



STITCH from A.Light

# AYI: ACUITY BRANDS, INC

## COMPANY OVERVIEW

January 9, 2024

# FORWARD LOOKING STATEMENTS

This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the “Act”). Forward-looking statements include, among other things, statements that describe or relate to the Company’s plans, initiatives, projections, vision, goals, targets, commitments, expectations, objectives, prospects, strategies, or financial outlook, and the assumptions underlying or relating thereto. In some cases, we may use words such as “expect,” “believe,” “intend,” “anticipate,” “estimate,” “forecast,” “indicate,” “project,” “predict,” “plan,” “may,” “will,” “could,” “should,” “would,” “potential,” and words of similar meaning,

as well as other words or expressions referencing future events, conditions, or circumstances, to identify forward-looking statements.

We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Act. Forward-looking statements are not guarantees of future performance. Our forward-looking statements are based on our current beliefs, expectations, and assumptions, which may not prove to be accurate, and are subject to known and unknown risks and uncertainties, many of which are outside of our control. These risks and uncertainties could cause actual events or results to differ materially from our historical experience and management’s present expectations or projections.

These risks and uncertainties are discussed in our filings with the U.S. Securities and Exchange Commission, including in our most recent annual report on Form 10-K (including, but not limited to, Part I, Item 1A. Risk Factors), quarterly reports on Form 10-Q, and current reports on Form 8-K. Any forward-looking statement speaks only as of the date on which it is made. You are cautioned not to place undue reliance on any forward-looking statements. Except as required by law, we undertake no obligation to publicly update or release any revisions to these forward-looking statements to reflect any events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events, whether as a result of new information, future events, or otherwise.



# NON-GAAP FINANCIAL MEASURES

We disclose 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").

These non-GAAP financial measures are provided to enhance the reader's overall understanding of the Company's current financial performance and prospects for the future. Specifically, management believes that these non-GAAP measures provide useful information to investors by excluding or adjusting items for amortization of acquired intangible assets, share-based payment expense, impairments of investments, special charges and other extraordinary charges over time that have been detailed in the appendix of this presentation associated with efforts to streamline the organization, integrate acquisitions, and the evaluation of the business and portfolio.

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, which include amortization of acquired intangible assets share-based payment expense, supplier recovery charge special charges and other extraordinary charges over time that have been detailed in the appendix of this presentation. Adjusted operating profit margin is adjusted operating profit divided by net sales for total company and by segment. The most directly comparable GAAP measures for adjusted net income and adjusted diluted EPS are "net income" and "diluted EPS," respectively, which include the impact of amortization of acquired intangible assets, share-based payment expense, special charges and other extraordinary charges over time that have been detailed in

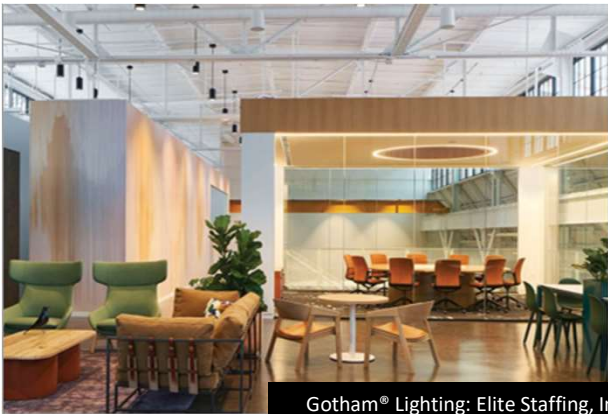
the appendix of this presentation. Adjusted diluted EPS is adjusted net income divided by diluted weighted average shares outstanding.

A reconciliation of each measure to the most directly comparable GAAP measure is available in this presentation, except for forward-looking measures of adjusted diluted EPS where a reconciliation to the corresponding GAAP measure is not available without unreasonable effort due to the variability, complexity, and limited visibility of certain assumptions within, as well as the methodology used to estimate, the 2024 non-GAAP outlook measure. 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.



# AYI: ACUITY BRANDS, INC.

## INTERSECTION OF SUSTAINABILITY AND TECHNOLOGY



Gotham® Lighting: Elite Staffing, Inc.

### Our Business Segments

**ABL**

Acuity Brands Lighting and Lighting Controls (ABL)

**ISG**

Intelligent Spaces Group (ISG)

## OUR COMPETITIVE ADVANTAGE

Our Operating System

BETTER.  
SMARTER.  
FASTER.



Our Values



Integrity



Time



Curiosity



Owner's Mindset



Customer Obsessed



People



Community



## HOW WE CREATE VALUE



Grow Net Sales



Turn Profits Into Cash



Don't Grow Balance Sheet as Fast

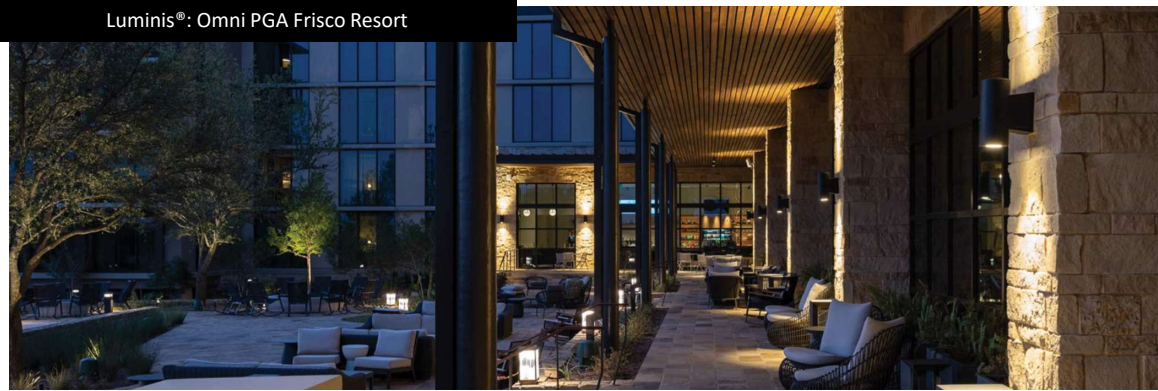
## EFFECTIVE CAPITAL ALLOCATION



1. Invest for Growth in our Current Businesses
2. Invest in M&A
3. Maintain our Dividend
4. Repurchase Shares

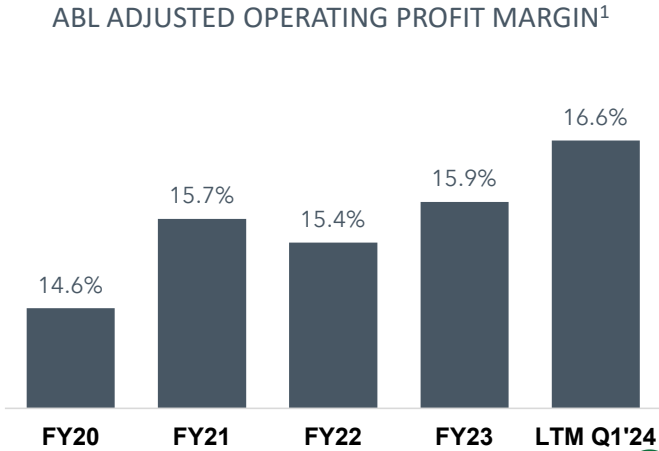
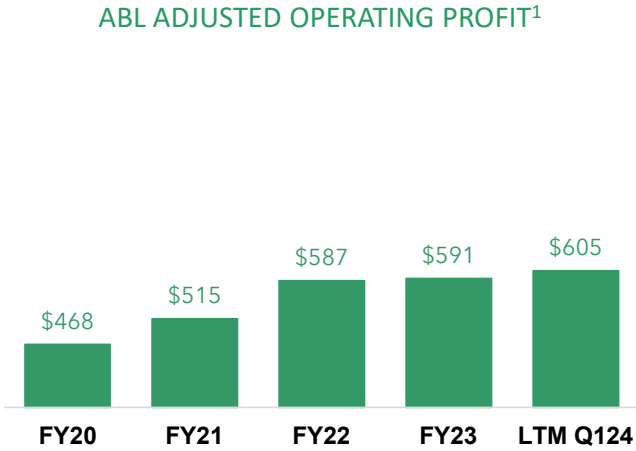
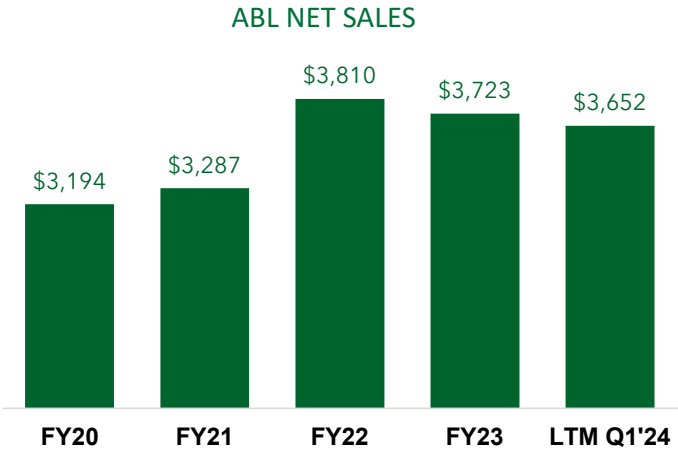


# ABL: ACUITY BRANDS LIGHTING AND LIGHTING CONTROLS



(\$ in Millions)

PREDICTABLE, REPEATABLE, SCALABLE



<sup>1</sup> ABL Adjusted Operating Profit and Adjusted Operating Profit Margin are non-GAAP financial measures. See the Appendix for reconciliations to the most directly comparable financial measures calculated in accordance with GAAP.

# ISG: INTELLIGENT SPACES GROUP

Distech Controls®: Refuge du Goûter



CONNECTING THE  
EDGE TO THE CLOUD

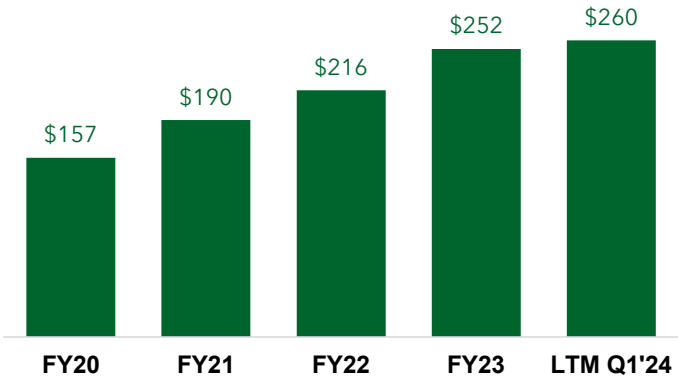


EXPANDING DISTECH'S  
ADDRESSABLE MARKET

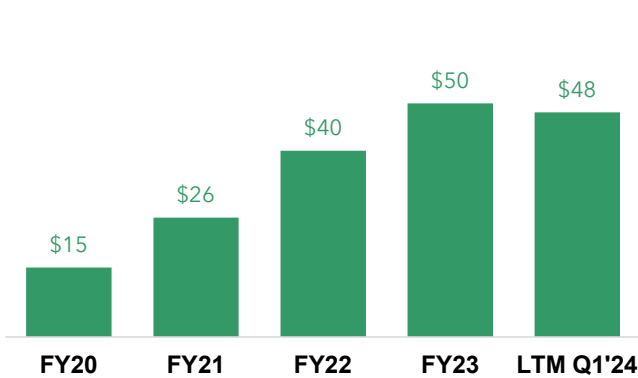
## SMARTER, SAFER, GREENER

(\$ in Millions)

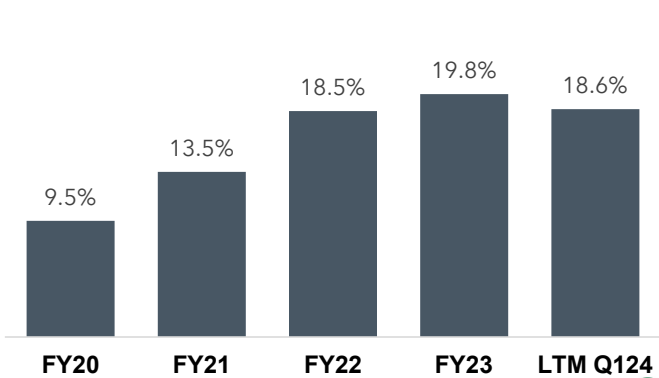
ISG NET SALES



ISG ADJUSTED OPERATING PROFIT<sup>1</sup>



ISG ADJUSTED OPERATING PROFIT MARGIN<sup>1</sup>



<sup>1</sup>ISG Adjusted Operating Profit and Adjusted Operating Profit Margin are non-GAAP financial measures. See the Appendix for reconciliations to the most directly comparable financial measures calculated in accordance with GAAP.



# EFFECTIVE CAPITAL ALLOCATION



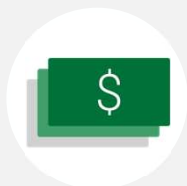
Invest for Growth in our Current Businesses



Invest in M&A



Maintain our Dividend



Repurchase Shares to Create Permanent Shareholder Value

WE ACQUIRED OPTOTRONIC® IN THE 4<sup>TH</sup> QUARTER OF 2021

WE ACQUIRED  IN THE 3RD QUARTER OF 2023

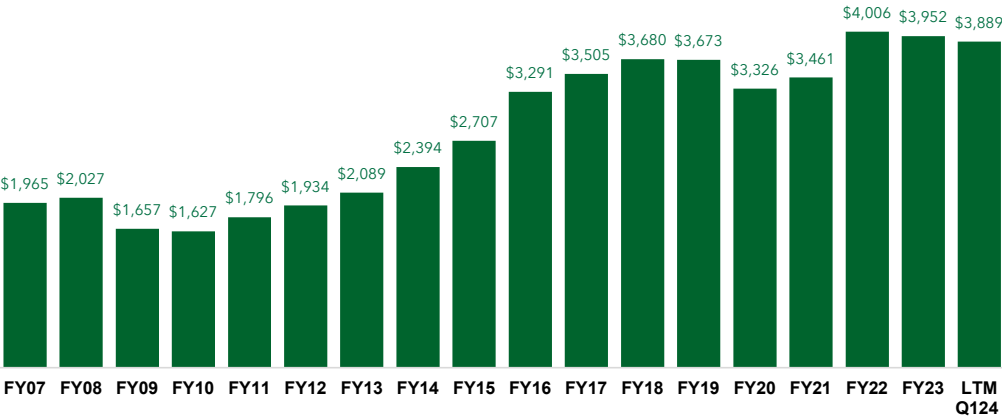
WE REPURCHASED **OVER \$1.3 BILLION** OF OUR SHARES OUTSTANDING FROM THE BEGINNING OF THE 4<sup>TH</sup> QUARTER OF 2020.  
**APPROXIMATELY 24% OF THE THEN-OUTSTANDING SHARES.**



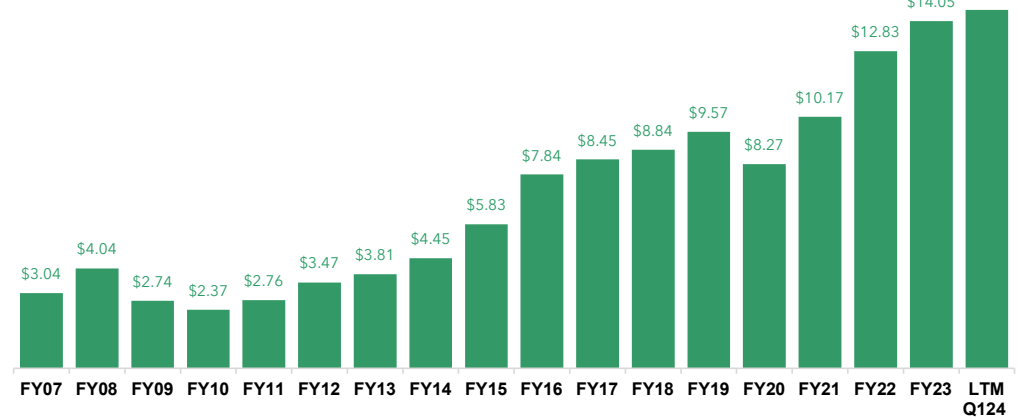
# AYI PERFORMANCE OVER TIME

(\$ in Millions, Except Per Share Data)

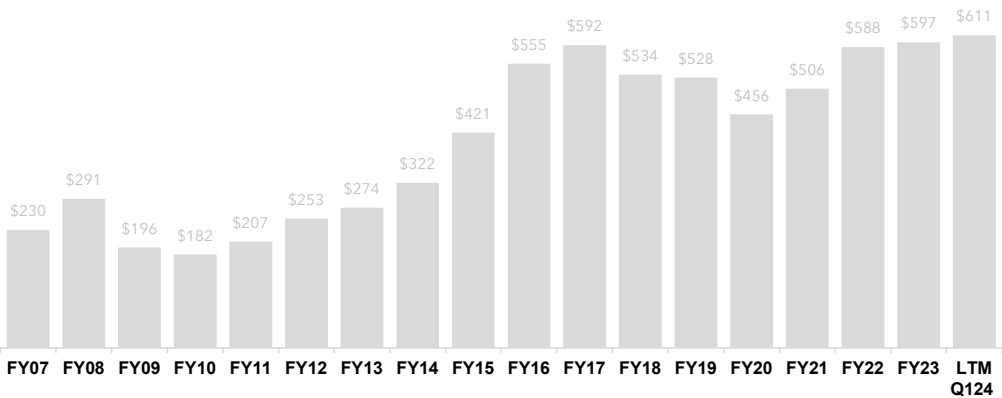
## NET SALES



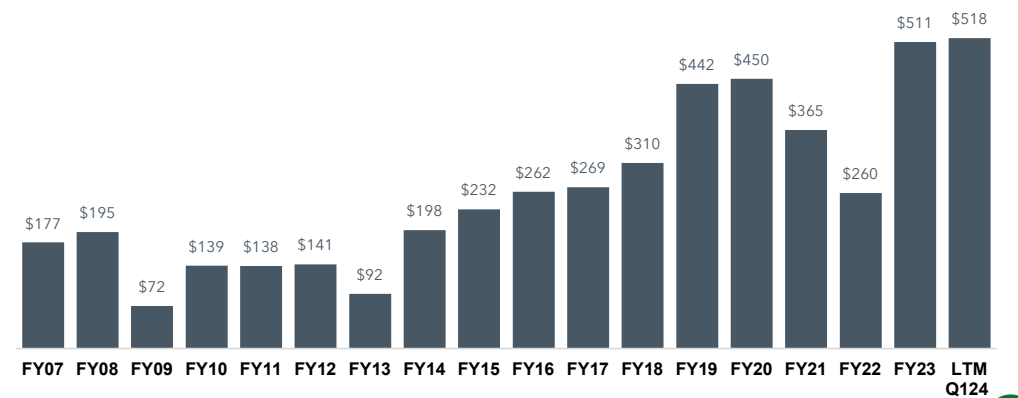
## ADJUSTED DILUTED EARNINGS PER SHARE<sup>1</sup>



## ADJUSTED OPERATING PROFIT<sup>1</sup>



## FREE CASH FLOW<sup>1</sup>



<sup>1</sup>Adjusted Operating Profit, Adjusted Diluted EPS and Free Cash Flow are non-GAAP financial measures. See the Appendix for reconciliations to the most directly comparable financial measures calculated in accordance with GAAP.





The NYC Experience Center by Acuity Academy

# APPENDIX

## Reconciliation of Non-GAAP Measures



# AYI ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING PROFIT MARGIN

(\$ in Millions)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY'23	LTM Q1'24
<b>Net Sales</b>	<b>\$1,965</b>	<b>\$2,027</b>	<b>\$1,657</b>	<b>\$1,627</b>	<b>\$1,796</b>	<b>\$1,934</b>	<b>\$2,089</b>	<b>\$2,394</b>	<b>\$2,707</b>	<b>\$3,291</b>	<b>\$3,505</b>	<b>\$3,680</b>	<b>\$3,673</b>	<b>\$3,326</b>	<b>\$3,461</b>	<b>\$4,006</b>	<b>\$3,952</b>	<b>\$3,889</b>
<b>Operating Profit (GAAP)</b>	<b>\$222</b>	<b>\$261</b>	<b>\$154</b>	<b>\$158</b>	<b>\$189</b>	<b>\$208</b>	<b>\$222</b>	<b>\$299</b>	<b>\$376</b>	<b>\$475</b>	<b>\$519</b>	<b>\$461</b>	<b>\$463</b>	<b>\$354</b>	<b>\$428</b>	<b>\$510</b>	<b>\$473</b>	<b>497</b>
Add-back: Amortization of acquired intangible assets	3	4	5	7	10	11	11	11	11	21	28	29	31	42	41	41	42	38
Add-back: Stock-based compensation expense	11	12	10	9	8	16	17	18	18	28	32	32	29	38	33	37	42	42
Add-back: Special Charge		15	27	8		13	9	(0)	12	15	11	6	2	20	3		27	20
<b>Infrequent Adjustments</b>																		
Add-back: Settlement gain	(7)																	
Add-back: Manufacturing Inefficiencies Related to Facility Closing						3	8											
Add-back: Abandonment of Inventory						1												
(Less)/Add-Back: Freight service provider fraud-related (recovery)/expense							8	(6)										
Add-back: Acquisition-related professional fees									3	11		4	3	3	2			
Add-back: Impairment of intangible asset										5								
Add-back: Manufacturing inefficiencies											2		1					
Add-back: Excess inventory												3						
Add-back: Supplier Recovery Charge																	13	13
<b>Adjusted Operating Profit (Non-GAAP)</b>	<b>\$230</b>	<b>\$291</b>	<b>\$196</b>	<b>\$182</b>	<b>\$207</b>	<b>\$253</b>	<b>\$274</b>	<b>\$322</b>	<b>\$421</b>	<b>\$555</b>	<b>\$592</b>	<b>\$534</b>	<b>\$528</b>	<b>\$456</b>	<b>\$506</b>	<b>\$588</b>	<b>\$597</b>	<b>\$611</b>
<b>Adjusted Operating Profit Margin (Non-GAAP)</b>	<b>11.7%</b>	<b>14.4%</b>	<b>11.8%</b>	<b>11.2%</b>	<b>11.5%</b>	<b>13.1%</b>	<b>13.1%</b>	<b>13.5%</b>	<b>15.6%</b>	<b>16.9%</b>	<b>16.9%</b>	<b>14.5%</b>	<b>14.4%</b>	<b>13.7%</b>	<b>14.6%</b>	<b>14.7%</b>	<b>15.1%</b>	<b>15.7%</b>

## Notes:

- 1) In FY2019 we made changes to our pension accounting that moved the presentation of certain costs out of operating profit and into miscellaneous expenses. This change is reflected from fiscal FY17 an all is included in all subsequent fiscal years. Prior fiscal years do not reflect this change
- 2) All numbers were taken from publicly available 10-Ks and earnings release filings that can be found on the AYI Investor Relations website



# AYI ADJUSTED NET INCOME AND ADJUSTED DILUTED EARNINGS PER SHARE

(\$ in Millions, Except Per Share Data)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	LTM Q1'24
<b>Net Income (GAAP)</b>	<b>\$129</b>	<b>\$149</b>	<b>\$85</b>	<b>\$79</b>	<b>\$106</b>	<b>\$116</b>	<b>\$127</b>	<b>\$176</b>	<b>\$222</b>	<b>\$291</b>	<b>\$322</b>	<b>\$350</b>	<b>\$330</b>	<b>\$248</b>	<b>\$306</b>	<b>\$384</b>	<b>\$346</b>	<b>\$372</b>
Add-back: Amortization of acquired intangible assets	3	4	5	7	10	11	11	11	11	21	28	29	31	42	41	41	42	38
Add-back: Stock-based compensation expense	11	12	10	9	8	16	17	18	18	28	32	32	29	38	33	37	42	42
Add-back: Special Charge	0	15	27	8	0	13	9	(0)	12	15	11	6	2	20	3	0	27	20
<i>Infrequent Adjustments</i>																		
Add-back: Settlement gain	(7)																	
Add-back: Loss on extinguishment of debt				11														
Add-back: Manufacturing Inefficiencies Related to Facility Closing						3	8					2						
Add-back: Abandonment of Inventory						1												
(Less)/Add-Back: Freight service provider fraud-related (recovery)/expense							8	(6)										
Add-back: Acquisition-related professional fees									3	11		2	3	3	2			
Add-Back: Net loss (gain) on financial instruments									3									
Add-back: Impairment of intangible asset										5								
Add-back: Manufacturing inefficiencies											2		1					
Add-back: Gain on sale of investment in unconsolidated affiliate											(7)							
Add-back: Excess inventory												3						
Less: Gain on sale of business												(5)						
Add-back: Impairment of investment															6		3	3
Add-back: Supplier Recovery Charge																	13	13
Add-back: Loss on sale of a business																	11	
<b>Total Adjustments</b>	<b>8</b>	<b>30</b>	<b>42</b>	<b>35</b>	<b>19</b>	<b>45</b>	<b>52</b>	<b>23</b>	<b>47</b>	<b>80</b>	<b>66</b>	<b>68</b>	<b>65</b>	<b>102</b>	<b>85</b>	<b>78</b>	<b>138</b>	<b>116</b>
Adjustment for Tax Effect	(3)	(11)	(14)	(12)	(6)	(16)	(18)	(8)	(15)	(28)	(22)	(20)	(15)	(23)	(19)	(18)	(32)	(27)
Less: Discrete income tax net benefit of the TCJA												(35)						
<b>Adjusted Net Income (Non-GAAP)</b>	<b>\$132</b>	<b>\$168</b>	<b>\$114</b>	<b>\$103</b>	<b>\$118</b>	<b>\$145</b>	<b>\$162</b>	<b>\$191</b>	<b>\$254</b>	<b>\$343</b>	<b>\$366</b>	<b>\$363</b>	<b>\$381</b>	<b>\$327</b>	<b>\$372</b>	<b>\$444</b>	<b>\$452</b>	<b>\$461</b>
Diluted weighted average number of shares outstanding	43.9	41.6	41.6	43.3	42.8	41.9	42.5	43.0	43.4	43.8	43.3	41.0	39.8	39.6	36.6	34.6	32.2	31.8
<b>Adjusted Diluted EPS (Non-GAAP)</b>	<b>\$3.04</b>	<b>\$4.04</b>	<b>\$2.74</b>	<b>\$2.37</b>	<b>\$2.76</b>	<b>\$3.47</b>	<b>\$3.81</b>	<b>\$4.45</b>	<b>\$5.83</b>	<b>\$7.84</b>	<b>\$8.45</b>	<b>\$8.84</b>	<b>\$9.57</b>	<b>\$8.27</b>	<b>\$10.17</b>	<b>\$12.83</b>	<b>\$14.05</b>	<b>\$14.50</b>

1) In FY2019 we made changes to our pension accounting that moved the presentation of certain costs out of operating profit and into miscellaneous expenses. This change is reflected from fiscal FY17 an all is included in all subsequent fiscal years. Prior fiscal years do not reflect this change

2) All numbers were taken from publicly available 10K's and earnings release filings that can be found on the AYI Investor Relations website

3) TCJA: Tax Cuts and Jobs Act of 2017



# AYI FREE CASH FLOW

(\$ in Millions)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY'23	LTM Q1'24
Net Cash Provided by Operating Activities	\$209	\$222	\$93	\$161	\$161	\$172	\$132	\$233	\$289	\$346	\$337	\$351	\$495	\$505	\$409	\$316	\$578	\$581
Purchases of Property, Plant, and Equipment	(31)	(27)	(21)	(22)	(23)	(31)	(41)	(35)	(57)	(84)	(67)	(44)	(53)	(55)	(44)	(57)	(67)	(63)
Free Cash Flow (Non-GAAP)	\$177	\$195	\$72	\$139	\$138	\$141	\$92	\$198	\$232	\$262	\$269	\$308	\$442	\$450	\$365	\$260	\$511	\$518

Notes:

- 1) In FY2019 we made changes to our pension accounting that moved the presentation of certain costs out of operating profit and into miscellaneous expenses. This change is reflected from fiscal FY17 an all is included in all subsequent fiscal years. Prior fiscal years do not reflect this change
- 2) All numbers were taken from publicly available 10K's and earnings release filings that can be found on the AYI Investor Relations website



# ABL ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING PROFIT MARGIN

(\$ in Millions)

	FY20	FY21	FY22	FY'23	LTM Q4'24
<b>Net Sales</b>	<b>\$3,194</b>	<b>\$3,287</b>	<b>\$3,810</b>	<b>\$,3723</b>	<b>\$3,652</b>
<b>Operating Profit (GAAP)</b>	<b>\$426</b>	<b>\$476</b>	<b>\$546</b>	<b>\$510</b>	<b>\$535</b>
Add-back: Amortization of acquired intangible assets	27	28	28	29	25
Add-back: Stock-based compensation expense	13	11	13	14	14
Add-back: Acquisition related items	1	-	-	-	-
Add-back: Special charge	-	-	-	25	18
Add-back: Supplier recovery charge	-	-	-	13	13
<b>Adjusted Operating Profit (Non-GAAP)</b>	<b>\$468</b>	<b>\$515</b>	<b>\$587</b>	<b>\$591</b>	<b>\$605</b>
<i>Adjusted Operating Profit Margin (Non-GAAP)</i>	<i>14.6%</i>	<i>15.7%</i>	<i>15.4%</i>	<i>15.9%</i>	<i>16.6%</i>

# ISG ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING PROFIT MARGIN

	FY20	FY21	FY22	FY'23	LTM Q4'24
<b>Net Sales</b>	<b>\$157</b>	<b>\$190</b>	<b>\$216</b>	<b>\$253</b>	<b>\$260</b>
<b>Operating Profit (GAAP)</b>	<b>(\$4)</b>	<b>\$10</b>	<b>\$23</b>	<b>\$32</b>	<b>\$30</b>
Add-back: Amortization of acquired intangible assets	14	13	13	13	13
Add-back: Stock-based compensation expense	5	3	4	5	5
<b>Adjusted Operating Profit (Non-GAAP)</b>	<b>\$15</b>	<b>\$26</b>	<b>\$40</b>	<b>\$50</b>	<b>\$48</b>
<i>Adjusted Operating Profit Margin (Non-GAAP)</i>	<i>9.5%</i>	<i>13.5%</i>	<i>18.5%</i>	<i>19.8%</i>	<i>18.6%</i>

