

First Quarter Fiscal 2022 Results

Acuity Brands (AYI)





Forward Looking Statements

This presentation and the related conference call and webcast and press-release include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are based on management’s beliefs and assumptions and information currently available to management. Forward-looking statements are subject to known and unknown risks and uncertainties, many of which may be beyond our control. We caution you that the forward-looking information presented in this press release is not a guarantee of future events, and that actual events may differ materially from those made in or suggested by the forward-looking information contained in this press release. In addition, forward-looking statements are statements other than those of historical fact and may include statements relating to goals, plans, market conditions and projections regarding Acuity Brands’ strategy, and specifically include statements made in this presentation around 2022 Financial Framework.

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



Non-GAAP Financial Measures

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

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



Fiscal Q1'22 Key Achievements

Satisfying Customer Demand to Drive Sales Growth, While Continuing to Invest in Long-Term Growth and Transformation

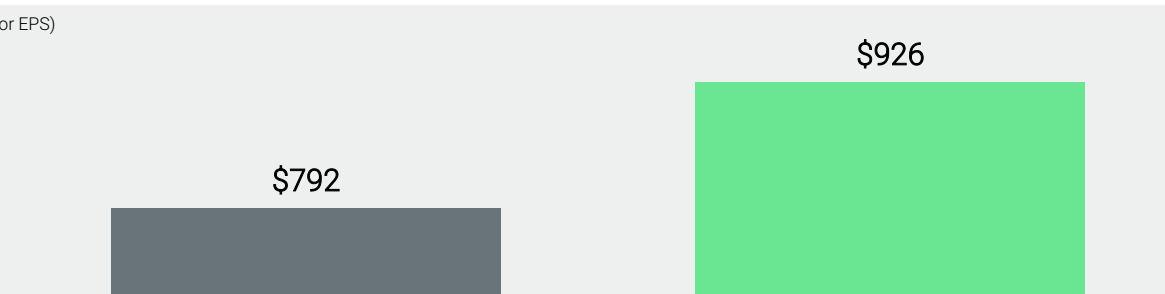
- Delivered **Sales Growth** of 17% in Q1'22 VPY
- Increased Diluted EPS by 57% in Q1'22 VPY
- **Aggressive Management** of Ongoing Global Supply Chain Challenges
 - Focus and Investment in **Strategic Relationships with Manufacturers and Suppliers**
 - Empowering Teams to Source in the **Spot Market**
 - Redesigning and Re-engineering Existing Products to Available Components
- Continued Focus on **Long Term Growth** and Transformation

AYI: Fiscal Q1'22 Performance

Improvements Across Sales and Profitability Metrics

Net Sales

(\$ In Millions, except for EPS)



Q1'21

Q1'22

Net Sales Growth

(5.1%)

16.9%

Gross Profit Margin

42.0%

41.7%

Operating Margin

10.8%

12.4%

Adjusted Operating Margin¹

13.2%

14.4%

EBITDA¹

\$109.1

\$139.1

Adjusted EBITDA¹

\$119.1

\$147.0

Diluted EPS

\$1.57

\$2.46

Adjusted Diluted EPS¹

\$2.03

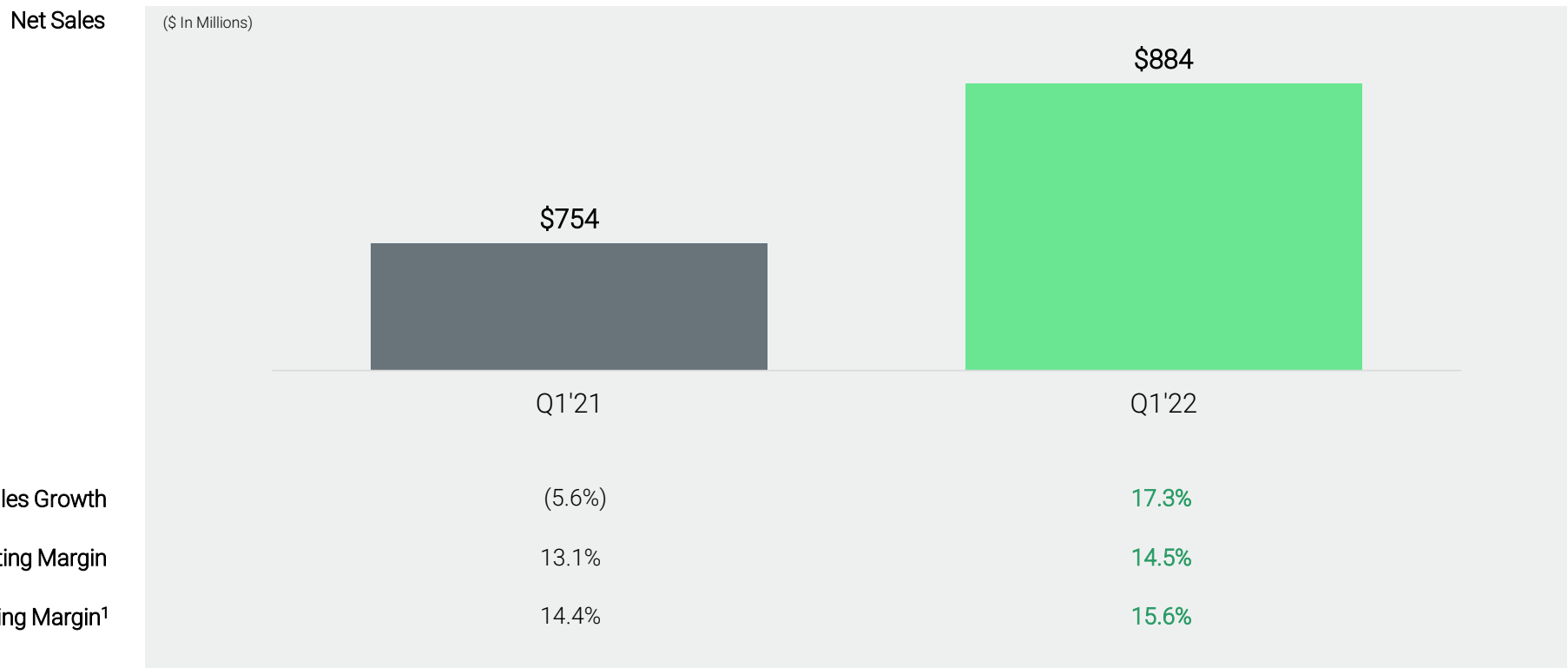
\$2.85



¹ Adjusted Operating Profit, EBITDA, Adjusted EBITDA and Adjusted Diluted EPS for the Fourth Quarter are Reconciled in Our Appendix on Slides 14,15 and 16

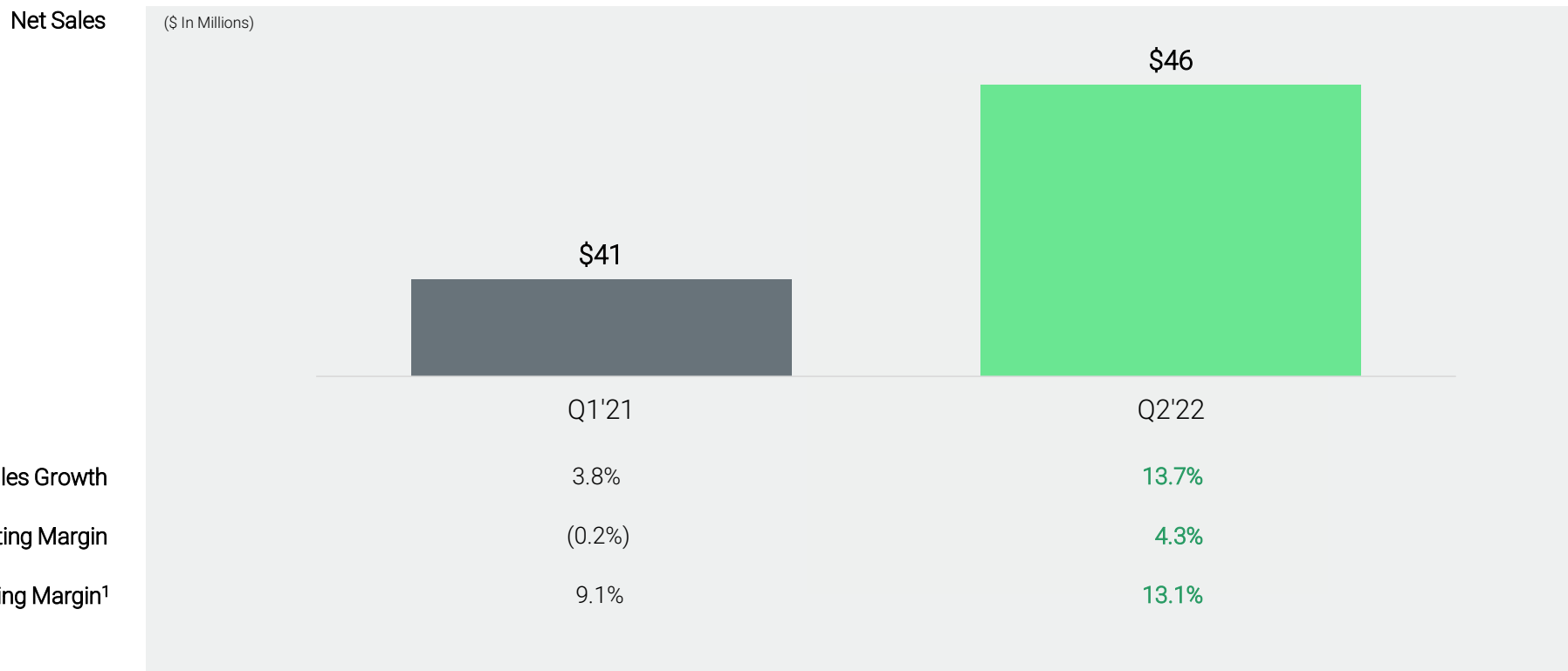
ABL: Fiscal Q1'22 Performance

Focus on Product Vitality, Service Levels and Using Technology to Differentiate



ISG: Fiscal Q1'22 Performance

Making Spaces Smarter, Safer and Greener



Q1'22 Capital Allocation

Creating Permanent Value for Shareholders

\$84M
Operating Cash Flow

\$9M
CapEx

\$53M
Share Repurchase

Capital Allocation Priorities

Reinvestment in Growth

Inventory Investment
CapEx

M&A

Osram Digital Systems
Integration

Dividend

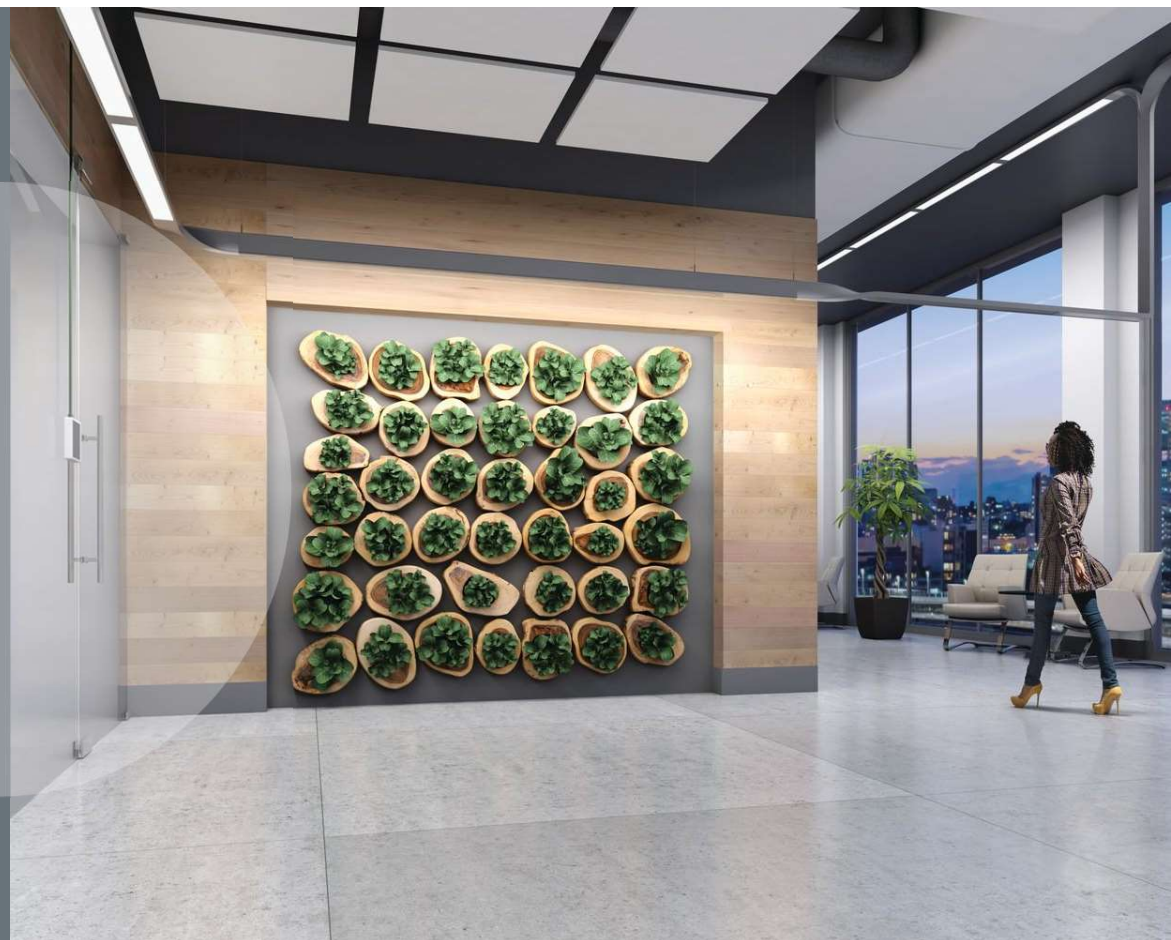
Maintained

Share Repurchases

0.3M Shares

Appendix

and Non-GAAP Reconciliations





2022 Financial Framework

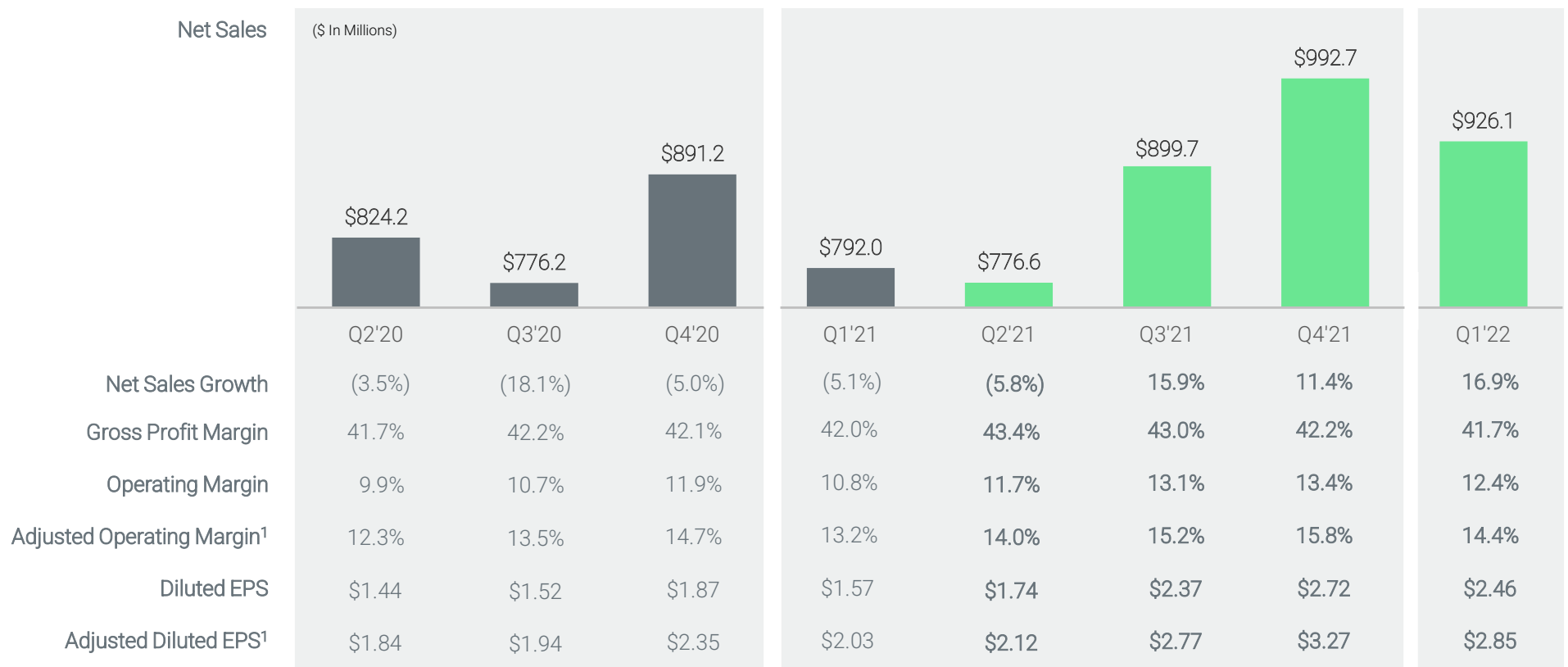
As Communicated on the Q4'21 and FY'21 Earnings Call

- ABL Full Year Revenue Growth: High Single Digits
- ISG Full Year Revenue Growth: Mid-Teens
- AYI Full Year Gross Profit Margin: 42+ Percent
- Capital Allocation Priorities
 - Investment in Growth
 - Investment in M&A
 - Maintain Dividend
 - Share Repurchases

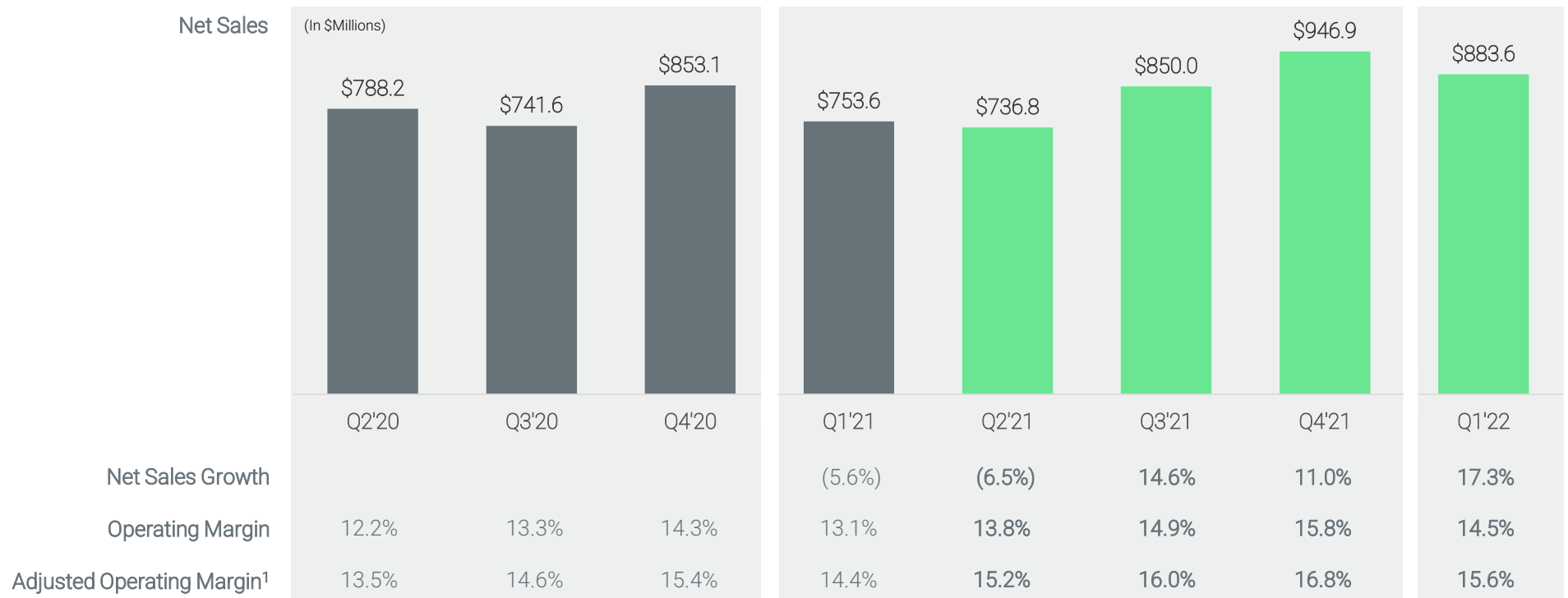
Other

- AYI Full Year Tax Rate: ~23 Percent
- AYI Full Year Capital Expenditure: ~1.5 Percent of Net Sales

AYI Quarterly Trends

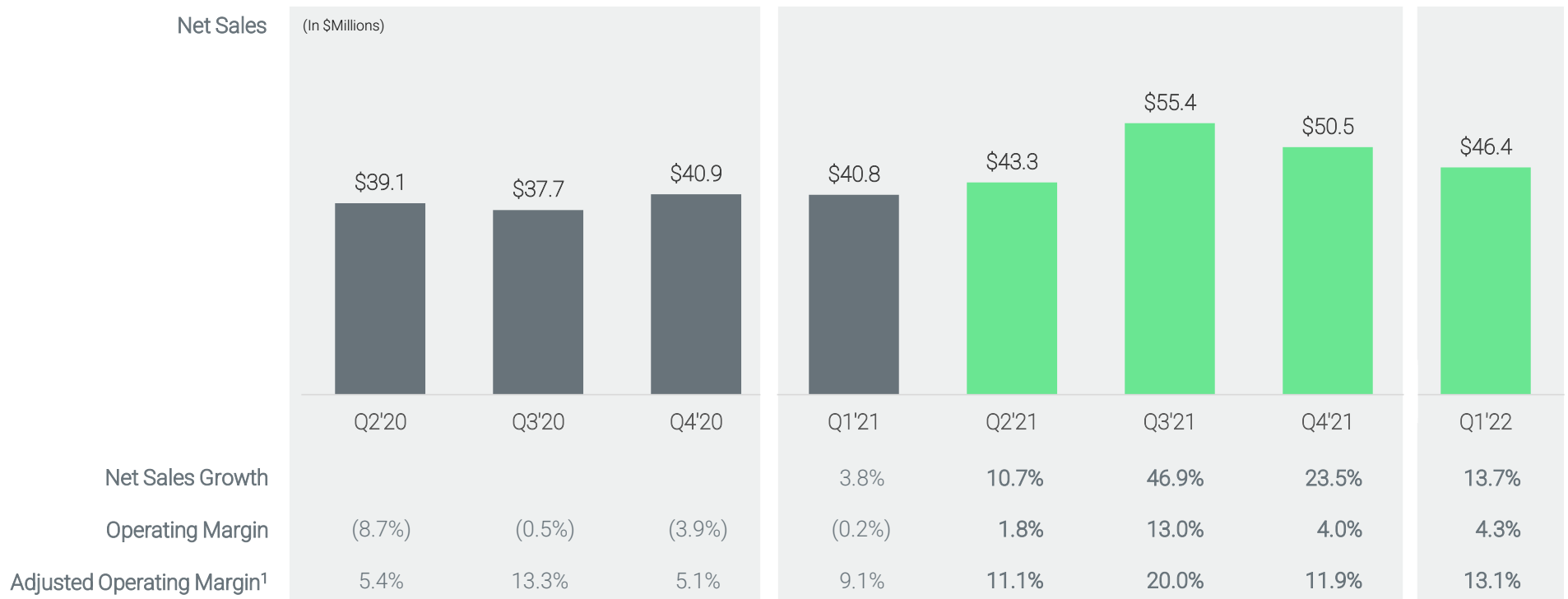


ABL Quarterly Trends



AcuityBrands. ¹ Adjusted Operating Profit and Adjusted Operating Profit Margin for ABL is Reconciled, on Slide 17

ISG Quarterly Trends



AYI Quarterly Reconciliation of Non-GAAP Measures: Adjusted Operating Profit and Adjusted Operating Profit Margin

(In \$Millions)

	Second Quarter		Third Quarter		Fourth Quarter		First Quarter	
	Feb. 28, 2021	Feb. 29, 2020	May 31, 2021	May 31, 2020	Aug. 31, 2021	Aug. 31, 2020	Nov. 30, 2021	Nov. 30, 2020
Operating Profit (GAAP)	\$91.0	\$81.4	\$118.1	\$83.0	\$132.8	\$105.9	\$115.1	\$85.7
Operating Profit (GAAP) Margin	11.7%	9.9%	13.1%	10.7%	13.4%	11.9%	12.4%	10.8%
+ Amortization of acquired intangible assets	10.1	10.4	10.2	10.8	10.3	10.9	10.3	10.1
+ Share-based payment expense	7.5	8.0	7.1	7.8	10.2	5.7	7.6	7.7
+ Acquisition-related items ¹	-	0.3	0.9	-	1.3	-	-	-
+ Special Charges	0.3	1.6	0.5	3.3	1.8	8.2	-	0.7
Adjusted Operating Profit	\$108.9	\$101.7	\$136.8	\$104.9	\$156.4	\$130.7	\$133.0	\$104.2
Adjusted Operating Profit Margin	14.0%	12.3%	15.2%	13.5%	15.8%	14.7%	14.4%	13.2%

AYI Quarterly Reconciliation of Non-GAAP Measures: Adjusted Net Income and Adjusted Earnings Per Share

(In Millions Except Per Share Data)

	Second Quarter		Third Quarter		Fourth Quarter		First Quarter	
	Feb. 28, 2021	Feb. 29, 2020	May 31, 2021	May 31, 2020	Aug. 31, 2021	Aug. 31, 2020	Nov.30, 2021	Nov.30, 2020
Net Income (GAAP)	\$62.9	\$57.2	\$85.7	\$60.4	\$98.1	\$73.7	\$87.6	\$59.6
+ Amortization of acquired intangible assets	10.1	10.4	10.2	10.8	10.3	10.9	10.3	10.1
+ Share-based payment expense	7.5	8.0	7.1	7.8	10.2	5.7	7.6	7.7
+ Acquisition-related items ¹	-	0.3	0.9	-	1.3	-	-	-
+ Special Charges	0.3	1.6	0.5	3.3	1.8	8.2	-	0.7
+ Impairments of investments	-	-	-	-	2.0	-	-	4.0
Total pre-tax adjustments to net income	17.9	20.3	18.7	21.9	25.6	24.8	17.9	22.5
Income tax effects	(4.1)	(4.4)	(4.0)	(5.1)	(6.0)	(5.7)	(4.2)	(5.2)
Adjusted net income	\$76.7	\$73.1	\$100.4	\$77.2	\$117.7	\$92.8	\$101.3	\$76.9
Diluted weighted average number of shares outstanding	36.2	39.7	36.2	39.7	36.0	39.5	35.5	37.8
Diluted Earnings Per Share	\$1.74	\$1.44	\$2.37	\$1.52	\$2.72	\$1.87	\$2.46	\$1.57
Adjusted Diluted Earnings Per Share	\$2.12	\$1.84	\$2.77	\$1.94	\$3.27	\$2.35	\$2.85	\$2.03

AYI Quarterly Reconciliation of Non-GAAP Measures: EBITDA and Adjusted EBITDA

(In Millions)

	First Quarter	
	Nov.30, 2021	Nov.30, 2020
Net Income (GAAP)	\$87.6	\$59.6
+ Interest expense, net	5.9	4.9
+ Income tax expense	21.3	19.6
+ Depreciation	14.0	14.9
+ Amortization	10.3	10.1
EBITDA (Non-GAAP)	139.1	109.1
+ Share-based payment expense	7.6	7.7
+ Miscellaneous expense, net	0.3	1.6
+ Special charges	-	0.7
Adjusted EBITDA (Non-GAAP)	\$147.0	\$119.1

ABL Quarterly Reconciliation of Non-GAAP Measures: Adjusted Operating Profit and Adjusted Operating Profit Margin

Segment Breakdown (ABL)

(In \$Millions)

	Second Quarter		Third Quarter		Fourth Quarter		First Quarter	
	Feb. 28, 2021	Feb. 29, 2020	May 31, 2021	May 31, 2020	Aug. 31, 2021	Aug. 31, 2020	Nov. 30, 2021	Nov. 30, 2020
Operating Profit (GAAP)	\$102.0	\$95.8	\$126.5	\$98.6	\$149.3	\$121.8	\$128.1	\$98.4
<i>Operating Profit (GAAP) Margin</i>	13.8%	12.2%	14.9%	13.3%	15.8%	14.3%	14.5%	13.1%
+ Amortization of acquired intangible assets	6.9	6.8	6.9	6.9	7.1	7.2	7.1	7.0
+ Share-based payment expense	3.0	3.9	2.4	2.9	2.7	2.3	3.0	2.9
+ Acquisition-related items ¹	-	0.1	-	-	-	-	-	-
Adjusted Operating Profit	\$111.9	\$106.6	\$135.8	\$108.4	\$159.1	\$131.3	\$138.2	\$108.3
<i>Adjusted Operating Profit Margin</i>	15.2%	13.5%	16.0%	14.6%	16.8%	15.4%	15.6%	14.4%

ISG Quarterly Reconciliation of Non-GAAP Measures: Adjusted Operating Profit and Adjusted Operating Profit Margin

Segment Breakdown (ISG)

(In \$Millions)

	Second Quarter		Third Quarter		Fourth Quarter		First Quarter	
	Feb. 28, 2021	Feb. 29, 2020	May 31, 2021	May 31, 2020	Aug. 31, 2021	Aug. 31, 2020	Nov. 30, 2021	Nov. 30, 2020
Operating Profit (Loss) (GAAP)	\$0.8	(\$3.4)	\$7.2	(\$0.2)	\$2.0	(\$1.6)	\$2.0	(\$0.1)
<i>Operating Profit (Loss) (GAAP) Margin</i>	<i>1.8%</i>	<i>(8.7%)</i>	<i>13.0%</i>	<i>(0.5%)</i>	<i>4.0%</i>	<i>(3.9%)</i>	<i>4.3%</i>	<i>(0.2%)</i>
+ Amortization of acquired intangible assets	3.2	3.6	3.3	3.9	3.2	3.7	3.2	3.1
+ Share-based payment expense	0.8	1.9	0.6	1.3	0.8	-	0.9	0.7
Adjusted Operating Profit (Loss)	\$4.8	\$2.1	\$11.1	\$5.0	\$6.0	\$2.1	\$6.1	\$3.7
<i>Adjusted Operating Profit Margin</i>	<i>11.1%</i>	<i>5.4%</i>	<i>20.0%</i>	<i>13.3%</i>	<i>11.9%</i>	<i>5.1%</i>	<i>13.1%</i>	<i>9.1%</i>