which consist primarily of foreign subsidiaries. Consolidating adjustments were necessary in order to arrive at consolidated amounts. In addition, the equity method of accounting was used to calculate investments in subsidiaries. Accordingly, this basis of presentation is not intended to present the Company's financial condition, results of operations, or cash flows for any purpose other than to comply with the specific requirements for parent-subsidiary guarantor reporting.

CONDENSED CONSOLIDATING BALANCE SHEETS

(In millions)

	May 31, 2019					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non-Guarantors	Consolidating Adjustments	Consolidated
ASSETS						
Current assets:						
Cash and cash equivalents	$ 257.8	$ 17.2	$ —	$ 58.7	$ —	$ 333.7
Accounts receivable, net	—	510.5	—	75.5	—	586.0
Inventories	—	367.1	—	23.5	—	390.6
Other current assets	20.8	29.7	—	18.5	—	69.0
Total current assets	278.6	924.5	—	176.2	—	1,379.3
Property, plant, and equipment, net	0.2	222.1	—	58.2	—	280.5
Goodwill	—	745.7	2.7	215.7	—	964.1
Intangible assets, net	—	274.9	104.3	93.9	—	473.1
Deferred income taxes	36.0	—	—	6.3	(39.5)	2.8
Other long-term assets	0.5	19.0	—	1.8	—	21.3
Investments in and amounts due from affiliates	1,675.5	453.8	311.6	—	(2,440.9)	—
Total assets	$ 1,990.8	$ 2,640.0	$ 418.6	$ 552.1	$ (2,480.4)	$ 3,121.1
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current liabilities:						
Accounts payable	$ 0.7	$ 357.8	$ —	$ 20.3	$ —	$ 378.8
Current maturities of long-term debt	—	8.7	—	0.4	—	9.1
Other accrued liabilities	8.4	188.5	—	46.2	—	243.1
Total current liabilities	9.1	555.0	—	66.9	—	631.0
Long-term debt	—	345.1	—	2.4	—	347.5
Deferred income taxes	—	103.3	—	25.8	(39.5)	89.6
Other long-term liabilities	96.8	57.5	—	13.8	—	168.1
Amounts due to affiliates	—	—	—	126.4	(126.4)	—
Total stockholders' equity	1,884.9	1,579.1	418.6	316.8	(2,314.5)	1,884.9
Total liabilities and stockholders' equity	$ 1,990.8	$ 2,640.0	$ 418.6	$ 552.1	$ (2,480.4)	$ 3,121.1

CONDENSED CONSOLIDATING BALANCE SHEETS

(In millions)

	August 31, 2018					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non-Guarantors	Consolidating Adjustments	Consolidated
ASSETS						
Current assets:						
Cash and cash equivalents	$ 80.5	$ —	$ —	$ 48.6	$ —	$ 129.1
Accounts receivable, net	—	560.7	—	77.2	—	637.9
Inventories	—	386.6	—	25.2	—	411.8
Other current assets	2.3	18.6	—	11.4	—	32.3
Total current assets	82.8	965.9	—	162.4	—	1,211.1
Property, plant, and equipment, net	0.2	226.8	—	59.7	—	286.7
Goodwill	—	746.5	2.7	221.4	—	970.6
Intangible assets, net	—	286.6	106.5	105.6	—	498.7
Deferred income taxes	36.4	—	—	6.2	(39.7)	2.9
Other long-term assets	1.2	15.6	—	2.0	—	18.8
Investments in and amounts due from affiliates	1,707.0	370.6	279.5	—	(2,357.1)	—
Total assets	$ 1,827.6	$ 2,612.0	$ 388.7	$ 557.3	$ (2,396.8)	$ 2,988.8
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current liabilities:						
Accounts payable	$ 0.3	$ 420.7	$ —	$ 30.1	$ —	$ 451.1
Current maturities of long-term debt	—	—	—	0.4	—	0.4
Other accrued liabilities	18.8	170.1	—	42.3	—	231.2
Total current liabilities	19.1	590.8	—	72.8	—	682.7
Long-term debt	—	353.5	—	2.9	—	356.4
Deferred income taxes	—	106.5	—	25.7	(39.7)	92.5
Other long-term liabilities	91.7	34.0	—	14.7	—	140.4
Amounts due to affiliates	—	—	—	138.8	(138.8)	—
Total stockholders' equity	1,716.8	1,527.2	388.7	302.4	(2,218.3)	1,716.8
Total liabilities and stockholders' equity	$ 1,827.6	$ 2,612.0	$ 388.7	$ 557.3	$ (2,396.8)	$ 2,988.8

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME

(In millions)

	Three Months Ended May 31, 2019					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non-Guarantors	Consolidating Adjustments	Consolidated
Net sales:						
External sales	$ —	$ 843.5	$ —	$ 104.1	$ —	$ 947.6
Intercompany sales	—	—	13.9	48.2	(62.1)	—
Total sales	—	843.5	13.9	152.3	(62.1)	947.6
Cost of products sold	—	500.3	—	110.5	(46.8)	564.0
Gross profit	—	343.2	13.9	41.8	(15.3)	383.6
Selling, distribution, and administrative expenses	10.7	230.4	0.7	36.9	(15.3)	263.4
Intercompany charges	(0.8)	(0.1)	—	0.9	—	—
Special charge	—	(0.1)	—	—	—	(0.1)
Operating (loss) profit	(9.9)	113.0	13.2	4.0	—	120.3
Interest expense, net	2.7	4.3	—	1.3	—	8.3
Equity earnings in subsidiaries	(99.3)	(7.9)	—	—	107.2	—
Miscellaneous expense (income), net	1.4	(0.7)	—	(0.5)	—	0.2
Income before income taxes	85.3	117.3	13.2	3.2	(107.2)	111.8
Income tax (benefit) expense	(3.1)	22.9	2.8	0.8	—	23.4
Net income	88.4	94.4	10.4	2.4	(107.2)	88.4
Other comprehensive income (loss) items:						
Foreign currency translation adjustments	(8.7)	(8.7)	—	—	8.7	(8.7)
Defined benefit plans, net of tax	1.3	1.1	—	0.2	(1.3)	1.3
Other comprehensive (loss) income items, net of tax	(7.4)	(7.6)	—	0.2	7.4	(7.4)
Comprehensive income	$ 81.0	$ 86.8	$ 10.4	$ 2.6	$ (99.8)	$ 81.0

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME

(In millions)

	Three Months Ended May 31, 2018					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non-Guarantors	Consolidating Adjustments	Consolidated
Net sales:						
External sales	$ —	$ 843.7	$ —	$ 100.3	$ —	$ 944.0
Intercompany sales	—	—	13.7	44.6	(58.3)	—
Total sales	—	843.7	13.7	144.9	(58.3)	944.0
Cost of products sold	—	477.0	—	118.6	(40.7)	554.9
Gross profit	—	366.7	13.7	26.3	(17.6)	389.1
Selling, distribution, and administrative expenses	9.7	240.7	0.8	38.2	(17.6)	271.8
Intercompany charges	(0.8)	0.7	—	0.1	—	—
Special charge	—	9.9	—	—	—	9.9
Operating (loss) profit	(8.9)	115.4	12.9	(12.0)	—	107.4
Interest expense, net	2.9	4.2	—	1.3	—	8.4
Equity earnings in subsidiaries	(82.8)	4.6	—	0.1	78.1	—
Miscellaneous expense (income), net	1.5	(1.0)	—	(0.7)	—	(0.2)
Income (loss) before income taxes	69.5	107.6	12.9	(12.7)	(78.1)	99.2
Income tax (benefit) expense	(3.5)	31.3	1.6	(3.2)	—	26.2
Net income (loss)	73.0	76.3	11.3	(9.5)	(78.1)	73.0
Other comprehensive income (loss) items:						
Foreign currency translation adjustments	(7.6)	(7.6)	—	—	7.6	(7.6)
Defined benefit plans, net of tax	1.9	1.4	—	0.5	(1.9)	1.9
Other comprehensive (loss) income items, net of tax	(5.7)	(6.2)	—	0.5	5.7	(5.7)
Comprehensive income (loss)	$ 67.3	$ 70.1	$ 11.3	$ (9.0)	$ (72.4)	$ 67.3

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME

(In millions)

	Nine Months Ended May 31, 2019					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non-Guarantors	Consolidating Adjustments	Consolidated
Net sales:						
External sales	$ —	$ 2,429.0	$ —	$ 305.6	$ —	$ 2,734.6
Intercompany sales	—	—	40.2	151.2	(191.4)	—
Total sales	—	2,429.0	40.2	456.8	(191.4)	2,734.6
Cost of products sold	—	1,467.4	—	330.1	(147.9)	1,649.6
Gross profit	—	961.6	40.2	126.7	(43.5)	1,085.0
Selling, distribution, and administrative expenses	30.4	650.2	2.1	111.9	(43.5)	751.1
Intercompany charges	(3.0)	(0.1)	—	3.1	—	—
Special charge	—	1.3	—	—	—	1.3
Operating (loss) profit	(27.4)	310.2	38.1	11.7	—	332.6
Interest expense, net	8.8	13.1	—	3.7	—	25.6
Equity earnings in subsidiaries	(265.8)	(19.9)	—	0.1	285.6	—
Miscellaneous expense (income), net	4.8	(1.4)	—	(0.8)	—	2.6
Income before income taxes	224.8	318.4	38.1	8.7	(285.6)	304.4
Income tax (benefit) expense	(9.5)	68.8	8.0	2.8	—	70.1
Net income	234.3	249.6	30.1	5.9	(285.6)	234.3
Other comprehensive income (loss) items:						
Foreign currency translation adjustments	(12.6)	(12.6)	—	—	12.6	(12.6)
Defined benefit plans, net of tax	5.3	3.4	—	0.8	(4.2)	5.3
Other comprehensive (loss) income items, net of tax	(7.3)	(9.2)	—	0.8	8.4	(7.3)
Comprehensive income	$ 227.0	$ 240.4	$ 30.1	$ 6.7	$ (277.2)	$ 227.0

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME

(In millions)

	Nine Months Ended May 31, 2018					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non-Guarantors	Consolidating Adjustments	Consolidated
Net sales:						
External sales	$ —	$ 2,328.3	$ —	$ 290.6	$ —	$ 2,618.9
Intercompany sales	—	—	38.2	129.3	(167.5)	—
Total sales	—	2,328.3	38.2	419.9	(167.5)	2,618.9
Cost of products sold	—	1,348.1	—	318.8	(121.5)	1,545.4
Gross profit	—	980.2	38.2	101.1	(46.0)	1,073.5
Selling, distribution, and administrative expenses	30.4	647.2	2.4	111.7	(46.0)	745.7
Intercompany charges	(2.6)	(0.2)	—	2.8	—	—
Special charge	—	10.7	—	—	—	10.7
Operating (loss) profit	(27.8)	322.5	35.8	(13.4)	—	317.1
Interest expense, net	8.2	12.2	—	4.1	—	24.5
Equity earnings in subsidiaries	(269.9)	2.5	—	0.2	267.2	—
Miscellaneous expense (income), net	4.5	0.3	—	(1.0)	—	3.8
Income (loss) before income taxes	229.4	307.5	35.8	(16.7)	(267.2)	288.8
Income tax (benefit) expense	(12.0)	58.5	4.7	(3.8)	—	47.4
Net income (loss)	241.4	249.0	31.1	(12.9)	(267.2)	241.4
Other comprehensive income (loss) items:						
Foreign currency translation adjustments	(15.6)	(15.6)	—	—	15.6	(15.6)
Defined benefit plans, net of tax	5.3	3.9	—	1.4	(5.3)	5.3
Other comprehensive (loss) income items, net of tax	(10.3)	(11.7)	—	1.4	10.3	(10.3)
Comprehensive income (loss)	$ 231.1	$ 237.3	$ 31.1	$ (11.5)	$ (256.9)	$ 231.1

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

(In millions)

	Nine Months Ended May 31, 2019					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non-Guarantors	Consolidating Adjustments	Consolidated
Net cash provided by operating activities	$ 245.0	$ 48.4	$ —	$ 18.6	$ —	$ 312.0
Cash flows from investing activities:						
Purchases of property, plant, and equipment	—	(33.0)	—	(6.8)	—	(39.8)
Other investing activities	0.8	2.1	—	—	—	2.9
Net cash provided by (used for) investing activities	0.8	(30.9)	—	(6.8)	—	(36.9)
Cash flows from financing activities:						
Borrowings on credit facility	—	86.5	—	—	—	86.5
Repayments of borrowings on credit facility	—	(86.5)	—	—	—	(86.5)
Repayments of long-term debt	—	—	—	(0.3)	—	(0.3)
Proceeds from stock option exercises and other	0.5	—	—	—	—	0.5
Repurchases of common stock	(48.7)	—	—	—	—	(48.7)
Withholding taxes on net settlement of equity awards	(4.9)	—	—	—	—	(4.9)
Dividends paid	(15.6)	—	—	—	—	(15.6)
Net cash used for financing activities	(68.7)	—	—	(0.3)	—	(69.0)
Effect of exchange rates changes on cash	0.2	(0.3)	—	(1.4)	—	(1.5)
Net change in cash and cash equivalents	177.3	17.2	—	10.1	—	204.6
Cash and cash equivalents at beginning of period	80.5	—	—	48.6	—	129.1
Cash and cash equivalents at end of period	$ 257.8	$ 17.2	$ —	$ 58.7	$ —	$ 333.7

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

(In millions)

	Nine Months Ended May 31, 2018					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non-Guarantors	Consolidating Adjustments	Consolidated
Net cash provided by operating activities	$ 252.6	$ 19.1	$ —	$ 28.0	$ —	$ 299.7
Cash flows from investing activities:						
Purchases of property, plant, and equipment	—	(21.9)	—	(10.3)	—	(32.2)
Investments in subsidiaries	(163.5)	—	—	—	163.5	—
Acquisitions of business, net of cash acquired	—	(136.6)	—	(26.9)	—	(163.5)
Other investing activities	1.0	—	—	—	—	1.0
Net cash used for investing activities	(162.5)	(158.5)	—	(37.2)	163.5	(194.7)
Cash flows from financing activities:						
Borrowings on credit facility	—	237.3	—	—	—	237.3
Repayments of borrowings on credit facility	—	(236.1)	—	—	—	(236.1)
Repayments of long-term debt	—	—	—	(0.3)	—	(0.3)
Proceeds from stock option exercises and other	1.6	—	—	—	—	1.6
Repurchases of common stock	(298.4)	—	—	—	—	(298.4)
Withholding taxes on net settlement of equity awards	(7.2)	—	—	—	—	(7.2)
Intercompany capital	—	136.6	—	26.9	(163.5)	—
Dividends paid	(16.2)	—	—	—	—	(16.2)
Net cash (used for) provided by financing activities	(320.2)	137.8	—	26.6	(163.5)	(319.3)
Effect of exchange rate changes on cash	—	1.6	—	(4.1)	—	(2.5)
Net change in cash and cash equivalents	(230.1)	—	—	13.3	—	(216.8)
Cash and cash equivalents at beginning of period	237.7	—	—	73.4	—	311.1
Cash and cash equivalents at end of period	$ 7.6	$ —	$ —	$ 86.7	$ —	$ 94.3

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. ("Acuity Brands") and its subsidiaries as of May 31, 2019 and for the three and nine months ended May 31, 2019 and 2018. 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' Annual Report on Form 10-K for the fiscal year ended August 31, 2018, filed with the Securities and Exchange Commission (the "SEC") on October 25, 2018 ("Form 10-K").

Overview

Company

Acuity Brands is the parent company of Acuity Brands Lighting, Inc. ("ABL") and other subsidiaries (Acuity Brands, ABL, and such other subsidiaries are collectively referred to herein as "we," "our," "us," "the Company," or similar references). Our principal office is located in Atlanta, Georgia.

We are one of the world's leading providers of lighting and building management solutions and services for commercial, institutional, industrial, infrastructure, and residential applications throughout North America and select international markets. Our lighting and building management solutions include devices such as luminaires, lighting controls, controllers for various building systems, power supplies, prismatic skylights, and drivers, as well as integrated systems designed to optimize energy efficiency and comfort for various indoor and outdoor applications. Additionally, we continue to expand our solutions portfolio, including software and services, to provide a host of other economic benefits resulting from data analytics that enables the Internet of Things ("IoT"), supports the advancement of smart buildings, smart cities, and the smart grid, and allows businesses to develop custom applications to scale their operations. As of May 31, 2019, we operate 18 manufacturing facilities and eight distribution facilities along with three warehouses to serve our extensive customer base.

We do not consider acquisitions a critical element of our strategy but seek opportunities to expand and enhance our portfolio of solutions, including the following transactions that were completed in the prior fiscal year:

On May 1, 2018, using cash on hand and borrowings available under existing credit arrangements, we acquired IOTA Engineering, LLC ("IOTA"). IOTA is headquartered in Tucson, Arizona and manufactures highly engineered emergency lighting products and power equipment for commercial and institutional applications both in the U.S. and internationally.

On February 12, 2018, using cash on hand, we acquired Lucid Design Group, Inc ("Lucid"). Lucid is headquartered in Oakland, California and provides a data and analytics platform to make data-driven decisions to improve building efficiency and drive energy conservation and savings.

No acquisitions were completed during the first nine months of fiscal 2019.

The results of operations for the nine months ended May 31, 2019 and 2018 are not necessarily indicative of the results to be expected for the full fiscal year due primarily to seasonality, which results in our net sales and net income generally being higher in the second half of our fiscal year, the impact of any acquisitions, and, among other reasons, the continued uncertainty of general economic conditions that may impact our key end markets for the remainder of fiscal 2019.

Liquidity and Capital Resources

Our principal sources of liquidity are operating cash flows generated primarily from our business operations, cash on hand, and various sources of borrowings. Our ability to generate sufficient cash flow from operations or to access certain capital markets, including banks, is necessary to fund our operations and capital expenditures, pay dividends, repurchase shares, meet obligations as they become due, and maintain compliance with covenants contained in our financing agreements.

For the first nine months of fiscal 2019, we paid $39.8 million for property, plant, and equipment, primarily for new and enhanced information technology capabilities, equipment, tooling, and facility enhancements. We currently expect to invest approximately 1.5% of net sales in capital expenditures during fiscal 2019.

In March 2018, the Board of Directors (the "Board") authorized the repurchase of up to six million shares of the Company's common stock. As of May 31, 2019, 1.2 million shares had been repurchased under this authorization, of which 0.4 million shares were repurchased in fiscal 2019. We expect to repurchase the remaining shares available for repurchase on an opportunistic basis subject to various factors including stock price, Company performance, market conditions and other possible uses of cash.

Our short-term cash needs are expected to include funding operations as currently planned; making capital investments as currently anticipated; paying quarterly stockholder dividends as currently anticipated; paying principal and interest on debt as currently scheduled, including our senior unsecured notes maturing in December 2019, which we expect to repay with borrowings available under existing credit arrangements; making required contributions to our employee benefit plans; funding possible acquisitions; and potentially repurchasing shares of our outstanding common stock as authorized by the Board. 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 flow 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 capacity, will sufficiently support our long-term liquidity needs.

Cash Flow

We use available cash and cash flow from operations, borrowings on credit arrangements, and proceeds from the exercise of stock options to fund operations, capital expenditures, and acquisitions if any; to repurchase Company stock; and to pay dividends.

Our cash position at May 31, 2019 was $333.7 million, an increase of $204.6 million from August 31, 2018. During the nine months ended May 31, 2019, we generated net cash flows from operations of $312.0 million. Cash generated from operating activities, as well as cash on-hand, was used during the nine months ended May 31, 2019 primarily to repurchase 0.4 million shares of our outstanding common stock for $48.7 million, fund capital expenditures of $39.8 million, pay dividends to stockholders of $15.6 million, and pay withholding taxes on the net settlement of equity awards of $4.9 million.

We generated $312.0 million of cash flow from operating activities during the nine months ended May 31, 2019 compared with $299.7 million in the prior-year period, an increase of $12.3 million, due primarily to lower operating working capital requirements. Operating working capital (calculated by adding accounts receivable plus inventories, and subtracting accounts payable, net of acquisitions and the impact of foreign exchange rate changes) decreased approximately $21.1 million during the first nine months of fiscal 2019 compared to a $3.0 million decrease during the first nine months of fiscal 2018 due primarily to greater cash collections from customers year over year as well as fewer inventory purchases, partially offset by the timing of payments for trade payables.

We believe that investing in assets and programs that will over time increase the overall return on our invested capital is a key factor in driving stockholder value. We paid $39.8 million and $32.2 million in the first nine months of fiscal 2019 and 2018, respectively, primarily related to investments in new information technology, equipment, tooling, and facility enhancements. We expect to invest approximately 1.5% of net sales primarily for new equipment, tooling, facility enhancements, and information technology capabilities during fiscal 2019.

Capitalization

Our current capital structure is comprised principally of senior unsecured notes and equity of our stockholders. Total debt outstanding was $356.6 million and $356.8 million at May 31, 2019 and August 31, 2018, respectively, and consisted primarily of fixed-rate obligations.

On December 8, 2009, ABL issued $350.0 million of senior unsecured notes due in December 2019 (the “Unsecured Notes”) in a private placement transaction. The Unsecured Notes were subsequently exchanged for SEC registered notes with substantially identical terms. The Unsecured Notes bear interest at a rate of 6% per annum and were issued at a price equal to 99.797% of their face value and for a term of ten years. Although the Unsecured Notes will mature within one year from the balance sheet, we have the ability and intent to refinance these borrowings using availability under our unsecured delayed draw term loan facility (“Term Loan Facility”) as described below. Currently, we plan to refinance the Unsecured Notes in full with borrowings under the Term Loan Facility, of which $341.1 million of the carrying value would be due greater than one year from the anticipated refinancing date. As such, this amount is reflected within *Long-term debt* on the *Consolidated Balance Sheets* as of May 31, 2019. See the *Debt and Lines of Credit* footnote of the *Notes to Consolidated Financial Statements* for more information.

On June 29, 2018, we entered into a credit agreement (“Credit Agreement”) with a syndicate of banks that provides us with a $400.0 million five-year unsecured revolving credit facility (“Revolving Credit Facility”) and a $400.0 million Term Loan Facility. On May 31, 2019, we had no borrowings outstanding under the Revolving Credit Facility and no borrowings under the Term Loan Facility. We were in compliance with all financial covenants under the Credit Agreement as of May 31, 2019. At May 31, 2019, we had additional borrowing capacity under the Credit Agreement of $794.7 million under the most restrictive covenant in effect at the time, which represents the full amount of the Revolving Credit Facility and the Term Loan Facility less the outstanding letters of credit of $5.3 million issued on the Revolving Credit Facility. As of May 31, 2019, we had outstanding letters of credit totaling $9.5 million, primarily for securing collateral requirements under our casualty insurance programs and for providing credit support for our industrial revenue bond, including $5.3 million issued under the Revolving Credit Facility. See the *Debt and Lines of Credit* footnote of the *Notes to Consolidated Financial Statements* for more information.

During the first nine months of fiscal 2019, our consolidated stockholders' equity increased $168.1 million to $1.88 billion at May 31, 2019, from $1.72 billion at August 31, 2018. The increase was due primarily to net income earned in the period, partially offset by share repurchases, adjustments related to the adoption of Accounting Standards Codification 606, *Revenue from Contracts with Customers* ("ASC 606"), the payment of dividends, and foreign currency translation adjustments. Our debt to total capitalization ratio (calculated by dividing total debt by the sum of total debt and total stockholders' equity) was 15.9% and 17.2% at May 31, 2019 and August 31, 2018, respectively. The ratio of debt, net of cash, to total capitalization, net of cash, was 1.2% and 11.7% at May 31, 2019 and August 31, 2018, respectively.

Dividends

We paid dividends on our common stock of $15.6 million and $16.2 million ($0.39 per share) during the nine months ended May 31, 2019 and 2018, respectively. All decisions regarding the declaration and payment of dividends are at the discretion of 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.

Results of Operations

Third Quarter of Fiscal 2019 Compared with Third Quarter of Fiscal 2018

The following table sets forth information comparing the components of net income for the three months ended May 31, 2019 and 2018 (in millions except per share data):

	Three Months Ended			
	May 31, 2019	May 31, 2018	Increase (Decrease)	Percent Change
Net sales	$ 947.6	$ 944.0	$ 3.6	0.4 %
Cost of products sold	564.0	554.9	9.1	1.6 %
Gross profit	383.6	389.1	(5.5)	(1.4)%
Percent of net sales	*40.5%*	*41.2%*	*(70) bps*	
Selling, distribution, and administrative expenses	263.4	271.8	(8.4)	(3.1)%
Special charge	(0.1)	9.9	(10.0)	NM
Operating profit	120.3	107.4	12.9	12.0 %
Percent of net sales	*12.7%*	*11.4%*	*130 bps*	
Other expense (income):				
Interest expense, net	8.3	8.4	(0.1)	(1.2)%
Miscellaneous expense (income), net	0.2	(0.2)	0.4	NM
Total other expense	8.5	8.2	0.3	NM
Income before income taxes	111.8	99.2	12.6	12.7 %
Percent of net sales	*11.8%*	*10.5%*	*130 bps*	
Income tax expense	23.4	26.2	(2.8)	NM
Effective tax rate	*20.9%*	*26.4%*		
Net income	$ 88.4	$ 73.0	$ 15.4	21.1 %
Diluted earnings per share	$ 2.22	$ 1.80	$ 0.42	23.3 %

NM - not meaningful

Net sales were $947.6 million for the three months ended May 31, 2019 compared with $944.0 million reported for the three months ended May 31, 2018, an increase of $3.6 million, or 0.4%. For the three months ended May 31, 2019, we reported net income of $88.4 million, an increase of $15.4 million, or 21.1%, compared with $73.0 million for the three months ended May 31, 2018. For the third quarter of fiscal 2019, diluted earnings per share increased 23.3% to $2.22 compared with $1.80 reported in the year-ago period.

Fiscal 2019 results were impacted by the adoption of ASC 606, which resulted in a decrease to revenues, gross profit, and operating profit of $3.8 million, $1.6 million, and $1.6 million, respectively, during the three months ended May 31, 2019. Additionally, fiscal 2018 results were restated to reflect the impact of adopting Accounting Standards Update No. 2017-07, *Compensation — Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* (“ASU 2017-07”). Upon adoption of ASU 2017-07, our previously reported operating profit and other expense both increased $1.5 million for the three months ended May 31, 2018. The provisions of ASU 2017-07 had no impact to our previously reported net income or earnings per share. See *New Accounting Pronouncements* footnote of the *Notes to Consolidated Financial Statements* for further details.

The following table reconciles certain U.S. generally accepted accounting principles (“U.S. GAAP”) financial measures to the corresponding non-U.S. GAAP measures referred to in the discussion of our results of operations, which exclude the impact of excess inventory adjustments, acquisition related items, amortization of acquired intangible assets, share-based payment expense, and special charges associated primarily with continued efforts to streamline the organization. Although the impacts of some of these items have been recognized in prior periods and could recur in future periods, we typically exclude these charges during internal reviews of performance and use these non-U.S. GAAP measures for baseline comparative operational analysis, decision making, and other activities. These non-U.S. GAAP financial measures, including adjusted gross profit and margin, adjusted selling, distribution, and administrative (“SD&A”) expenses and adjusted SD&A expenses as a percent of net sales, adjusted operating profit and margin, adjusted net income, and adjusted diluted earnings per share, are provided to enhance the user’s overall understanding of our current financial performance. Specifically, we believe these non-U.S. GAAP measures provide greater comparability and enhanced visibility into our results of operations. The non-U.S. GAAP financial measures should be considered in addition to, and not as a substitute for or superior to, results prepared in accordance with U.S. GAAP.

(In millions, except per share data)	Three Months Ended			
	May 31, 2019	May 31, 2018	Increase (Decrease)	Percent Change
Gross profit	$ 383.6	$ 389.1		
Add-back: Acquisition-related items [1]	—	0.5		
Add-back: Excess inventory [2]	—	3.1		
Adjusted gross profit	$ 383.6	$ 392.7	$ (9.1)	(2.3)%
Percent of net sales	*40.5%*	*41.6%*	*(110) bps*	
Selling, distribution, and administrative expenses	$ 263.4	$ 271.8		
Less: Amortization of acquired intangible assets	(7.7)	(7.2)		
Less: Share-based payment expense	(7.6)	(7.6)		
Less: Acquisition-related items [1]	—	(1.6)		
Adjusted selling, distribution, and administrative expenses	$ 248.1	$ 255.4	$ (7.3)	(2.9)%
Percent of net sales	*26.2%*	*27.1%*	*(90) bps*	
Operating profit	$ 120.3	$ 107.4		
Add-back: Amortization of acquired intangible assets	7.7	7.2		
Add-back: Share-based payment expense	7.6	7.6		
Add-back: Acquisition-related items [1]	—	2.1		
Add-back: Excess inventory [2]	—	3.1		
Add-back: Special charge	(0.1)	9.9		
Adjusted operating profit	$ 135.5	$ 137.3	$ (1.8)	(1.3)%
Percent of net sales	*14.3%*	*14.5%*	*(20) bps*	
Net income	$ 88.4	$ 73.0		
Add-back: Amortization of acquired intangible assets	7.7	7.2		
Add-back: Share-based payment expense	7.6	7.6		
Add-back: Acquisition-related items [1]	—	2.1		
Add-back: Excess inventory [2]	—	3.1		
Add-back: Special charge	(0.1)	9.9		
Total pre-tax adjustments to net income	15.2	29.9		
Income tax effects	(3.0)	(7.0)		
Adjusted net income	$ 100.6	$ 95.9	$ 4.7	4.9 %
Diluted earnings per share	$ 2.22	$ 1.80		
Adjusted diluted earnings per share	$ 2.53	$ 2.37	$ 0.16	6.8 %

[1] Acquisition-related items include profit in inventory and professional fees.
[2] Excess inventory related to the closure of a facility.

Net Sales

Net sales for the three months ended May 31, 2019 increased 0.4% compared with the prior-year period due primarily to a greater than 1% increase in sales volumes, partially offset by unfavorable foreign exchange rate changes and the adoption of ASC 606. Changes in product prices and mix of products sold (“price/mix”) were flat compared to the prior year as higher pricing was offset by changes in the mix of products sold and customer mix within certain channels; the realization from recent price increases was estimated to have contributed low single-digit growth to overall net sales for the quarter. Acquired revenues from acquisitions net of lost revenues from divestitures were flat compared to the prior year period. From a channel perspective, increased sales in the independent sales network were largely offset by lower sales in the retail channel compared to the prior year period, which was primarily due to the impact of a planned program this year to eliminate certain product categories that do not meet our expected profit margin profile. Due to the changing dynamics of our product portfolio, including the increase of integrated lighting and building management solutions, it is not possible to precisely quantify or differentiate the individual components of volume, price, and mix.

Gross Profit

Gross profit for the third quarter of fiscal 2019 decreased $5.5 million, or 1.4%, to $383.6 million compared with $389.1 million in the prior-year period. Gross profit margin decreased 70 basis points to 40.5% for the three months ended May 31, 2019 compared with 41.2% in the prior-year period. The decline in gross profit margin was due primarily to a shift in sales among key customers within the retail channel as well as under-absorption of manufacturing costs as a result of inventory reduction efforts. Adjusted gross profit margin for the three months ended May 31, 2019 declined 110 basis points to 40.5% compared with 41.6% in the prior year period.

Operating Profit

SD&A expenses for the three months ended May 31, 2019 were $263.4 million compared with $271.8 million in the prior-year period, a decrease of $8.4 million, or 3.1%. The decrease in SD&A expenses was due primarily to a decrease in outbound freight, which was partially due to the customer shift within the retail sales channel, as well as lower professional fees related to acquisitions. SD&A expenses for the third quarter of fiscal 2019 were 27.8% of net sales compared with 28.8% for the prior-year period. Adjusted SD&A expenses for the three months ended May 31, 2019 were $248.1 million (26.2% of net sales) compared with $255.4 million (27.1% of net sales) in the prior-year period.

We recognized pre-tax special charge credits of $0.1 million during the third quarter of fiscal 2019 compared with pre-tax special charges of $9.9 million recorded during the third quarter of fiscal 2018. Further details regarding our special charges are included in the *Special Charge* footnote of the *Notes to Consolidated Financial Statements*.

Operating profit for the third quarter of fiscal 2019 was $120.3 million (12.7% of net sales) compared with $107.4 million (11.4% of net sales) for the prior-year period, an increase of $12.9 million, or 12.0%. The increase in operating profit was primarily due to lower SD&A expenses and decreased special charges, partially offset by lower gross profit.

Adjusted operating profit decreased by $1.8 million, or 1.3%, to $135.5 million for the third quarter of fiscal 2019 compared with $137.3 million for the third quarter of fiscal 2018. Adjusted operating profit margin decreased to 14.3% for the third quarter of fiscal 2019 compared with 14.5% for the year-ago period.

Other Expense (Income)

Other expense (income) consists principally of net interest expense and net miscellaneous 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 $8.3 million and $8.4 million for the three months ended May 31, 2019 and 2018, respectively. We reported net miscellaneous expense of $0.2 million and net miscellaneous income of $0.2 million for the three months ended May 31, 2019 and 2018, respectively.

Income Taxes and Net Income

Our effective income tax rate was 20.9% and 26.4% for the three months ended May 31, 2019 and 2018, respectively. The decline in the current fiscal tax rate reflects a lower federal statutory rate and the recognition of certain research and development cost tax credits, including claims for prior periods, during the current period. We currently estimate that our blended consolidated effective income tax rate, before any discrete items, will approximate 22% to 24% for fiscal 2019.

Net income for the third quarter of fiscal 2019 increased $15.4 million to $88.4 million from $73.0 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 and to a lesser extent lower income tax expense. Diluted earnings per share for the three months ended May 31, 2019 increased $0.42 to $2.22 compared with diluted earnings per share of $1.80 for the prior-year period. This increase reflects higher net income and a reduced share count.

Adjusted net income for the third quarter of fiscal 2019 was $100.6 million, compared with $95.9 million in the prior-year period, which represented an increase of $4.7 million, or 4.9%. Adjusted diluted earnings per share for the three months ended May 31, 2019 increased $0.16, or 6.8%, to $2.53 compared with $2.37 for the prior-year period.

First Nine Months of Fiscal 2019 Compared with First Nine Months of Fiscal 2018

The following table sets forth information comparing the components of net income for the nine months ended May 31, 2019 and 2018 (in millions except per share data):

	Nine Months Ended			
	May 31, 2019	**May 31, 2018**	**Increase (Decrease)**	**Percent Change**
Net sales	$ 2,734.6	$ 2,618.9	$ 115.7	4.4 %
Cost of products sold	1,649.6	1,545.4	104.2	6.7 %
Gross profit	1,085.0	1,073.5	11.5	1.1 %
Percent of net sales	*39.7%*	*41.0%*	*(130) bps*	
Selling, distribution, and administrative expenses	751.1	745.7	5.4	0.7 %
Special charge	1.3	10.7	(9.4)	NM
Operating profit	332.6	317.1	15.5	4.9 %
Percent of net sales	*12.2%*	*12.1%*	*10 bps*	
Other expense (income)				
Interest expense, net	25.6	24.5	1.1	4.5 %
Miscellaneous expense, net	2.6	3.8	(1.2)	NM
Total other expense	28.2	28.3	(0.1)	NM
Income before income taxes	304.4	288.8	15.6	5.4 %
Percent of net sales	*11.1%*	*11.0%*	*10 bps*	
Income tax expense	70.1	47.4	22.7	NM
Effective tax rate	*23.0%*	*16.4%*		
Net income	$ 234.3	$ 241.4	$ (7.1)	(2.9)%
Diluted earnings per share	$ 5.87	$ 5.85	$ 0.02	0.3 %

NM - not meaningful

Net sales were $2.73 billion for the nine months ended May 31, 2019 compared with $2.62 billion reported for the nine months ended May 31, 2018, an increase of $115.7 million, or 4.4%. For the nine months ended May 31, 2019, we reported net income of $234.3 million, a decrease of $7.1 million, or 2.9%, compared with $241.4 million for the nine months ended May 31, 2018. For the first nine months of fiscal 2019, diluted earnings per share increased 0.3% to $5.87 compared with $5.85 reported in the year-ago period.

Fiscal 2019 results were impacted by the adoption of ASC 606, which resulted in a decrease to revenues, gross profit, and operating profit of $7.8 million, $3.8 million, and $4.0 million, respectively, during the nine months ended May 31, 2019. Additionally, fiscal 2018 results were restated to reflect the impact of adopting ASU 2017-07. Upon adoption of ASU 2017-07, our previously reported operating profit and other expense both increased $4.6 million for the nine months ended May 31, 2018. The provisions of ASU 2017-07 had no impact to our previously reported net income or earnings per share. See *New Accounting Pronouncements* footnote of the *Notes to Consolidated Financial Statements* for further details.

The following table reconciles certain U.S. GAAP financial measures to the corresponding non-U.S. GAAP measures referred to in the discussion of our results of operations, which exclude the impact of manufacturing inefficiencies, excess inventory adjustments, acquisition-related items, amortization of acquired intangible assets, share-based payment expense, special charges associated primarily with continued efforts to streamline the organization, and certain discrete income tax benefits of the U.S. Tax Cuts and Jobs Act ("TCJA"). These non-U.S. GAAP financial measures, including adjusted gross profit and margin, adjusted SD&A expenses and adjusted SD&A expenses as a percent of net sales, adjusted operating profit and margin, adjusted net income, and adjusted diluted earnings per share, are provided to enhance the user's overall understanding of our current financial performance. Specifically, we believe these non-U.S. GAAP measures provide greater comparability and enhanced visibility into our results of operations. The non-U.S. GAAP financial measures should be considered in addition to, and not as a substitute for or superior to, results prepared in accordance with U.S. GAAP.

(In millions, except per share data)	Nine Months Ended			
	May 31, 2019	**May 31, 2018**	**Increase (Decrease)**	**Percent Change**
Gross profit	$ 1,085.0	$ 1,073.5		
Add-back: Manufacturing inefficiencies [1]	0.9	—		
Add-back: Acquisition-related items [2]	1.2	0.5		
Add-back: Excess inventory [3]	—	3.1		
Adjusted gross profit	$ 1,087.1	$ 1,077.1	$ 10.0	0.9%
Percent of net sales	*39.8%*	*41.1%*	*(130) bps*	
Selling, distribution, and administrative expenses	$ 751.1	$ 745.7		
Less: Amortization of acquired intangible assets	(23.1)	(20.5)		
Less: Share-based payment expense	(22.9)	(24.4)		
Less: Acquisition-related items [2]	—	(1.8)		
Adjusted selling, distribution, and administrative expenses	$ 705.1	$ 699.0	$ 6.1	0.9%
Percent of net sales	*25.8%*	*26.7%*	*(90) bps*	
Operating profit	$ 332.6	$ 317.1		
Add-back: Amortization of acquired intangible assets	23.1	20.5		
Add-back: Share-based payment expense	22.9	24.4		
Add-back: Manufacturing inefficiencies [1]	0.9	—		
Add-back: Acquisition-related items [2]	1.2	2.3		
Add-back: Excess inventory [3]	—	3.1		
Add-back: Special charge	1.3	10.7		
Adjusted operating profit	$ 382.0	$ 378.1	$ 3.9	1.0%
Percent of net sales	*14.0%*	*14.4%*	*(40) bps*	
Net income	$ 234.3	$ 241.4		
Add-back: Amortization of acquired intangible assets	23.1	20.5		
Add-back: Share-based payment expense	22.9	24.4		
Add-back: Manufacturing inefficiencies [1]	0.9	—		
Add-back: Acquisition-related items [2]	1.2	2.3		
Add-back: Excess inventory [3]	—	3.1		
Add-back: Special charge	1.3	10.7		
Total pre-tax adjustments to net income	49.4	61.0		
Income tax effect	(11.3)	(15.7)		
Less: Discrete income tax benefits of the TCJA [4]	—	(31.2)		
Adjusted net income	$ 272.4	$ 255.5	$ 16.9	6.6%
Diluted earnings per share	$ 5.87	$ 5.85		
Adjusted diluted earnings per share	$ 6.83	$ 6.19	$ 0.64	10.3%

[1] Incremental costs incurred due to manufacturing inefficiencies directly related to the closure of a facility.
[2] Acquisition-related items include profit in inventory and professional fees.
[3] Excess inventory related to the closure of a facility.
[4] Discrete income tax benefits of the TCJA recognized within *Income tax expense* on the *Consolidated Statements of Comprehensive Income*. See *Income Taxes* footnote within the *Notes to Consolidated Financial Statements* for additional details.

Net Sales

Net sales for the nine months ended May 31, 2019 increased $115.7 million, or 4.4%, compared with the prior-year period due primarily to an increase in sales volume of approximately 5% and a less than 1% favorable impact of acquired revenues from acquisitions net of lost revenues from divestitures. This increase was partially offset by a 1% unfavorable impact of adopting ASC 606 and movements in foreign exchange rates. The increase in net sales was due primarily to greater shipments within our key sales channels except the retail sales channel. Price/mix was flat year over year as the benefits from recently announced price increases were offset by unfavorable changes primarily in sales channel mix as well as customer mix within certain channels. Due to the changing dynamics of our product portfolio, including the increase of integrated lighting and building management solutions, it is not possible to precisely quantify or differentiate the individual components of volume, price, and mix.

Gross Profit

Gross profit for the first nine months of fiscal 2019 increased $11.5 million compared to the prior-year period. Gross profit margin decreased to 39.7% for the nine months ended May 31, 2019 compared with 41.0% in the prior-year period. The decline in gross profit margin was due primarily to a shift in sales among key customers within the retail channel as well as under-absorption of manufacturing costs as a result of inventory reduction efforts as well as higher materials and freight costs. Adjusted gross profit for the nine months ended May 31, 2019 was $1,087.1 million (39.8% of net sales) compared with $1,077.1 million (41.1% of net sales) in the prior-year period.

Operating Profit

SD&A expenses for the nine months ended May 31, 2019 were $751.1 million compared with $745.7 million in the prior-year period, an increase of $5.4 million, or 0.7%. The increase in SD&A expenses was primarily due to higher employee related costs, increased commissions to support higher sales volume, and expenses associated with acquired businesses, partially offset by lower outbound freight charges, which was partially due to the customer shift within the retail sales channel. SD&A expenses for the first nine months of fiscal 2019 were 27.5% of net sales compared with 28.5% for the prior-year period. Adjusted SD&A expenses for the nine months ended May 31, 2019 were $705.1 million (25.8% of net sales) compared with $699.0 million (26.7% of net sales) in the prior-year period.

We recognized a pre-tax special charge of $1.3 million during the first nine months of fiscal 2019, compared with a pre-tax special charge of $10.7 million during the first nine months of fiscal 2018. Further details regarding our special charges are included in the *Special Charge* footnote of the *Notes to Consolidated Financial Statements*.

Operating profit for the first nine months of fiscal 2019 was $332.6 million compared with $317.1 million for the prior-year period, an increase of $15.5 million, or 4.9%. The increase in operating profit was due primarily to an increase in gross profit and lower special charge, partially offset by an increase in SD&A expenses.

Adjusted operating profit increased by $3.9 million, or 1.0%, to $382.0 million for the first nine months of fiscal 2019 compared with $378.1 million for the first nine months of fiscal 2018. Adjusted operating profit margin for the first nine months of fiscal 2019 decreased 40 basis points to 14.0% compared with 14.4% in the year-ago period.

Other Expense (Income)

Other expense (income) consists principally of net interest expense and net miscellaneous 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 $25.6 million and $24.5 million for the nine months ended May 31, 2019 and 2018, respectively. We reported net miscellaneous expense of $2.6 million and $3.8 million for the nine months ended May 31, 2019 and 2018, respectively.

Income Taxes and Net Income

Our effective income tax rate was 23.0% and 16.4% for the nine months ended May 31, 2019 and 2018, respectively. The effective income rate for the nine months ended 2018 was significantly impacted by the TCJA, which was enacted during the second quarter of fiscal 2018. Further details regarding the TCJA are included in the *Income Taxes* footnote of the *Notes to Consolidated Financial Statements*. We currently estimate that our blended consolidated effective income tax rate, before any discrete items, will approximate 22% to 24% for fiscal 2019.

Net income for the first nine months of fiscal 2019 decreased $7.1 million to $234.3 million from $241.4 million reported for the prior-year period. The decrease in net income resulted primarily from a one-time tax benefit for income taxes related to the TCJA recorded in 2018 that did not recur in the current fiscal year. Diluted earnings per share for the nine months ended May 31, 2019 increased $0.02 to $5.87 compared with diluted earnings per share of $5.85 for the prior-year period. This increase reflects higher operating profit and a reduced share count, partially offset by higher net income tax expense.

Adjusted net income for the first nine months of fiscal 2019 was $272.4 million compared with $255.5 million in the prior-year period, which represented an increase of $16.9 million, or 6.6%. Adjusted diluted earnings per share for the nine months ended May 31, 2019 increased $0.64, or 10.3%, to $6.83 compared with $6.19 for the prior-year period.

Outlook

We continue to believe the execution of our strategy will provide attractive opportunities for profitable growth over the long-term. Our strategy is to capitalize on market growth and share gain opportunities by continuing to expand and leverage our industry-leading lighting and building management solutions portfolio, coupled with our extensive market presence and financial strength, to produce attractive financial performance over the long-term.

Third-party forecasts and several leading indicators continue to suggest that the North American lighting market, our primary market, will increase in the low-single digit range in calendar 2019, although some leading indicators of future market demand, such as the Architectural Billings Index and the Dodge Momentum Index, have recently softened. We continue to believe that the forecasts reflect reasonable growth expectations, but we are somewhat cautious given the angst in the marketplace due to the uncertainties around trade policy issues and the potential impact that tariffs and higher prices may have on overall demand. Additionally, we expect that labor shortages in certain markets will continue to dampen growth rates for both the construction and lighting markets.

We believe our fiscal fourth quarter net sales could be down modestly compared with prior year’s net sales, which benefitted from the significant initial stocking of product in the stores of a new customer in the retail sales channel. Also, fourth quarter net sales may be negatively impacted by our efforts to enhance our margin profile as we expect to continue our program of reviewing portions of our product portfolio and services offerings with the objective of eliminating those items and activities that do not meet our return objectives. Lastly, we believe our fourth quarter adjusted operating profit margin will exceed prior-year’s fourth quarter margin as well as improve on a sequential basis from the third quarter.

We expect to continue to outperform the growth rates of the markets that we serve in future periods, subject to quarterly volatility and excluding our actions to prune less profitable portions of our product portfolio, by continuing to execute our various strategies. These strategies focus on growth opportunities for new construction and renovation projects, expansion into underpenetrated geographies and channels, and growth from the continued introduction of new lighting and building management solutions as part of our integrated, tiered solutions strategy, including leveraging our unique, technology driven solutions portfolio to capture market share in the nascent, but rapidly growing, market for data capture, analytics, and other services, assisting in transforming buildings and campuses from cost centers to strategic assets.

We expect the pricing environment to continue to be challenging in portions of the market, particularly for more basic, lesser-featured products sold through certain sales channels as well as shifts in product mix, both of which could continue to negatively impact net sales and margins. We expect recently announced price increases to mitigate some of the pricing pressures in the market but not to have any material impact on product substitution trends to lower priced alternatives. We expect to continue to introduce products and solutions to more effectively compete in these portions of the market and to accelerate programs to reduce product costs in order to maintain our competitiveness and drive improved profitability.

The U.S. federal government has recently imposed tariffs on certain Chinese imports and threatened to impose tariffs on all products imported from Mexico. We produce a meaningful percentage of our products in Mexico and certain components used in our products as well as certain sourced finished products are sourced from China and are impacted by the recently imposed Chinese tariffs. Our efforts to mitigate the impact of these added costs include a variety of activities, such as finding alternative suppliers, in-sourcing the production of certain products, and raising prices. We believe that our mitigation activities, including recently announced price increases once fully enacted, will assist to offset the added costs. Future U.S. policy changes that may be implemented, including additional tariffs, could have a positive or negative consequence on our financial performance depending on how the changes influence many factors, including business and consumer sentiment.

During fiscal 2018, we announced the planned consolidation of certain facilities and associated reduction in employee workforce. We recognized $11.9 million to date in special charges for this initiative primarily related to severance, employee benefit costs, and relocation costs. We expect to incur additional costs in future periods primarily related to early lease termination and additional relocation costs. Annual savings realized from the streamlining activities, once fully completed, are expected to exceed the amount of the special charges recognized. We expect to reinvest most of the savings in activities to support higher-growth opportunities, as well as drive improved profitability.

During the fourth quarter of fiscal 2018, we entered into a new credit agreement with a syndicate of banks that increased our borrowing capacity under such agreements from $250 million to $800 million. The increase in borrowing capacity provides us with the resources to support growth opportunities, including acquisitions, accommodate the current stock repurchase program, of which 4.8 million shares remain available for repurchase as of July 2, 2019, and refinance our outstanding senior unsecured notes that mature in late calendar 2019. The extent and timing of actual stock repurchases will be subject to various factors, including stock price, company performance, expected future market conditions, and other possible uses of cash, including acquisitions. We may increase our leverage to accommodate the stock repurchase program.

From a longer term perspective, we expect that our addressable markets have the potential to experience solid growth over the next decade, particularly as energy and environmental concerns continue to come to the forefront along with emerging opportunities for digital lighting to play a key role in the IoT through the use of intelligent networked lighting and building automation systems that can collect and exchange data to increase efficiency as well as provide a host of other economic benefits resulting from data analytics. We remain positive about the future prospects of the Company and our ability to outperform the markets we serve.

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 with 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; amortization and the recoverability of long-lived assets, including goodwill and intangible assets; share-based payment expense; medical, product warranty and recall, and other reserves; retirement benefits; and litigation. 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 accounting estimates with the Audit Committee of the Board.

There have been no material changes in our critical accounting estimates during the current period. We adopted ASC 606 during the current fiscal year, which required changes to our revenue policies but did not have a material impact to our financial condition, results of operations, or cash flows. Refer to the *Revenue Recognition* footnote within the *Notes to Consolidated Financial Statements* for further details regarding our accounting policies and critical accounting estimates under ASC 606.

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 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, liquidity, capital structure, capital expenditures, investments, share repurchases, and dividends, including our intent and ability to refinance our senior unsecured notes; (b) expectations about the impact of any changes in demand as well as volatility and uncertainty in general economic conditions and the pricing environment; (c) external forecasts projecting the North American lighting and building management solutions market growth rate and growth in our addressable markets; (d) our ability to execute and realize benefits from initiatives related to streamlining our operations, capitalize on growth opportunities, expand in key markets as well as underpenetrated geographies and channels, and introduce new lighting and building management solutions; (e) our estimate of our fiscal 2019 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 and outperform the markets we serve; (h) the impact of changes in the political landscape and related policy changes, including monetary, regulatory, and trade policies; (i) our expectations related to mitigating efforts around recently imposed tariffs; (j) our expectations about the resolution of trade compliance, securities class action, and/or other legal matters; and (k) the impacts of new accounting pronouncements. 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 include, but are not limited to, customer and supplier relationships and prices; competition; ability to realize anticipated benefits from initiatives taken and timing of benefits; market demand; litigation and other contingent liabilities; and economic, political, governmental, and technological factors affecting us. Also, additional risks 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 May 31, 2019. 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 May 31, 2019. 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.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

On January 3, 2018, a shareholder filed a class action complaint 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 the Company and certain of our current officers and one former executive 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 the Company's products and (ii) overstated our ability to achieve profitable sales growth. The plaintiff seeks class certification, unspecified monetary damages, costs, and attorneys' fees. We dispute the allegations and intend to vigorously defend against the claims. We have filed a motion to dismiss the Consolidated Complaint. Estimating an amount or range of possible losses 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 factual 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 a range of possible losses resulting from the matters described above. We maintain Director and Officer insurance policies that may cover any liability arising out of this litigation up to the policies' limits, subject to a self-insured retention and other terms and conditions.

We are subject to various other legal claims arising in the normal course of business, including, but not limited to, patent infringement, product liability claims, and employment matters. We are self-insured up to specified limits for certain types of claims, including product liability, and are fully self-insured for certain other types of claims, including environmental, product recall, and patent infringement. Based on information currently available, it is the opinion of management that the ultimate resolution of any such pending and threatened legal proceedings will not have a material adverse effect on the financial condition, results of operations, or cash flows of the Company. 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 reserves for legal claims when the costs associated with the claims become probable and can be reasonably estimated. The actual costs of resolving legal claims may be substantially higher than the amounts reserved 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 amounts reserved.

Information regarding reportable legal proceedings is contained in *Part I, Item 3. Legal Proceedings* in the Company's 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 quarter ended May 31, 2019, and updates any descriptions of previously reported legal proceedings in which there have been material developments during such quarter. 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 5. *Other Information*

Declaration of Dividend

On June 28, 2019, the the Board of Directors (the “Board”) declared a quarterly dividend of $0.13 per share. The dividend is payable on August 1, 2019 to stockholders of record on July 17, 2019.

Compensatory Arrangements of Certain Officers

On June 28, 2019, the Board approved certain amendments to the Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan (“SERP”) maintained for the benefit of certain executive officers of the Company and the Acuity Brands, Inc. Supplemental Deferred Saving Plan (“SDSP”) maintained for the benefit of certain executive officers and certain other members of senior management of the Company. The amendments follow a comprehensive assessment of our various compensation and benefit programs with an objective to ensure such company benefits are competitive with comparable companies in order to attract and retain executive talent while facilitating a performance-based culture. The comprehensive assessment was initiated following the results of the most recent advisory vote on named executive officer compensation. As a result of the comprehensive assessment as well as feedback received from investors, the Board also approved changes to our cash bonus and equity incentive programs in an effort to enhance the alignment of executive compensation with performance. These changes included, but were not limited to:

- addition of performance-based restricted shares utilizing a 3-year performance metric;
- elimination of stock options;
- addition of Return on Invested Capital in excess of Weighted Average Cost of Capital as a performance metric under both the cash bonus and equity incentive programs; and
- elimination of annual Diluted Earnings Per Share as a metric under both the cash bonus and equity incentive plans.

The SERP was amended and restated, effective as of July 1, 2019, in the following significant respects:

(i) An additional benefit was provided for those participants who were actively employed in the capacity of the Company’s Chief Executive Officer or the Company’s Chief Financial Officer on July 1, 2019. The additional benefit (“Supplemental Accrued Benefit”) provides a monthly benefit for 180 months commencing at age 60 (or following retirement thereafter) equal to 1.4% of the participant's "average annual compensation" multiplied by his years of credited service not to exceed 10 years, divided by 12. Participants may elect to receive the actuarial equivalent of the incremental benefit in the form of a lump sum cash payment.

(ii) A modified benefit (“Modified Accrued Benefit”) was provided for eligible employees who first become a participant on or after September 1, 2019, and who have been both an active employee and an eligible participant in the Acuity Brands, Inc. 2005 Supplemental Deferred Savings Plan for a period of at least 10 years. The Modified Accrued Benefit provides for a monthly benefit payable for 180 months commencing at age 60 (or following retirement thereafter) equal to 2.8% of the participant's "average annual compensation" multiplied by his years of credited service not to exceed 10 years, divided by 12.

The SDSP was amended and restated, effective as of July 1, 2019, in the following significant respects:

(i) For an executive who becomes a participant in the SERP on or after September 1, 2019 and receives the Modified Accrued Benefit under the SERP, the executive shall continue to be eligible to receive the employer matching and supplemental contribution credits under the SDSP.

This summary of the amendments to the SERP and SDSP is qualified in its entirety by reference to the full text of the Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan, effective as of January 1, 2003, as amended and restated effective as of July 1, 2019, and the Acuity Brands, Inc. 2005 Supplemental Deferred Savings Plan, as amended and restated effective July 1, 2019, except where otherwise noted, which are set forth in Exhibits 10(b) and 10(c) to this Quarterly Report filed on Form 10-Q.

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 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)	Amended and Restated Bylaws of Acuity Brands, Inc., dated as of January 6, 2017.	Reference is made to Exhibit 3.D of registrant's Form 10-Q as filed with the Commission on January 9, 2017, which is incorporated herein by reference.
EXHIBIT 10	(a)	Amendment No. 1 dated as of April 22, 2019 to Credit Agreement dated as of June 29, 2018.	Reference is made to Exhibit 10.1 of registrant's Form 8-K as filed with the Commission on April 24, 2019, which is incorporated herein by reference.
	(b)	Acuity Brands, Inc. 2005 Supplemental Deferred Savings Plan as Amended and Restated effective July 1, 2019	Filed with the Commission as part of this Form 10-Q.
	(c)	Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan Amended and Restated as of July 1, 2019.	Filed with the Commission as part of this Form 10-Q.
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.

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: July 2, 2019	By:	/S/ VERNON J. NAGEL
		VERNON J. NAGEL **CHAIRMAN, PRESIDENT, AND CHIEF EXECUTIVE OFFICER**
Date: July 2, 2019	By:	/S/ RICHARD K. REECE
		RICHARD K. REECE **EXECUTIVE VICE PRESIDENT AND** **CHIEF FINANCIAL OFFICER (Principal Financial and Accounting Officer)**

ACUITY BRANDS, INC.
2005 SUPPLEMENTAL DEFERRED SAVINGS PLAN
(As Amended and Restated effective July 1, 2019)

ARTICLE I
INTRODUCTION AND ESTABLISHMENT

Effective as of November 30, 2001, Acuity Brands, Inc. ("Company") established the Acuity Brands, Inc. Supplemental Deferred Savings Plan ("Prior Plan") for the benefit of eligible management and highly compensated employees of the Company and its Subsidiaries and Business Units. The Plan was designed to assist and encourage eligible employees to accumulate capital and to supplement their retirement income.

Because the law applicable to nonqualified deferred compensation plans was significantly changed effective January 1, 2005, the Company decided to adopt a new deferred compensation plan, the 2005 Supplemental Deferred Savings Plan (the "Plan") for deferrals and Company contribution credits occurring on or after January 1, 2005, and for unvested amounts credited to participants under the Prior Plan as of December 31, 2004. The vested amounts credited to participants as of December 31, 2004 under the Prior Plan remain credited under the Prior Plan and subject to the terms and conditions of the Prior Plan.

The Plan has been amended several times since its adoption and this amendment and restatement is intended to incorporate said amendments into the Plan document. Accordingly, this amendment and restatement is hereby effective July 1, 2019.

ARTICLE II
DEFINITIONS

When used in this Plan, the following terms shall have the meanings set forth below unless a different meaning is plainly required by the context:

2.1 "Account" means the records maintained by the Plan Administrator to determine the Participant’s deferrals and any Company contribution credits on the Participant’s behalf under this Plan. Such Account may be reflected as an entry in the Company’s (or Employer’s) records, or as a separate account under a trust, or as a combination of both. Each Participant’s Account may consist of the following subaccounts: a Deferral Subaccount to reflect his deferrals of Compensation; a Matching Subaccount for Employer matching contribution credits; a Supplemental Subaccount for any supplemental Employer contribution credits; and a Deferred Restricted Stock Subaccount to reflect any deferrals of Restricted Stock. The Plan Administrator may establish such additional subaccounts as it deems necessary for the proper administration of the Plan. Effective January 1, 2009, a Participant’s Matching Subaccount and Supplemental Subaccount shall for vesting purposes be referred to collectively as the Participant’s "Employer Contribution Account" and shall be divided into a Pre-2009 Employer Contribution Account for Employer contribution credits prior to January 1, 2009 and Post-2008 Employer Contribution Account for Employer contribution credits on or after January 1, 2009.

2.2 "Annual Valuation Date" means December 31 of each year while the Plan is in effect.

2.3 "Beneficiary" means the person or persons last designated in writing by the Participant under the Plan to receive the vested amount in his Account in the event of such Participant's death and, if no such designation has been made under this Plan, the designation of Beneficiary made by the Participant under the Prior Plan shall be deemed to be the designation under this Plan; if no such designation under either plan shall be in effect at the time of a Participant's death or if all designated Beneficiaries shall have predeceased the Participant, then the Beneficiary shall be the Participant's estate or his personal representative.

2.4 "Business Unit" means any of the operating units or divisions of the Company, or its Subsidiaries, designated as a Business Unit by the Plan Administrator.

2.5 "Change in Capitalization" means any increase or reduction in the number of Shares, or any change (including, but not limited to, a change in value) or exchange of Shares for a different number or kind of shares or other securities of the Company, by reason of a reclassification, recapitalization, merger, consolidation, reorganization, spin-off, split-up, issuance of warrants or rights or debentures, stock dividend, stock split or reverse stock split, cash dividend, property dividend, combination or exchange of shares, repurchase of shares, public offering, private placement, change in corporate structure or otherwise, which in the judgment of the Plan Administrator is material or significant.

2.6 "Change in Control" means any of the following events:

(a) The acquisition (other than from the Company in an acquisition that is approved by the Incumbent Board) by any "Person" (as the term person is used for purposes of Sections 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of twenty percent (20%) or more of the combined voting power of the Company’s then outstanding voting securities; or

(b) The individuals who, as of January 1, 2005, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least two-thirds of the Board; provided, however, that if the election, or nomination for election by the Company’s stockholders, of any new director was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall, for purposes of this Plan, be considered as a member of the Incumbent Board; or

(c) Consummation of a merger or consolidation involving the Company if the stockholders of the Company, immediately before such merger or consolidation do not, as a result of such merger or consolidation, own, directly or indirectly, more than seventy percent (70%) (sixty percent (60%), effective as of September 29, 2006) of the combined voting power of the then outstanding voting securities of the corporation resulting from such merger or consolidation in substantially the same proportion as their ownership of the combined voting power of the voting securities of the Company outstanding immediately before such merger or consolidation; or

(d) A complete liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets of the Company.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur pursuant to subsection (a) above, solely because twenty percent (20%) or more of the combined voting power of the Company's then outstanding securities is acquired by (i) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained by the Company or any of its subsidiaries, or (ii) any corporation which, immediately prior to such acquisition, is owned directly or indirectly by the stockholders of the Company in the same proportion as their ownership of stock in the Company immediately prior to such acquisition.

2.7 "Code" means the Internal Revenue Code of 1986, as amended.

2.8 "Company" means Acuity Brands, Inc., a Delaware corporation, or its successor or successors.

2.9 "Compensation" means the annual cash compensation (salary plus bonuses whether under a Performance-Based Plan or other annual bonuses) paid by the Employer to the Participant for the Plan Year, provided that a bonus actually paid during a subsequent Plan year based upon performance during the preceding Plan Year shall be treated as Compensation for such preceding Plan Year. The Participant's Compensation shall include amounts deferred by the Participant to this Plan and any other deferred compensation plan of the Employer (whether or not qualified), and any salary reduction amounts contributed to a welfare plan. The term "Compensation" shall not include long-term incentive payments, income from stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards or other stock awards, car allowances, non-cash remuneration, such as health benefits, life insurance, and other fringe benefits, moving expenses, relocation allowances, and payments from this Plan or any other deferred compensation plan.

2.10 "Deferral Subaccount" means the subaccount maintained to reflect the Participant's deferrals of Compensation, including amounts previously credited to a Participant's Deferral Subaccount in the Prior Plan that are transferred to this Plan pursuant to Section 4.2, and any earnings thereon.

2.11 "Deferred Restricted Stock Subaccount" means the subaccount maintained to reflect the Participant's deferrals of Restricted Stock and related dividends, including amounts previously credited to the Participant under the Prior Plan that are transferred to the Plan pursuant to Section
4.2.

2.12 "Effective Date" means the effective date of the amendment and restatement of this Plan, January 1, 2010, except where otherwise noted.

2.13 "Election Form" means the form prescribed by the Plan Administrator on which a Participant may specify the amount of his Compensation that is to be deferred pursuant to the provisions of Article III, and the time and manner of payment of his benefits. The Election Form may be accessed and completed through telephonic or electronic means as determined by the Plan Administrator.

2.14 "Employer" means the Company and any Subsidiary or related employer designated by the Company to participate in the Plan.

2.15 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

2.16 "Executive" means an officer of the Company, a Subsidiary or one of the Company's Business Units, and other key employees designated as eligible pursuant to Section 3.1. Any dispute regarding any individual's classification shall be determined by the Plan Administrator in its sole discretion.

2.17 "Fair Market Value" means the fair market value of the Shares as determined in good faith by the Plan Administrator; provided, however, that (a) if the Shares are admitted to trading on a national securities exchange, Fair Market Value on any date shall be the closing price reported for the Shares on such exchange on such date or, if no sale was reported on such date, on the last date preceding such date on which a sale was reported, (b) if the Shares are admitted to quotation on the National Association of Securities Dealers Automated Quotation System ("NASDAQ") or other comparable quotation system and have been designated as a National Market System ("NMS") security, Fair Market Value on any date shall be the last sale price reported for the Shares on such system on such date or on the last day preceding such date on which a sale was reported, or (c) if the Shares are admitted to Quotation on NASDAQ and have not been designated a NMS Security, Fair Market Value on any date shall be the average of the highest bid and lowest asked prices of the Shares on such system on such date.

2.18 "Financial Hardship" means the occurrence of an "unforeseeable emergency" with respect to the Participant within the meaning of Section 409A.

2.19 "Fiscal Year" means the Company's fiscal year commencing on September 1 and ending on August 31 of the following calendar year, or such other 12-month period used by the Company for financial reporting purposes.

2.20 "In-Service Account" means an account established by a Participant which will be paid (or commence being paid) during employment on a date selected by the Participant. The Participant may establish Cash In-Service Accounts for his deferrals of Compensation and a Restricted Stock In-Service Account for his Restricted Stock deferrals.

2.21 "Matching Subaccount" means the subaccount maintained to reflect the Employer's matching contribution credits, including amounts previously credited to a Participant's Matching Subaccount in the Prior Plan that are transferred to this Plan pursuant to Section 4.2, and any earnings thereon.

2.22 "Participant" means an Eligible Executive as defined in Section 3.1 (or an individual who was an Eligible Executive, including individuals who were participating in the Prior Plan that have amounts transferred to this Plan), a portion of whose Compensation for any Plan Year has been deferred pursuant to the Plan or who has received Employer contribution credits, and whose interest in the Plan has not been wholly distributed.

2.23 "Performance-Based Plan" means a plan (or part of a plan) that pays compensation which qualifies as "Performance-based compensation" within the meaning of Section 409A.

2.24 "Plan" means the Acuity Brands, Inc. 2005 Supplemental Deferred Savings Plan, as set forth herein and as it may be amended from time to time.

2.25 "Plan Administrator" means the Company or, if applicable, a committee appointed pursuant to Article VI to administer the Plan.

2.26 "Plan Year" means January 1 through the next following December 31.

2.27 "Prime Rate" means the rate of interest published in the Wall Street Journal (or similar financial publication selected by the Plan Administrator) as the prime rate on a particular date (or the next business day if such date is not a business day), as determined by the Plan Administrator.

2.28 "Prior Plan" means the Acuity Brands, Inc. Supplemental Deferred Savings Plan, which became effective November 30, 2001, as amended.

2.29 "Prior Plan Transfer Account" means the amount credited to a Participant under the Prior Plan that is transferred to this Plan, which shall be managed and distributed in accordance with the provisions of this Plan.

2.30 "Retirement" means termination of the Participant's employment with all Employers on or after attaining age 60, other than a Termination for Cause.

2.31 "Retirement Account" means the account established for the Participant which will be payable in the manner elected by the Participant if the Participant terminates employment upon death, Disability, or after attaining age 55 and completing at least five Years of Service.

2.32 "Section 409A" means Section 409A of the Code, as it may be amended from time to time, and the regulations and rulings thereunder.

2.33 "Shares" means the common stock, par value $.01 per share, of the Company (including any new, additional or different stock or securities resulting from a Change in Capitalization).

2.34 "Subsidiary" means any corporation in an unbroken chain of corporations, beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. The term "Subsidiary" shall also include a partnership or limited liability company in which the Company or a Subsidiary owns 50% or more of the profits interest or capital interest.

2.35 "Supplemental Subaccount" means the subaccount established to reflect the Employer's supplemental contribution credits, including amounts previously credited to a Participant's Supplemental Subaccount in the Prior Plan that are transferred to this Plan pursuant to Section 4.2, and any earnings thereon.

2.36 "Termination for Cause" means the Executive has terminated employment and has been found by the Plan Administrator to be guilty of theft, embezzlement, fraud or misappropriation of the Company's property or of any action which, if the individual were an officer of the Company, would constitute a breach of fiduciary duty. The final determination of whether a Participant has incurred a Termination for Cause shall be made by the Plan Administrator.

2.37 "Termination of Service" or similar expression means the termination of the Participant's employment as an employee of the Company and all adopting Employers. A Participant who is granted a temporary leave of absence, whether with or without pay, shall not be deemed to have terminated his service. In the event of a transfer of an Executive to a position in which he would no longer be eligible to actively participate in this Plan, such transfer shall not constitute a Termination of Service.

Whether a Termination of Service takes place is determined based on the facts and circumstances surrounding the termination of the Participant's employment and whether the Company and the Participant intended for the Participant to provide significant services for the Company following such termination. A change in the Participant's employment status will not be considered a Termination of Service if:

(a) the Participant continues to provide services as an employee of the Company at an annual rate that is twenty percent (20%) or more of the services rendered, on average, during the immediately preceding three full calendar years of employment (or, if employed less than three years, such lesser period) and the annual remuneration for such services is twenty percent (20%) or more of the average annual remuneration earned during the final three full calendar years of employment (or, if less, such lesser period), or

(b) the Participant continues to provide services to the Company in a capacity other than as an employee of the Company at an annual rate that is fifty percent (50%) or more of the services rendered, on average, during the immediately preceding three full calendar years of employment (or if employed less than three years, such lesser period) and the annual remuneration for such services is fifty percent (50%) or more of the average annual remuneration earned during the final three full calendar years of employment (or if less, such lesser period).

2.38 "Total and Permanent Disability" means the Participant: (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees or directors of the Company. Medical determination of Disability may be made by either the Social Security Administration or by the provider of an accident or health plan covering employees or directors of the Company provided that the definition of "disability" applied under such disability insurance program complies with the requirements of the preceding sentence. Upon the request of the Plan Administrator, the Participant must submit proof to the Plan Administrator of the Social Security Administration's or the provider's determination.

2.39 "Valuation Date" means the Annual Valuation Date, and any other date(s) selected by the Plan Administrator as of which the Accounts of Participants are valued.

2.40 "Year of Service" means, subject to such Break in Service rules as the Plan Administrator may establish, each 12-consecutive month period, commencing with the Participants first Hour of Service and ending on the 12-month anniversary date thereof, for which a Participant remains employed with the Employer. A Participant shall only be credited with full Years of Service. No credit is given for partial Years of Service. Hours of Service and Break in Service shall be determined hereunder in accordance with the Company's general rules for determining such matters under its tax-qualified plans.

ARTICLE III
PARTICIPATION; DEFERRAL ELECTION

3.1 Eligibility to Participate. Prior to, or at the beginning of, each Plan Year, the Company (or its designee) shall specify the Executives who are eligible to make deferral elections under the Plan for the following Plan Year and to receive Matching Subaccount and Supplemental Subaccount credits (an "Eligible Executive"). Such eligibility designation may be made by establishing a minimum compensation level for participation or by the use of such other criteria as the Company (or its designee) deems appropriate from time to time.

3.2 Deferral Election. For any Plan Year in which an Eligible Executive is eligible to participate, such Eligible Executive may elect on an Election Form to have a portion of the Compensation to be received by the Executive for such Plan Year deferred in accordance with the terms and conditions of the Plan. The Plan Administrator may provide for a separate election with respect to salary and annual bonus.

An Executive desiring to exercise such election shall, prior to the beginning of each Plan Year (or within 30 days after the date of the Eligible Executive's initial eligibility for the Plan as determined by the Plan Administrator, if such eligibility commences other than at the beginning of a Plan Year), complete an Election Form indicating the percentage or amount of hisCompensation for such Plan Year that he elects to have deferred, provided that the Plan Administrator may extend the date for electing to defer an annual bonus under a Performance-Based Plan to the extent permitted by Section 409A. If the Eligible Executive's election would result in a deferral greater than the maximum established by the Plan Administrator, any deferred amount shall be reduced to the maximum limit.

An election to defer Compensation must be filed with the Plan Administrator within the time period prescribed by the Plan Administrator. If a Participant fails to file a properly completed and duly executed Election Form with the Plan Administrator by the prescribed time, he will be deemed to have elected not to defer any Compensation under this Plan for the Plan Year, except to the extent the Plan Administrator in its sole discretion permits an extension of the election period. An Eligible Executive may not, after the applicable election date change (increase or decrease) the percentage or amount of Compensation he has elected to defer for a Plan Year.

At the time a Participant elects to defer Compensation, the Participant shall elect with respect to such deferral the time and manner in which the amount deferred (and any earnings thereon) will be distributed to the Participant. The Plan Administrator may provide that such election is a continuing election with respect to all amounts credited (and to be credited) to the Participant's Account. The distribution elections, and any changes to such elections, shall be made in accordance with Article V.

The Plan Administrator may establish a minimum and maximum deferral limitation for a Plan Year for each group or class of Eligible Executives (which may be a dollar amount, a percentage of Compensation or some other limit) and may change such limitation from year to year, provided an Eligible Executive shall not be permitted to reduce his Compensation below the amount necessary to make required or elected contributions to employee benefit plans, required federal, state and local tax withholdings, and any other withholdings deemed necessary by the Plan Administrator or required by law.

The Participant may designate on the Election Form (or on a separate form provided by the Plan Administrator) a Beneficiary (or Beneficiaries) to receive payment of amounts in his Account in the event of his death. If a Participant fails to designate a Beneficiary under the Plan, the Beneficiary(ies) under the Prior Plan shall be deemed to be the Beneficiary(ies) designated under this Plan.

3.3 Deferral Subaccount. The Company shall establish a Deferral Subaccount for each Participant under the Plan. The initial amount credited to the Participant's Deferral Subaccount under the Plan shall be the amount credited to the Participant's Deferral Subaccount in the Prior Plan that is transferred to this Plan as provided in Section 4.2 below. Each Participant's Deferral Subaccount shall thereafter be credited with the amounts of Compensation deferred by the Participant under this Plan. The timing and manner in which amounts are credited to a Participant's Deferral Subaccount under this Plan shall be determined by the Plan Administrator in its discretion, but the deferral election shall be applied to each pay period in which the Participant has Compensation during his period of participation in the Plan. The Participant's Deferral Subaccount shall be credited with interest at the Prime Rate, or the earnings under such other investment options that the Plan Administrator may establish, on each Annual Valuation Date based upon the amount credited to such Subaccount as of the preceding Annual Valuation Date, and at such other times, if any, as may be determined by the Plan Administrator.

3.4 Deferred Restricted Stock Subaccount. The Company shall establish a Deferred Restricted Stock Subaccount for each Participant under the Plan who has Deferred Vested Value Subaccount credits in the Prior Plan Transfer Account being transferred from the Prior Plan. The initial amount credited to the Participant's Deferred Restricted Stock Subaccount under the Plan shall be the number of shares credited to the Participant's Deferred Vested Value Subaccount in the Prior Plan that is transferred to this Plan as provided in Section 4.2 below and related dividends. No further deferrals will be allowed to the Deferred Restricted Stock Subaccount by the Participant under this Plan, unless the Plan administrator determines otherwise. The Deferred Restricted Stock Subaccount will be adjusted on each Annual Valuation Date (and at such other dates, if any, as may be determined by the Plan Administrator) as if it were invested in Shares to reflect any distributions, stock dividends, stock splits or similar actions with respect to the Shares since the preceding Annual Valuation Date (or such other date). The

Participant’s Deferred Restricted Stock Subaccount will be adjusted on each Annual Valuation Date (and at such other dates, if any, as may be determined by the Plan Administrator) to reflect the cash equivalent of any dividends with respect to the Shares since the preceding Annual Valuation Date (or such other date). The amounts credited to a Participant’s Deferred Restricted Stock Subaccount shall be distributed and subject to a further deferral election as provided in Section 5.1(g) below.
Effective as of the Spin-off Date (as defined in Section 3.5(c)(ii)), or as soon thereafter as is practical, the Company shall adjust the number of Shares credited to the Participant's Deferred Restricted Stock Subaccount to a number of Shares equal to the product of (i) the number of Shares credited to the Participant's Deferred Restricted Stock Subaccount as of the date of the distribution of the shares of Zep Inc. common stock to the stockholders of the Company (the "Distribution Date"), and (ii) the closing per share price of the Company common stock (trading with a due bill) on the New York Stock Exchange on the Distribution Date, divided by the closing per share price of the Company's common stock (on a when-issued basis) on the Distribution Date (or such other price as determined by the Plan Administrator to be appropriate and equitable.)

3.5 Transfer of Accounts to Zep Plan.

(a) With respect to Transferring Participants who participated in the Plan prior to the Spin-off Date, and who have made deferral elections under the Plan with respect to compensation which becomes payable on or after the Spin-off Date, the Company hereby transfers to the Zep Plan on the Spin-off Date, all rights with respect to amounts deferred (or to be deferred) pursuant to such deferral elections, and the Zep Plan will assume all obligations with respect to such deferrals. Such deferral elections and the deferred amounts shall be maintained and administered in accordance with the Zep Plan, including the payment rules and deemed investment rules of the Zep Plan.
(b) The Accounts of Transferring Participants in the Plan are hereby transferred to the Zep Plan on the Spin-off Date and the Zep Plan will assume all obligations with respect to the amounts credited to such Accounts. The amounts credited to such Accounts shall be maintained and administered in accordance with the Zep Plan, including the payment rules and deemed investment rules of the Zep Plan.
(c) For purposes of this Section 3.5 and the Plan, the following definitions shall apply:
(i) "Spin-off" means the distribution of the stock of Zep Inc. to the stockholders of the Company.
(ii) "Spin-off Date" means the date the stock of Zep Inc. is distributed to the stockholders of the Company.
(iii) "Transferring Participant" means a Participant in the Plan who is a current or former employee of the Company's specialty products business or a corporate office employee who is being hired by Zep Inc. in connection with the Spin-off.
(iv) "Zep Plan" means the Zep Inc. Supplemental Deferred Savings Plan, effective as of October 31, 2007, and as it may be amended.

ARTICLE IV
EMPLOYER CONTRIBUTION CREDITS; VESTING

4.1 Employer Contribution Credits.

(a) Matching Subaccount. The Company shall establish a Matching Subaccount for each Participant under the Plan. The initial amount credited to the Participant’s Matching Subaccount under the Plan shall be the amount credited to the Participant’s Matching Subaccount in the Prior Plan that is transferred to this Plan as provided in Section 4.2 below. Thereafter, unless the Board otherwise determines, as of the end of each Plan Year commencing on or after January 1, 2009 (or as of such other date as the Board may determine), there shall be credited to the Matching Subaccount of each Participant who is employed on the last day of the Plan Year an amount equal to 50% of the amount of the Participant’s deferrals for such Plan Year, provided that the maximum amount credited to a Participant’s Matching Subaccount for a Plan Year shall not exceed five percent (5%) of the Participant’s Compensation for such Plan Year. (For Plan Years prior to January 1, 2009, the matching percentage was 25% in lieu of 50%.) Unless the Company otherwise determines for a designated Eligible Executive (other than an Executive Officer of the Company), an Eligible Executive who is covered by a defined benefit supplemental executive retirement plan maintained by the Employer, other than an Eligible Executive who becomes a participant in the Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan (the “SERP”) on or after September 1, 2019 and receives the “Modified Accrued Benefit” (as defined in the SERP) under the SERP, shall not be eligible to receive Employer matching contribution credits under the Plan. The amounts credited to the Participant’s Matching Subaccount shall automatically be credited to the Participant’s Retirement Account.
Unless the Company otherwise determines, the amount credited to a Participant’s Matching Subaccount shall be credited with interest at the Prime Rate, or the earnings under such other investment options that the Plan Administrator may establish, on each Annual Valuation Date based upon the amount credited to such subaccount as of the preceding Annual Valuation Date.

(b) Supplemental Subaccount. The Company shall establish a Supplemental Subaccount for each Participant under the Plan. The initial amount credited to the Participant’s Supplemental Subaccount under the Plan shall be the amount credited to the Participant’s Supplemental Subaccount in the Prior Plan that is transferred to this Plan as provided in Section 4.2 below.

Thereafter, unless the Board otherwise determines, as of the end of each Plan Year (or as of such other date as the Board may determine), there shall be credited to the Supplemental Subaccount of each Eligible Executive who is employed on the last day of the Plan Year and who has a Year of Service for such Plan Year an amount equal to three percent (3%) of the Eligible Executive's Compensation for such Plan Year. Unless the Company determines otherwise for a designated Eligible Executive, an Eligible Executive who is covered by a defined benefit supplemental executive retirement plan maintained by the Employer, other than an Eligible Executive who becomes a participant in the SERP on or after September 1, 2019 and receives the "Modified Accrued Benefit" (as defined in the SERP) under the SERP, shall not be eligible to receive Employer supplemental contribution credits under the Plan. The amounts credited to the Participant's Supplemental Subaccount shall automatically be credited to the Participant's Retirement Account.
Unless the Company otherwise determines, the amount credited to an Eligible Executive's Supplemental Subaccount shall be credited with interest at the Prime Rate, or the earnings under such other investment options that the Plan Administrator may establish, on each Annual Valuation Date based upon the amount credited to such subaccount as of the preceding Annual Valuation Date.

(c) Additional Employer Contribution Credits. Certain Participants are eligible to receive additional Employer contribution credits under the Plan, which additional amounts are described on an Appendix attached hereto and made a part hereof. The amount of any such additional Employer contribution credits shall automatically be credited to the Participant's Retirement Account and shall be payable in accordance with Article V.

(d) Investment Options. The Plan Administrator may in its discretion establish additional investment options in which a Participant's Account is deemed to be invested and provide the Participant the right to elect among such investment options. The investment options may include the right to invest in Shares and, in such event, the Plan Administrator may provide for distributions from the Plan in Shares.

4.2 2005 and 2006 Deferral Elections and Prior Plan Transfer Accounts.

(a) With respect to Eligible Executives who participated in the Prior Plan prior to January 1, 2005, and who have made deferral elections under the Prior Plan for 2005 and 2006 with respect to Compensation which becomes payable on or after January 1, 2005, the Company hereby transfers all rights with respect to such deferral elections to the Plan and the Plan hereby assumes all obligations with respect to such deferral elections. Such deferral elections shall be maintained and administered in accordance with the Plan, including the payment rules of Article V. The Plan Administrator may permit changes to such deferral elections and payment elections in accordance with Section 409A.

(b) The Accounts (or portion of Accounts) of Participants in the Prior Plan that were not vested as of December 31, 2004 (including any deferrals of unvested Restricted Stock) are hereby transferred to the Plan and the Plan hereby assumes all obligations with respect to the unvested amounts credited to such Accounts. The unvested amounts credited to such accounts shall be maintained and administered in accordance with the Plan, including the vesting schedule of Section 4.3 and the payment rules of Article V. The Plan Administrator may permit changes to such payment elections in accordance with Section 409A.

(c) The Plan Administrator shall provide such additional payment elections to Participants (including Participants who are no longer active employees or otherwise do not actively participate in the Plan) with respect to amounts credited to the Plan pursuant to this Section 4.2 as are consistent with Section 409A, including the transitional rules.

4.3 Vesting of a Participant's Account.

(a) Deferral Subaccount. Except as provided in the next sentence, a Participant's interest in the amount credited to his Deferral Subaccount shall at all times be 100% vested and nonforfeitable. If a Participant incurs a Termination for Cause, he shall forfeit all earnings credited on all amounts deferred to his Deferral Subaccount that have not yet been fully distributed to him under Article V.

(b) Employer Contribution Accounts.

(i) Except in the event of a Termination for Cause (as defined in Section 2.36), a Participant's interest in the amount credited to his Pre-2009 Employer Contribution Account shall become (A) 100% vested and nonforfeitable upon his death, Total and Permanent Disability, Retirement, or completion of 10 or more Years of Service and attainment of age 55 while actively employed, and (B) 50% vested upon completion of 5 Years of Service and attainment of age 55 while actively employed, with such vesting increasing 10% per year for each additional Year of Service up to 10 years.

(ii) Except in the event of a Termination for Cause, a Participant's interest in the amount credited to his Post-2008 Employer Contribution Account shall become (A) 100% vested and nonforfeitable upon his death, Total and Permanent Disability, Retirement or completion of 10 or more Years of Service, or (B) 30% vested upon completion of 3 Years of Service, with such vesting increasing 10% per year for each additional Year of Service up to 10 years.

(iii) Subject to Article VIII, if the Participant incurs a Termination for Cause (regardless of whether he is otherwise vested) or if the Participant's employment is terminated prior to the time specified for any vesting above, his entire Employer Contribution Accounts shall be forfeited.

(c) Deferred Restricted Stock Subaccount. A Participant's interest in the amount credited to his Deferred Restricted Stock Subaccount shall vest in accordance with the terms of the underlying award agreement for such Restricted Stock.

ARTICLE V
PAYMENT OF ACCOUNTS

5.1 Timing and Form of Payment.

(a) Subject to subsection (h) below, on the Election Form, the Participant shall make an election as to the timing and form of payment for any Participant deferrals for such Plan Year and the form of payment for any Employer contribution credits for such Plan Year pursuant to Section 4.1 (such contributions are automatically credited to the Participant's Retirement Account) from among the options set forth below for the Participant's Retirement Account and for any Cash In-Service Account. Once the Participant elects a form of payment for the Retirement Account, and the time and form of payment for any Cash In-Service Account, those elections may only be changed twice and only in accordance with subsection (e) below.

(b) The Participant will be entitled to payment of his Retirement Account in accordance with his payment election if he terminates employment upon death, Total and Permanent Disability, or after attaining age 55. The Participant may elect that the vested amount of his Retirement Account be distributed in a lump sum, or in annual payments for a period of up to ten (10) years, provided that if the balance of the Participant's Account is less than $15,000, the Participant's Account will automatically be paid in a lump sum. For example, under the 10-year annual payment method, the first year's payment will equal one tenth (1/10) of the total Account, the second year's will equal one ninth (1/9) of the remaining Account, and so forth. Subject to subsection (h) below, payment of the Participant's Retirement Account shall be made (i) if the payment is in a lump sum, within 90 days after the event entitling the Participant to payment, or (ii) if the payment is in installments, commencing in the January following the event entitling the Participant to payment.

(c) The Participant may elect to have a Cash In-Service Account payable (or commence to be paid) during January of the year selected by the Participant on the Election Form (which initial payment date may not be earlier than two years after the end of the calendar year during which amounts are first credited to such Account), in a lump sum or in annual payments over a period of up to ten (10) years, in the manner provided in (a) above, as applicable; provided, that any subsequent deferrals to such designated Cash In-Service Account must be made no later than the end of the calendar year ending two years prior to such payment date; provided, further, that a Participant may only establish such number of Cash In-Service Accounts for his Account as may be permitted by the Plan Administrator (or his designee) and the Plan Administrator may increase the minimum deferral period for Cash In-Service Accounts. Notwithstanding the Participant's elections under this Section 5.1(c), in the event the Participant becomes entitled to payment of his Retirement Account under subsection (b) above or to his Account under Section 5.2 below, the remaining balance of the Participant's Account shall be payable in accordance with the provisions for payment under subsection (b) or under Section 5.2 (whether or not the Cash In-Service Account was in payment status at such time).

(d) The Participant will designate each Plan Year which portion of the Participant's deferrals for such Plan Year shall be credited to the Participant's Retirement Account and any Cash In-Service Accounts he has established. If a Participant's Account is distributed in installments, the Account shall continue to be credited with deemed earnings, gains and losses in accordance with Article IV until the entire amount of the Account is distributed.

(e) A Participant may, not less than twelve (12) months prior to the payment dates of any Cash In-Service Accounts he has established under subsection (c) above, and with the approval of the Plan Administrator, elect to defer the date on which payment of any Cash In-Service Account shall commence and/or change the method of payment of such Cash In-Service Account, provided that, (i) after the initial election under subsection (c), a Participant may only make two election changes with respect to a particular Cash In-Service Account (after the second such election change, the election shall become irrevocable); (ii) except as otherwise permitted by Section 409A, the first in-service payment with respect to any such changed election must be deferred at least 5 years from the date such payment would otherwise have been made, (iii) except as otherwise permitted by Section 409A, the election shall not become effective for 12 months.

A Participant may, not less than twelve (12) months prior to the event entitling the Participant to payment of his Retirement Account under subsection (b) above, elect to change the method of payment of the Participant's Retirement Account, provided that (i) only two such changes are permitted and after the second such election change, the election is irrevocable; (ii) the payment date for the Participant's Retirement Account will be deferred for 5 years for each election change, and (iii) the election shall not become effective for 12 months.

The change of election shall be made through a method established by the Plan Administrator.

(f) Notwithstanding the Participant's payment elections under this Article V, the entire amount remaining in the Participant's Account will be paid to the Participant in a lump sum in January of the calendar year in which the Participant will attain age 80.

(g) Unless the Participant elected otherwise as provided below, the vested amounts credited to his Deferred Restricted Stock Subaccount were automatically paid in a single payment in January 2008. Participants were allowed to elect on such form as provided by the Plan Administrator to receive payment (i) at the same time as the initial payment of his Retirement Account (assuming the Participant qualifies under subsection (b)), or (ii) during January of the year selected by the Participant for payment of his Restricted Stock In-Service Account. If the Participant terminates employment prior to the payment date of his Restricted Stock In-Service Account or event entitling the Participant to payment under subsection (b), payment of the Participant's Deferred Restricted Stock Subaccount will be made within 90 days after the Participant's termination of employment. All distributions from the Participant's Deferred Restricted Stock Subaccount shall be made in a lump sum. The Participant may elect to change the time (but not form) of payment of his Restricted Stock Account, provided (i) such change in the time of payment shall be made not less than twelve (12) months prior to the event entitling the Participant to payment of his Restricted Stock Account; (ii) only two such changes are permitted and after the second such election change, the election is irrevocable; (iii) the payment date for the Participant's Restricted Stock Account will be deferred for 5 years for each election change, and (iv) the election shall not become effective for 12 months. The amounts credited to the Participant's Deferred Restricted Stock Subaccount shall be subject to the Financial Hardship distribution rules of Section 5.5. The amounts credited to the Deferred Restricted Stock Subaccount that are treated as invested in Shares shall be paid in Shares.

(h) Notwithstanding the other provisions of this Article V, in the event a Participant who is a "key employee" (as determined by the Plan Administrator in accordance with procedures established by the Committee that are consistent with Section 409A) becomes entitled to payments upon separation from service, payments shall not commence until 6 months after such Participant separates from service and on such date the payments that would have been made during such six-month period shall be made.

5.2 Payment upon Certain Terminations of Service.

Subject to Section 5.1(h) above, the vested amount of the Participant's Account (including any unpaid amounts in the Participant's In-Service Accounts) will be paid in a lump sum as soon as practical after the end of the month following the date on which the Participant has a Termination of Service and the elections under Section 5.1 shall not be recognized, unless the Participant has attained age 55 at the time of such Termination of Service, or the Participant qualifies for Total and Permanent Disability under the terms of this Plan.

5.3 Payment at Death.

(a) While Actively Employed. In the event a Participant dies while actively employed, the entire amount of the Participant's Account will become fully vested and will be paid in accordance with the Participant's death election on the Election Form and, in the absence of such election, payment will be made in a lump sum.

(b) After Termination of Service. In the event a Participant dies subsequent to Termination of Service, the remaining amount of the Participant's Account, if any, will be distributed to the Participant's designated Beneficiaries in the form and at the time that payments would have been made had the Participant survived.

5.4 Payment at Disability.

In the event of the Participant's Total and Permanent Disability (as defined in Section 2.38), the entire amount of the Participant's Account will become fully vested and payment will be made in accordance with the Participant's election under subsection (b). Once payment has commenced, payments will continue as elected regardless of any future change in the Participant's disability status.

5.5 Financial Hardship Distribution.

Subject to approval by the Plan Administrator, the Participant may apply to withdraw, upon a showing of Financial Hardship, part or all of his vested Account. If the Plan Administrator determines that a distribution should be made on account of Financial Hardship, distribution from the Participant's Account shall be made as soon as administratively practical. Such distribution shall not exceed the dollar amount necessary to satisfy the Financial Hardship plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which the Financial Hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause Financial Hardship).

ARTICLE VI
PLAN ADMINISTRATOR

6.1 Plan Administrator. The Plan Administrator shall be the Company or such committee as may be designated by the Company to administer and manage the Plan. Members of any committee shall not be required to be employees of the Company or Participants. Action of the Plan Administrator may be taken with or without a meeting of committee members. If a member of the committee is a Participant in the Plan, he shall not participate in any decision which solely affects his own Account.

6.2 Right and Duties. The Plan Administrator shall have the discretionary authority to administer and manage the Plan and shall have all powers necessary to accomplish that purpose, including (but not limited to) the following:

(a) To construe, interpret, and administer this Plan;

(b) To make allocations and determinations required by this Plan, and to maintain records relating to Participants' Accounts;

(c) To compute and certify to the Company the amount and kinds of benefits payable to Participants or their beneficiaries, and to determine the time and manner in which such benefits are to be paid;

(d) To authorize all disbursements by the Company pursuant to this Plan;

(e) To maintain (or cause to be maintained) all the necessary records of the administration of this Plan;

(f) To make and publish such rules for the regulation of this Plan as are not inconsistent with the terms hereof;

(g) To delegate to other individuals or entities from time to time the performance of any of its duties or responsibilities hereunder; and

(h) To hire agents, accountants, actuaries, consultants and legal counsel to assist in operating and administering the Plan.

The Plan Administrator shall have the exclusive discretionary authority to construe and to interpret the Plan, to decide all questions of eligibility for benefits and to determine the amount and manner of payment of such benefits, and its decisions on such matters shall be final and conclusive on all parties.

6.3 Compensation, Indemnity and Liability. The Plan Administrator shall serve as such without bond and without compensation for services hereunder. All expenses of the Plan and the Plan Administrator shall be paid by the Company. If the Plan Administrator is a committee, no member of the committee shall be liable for any act or omission of any other member of the committee, nor for any act or omission on his own part, excepting his own willful misconduct. The Company shall indemnify and hold harmless the Plan Administrator and each member of the committee against any and all expenses and liabilities, including reasonable legal fees and expenses, arising out of his membership on the committee, excepting only expenses and liabilities arising out of his own willful misconduct.

6.4 Taxes. If the whole or any part of any Participant’s Account shall become liable for the payment of any estate, inheritance, income, or other tax which the Company shall be required to pay or withhold, the Company shall have the full power and authority to withhold and pay such tax out of any monies or other property in its hand for the account of the Participant whose interests hereunder are so liable. The Company shall provide notice of any such withholding. Prior to making any payment, the Company may require such releases or other documents from any lawful taxing authority as it shall deem necessary.

ARTICLE VII
CLAIMS PROCEDURE

7.1 Claims for Benefits. If a Participant or beneficiary (hereafter, "Claimant") does not receive timely payment of any benefits which he believes are due and payable under the Plan, he may make a claim for benefits to the Plan Administrator. The claim for benefits must be in writing and addressed to the Plan Administrator or to the Company. If the claim for benefits is denied, the Plan Administrator shall notify the Claimant in writing within 90 days after the Plan Administrator initially received the benefit claim. However, if special circumstances require an extension of time for processing the claim, the Plan Administrator shall furnish notice of the extension to the Claimant prior to the termination of the initial 90-day period and such extension shall not exceed one additional, consecutive 90-day period. Any notice of a denial of benefits shall advise the Claimant of the basis for the denial, any additional material or information necessary for the Claimant to perfect his claim, and the steps which the Claimant must take to have his claim for benefits reviewed.

7.2 Appeals. Each Claimant whose claim for benefits has been denied may file a written request for a review of his claim by the Plan Administrator. The request for review must be filed by the Claimant within 60 days after he received the written notice denying his claim. The decision of the Plan Administrator will be made within 60 days after receipt of a request for review and shall be communicated in writing to the Claimant. Such written notice shall set forth the basis for the Plan Administrator’s decision. If there are special circumstances which require an extension of time for completing the review, the Plan Administrator’s decision shall be rendered not later than 120 days after receipt of a request for review.

ARTICLE VIII
AMENDMENT AND TERMINATION; CHANGE IN CONTROL

8.1 Amendments. Subject to Section 8.3, the Company (or its designee) shall have the right in its sole discretion to amend this Plan in any manner at any time; provided, however, that no such amendment shall reduce the Participant’s vested interest in his Account under Section 4.3 at that time. Any amendment shall be in writing and executed by a duly authorized officer of the Company. All Participants shall be bound by such amendment.

8.2 Termination of Plan. The Company expects to continue this Plan, but does not obligate itself to do so. Subject to Section 8.3, the Company reserves the right to discontinue and terminate the Plan at any time, in whole or in part, for any reason (including a change, or an impending change, in the tax laws of the United States or any State). If the Plan is terminated, the Plan Administrator shall be notified of such action in a writing executed by a duly authorized officer of the Company, and the Plan shall be terminated at the time therein set forth. The amounts credited to the Participants’ Accounts upon such termination shall become fully vested and shall be paid in a lump sum, provided that (i) the Company terminates at the same time any other arrangement that would be aggregated with the Plan under Section 409A; (ii) the Company does not adopt any other arrangement that would be aggregated with the Plan under Section 409A for three years; (iii) the payments upon such termination shall not commence until 12 months after the date of termination and all such payments are completed within 24 months after the date of termination; and (iv) such other requirements as may be imposed by Section 409A are satisfied. The termination of this Plan shall not result in the reduction of the amount credited to the Participant’s Account as of the date of such termination.

8.3 Change In Control Provisions.

(a) Amendment or Termination. Notwithstanding anything contained in this Article VIII or the Plan to the contrary, for a period of two (2) years following a Change in Control, this Plan shall not be terminated or amended to reduce, suspend or eliminate any Eligible Executive’s or Participant’s benefits or participation (or right to participate) provided under this Plan, including, without limitation, the benefits provided in Articles III and IV. Any amendment or termination of this Plan which a Participant reasonably demonstrates (i) was at the request of a third party who has indicated an intention or taken steps reasonably calculated to effect a Change in Control, or (ii) otherwise arose in connection with or in anticipation of a Change in Control, and which was not consented to in writing by the Participant shall be null and void, and shall have no effect whatsoever with respect to the Participant.

(b) Termination of Employment. Notwithstanding anything contained in this Plan to the contrary, if a Participant’s employment is terminated by the Company (other than for "Cause" as defined in (c) below) or by the Participant for any reason within two (2) years following a Change in Control, the Participant’s Account shall become fully vested and the Company shall, within five (5) days, pay to the Participant a lump sum cash payment of the full amount credited to his Account with earnings determined under Sections 3.3 and 4.1 credited thereto to the date of payment. If a Participant’s employment is terminated (i) for Cause (as defined in (c) below) within two (2) years following a Change in Control or (ii) for any reason more than two (2) years after a Change in Control, the provisions of Article IV shall apply to the distribution of the Participant’s Account.

(c) Cause. For purposes of Section 8.3(b), a termination for "Cause" is a termination of the Executive evidenced by a resolution adopted in good faith by the Company (or in the case of executive officers of the Company, by two-thirds of the Board of Directors of the Company) that the Participant (i) intentionally and continually failed to substantially perform his duties with the Company (other than a failure resulting from the Participant’s incapacity due to physical or mental illness) which failure continued for a period of at least thirty (30) days after a written notice of demand for substantial performance has been delivered to the Participant specifying the manner in which the Participant has failed to substantially perform, or (ii) intentionally engaged in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise; provided, however, that no termination of the Participant’s employment shall be for Cause as set forth in clause (ii) above until (x) there shall have been delivered to the Participant a copy of a written notice setting forth that the Participant was guilty of the conduct set forth in clause (ii) and specifying the particulars thereof in detail, and (y) the Participant shall have been provided an opportunity to be heard by the Board (with the assistance of the Participant’s counsel if the Participant so desires). No act, nor failure to act, on the Participant’s part, shall be considered "intentional" unless he has acted or failed to act, with an absence of good faith and without a reasonable belief that his action or failure to act was in the best interest of the Company. Notwithstanding anything contained in this Agreement to the contrary, in the case of any Participant who is a party to a Change in Control Agreement, no failure to perform by the Participant after a Notice of Termination (as defined in the Participant’s Change in Control Agreement) is given by the Participant shall constitute Cause for purposes of this Plan.

ARTICLE IX
MISCELLANEOUS

9.1 Limitation on Participant’s Rights. Participation in this Plan shall not give any Participant the right to be retained in the Company’s employ or the employ of any Employer, or any right or interest in this Plan or any assets of the Company other than as herein provided. The Company reserves the right to terminate the employment of any Participant without any liability for any claim against the Company under this Plan, except to the extent provided herein.

9.2 Benefits Unfunded. The benefits provided by this Plan shall be unfunded. All amounts payable under this Plan to Participants shall be paid from the general assets of the Company, and nothing contained in this Plan shall require the Company to set aside or hold in trust any amounts or assets for the purpose of paying benefits to Participants. This Plan shall create only a contractual obligation on the part of the Company, and Participants shall have the status of general unsecured creditors of the Company under the Plan with respect to amounts of Compensation they defer hereunder or any other obligation of the Company to pay benefits pursuant hereto. Any funds of the Company available to pay benefits pursuant to the Plan shall be subject to the claims of general creditors of the Company, and may be used for any purpose by the Company.

Notwithstanding the preceding paragraph, the Company may at any time transfer assets, including Shares, to a trust for purposes of paying all or any part of its obligations under this Plan. However, to the extent provided in the trust only, such transferred amounts shall remain subject to the claims of general creditors of the Company. To the extent that assets are held in a trust when a Participant’s benefits under the Plan become payable, the Plan Administrator shall direct the trustee to pay such benefits to the Participant from the assets of the trust.

9.3 Other Plans. This Plan shall not affect the right of any Executive or Participant to participate in and receive benefits under and in accordance with the provisions of any other employee benefit plans which are now or hereafter maintained by the Company, unless the terms of such other employee benefit plan or plans specifically provide otherwise.

9.4 Receipt or Release. Any payment to a Participant in accordance with the provisions of this Plan shall, to the extent thereof, be in full satisfaction of all claims against the Plan Administrator, the Company and any Employer, and the Plan Administrator may require such Participant, as a condition precedent to such payment, to execute a receipt and release to such effect.

9.5 Governing Law. This Plan shall be construed, administered, and governed in all respects in accordance with applicable federal law and, to the extent not preempted by federal law, in accordance with the laws of the State of Georgia. If any provisions of this instrument shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

9.6 Gender, Tense, and Headings. In this Plan, whenever the context so indicates, the singular or plural number and the masculine, feminine, or neuter gender shall be deemed to include the other. Headings and subheadings in this Plan are inserted for convenience of reference only and are not considered in the construction of the provisions hereof.

9.7 Successors and Assigns; Nonalienation of Benefits. This Plan shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns; provided, however, that the amounts credited to the Account of a Participant shall not (except as provided in Section 6.4) be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of any right to any benefits payable hereunder, including, without limitation, any assignment or alienation in connection with a separation, divorce, child support or similar arrangement, shall be null and void and not binding on the Plan or the Company. In addition to any obligations imposed by law upon any successor to the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to substantially all of the business or assets of the Company to expressly agree to assume and perform this Agreement in the same manner that the Company would be required to perform it.

9.8 Combination With Other Plan. The Plan may be combined or merged with other deferred compensation plans of the Company and the Plan Administrator shall establish the terms and conditions relating to any such merger.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officers as of the 28th day of June, 2019, to be effective on the Effective Date, except where otherwise noted.

ACUITY BRANDS, INC.

By: /s/ Richard K. Reece

Title: EVP & Chief Financial Officer

APPENDIX A
PENSION PLAN MAKE-UP CONTRIBUTION CREDIT

(a) In General – Commencing January 1, 2005 (except where such amounts have already been credited under the Prior Plan), the Company shall for each Plan Year during the Make-Up Contribution Period (as defined in subsection (b) below) for each Pension Plan Participant (as defined in subsection (d) below) make a Make-Up Contribution credit (determined in accordance with subsection (b) below) for the benefit of such Pension Plan Participant. The Make-Up Contribution for each Plan Year shall be credited to the Pension Plan Participant's Make-Up Contribution Subaccount. The Make-Up Contribution Subaccount shall become vested in accordance with the following schedule:

Completed Years of Service	Vested Percentage	Forfeited Percentage
Less than 5 years	0	100%
5 or more years	100%	0%

The Make-Up Contribution Subaccount shall be credited with interest at the Prime Rate on each Annual Valuation Date based upon the amount credited to such Subaccount as of the preceding Annual Valuation Date and at such other times, if any, as may be determined by the Plan Administrator. The vested Make-up Contribution Subaccount shall be credited to the Retirement Account and shall be distributed as provided in Article V. The Make-Up Contribution for each Plan Year shall be credited on the last day of the Plan Year, unless the Employer elects to make such credit on an earlier date. In order to be eligible to receive the Make-Up Contribution credit for the Plan Year, the Pension Plan Participant must be actively employed on the last day of the Plan Year and complete a Year of Service for such year. Any forfeiture of the credits to a Pension Plan Participant's Make-Up Contribution Account shall be used to reduce future make-up contribution credits.

(b) Amount of Make-Up Contribution Credit

(i) The Make-Up Contribution credit for a Pension Plan Participant for the Plan Year shall be equal to the Present Value determined as of January 1, 2003 of the Annual Benefit Loss of the Pension Plan Participant divided by the number of years in the Make-Up Contribution Period, adjusted by the Discount Percentage. The Annual Benefit Loss for a Pension Plan Participant is the difference between (A) the aggregate annual retirement benefit (based upon the assumptions in subsection (b)(ii) below) the Pension Plan Participant was projected to receive at age 62 assuming that the Pension Plan and the 401(k) Plan (as defined in subsection (d) below) continued in operation in accordance with their terms as in effect on December 31, 2002, and (B) the aggregate annual retirement benefit (based upon the assumptions in subsection (b)(ii) below) the Pension Plan Participant was projected to receive at age 62 assuming that the Pension Plan is frozen at January 1, 2003 and the 401(k) Plan was amended effective January 1, 2003 to provide for a match of 60% on Elective Deferrals up to 6% of the Participant's Annual Compensation. The Pension Plan Participant's Make-Up Contribution Period is the period commencing January 1, 2003 and ending on the last day of the Plan Year in which the Pension Plan Participant attains age 62. The Present Value of the Annual Benefit Loss shall be determined by taking the amount of the Annual Benefit Loss on the date the Pension Plan Participant attains age 62 and discounting such amount to January 1, 2003 using an interest rate of 5.12% per year and the mortality table prescribed by the IRS in Rev. Rul. 95-6.

(ii) The Annual Benefit Loss shall be calculated using the following factors and assumptions:
A Pension Plan Participant's service and compensation under the Pension Plan are frozen as of December 31, 2002.
The rate of Matching Contributions under the 401(k) Plan is increased effective January 1, 2003 to 60% on Elective Contributions up to 6% of a Participant's Annual Compensation and the Pension Plan Participant will make sufficient Elective Deferrals to receive the maximum Matching Contributions.
A Pension Plan Participant's Annual Compensation is his or her Annual Compensation for 2000, with an increase rate of 3% per year.
Pension Plan Participant's Matching Contribution Account Balance in the 401(k) Plan as of December 31, 2001, will be projected to age 62 with earnings of 6% per year.
401(k) Plan compensation limit of $200,000 applies for 2002 and prior years and will increase by 3% per year.
Annuity and lump sum conversions are based upon a 5.12% annual interest rate and the mortality table prescribed by the IRS in Rev. Rul. 95-6.
The annual retirement benefit from the 401(k) Plan is based solely upon the Pension Plan Participant's Matching Contribution Account (adjusted as provided herein) and not the individual's other accounts under Section 4.1 of the 401(k) Plan.

(iii) The Make-Up Contribution to be credited to a Pension Plan Participant for a Plan Year shall be increased over the amount credited for the prior Plan Year by the Discount Percentage to account for the passage of a year and the related foregone interest earnings potential.

(c) Change of Eligible Status – If a Pension Plan Participant is treated as a Highly Compensated Employee under the 401(k) Plan for a Plan Year, the Pension Plan Participant shall be eligible to receive a Make-Up Contribution credit for such Plan Year. If the Pension Plan Participant who is a Highly Compensated Employee for a Plan Year ceases to be a Highly Compensated Employee for a subsequent Plan Year, then the Pension Plan Participant shall be ineligible to receive a Make-Up Contribution credit for such later Plan Year. If a Pension Plan Participant ceases to be eligible to participate in the 401(k) Plan for a Plan Year, the Pension Plan Participant shall not be eligible to receive a Make-Up Contribution for such Plan Year.

(d) Definitions – The following definitions shall apply for purposes of this Appendix A:

(i) Pension Plan – The Acuity Brands, Inc. Pension Plan, as amended through December 31, 2002.

(ii) Pension Plan Participant – A participant in the Pension Plan on December 31, 2002 who (i) is an active Employee of an Employer on December 31, 2002, (ii) will be considered a Highly Compensated Employee of the Employer for 2003 or in a subsequent Plan Year for which he would be eligible for a Make-Up Contribution, and

(iii) is a Participant in the 401(k) Plan for the Plan Year commencing on January 1, 2003 and any subsequent Plan Year for which a Make-Up Contribution credit is to be made.

(iv) Discount Percentage – A percentage rate equal to 5.12% per year.

(v) 401(k) Plan – The Acuity Brands, Inc. 401(k) Plan for Corporate Employees as amended through December 31, 2002.

(e) Discretion of Company – The Company shall have the discretion to determine the amount of the Make-Up Contribution for Pension Plan Participants each Plan Year and the Company's determination of the Make-Up Contribution credit shall be final and binding upon all parties.

(f) Amendment – This Appendix A may be amended by the Company in accordance with the usual rules for amendment of the Plan in Section 8.1.

APPENDIX B
SERP MAKE-UP CONTRIBUTION CREDIT

(a) In General – Commencing January 1, 2005 (except where such amounts have already been credited under the Prior Plan), the Company shall for each Plan Year during the SERP Make-Up Contribution Period (as defined in subsection (b) below) for each SERP Plan Participant (as defined in subsection (d) below) make a SERP Make-Up Contribution credit (determined in accordance with subsection (b) below) for the benefit of such SERP Plan Participant. The SERP Make-Up Contribution for each Plan Year shall be credited to the SERP Plan Participant's SERP Make-Up Contribution Subaccount. The SERP Make-Up Contribution Subaccount shall at all times be fully vested and nonforfeitable. The SERP Make-Up Contribution Subaccount shall be credited with interest at the Prime Rate on each Annual Valuation Date based upon the amount credited to such Subaccount as of the preceding Annual Valuation Date and at such other times, if any, as may be determined by the Plan Administrator. The SERP Make-up Contribution Subaccount shall be credited to the Retirement Account and shall be distributed as provided in Article V. The SERP Make-Up Contribution for each Plan Year shall be credited on the last day of the Plan Year, unless the Employer elects to make such credit on an earlier date. In order to be eligible to receive the SERP Make¬Up Contribution credit for the Plan Year, the SERP Plan Participant must be actively employed on the last day of the Plan Year and complete a Year of Service for such year.

(b) Amount of SERP Make-Up Contribution Credit

(i) The SERP Make-Up Contribution credit for a SERP Plan Participant for the Plan Year shall be equal to the Present Value determined as of January 1, 2003 of the Annual Benefit Loss of the SERP Plan Participant divided by the number of years in the SERP Make-Up Contribution Period, adjusted by the Discount Percentage. The Annual Benefit Loss for a SERP Plan Participant is the difference between (A) the aggregate annual supplemental retirement benefit (based upon the assumptions in subsection (b)(ii) below) the SERP Plan Participant was projected to receive at age 60 assuming that the Pension Plan, the Current SERP (as defined in subsection (d) below) and the EDCP (as defined in subsection (d) below) continued in operation in accordance with their terms as in effect on August 31, 2002, and (B) the aggregate supplemental annual retirement benefit (based upon the assumptions in subsection (b)(ii) below) the SERP Plan Participant is projected to receive at age 60 from the New SERP. The Pension Plan Participant's SERP Make-Up Contribution Period is the period commencing January 1, 2003 and ending on the last day of the Plan Year in which the SERP Plan Participant attains age 60. The Present Value of the Annual Benefit Loss shall be determined by taking the amount of the Annual Benefit Loss on the date the SERP Plan Participant attains age 60 and discounting such amount to January 1, 2003 using an interest rate of 5.12% per year and the mortality table prescribed by the IRS in Rev. Rul. 95-6.

(ii) The Annual Benefit Loss shall be calculated using the following factors and assumptions:

A SERP Plan Participant's service and compensation under the Pension Plan is frozen as of December 31, 2002.
A SERP Plan Participant's Annual Compensation is his or her Annual Compensation for 2002, with an increase rate of 3% per year.

(iii) The SERP Make-Up Contribution to be credited to a SERP Plan Participant for a Plan Year shall be increased over the amount credited for the prior Plan Year by the Discount Percentage to account for the passage of a year and the related foregone interest earnings potential.

(c) Discretion of Company – The Company shall have the discretion to determine the amount of the SERP Make-Up Contribution for SERP Plan Participants each Plan Year and the Company's determination of the SERP Make-Up Contribution credit shall be final and binding upon all parties.

(d) Definitions – The following definitions shall apply for purposes of this Appendix B:

(i) Pension Plan – The Acuity Brands, Inc. Pension Plan, as amended through December 31, 2002.

(ii) SERP Plan Participant – Kenyon W. Murphy, Joseph G. Parham, Jr., and Vernon J. Nagel.

(iii) Discount Percentage – A percentage rate equal to 5.12% per year.

(iv) Current SERP – The Acuity Brands, Inc. Supplemental Retirement Plan for Executives as amended through December 31, 2002.

(v) New SERP – The Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan, which will be effective January 1, 2003.

(vi) EDCP – The Acuity Brands, Inc. Executives' Deferred Compensation Plan as amended through August 31, 2002.

(e) Amendment – This Appendix B may be amended by the Company in accordance with the usual rules for amendment of the Plan in Section 8.1.

ACUITY BRANDS, INC.
2002 SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

(Effective As of January 1, 2003)

(As Amended and Restated Effective July 1, 2019,
except where otherwise noted)

ACUITY BRANDS, INC.
2002 SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

PREAMBLE

The Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan ("Plan") is designed to be a supplemental retirement plan covering a select group of management and highly compensated employees of Acuity Brands, Inc. (the "Company") and its Subsidiaries. The benefits under the Plan are unfunded and all amounts payable under the Plan shall be paid from the general assets of the Employer which employs the Participant. The effective date of the amended and restated Plan as set forth herein is July 1, 2019 ("Effective Date"), except where otherwise noted.

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ARTICLE I

DEFINITIONS AND CONSTRUCTION

1.1 Definitions: Where the following words and phrases appear in this Plan, they shall have the meanings set forth below, unless the context clearly indicates to the contrary:

(a) Accrued Benefit: Except with respect to any Participant listed on Schedule 2 hereto, with respect to any Participant at any time a monthly benefit payable for 180 months only, commencing on the Participant's Normal Retirement Date, in an amount equal to the sum of (i), (ii) and (iii) below:

(i) the product of 1.6% of the Participant's Average Annual Compensation multiplied by the Participant's Years of Credited Service up to a maximum of ten (10) years, divided by twelve (12); provided, that for Participants who are active employees on January 1, 2009, the monthly benefit payable commencing at Normal Retirement Date shall be an amount equal to the product of 1.8% of the Participant's Average Annual Compensation multiplied by the Participant's Years of Credited Service up to a maximum of ten (10) years, divided by twelve (12); provided, that for Participants who are active employees of either the Company or Adopting Employers on October 23, 2012, the monthly benefit payable commencing on the Normal Retirement Date shall be an amount equal to the product of 2.8% of the Participant's Average Annual Compensation multiplied by the Participant's Years of Credited Service up to a maximum of ten (10) years, divided by twelve (12) (the "Standard Accrued Benefit"); plus

(ii) with respect to Participants who are active employees of either the Company or Adopting Employers on June 26, 2015 (or who first become a Participant on or after June 26, 2015), a supplemental benefit equal to the product of 1.4% of the Participant's Average Annual Compensation multiplied by the Participant's Years of Credited Service up to a maximum of ten (10) years, divided by twelve (12) (the "Incremental Accrued Benefit"); plus

(iii) with respect to Participants who are actively employed in the capacity of the Company's Chief Executive Officer or the Company's Chief Financial Officer on July 1, 2019, a supplemental benefit equal to the product of 1.4% of the Participant's Average Annual Compensation multiplied by the Participant's Years of Credited Service up to a maximum of ten (10) years, divided by twelve (12) (the "Supplemental Accrued Benefit").

With respect to any Participant listed on Schedule 2 hereto who first becomes a Participant on or after September 1, 2019 and who has been both an active employee of either the Company or Adopting Employer and an eligible participant in the Acuity Brands, Inc. 2005 Supplemental Deferred Savings Plan for a period of at least 10 years, the Participant's Accrued Benefit is a monthly benefit payable for 180 months only, commencing on the Participant's Normal Retirement Date, in an amount equal to the product of 2.8% of the Participant's Average Annual Compensation multiplied by the Participant's Years of Credited Service up to a maximum of ten (10) years, divided by twelve (12) (the "Modified Accrued Benefit").

The maximum number of Years of Credited Service a Participant can accrue under the Plan is ten (10) years, provided that Compensation earned after a Participant has completed ten (10) Years of Credited Service shall be counted for purposes of determining the Participant's Accrued Benefit if counting such Compensation would increase the Participant's Accrued Benefit.

Notwithstanding the foregoing, if a Participant who received a distribution or distributions following his Termination Date or Retirement is re-employed and again becomes an active Participant, such Participant's

Accrued Benefit, as computed pursuant to this Section, shall be reduced by the monthly Accrued Benefit amount that is the Actuarial Equivalent of the distribution(s) made to the Participant.

Effective January 1, 2005, the Participant's Accrued Benefit set forth in Section 1.1(a)(i) shall, for certain purposes under the Plan as indicated under the appropriate section, be divided between his Pre-Section 409A Benefit and his Section 409A Benefit. Except as indicated in such specific sections, the Participant's Accrued Benefit shall be treated as a single benefit.

(b) Act: Public Law No. 93-406, the Employee Retirement Income Security Act of 1974, as amended from time to time.

(c) Actuarial (or Actuarially) Equivalent: A benefit of equivalent value determined using an interest rate equal to (i) with respect to any Pre-Section 409A Benefit, 7% per annum, and with respect to any Section 409A Benefit, the lesser of 2.5% per annum or the yield on 10-Year U.S. Treasury Bonds, and (ii) the mortality table prescribed by the Commissioner of Internal Revenue pursuant to Rev. Rul. 95-6 (as hereafter amended or modified).

(d) Administrator: The Company and any person or committee designated by the Company to perform all or a portion of the duties and responsibilities of the Administrator under the Plan.

(e) Authorized Leave of Absence: Any absence authorized by the Company under the Company's standard personnel practices, provided that the Participant returns within the period specified in the Authorized Leave of Absence.

(f) Annual Bonus: The amount awarded an Executive under the Company's annual bonus program, subject to the provisions and limitations contained in Section 1.1(l) of the Plan.

(g) Average Annual Compensation: The applicable annual amount shall be the average of the Participant's Compensation for the three highest, consecutive calendar years preceding the Participant's date of Retirement, death or other termination of employment.

(h) Beneficiary: The person or persons last designated in writing by the Participant on a form provided by the Administrator to receive benefits under Section 3.7 or Article IV of the Plan in the event of the Participant's death. If no designation of Beneficiary shall be in effect at the time of a Participant's death or if all designated Beneficiaries shall have predeceased the Participant, then the Beneficiary shall be the Participant's Surviving Spouse or if there is no such Surviving Spouse, the Participant's estate or legal representative.

(i) Board: The Board of Directors of Acuity Brands, Inc. or its Executive Committee.

(j) Break in Service: An event which results in the cancellation of a Participant's previous Credited Service as provided in Section 2.2.

(k) Company: Company shall mean Acuity Brands, Inc. (or its successor or successors). Affiliated or related employers are permitted to adopt the Plan with the consent of the Company and shall be known as "Adopting Employers." To the extent required by certain provisions (e.g., determining Average Annual Compensation and Credited Service), references to the Company shall include the Adopting Employer of the Participant. Adopting Employers are listed on Schedule 1.

(l) Compensation: Subject to adjustment as provided in the next sentence, "Compensation" shall be the Participant's salary and wages for each calendar year during which he is employed as an Executive Officer of the Company, and any Annual Bonuses awarded during such year. In either case, Compensation and Annual Bonuses shall include any amounts which shall be voluntarily deferred by the Participant under any salary or bonus deferral or reduction program (whether qualified or non-qualified) which may be instituted by the Company, but shall not include any earnings or Company match on these deferred amounts, or payments from such programs or payments from any similar salary deferral or bonus deferral programs, or any income from stock options, restricted stock or similar grants. A Participant's Compensation and Annual Bonuses for calendar years prior to the Effective Date during which he was employed as an Executive Officer shall be credited under this Plan.

(m) Disability Retirement Date: The day next following the day on which the Participant is deemed to have a Total and Permanent Disability.

(n) Early Retirement Date: The first day of the month following the Participant's attainment of age 55 and completion of three (3) Years of Credited Service.

(o) Effective Date: The effective date of the amended and restated Plan is July 1, 2019, except where otherwise noted. The Plan was initially effective as of January 1, 2003.

(p) Executive Officer: Any person who, on or after the Effective Date, is classified by the Company as an executive officer of the Company and who is receiving remuneration for personal services rendered to the Company (or would be receiving such remuneration except for an Authorized Leave of Absence), and any other officer of the Company (or an Adopting Employer) designated by the Board as eligible to participate in the Plan and who is listed on an Appendix attached hereto.

(q) Fiduciaries: The Company and the Administrator, but only with respect to the specific responsibilities of each for Plan administration, all as described in Article VI.

(r) Late Retirement Date: The first day of the calendar month coinciding with or next following the date of a Participant's Retirement subsequent to such Participant's Normal Retirement Date.

(s) Normal Retirement Date: The first day of the month following the Participant's attainment of age 60.

(t) NSI: National Service Industries, Inc., a Delaware corporation, and the corporation from which the Company was spun-off on November 30, 2001.

(u) Participant: An Executive Officer participating in the Plan in accordance with the provisions of Section 2.1.

(v) Plan: The Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan, the Plan set forth herein, as amended from time to time.

(w) Plan Year: A twelve (12) month period beginning on January 1 and ending on December 31.

(x) Prior Plan: The Acuity Brands, Inc. Supplemental Retirement Plan for Executives in which certain participants in this Plan previously participated.

(y) Retirement: Termination of employment for reason other than death after a Participant has fulfilled all requirements for Normal Retirement Benefit, Late Retirement Benefit, Early Retirement Benefit, or Disability Retirement Benefit. Retirement shall be considered as commencing on the day immediately following a Participant's last day of employment (or Authorized Leave of Absence, if later).

(z) Surviving Spouse: The individual to whom a Participant is legally married on the date of death.

(aa) Termination Date: The date of termination of an Executive's employment with the Company for reasons other than death or Retirement.

(bb) Total and Permanent Disability: A physical or mental incapacity which impairs the Participant's ability to substantially perform his usual duties and services for the Company for a period of six (6) months. The determination of Total and Permanent Disability shall be made by the Administrator in its discretion based upon the information provided to it and, with respect to a Participant's Section 409A Benefit, shall be made in a manner consistent with the requirements of Section 409A.

(cc) Vested Terminee: A Participant whose Termination Date occurs after the completion of at least three (3) Years of Credited Service, but prior to achieving eligibility for Retirement.

(dd) Year of Credited Service: A Participant shall accrue one (1) Year of Credited Service for each Plan Year during which he is actively employed as an Executive Officer of the Company for the full Plan Year. During the Participant's initial and final Plan Year as an Executive Officer, the Participant will be credited with a decimal equivalent expressed to two places of a fraction having a numerator equal to the number of full months the Participant worked as an Executive Officer during such Plan Year and a denominator of twelve (12). A Participant's Credited Service as an Executive Officer prior to the Effective Date shall be credited under this Plan. The maximum number of Years of Credited Service a Participant can accrue under the Plan is ten (10).

(ee) Pre-Section 409A Benefit: The vested accrued benefit of the Participant determined as of December 31, 2004 in accordance with rules established by the Administrator consistent with the requirements of Section 409A.

(ff) Section 409A: Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and rulings thereunder.

(gg) Section 409A Benefit: The Participant's total Accrued Benefit under the Plan minus the Participant's Pre-Section 409A Benefit.

(hh) Unforeseeable Emergency: Means a severe financial hardship of the Participant resulting from (a) an illness or accident of the Participant, the Participant's spouse, or the Participant's dependent; (b) a loss of the Participant's property due to casualty; or (c) such other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, all as determined in the sole discretion of the Company.

1.2 Construction: The masculine gender, where appearing in the Plan, shall be deemed to include the feminine gender, and the singular may include the plural, unless the context clearly indicates to the contrary. The words "hereof," "herein," "hereunder" and other similar compounds of the word "here" shall mean and refer to the entire Plan, not to any particular provision or Section.

ARTICLE II
PARTICIPATION, CREDITED SERVICE, AND BREAK IN SERVICE

2.1 Eligibility for Participation:

(ab) In General: An Executive Officer shall become a Participant in this Plan on the later of the Effective Date or the date he became an Executive Officer, subject to the conditions and limitations provided for herein, provided that James Balloun shall not be eligible to participate in this Plan. Unless otherwise approved by the Board or unless the Executive Officer has waived all benefits under such plan, an Executive Officer who is a participant in the Acuity Brands, Inc. Supplemental Retirement Plan for Executives shall not be eligible to become a Participant in this Plan.

A former Participant who is rehired may again become a Participant upon again fulfilling the above requirements.

(ac) Special Eligibility- Any Executive Officer designated on an Appendix attached hereto shall be eligible to participate in Plan on the date specified in the Appendix and in accordance with the conditions and limitations provided in such Appendix.

2.2 Break in Service: A Participant shall incur a Break in Service as the result of the occurrence of a Termination Date or Retirement. Upon incurring a Break in Service, a Participant's rights and benefits under the Plan shall be determined in accordance with his Credited Service and Average Annual Compensation, and other applicable Plan provisions at the time of the Break in Service. If a Participant who has incurred a Break in Service is later rehired by the Company and becomes eligible to participate in the Plan, his prior

Years of Credited Service shall only be counted for purposes of determining his Accrued Benefit subsequent to rehire, if (i) at the time of his Break in Service he had at least three (3) Years of Credited Service or was at least age 60, or (ii) the period of his Break in Service is less than his prior Years of Credited Service. If the Participant received payments from the Plan during his Break in Service period, his Accrued Benefit shall be adjusted in the manner provided in Section 1.1(a).

2.3 Participants Bound: Each Executive Officer becoming a Participant hereunder shall be conclusively presumed for all purposes to have consented to this Plan and any amendments, modifications or revisions hereto, and to all the terms and conditions thereof, and shall be bound thereby with the same force and effect as if he had entered into a contract to such effect and any amendments, modifications or revisions hereto.

2.4 Transfers: The following rules shall apply when an Executive Officer transfers to or from an Executive Officer position in the Company:

(ad) When Employee Becomes Executive Officer: An employee of the Company who becomes an Executive Officer of the Company, will become a Participant under this Plan in accordance with Section 2.1. The Executive Officer's Compensation for periods prior to the date he becomes a Participant in the Plan shall count for purposes of this Plan, but his service with the Company or any affiliated employer shall not be credited as Years of Credited Service unless otherwise provided in an Appendix applicable to such Participant.

(ae) Accrued Benefit Upon Transfer To A Non-Eligible Status: If a Participant is transferred to a non-eligible status of employment within the Company, his Accrued Benefit under this Plan will be determined as though his transfer were a termination of employment, and the date of such termination of employment will be deemed to be the date of his transfer. A Participant shall not be eligible to receive benefits from this Plan until the Participant terminates employment with the Company and all affiliated employers. A former Participant's Compensation and service after the date of transfer shall not be counted for any purposes under this Plan unless otherwise provided in an Appendix applicable to such former Participant.

ARTICLE III
RETIREMENT AND TERMINATION DATES

3.1 Normal Retirement Benefit: A Participant may retire on his Normal Retirement Date, on which date he shall be fully vested. The Participant's Accrued Benefit as of his Normal Retirement Date ("Normal Retirement Benefit") shall commence on his Normal Retirement Date. The Participant's Normal Retirement Benefit shall consist of two components: (i) the Participant's Standard Accrued Benefit or, if applicable, Modified Accrued Benefit, paid in the normal form described in Section 3.7 and (ii) if applicable, the Participant's Incremental Accrued Benefit and/or the Participant's Supplemental Accrued Benefit paid in the form elected by the Participant pursuant to Section 3.8.

3.2 Late Retirement Benefit: When permitted by Company policy, a Participant may continue his employment beyond his Normal Retirement Date. The Participant's Accrued Benefit as of his Late Retirement Date ("Late Retirement Benefit") shall commence on his Late Retirement Date. The Participant's Late Retirement Benefit shall consist of two components: (i) the Participant's Standard Accrued Benefit or, if applicable, Modified Accrued Benefit, paid in the normal form described in Section 3.7 and (ii) if applicable, the Participant's Incremental Accrued Benefit and/or the Participant's Supplemental Accrued Benefit paid in the form elected by the Participant pursuant to Section 3.8.

3.3 Early Retirement Benefit: A Participant may retire after his 55th birthday and the date of completion of at least three (3) Years of Credited Service, but prior to his Normal Retirement Date, and be entitled to receive his Accrued Benefit ("Early Retirement Benefit") commencing as of the first day of the calendar month coinciding with or next following the Participant's 60th birthday. Alternatively, a Participant may elect to commence his Early Retirement Benefit (excluding any Pre-Section 409A Benefit) as of the first day of the calendar month coinciding with or next following his Retirement, or as of the first day of any subsequent calendar month which precedes his Normal Retirement Date, provided (i) that any election to commence the Participant's Early Retirement Benefit prior to his Normal Retirement Date shall comply with the election rules set forth below and (ii) that the Participant's Early Retirement Benefit, paid in the normal form, shall be reduced five-twelfths of one percent (5/12 of 1%) for each full month or portion thereof by which the commencement of the Early Retirement Benefit precedes the Participant's Normal Retirement Date.

The Participant's Early Retirement Benefit shall consist of two components: (i) the Participant's Standard Accrued Benefit or, if applicable, Modified Accrued Benefit, paid in the normal form described in Section 3.7 and (ii) if applicable, the Participant's Incremental Accrued Benefit and/or the Participant's Supplemental Accrued Benefit paid in the form elected by the Participant pursuant to Section 3.8. The date the Participant elects to commence his Early Retirement Benefit prior to his Normal Retirement Date shall, with respect to the Participant's Standard Accrued Benefit or, if applicable, Modified Accrued Benefit, be made at the time he becomes a Participant in the Plan (or made in accordance with the transition rules of Section 409A), and with respect to the Participant's Incremental Accrued Benefit and Supplemental Accrued Benefit (to the extent applicable), be made prior to June 26, 2015 or July 1, 2019, respectively. If permitted by the Administrator, the Participant may, not less than 12 months prior to his Early Retirement Date, elect to change the start date of his payments, provided that (i) only one such change is permitted with respect to each of Participant's Standard Accrued Benefit or, if applicable, Modified Accrued Benefit, the Participant's Incremental Accrued Benefit and Supplemental Accrued Benefit (to the extent applicable), and after such election change, such election is irrevocable, (ii) the payment date for the Participant's Early Retirement Benefit will be deferred for at least five (5) years (but such delay shall not apply to his Normal Retirement Benefit); and (iii) the election shall not be effective for 12 months.

3.4 Disability Retirement Benefit: A Participant who has completed at least three (3) Years of Credited Service and who retires by reason of Total and Permanent Disability shall be eligible to receive his Accrued Benefit ("Disability Retirement Benefit"), commencing as of his Disability Retirement Date. The amount of the Participant's Disability Retirement Benefit shall be equal to his Accrued Benefit as of his Disability Retirement Date, without adjustment for commencement prior to his Normal Retirement Date. The Participant's Disability Retirement Benefit shall consist of two components: (i) the Standard Accrued Benefit or, if applicable, Modified Accrued Benefit, paid in the normal form described in Section 3.7 and (ii) if applicable, the Incremental Accrued Benefit and/or the Supplemental Accrued Benefit paid in the form elected by the Participant pursuant to Section 3.8.

3.5 Vested Terminee Benefit: A Participant who qualifies as a Vested Terminee (as defined in Section 1.1(cc)) shall be entitled to a benefit ("Vested Terminee Benefit") equal to his Accrued Benefit, commencing as of the first day of any calendar month coinciding with or next following the Participant's 60th birthday. Such a Participant may elect to commence his Vested Terminee Benefit (excluding any Pre-Section 409A Benefit) as of the first day of any calendar month after he attains age 55 and preceding his 60th birthday, provided (i) that any election to commence the Participant's Vested Terminee Benefit prior to his 60th birthday shall comply with the election rules set forth below and (ii) that the Participant's Vested Terminee Benefit, paid in the normal form, shall be reduced five-twelfths of one percent (5/12 of 1%) for each full month or portion thereof by which the commencement of the Vested Terminee Benefit precedes the Participant's 60th birthday.

The Participant's Vested Terminee Benefit shall consist of two components: (i) the Participant's Standard Accrued Benefit or, if applicable, Modified Accrued Benefit, paid in the normal form described in Section 3.7 and (ii) if applicable, the Participant's Incremental Accrued Benefit and/or the Participant's Supplemental Accrued Benefit paid in the form elected by the Participant pursuant to Section 3.8. The date the Participant elects to commence his Vested Terminee Benefit prior to his 60th birthday shall, with respect to the Participant's Standard Accrued Benefit or, if applicable, Modified Accrued Benefit, be made at the time he becomes a Participant in the Plan (or made in accordance with the transition rules of Section 409A), and with respect to the Participant's Incremental Accrued Benefit and Supplemental Accrued Benefit (to the extent applicable), be made prior to June 26, 2015 or July 1, 2019, respectively. If permitted by the Administrator, the Participant may, not less than 12 months prior to his Termination Date, elect to change the start date of his payments, provided that (i) only one such change is permitted with respect to each of the Participant's Standard Accrued Benefit or, if applicable, Modified Accrued Benefit, and the Participant's Incremental Accrued Benefit and Supplemental Accrued Benefit (to the extent applicable), and after such election change, such election is irrevocable, (ii) the payment date for the Participant's Section 409A Benefit will be deferred for at least five (5) years; and (iii) the election shall not be effective for 12 months.

3.6 Termination Prior to Completion of Three (3) Years of Credited Service: Subject to Article XIII, and except in the event of a Participant's death, Total and Permanent Disability or attainment of his Normal Retirement Date, a Participant whose Termination Date occurs prior to the completion of three (3) Years of Credited Service shall be entitled to no benefits under this Plan.

3.7 Form of Payment of Standard Accrued Benefit or Modified Accrued Benefit: The normal form of benefit payment for a Participant's Standard Accrued Benefit or, if applicable, Modified Accrued Benefit, shall be a monthly benefit paid for 180 months. If a Participant receiving benefit payments dies before 180 monthly benefit payments have been made, benefit payments shall be continued to the Participant's Beneficiary until the sum of monthly payments to both the Participant and his Beneficiary is 180. If the Participant's Beneficiary dies before a total of 180 payments have been made, the remaining payments shall be made to the Participant's estate or the Beneficiary's estate, as indicated by the Participant on the designation of beneficiary form provided by the Administrator.

3.8 Form of Payment of Incremental Accrued Benefit or Supplemental Accrued Benefit: The normal form of benefit payment for a Participant's Incremental Accrued Benefit and/or Supplemental Accrued Benefit (to the extent applicable) shall be monthly installments paid for 180 months; provided, however, the Participant (i) may elect prior to June 26, 2015 that his or her Incremental Accrued Benefit be paid in an Actuarial Equivalent lump sum payment, and (ii) may elect prior to July 1, 2019 that his or her Supplemental Accrued Benefit be paid in an Actuarial Equivalent lump sum payment. If a Participant receiving installment payments dies before 180 monthly benefit payments have been made, benefit payments shall be continued to the Participant's Beneficiary until the sum of monthly payments to both the Participant and his Beneficiary is 180. If the Participant's Beneficiary dies before a total of 180 payments have been made, the remaining payments shall be made to the Participant's estate or the Beneficiary's estate, as indicated by the Participant on the designation of beneficiary form provided by the Administrator.

3.9 Pre-Section 409A Benefit. Notwithstanding any provision in the Plan to the contrary, the Administrator may, in its sole discretion, with respect to the Participant's Pre-Section 409A Benefit elect to offer additional payment options for benefits under the Plan or the Administrator may elect to accelerate the time and manner of payment of any benefits (including payment of a lump sum), including any death benefits, paid under the Plan, provided that any such alternative form of benefit payment shall be substantially equivalent (using the Actuarial Equivalent factors in Section 1.1(c)) to the normal form of benefit payment provided for in Section 3.7.

3.10 Payments to Specified Employees. Notwithstanding the other provisions of this Article III, if at the time of the Participant’s separation from service, the Administrator determines that the Participant is a “specified employee,” within the meaning of Code Section 409A, then payment of such benefit shall be paid at the date which is the earlier of (i) six (6) months and one day after such separation from service and (ii) the date of the Participant’s death (the “Delay Period”). Upon the expiration of the Delay Period, all payments delayed pursuant to this Section 3.10 shall be paid or provided to the Participant in a lump-sum with interest at the prime rate as published by The Wall Street Journal on the first business day of the Delay Period, and any remaining payments due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

3.11 Payments Due to Unforeseeable Emergency:

(a) Request for Payment: If a Participant, regardless of pay status, suffers an Unforeseeable Emergency, he or she may submit a written request to the Administrator for payment of his or her vested Standard Accrued Benefit, and to the extent applicable, his or her Modified Accrued Benefit, Incremental Accrued Benefit and/or Supplemental Accrued Benefit.

(b) No Payment If Other Relief Available: The Administrator will evaluate the Participant's request for payment due to an Unforeseeable Emergency taking into account the Participant's circumstances and the requirements of Section 409A of the Code. In no event will payments be made pursuant to this Section 3.11 to the extent that the Participant's hardship can be relieved:

(a) through reimbursement or compensation by insurance or otherwise; or

(b) by liquidation of the Participant's assets, to the extent that liquidation of the Participant's assets would not itself cause severe financial hardship.

(c) Limitation on Payment Amount: The amount of any payment made on account of an Unforeseeable Emergency shall not exceed the amount reasonably necessary to satisfy the Participant's financial need, including amounts necessary to pay any Federal, state or local income taxes or penalties reasonably anticipated to result from the payment, as determined by the Administrator.

(d) Timing of Payment: Payments shall be made from a Participant's Standard Accrued Benefit, and to the extent applicable, his or her Modified Accrued Benefit, Incremental Accrued Benefit and/or Supplemental Accrued Benefit as soon as practicable and in any event within thirty (30) days following the Administrator's determination that an Unforeseeable Emergency has occurred and authorization of payment from the Participant's Standard Accrued Benefit, Modified Accrued Benefit, Incremental Accrued Benefit and/or Supplemental Accrued Benefit.

ARTICLE IV

PRE-RETIREMENT DEATH BENEFITS

The pre-retirement death benefits payable following the death of a Participant shall be determined as follows:

(a) Death Prior to Eligibility for a Vested Terminee Benefit: No death benefit is provided under this Plan for Participants who die prior to completing the eligibility requirements for a Vested Terminee benefit.

(b) Death After Attaining Eligibility for Vested Terminee Benefit: If a Participant dies while employed by the Company after completing the requirements for a Vested Terminee Benefit, the Participant's Beneficiary shall be paid the amount which would have been payable to the Participant had the Participant terminated employment immediately prior to the date of his death, with such payments commencing on the first day of the calendar month coinciding with or next following the date which would have been the deceased Participant's 60th birthday. The Participant's Beneficiary shall receive the Participant's Standard Accrued Benefit (or, if applicable, Modified Accrued Benefit) paid in 180 monthly payments under the normal form described in Section 3.7 and, if applicable, the Participant's Incremental Accrued Benefit and Supplemental Accrued Benefit paid in the form elected by the Participant pursuant to Section 3.8. If the Participant's Beneficiary dies before receiving all monthly payments, the remaining payments shall be made to the Participant's estate or the Beneficiary's estate, as indicated by the Participant on the designation of beneficiary form provided by the Administrator. If the Participant terminates employment after satisfying the requirements for a Vested Terminee benefit but dies prior to the date his benefit commences, he shall be covered by the death benefit provisions of this subsection (b).

(c) Death After Attaining Eligibility for Early or Normal Retirement Benefit: If a Participant dies while employed by the Company after completing the eligibility requirements for an Early Retirement Benefit or Normal Retirement Benefit, the Participant's Beneficiary shall be paid the amount (including any reduction for early commencement of benefits) which would have been payable to the Participant under this Plan had the Participant retired immediately prior to the moment of his death, with such payments commencing on the first day of the month following the date of death of the Participant. The Participant's Beneficiary shall receive the Participant's Standard Accrued Benefit (or, if applicable, Modified Accrued Benefit) paid in 180 monthly payments under the normal form described in Section 3.7 and, if applicable, the Participant's Incremental Accrued Benefit and Supplemental Accrued Benefit paid in the form elected by the Participant pursuant to Section 3.8. If the Participant's Beneficiary dies before receiving the 180 monthly payments, the remaining payments shall be made to the Participant's estate or the Beneficiary's estate, as indicated by the Participant on the designation of beneficiary form provided by the Administrator. If the Participant terminates employment after satisfying the requirements for Early Retirement Benefits but delays commencement of his benefits, he shall be covered by the death benefit provisions of this subsection (c) until his benefit payments commence.

ARTICLE V

PLAN FINANCING

5.1 Payment of Costs and Expenses: All costs of providing the benefits under the Plan and the expenses thereof, including the cost of the Administrator and any actuary, shall be paid from the general assets of the Company (or with respect to Participants employed by an Adopting Employer, from the general assets of such Adopting Employer).

ARTICLE VI
FIDUCIARY RESPONSIBILITIES

6.1 Allocation of Responsibility Among Fiduciaries: The Fiduciaries shall have only those specific powers, duties, responsibilities and obligations as are specifically given them under this Plan. In general, the Company shall have the responsibility for providing the benefits payable under this Plan; to appoint an Administrator if it so desires; and to amend or terminate, in whole or in part, this Plan. The Administrator shall have the responsibility for the duties set forth in Article VII. Each Fiduciary warrants that any directions given, information furnished, or action taken by it shall be in accordance with the provisions of the Plan authorizing or providing for such direction, information or action. Furthermore, each Fiduciary may rely upon any such direction, information or action of another Fiduciary as being proper under this Plan, and is not required under this Plan to inquire into the propriety of any such direction, information or action. It is intended under this Plan that each Fiduciary shall be responsible for the proper exercise of its own powers, duties, responsibilities and obligations under this Plan and shall not be responsible for any act or failure to act of another Fiduciary. No Fiduciary guarantees the payment of benefits under this Plan in any manner.

6.2 Fiduciary Duties: All Fiduciaries hereunder shall discharge their duties with respect to the Plan solely in the interest of the Participants and Beneficiaries, and

(a) for the exclusive purpose of providing benefits to Participants and their Beneficiaries and defraying reasonable expenses of administering the Plan;

(b) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and

(c) in accordance with the documents and instruments governing the Plan insofar as such documents and instruments are consistent with the provisions of Title I of the Act.

6.3 Company Filing Responsibility: To the extent not otherwise specifically provided in the Plan, the Company shall be responsible for filing with the Internal Revenue Service and Department of Labor any returns, reports and other documentation required under the Act.

ARTICLE VII
ADMINISTRATION

7.1 General Duties: The Administrator shall enforce the Plan, and shall have all powers necessary to accomplish that purpose, including, but not by way of limitation, the following:

(a) to construe and interpret the Plan, decide all questions of eligibility and determine the amount, manner and time of payment of any benefits hereunder and to notify the Participant and the Company, where appropriate;

(b) to adopt By-Laws and rules as it deems necessary, desirable or appropriate;

(c) to prescribe procedures to be followed by Participants or Beneficiaries filing applications for benefits;

(d) to prepare and distribute, in such manner as the Committee determines to be appropriate, information explaining the Plan;

(e) to receive from the Company and from Participants such information as shall be necessary for the Administrator to perform its duties hereunder;

(f) to furnish the Company, upon request, such annual reports as are reasonable and appropriate with respect to the Administrator's duties hereunder;

(g) to receive, review and keep on file (as it deems convenient or proper) reports of the receipts and disbursements of the Plan;

(h) to appoint or employ individuals to assist in the administration of its duties under the Plan and any other agents as it deems advisable, including legal or actuarial counsel;

(i) to evaluate a Participant's request for payment from his or her Standard Accrued Benefit, and to the extent applicable, his or her Modified Accrued Benefit, Incremental Accrued Benefit and/or Supplemental Accrued Benefit due to an Unforeseeable Emergency and determine whether Participant has experienced an Unforeseeable Emergency and approve the amount of any payment necessary to satisfy the Participant's emergency need.

The Administrator shall have no power to add to, subtract from, or modify any of the terms of the Plan, or to change or add to any benefits provided by the Plan, or to waive or fail to apply any requirements of eligibility for any benefits under the Plan. The Administrator shall have the exclusive discretionary authority to construe and to interpret the Plan, to decide all questions of eligibility for benefits and to determine the amount of such benefits, and its decisions on such matters are final and conclusive.

7.2 Application and Forms For Benefit: The Administrator may require a Participant to complete and file with the Administrator an application for benefits and all other forms approved by the Administrator, and to furnish all pertinent information requested by the Administrator. The Administrator may rely upon all such information so furnished it, including the Participant's current mailing address.

7.3 Facility of Payment: Whenever, in the Administrator's opinion a person entitled to receive any payment of a benefit or installment thereof hereunder is under a legal disability or is incapacitated in any way so as to be unable to manage his financial affairs, the Administrator may direct the Company to make payments to such person or to his legal representative or to a relative or friend of such person for his benefit, or the Administrator may direct the Company to apply the payment for the benefit of such person in such manner as the Administrator considers advisable. Any payment of a benefit or installment thereof in accordance with the provisions of this Section shall be a complete discharge of the Administrator of any liability for the selection of such payee or the making of such payment under the provisions of the Plan.

7.4 Rules and Decisions: When making any determination, the Administrator shall be entitled to rely upon information furnished by the Company, legal counsel for the Company, or the actuary.

7.5 Company to Furnish Information: To enable the Administrator to perform its functions, the Company shall supply full and timely information to the Administrator of all matters relating to the pay of all Participants, their Retirement, death or other cause for termination of employment, and such other pertinent facts as the Administrator may require.

7.6 Administrator to Furnish Other Information: To the extent not otherwise provided in the Plan, the Administrator shall be responsible for providing all notices and information required under the Act to all Participants.

ARTICLE VIII

SUCCESSOR COMPANY

In the event of the dissolution, merger, consolidation or reorganization of the Company, provision may be made by which the Plan will be continued by the successor; and, in that event, such successor shall be substituted for the Company under the Plan. The substitution of the successor shall constitute an assumption of Plan liabilities by the successor and the successor shall have all of the powers, duties and responsibilities of the Company under the Plan.

ARTICLE IX

PLAN TERMINATION

The Company may terminate the Plan at any time by resolution of the Board, provided that upon the occurrence of a Section 409A Change in Control event (as defined in Section 13.4), the Plan shall be terminated in accordance with Section 13.4. In the event of the termination or partial termination of the Plan, the rights of all affected Participants to their Accrued Benefits as of the date of such termination or partial termination shall be fully vested and nonforfeitable. Subject to the Administrator's discretion under Section 3.9 with respect to the Participant's Pre-Section 409A Benefit, the Participant's Accrued Benefit shall remain payable in accordance with the provisions of Article III. Notwithstanding anything contained herein to the contrary, for a period of two (2) years following a Change in Control that does not qualify as a 409A Change in Control Event, this Plan shall not be terminated.

ARTICLE X

TRUST

The benefits provided by this Plan shall be unfunded. All amounts payable under this Plan to a Participant shall be paid from the general assets of the employer which principally employs the Participant (the "Obligated Employer"), and nothing contained in this Plan shall require the Obligated Employer to set aside or hold in trust any amounts or assets for the purpose of paying benefits to Participants. This Plan shall create only a contractual obligation on the part of the Obligated Employer and Participants shall have the status of general unsecured creditors of the Obligated Employer under the Plan with respect to any obligation of the Obligated Employer to pay benefits pursuant hereto. Any funds of the Obligated Employer available to pay benefits pursuant to the Plan shall be subject to the claims of general creditors of the Obligated Employer, and may be used for any purpose by the Obligated Employer.

Notwithstanding the preceding paragraph, the Obligated Employer may at any time transfer assets to a trust for purposes of paying all or any part of its obligations under this Plan. However, to the extent provided in the trust only, such transferred amounts shall remain subject to the claims of general creditors of the Obligated Employer. To the extent that assets are held in a trust when a Participant's benefits under the Plan become payable, the Administrator shall direct the trustee to pay such benefits to the Participant from the assets of the trust.

ARTICLE XI

AMENDMENTS AND ACTION BY COMPANY

The Company reserves the right to make from time to time any amendment or amendments to this Plan. Notwithstanding anything contained in this Plan to the contrary, no amendment shall have the effect of reducing the Accrued Benefit of any Participant, and, for a period of two (2) years following a Change in Control, this Plan shall not be amended in any way to directly or indirectly reduce the benefit levels provided under this Plan or the benefit of any Participant or his designated Beneficiary, including any reduction caused by changes to the definitions of Actuarial Equivalent or Average Annual Compensation.

ARTICLE XII

MISCELLANEOUS

12.1 Nonguarantee of Employment: Nothing contained in this Plan shall be construed as a contract of employment between the Company and any Participant, or as a right of any Participant to be continued in the employment of the Company, or as a limitation of the right of the Company or an Adopting Employer to discharge any Participant or Executive Officer, with or without cause.

12.2 Rights Under Plan: No Participant shall have any right to or interest in, the Plan upon termination of his employment or otherwise, except as provided from time to time under this Plan, and then only to the extent of the benefits payable under the Plan to such Participant.

12.3 Nonalienation of Benefits: Benefits payable under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, including any such liability which is for alimony or other payments for the support of a spouse or former spouse, or for any other relative of the Participant, prior to actually being received by the person entitled to the benefit under the terms of the Plan; and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of any right to benefits payable hereunder, shall be void. The Plan shall not in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements or torts of any person entitled to benefits hereunder.

12.4 Headings for Convenience Only: The headings and sub-headings in this Plan are inserted for convenience of reference only and are not to be considered in construction of the provisions hereof.

12.5 Multiple Copies: This Plan may be executed in any number of counterparts, each of which shall be deemed an original, and the counterparts shall constitute one and the same instrument, which shall be sufficiently evidenced by any one thereof.

12.6 Governing Law: This Plan shall be construed and enforced in accordance with the provisions of the Act. In the event the Act is not applicable or does not preempt state law, the laws of the State of Georgia shall govern.

12.7 Guarantee of Performance: In consideration of each Participant's performance of valuable services that inure to the financial benefit of the Company, the Company does hereby agree to perform all of the obligations and responsibilities and pay any benefits due and owing to a Participant under the Plan if the Obligated Employer (as defined in Article X) designated to perform such obligations and responsibilities or pay such benefits fails or is unable to do so.

12.8 Payment of Legal Fees. If any action at law or in equity is necessary for a Participant to enforce or interpret the terms of the Plan, the Company shall promptly pay such Participant's reasonable attorneys' fees and other reasonable expenses incurred with respect to such action. If any other action is taken with respect to the Plan, each party shall bear its own attorneys' fees and expenses. If a reimbursement is called for under this Section 12.8, (i) such reimbursement shall be made no later than the end of the calendar year immediately following the calendar year in which Participant pays the related legal fees or expenses, (ii) the amount of expenses eligible for reimbursement in any given calendar year shall not affect the expenses that the Company is obligated to reimburse in any other calendar year, (iii) the Participant's right to such reimbursements may not be liquidated or exchanged for any other benefit, and (iv) in no event shall the Company's obligations to make such reimbursements apply later than the Participant's remaining lifetime.

12.9 Section 409A.

(a) The intent of the parties is that payments and benefits under the Plan comply with or be exempt from Section 409A of the Code and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") and the Company shall have complete discretion to interpret and construe the Plan and any associated documents in any manner that establishes an exemption from (or compliance with) the requirements of Code Section 409A. If for any reason, such as imprecision in drafting any provision, the Plan does not accurately reflect its intended establishment of an exemption from (or compliance with) Code Section 409A, as demonstrated by consistent interpretations or other evidence of intent, such provision shall be considered ambiguous as to its exemption from (or compliance with) Code Section 409A and shall be interpreted by the Company in a manner consistent with such intent, as determined in the discretion of the Company.

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of the Plan upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A, and, for purposes of any such provision of the Plan, references to a "termination," "termination of employment" or like terms shall mean "such a separation from service." The determination of whether and when a separation from service has occurred for purposes of the Plan shall be made in accordance with the presumptions set forth in Section 1.409A-1(h) of the Treasury Regulations.

ARTICLE XII

CHANGE IN CONTROL

13.1 Cause: For purposes of this Plan, a termination for ‘Cause’ is a termination evidenced by a resolution adopted in good faith by two-thirds of the Board that the Participant (i) intentionally and continually failed to substantially perform his duties with the Company (other than a failure resulting from the Participant’s incapacity due to physical or mental illness) which failure continued for a period of at least thirty (30) days after a written notice of demand for substantial performance has been delivered to the Participant specifying the manner in which the Participant has failed to substantially perform, or (ii) intentionally engaged in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise; provided, however, that no termination of the Participant’s employment shall be for Cause as set forth in clause (ii) above until (x) there shall have been delivered to the Participant a copy of a written notice setting forth that the Participant was guilty of the conduct set forth in clause (ii) and specifying the particulars thereof in detail, and (y) the Participant shall have been provided an opportunity to be heard by the Board (with the assistance of the Participant’s counsel if the Participant so desires). No act, or failure to act, on the Participant’s part, shall be considered “intentional” unless he has acted or failed to act, with an absence of good faith and without a reasonable belief that his action or failure to act was in the best interest of the Company. Notwithstanding anything contained in this Plan to the contrary, in the case of any Participant who is a party to a Change in Control Agreement, no failure to perform by the Participant after a Notice of Termination (as defined in the Participant’s Change in Control Agreement) is given by the Participant shall constitute Cause for purposes of this Plan.

13.2 Change in Control: For purposes of this Plan, a Change in Control shall mean any of the following events:

(a) The acquisition (other than from the Company) by any “Person” (as the term person is used for purposes of Sections 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the “1934 Act”)) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of thirty percent (30%) or more of the combined voting power of the Company’s then outstanding voting securities; or

(b) The individuals who, as of the Effective Date, are members of the Board (the “Incumbent Board”), cease for any reason to constitute at least two-thirds of the Board; provided, however, that if the election, or nomination for election by the Company’s stockholders, of any new director was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall, for purposes of this Plan, be considered as a member of the Incumbent Board; or

(c) A merger or consolidation involving the Company if the stockholders of the Company, immediately before such merger or consolidation do not, as a result of such merger or consolidation, own, directly or indirectly, more than seventy percent (70%) (effective as of September 29, 2006, sixty percent (60%)) of the combined voting securities of the corporation resulting from such merger or consolidation in substantially the same proportion as their ownership of the combined voting power of the voting securities of the Company outstanding immediately before such merger or consolidation; or

(d) A complete liquidation or dissolution of the Company or an agreement for the sale or other disposition of all or substantially all of the assets of the Company.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur pursuant to Section (a), solely because thirty percent (30%) or more of the combined voting power of the Company’s then outstanding securities is acquired by (i) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained by the Company or any of its subsidiaries or (ii) any corporation which, immediately prior to such acquisition, is owned directly or indirectly by the stockholders of the Company in the same proportion as their ownership of stock in the Company immediately prior to such acquisition.

13.3 Termination of Employment: If a Participant's employment is terminated by the Company or by the Participant for any reason within two (2) years following a Change in Control, the Company shall, within five (5) days, pay to the Participant a lump sum cash payment equal to the lump sum Actuarial Equivalent of his Accrued Benefit as of the date of his termination of employment whether or not the Participant is otherwise vested in his Accrued Benefit. If at the time of the Participant's separation from service, the Administrator determines that the Participant is a "specified employee," within the meaning of Code Section 409A, then payment of such benefit shall be paid at the date which is the earlier of (i) six (6) months and one day after such separation from service and (ii) the date of the Participant's death (the "Delay Period"). Upon the expiration of the Delay Period, all payments delayed pursuant to this paragraph shall be paid or provided to the Participant in a lump-sum with interest at the prime rate as published by The Wall Street Journal on the first business day of the Delay Period, and any remaining payments due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

13.4 Plan Termination Upon a Section 409A Change in Control Event: Upon the occurrence of a Section 409A Change in Control Event (as defined below), the Plan shall be terminated consistent with the requirements of Treasury Regulation section 1.409A-3(j)(4)(ix)(B), and the Company shall, within five (5) days of such Section 409A Change in Control Event, pay to the Participant a lump sum cash payment equal to the lump sum Actuarial Equivalent of his Accrued Benefit as of such date, whether or not the Participant is otherwise vested in his Accrued Benefit. For purposes of this Plan, a Section 409A Change in Control Event shall mean any of the following events:

(a) A Person or Persons acting as a group acquires beneficial ownership of stock of the Company that, together with the stock held by such Person or group, constitutes more than fifty percent (50%) of the total voting power of the Company's then outstanding voting securities; provided, that, a Section 409A Change in Control Event shall not occur if any Person or Persons acting as a group owns more than fifty percent (50%) of the total voting power of the Company's then outstanding voting securities and acquires additional securities. Notwithstanding the foregoing, a Section 409A Change in Control Event shall not be deemed to occur pursuant to Section 13.4(a), solely because more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities is acquired by (i) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained by the Company or any of its subsidiaries or (ii) any corporation which, immediately prior to such acquisition, is owned directly or indirectly by the stockholders of the Company in the same proportion as their ownership of stock in the Company immediately prior to such acquisition; or

(b) The individuals who, as of June 25, 2015, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least a majority of the Board; provided, however, that if the election, or nomination for election by the Company's stockholders, of any new director was approved by a vote of a majority of the Incumbent Board, such new director shall, for purposes of this Plan, be considered as a member of the Incumbent Board; or

(c) The sale or other disposition of all or substantially all of the assets of the Company.

13.5 Amendment or Termination: Any amendment or termination of this Plan which a Participant reasonably demonstrates (i) was at the request of a third party who has indicated an intention or taken steps reasonably calculated to effect a Change in Control or Section 409A Change in Control Event or (ii) otherwise arose in connection with or in anticipation of a Change in Control or Section 409A Change in Control Event, and which was not consented to in writing by the Participant shall be null and void, and shall have no effect whatsoever, with respect to the Participant.

IN WITNESS WHEREOF, this amended and restated Plan has been executed by the Company to be effective on the Effective Date (except where otherwise noted).

ACUITY BRANDS, INC.

By: /s/ Vernon J. Nagel
Vernon J. Nagel
Chairman, President and
Chief Executive Officer

SCHEDULE 1
ADOPTING EMPLOYERS

Acuity Brands Lighting, Inc.
Acuity Specialty Products Group, Inc.

SCHEDULE 2

PARTICIPANTS ELIGIBLE FOR MODIFIED ACCRUED BENEFIT

Barry R. Goldman
Karen J. Holcom

EXHIBIT 31(a)

I, Vernon J. Nagel, 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 third 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: July 2, 2019

/s/ Vernon J. Nagel

Vernon J. Nagel

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, Richard K. Reece, 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 third 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: July 2, 2019

/s/ Richard K. Reece

Richard K. Reece

Executive 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 May 31, 2019, 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/ Vernon J. Nagel

Vernon J. Nagel
Chairman, President, and Chief Executive Officer
July 2, 2019

[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 May 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, the Executive 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/ Richard K. Reece

Richard K. Reece
Executive Vice President and Chief Financial Officer
July 2, 2019

[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.]