

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

FORM 8-K

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

Date of Report (Date of earliest event reported): April 5, 2022

Commission file number 001-16583.

ACUITY BRANDS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

58-2632672

(I.R.S. Employer
Identification Number)

1170 Peachtree Street, N.E., Suite 2300, Atlanta, Georgia 30309-7676

(Address of principal executive offices)

(404) 853-1400

(Registrant's telephone number, including area code)

None

(Former Name or Former Address, 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 |

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

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

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

Emerging growth company

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

Item 2.02. Results of Operations and Financial Condition.

On April 5, 2022, Acuity Brands, Inc. (“we,” “our,” “us,” “the Company,” or similar references) issued a press release containing information about our results of operations for our fiscal quarter ended February 28, 2022. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K, which is incorporated herein by reference. The information contained in this paragraph, as well as Exhibit 99.1 referenced herein, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

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

- 99.1 [Press Release dated April 5, 2022.](#)
- 104 Cover Page Interactive Data File (embedded within the inline XBRL document).

Signatures

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

Date: April 5, 2022

ACUITY BRANDS, INC.

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

Investor Contact:

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Acuity Brands Reports Fiscal 2022 Second-Quarter Results

Continued Strong Performance Supporting Effective Capital Allocation

- **Net Sales Increased 17% Over the Prior Year**
- **Operating Profit Increased 12% Over the Prior Year**
- **Diluted EPS Increased 22% Over the Prior Year**

ATLANTA, April 5, 2022 - Acuity Brands, Inc. (NYSE: AYI) (the "Company") a market-leading industrial technology company announced net sales of \$909.1 million for the second quarter of fiscal 2022 ended February 28, 2022, an increase of \$132.5 million, or 17.1 percent, compared to the same period in fiscal 2021. Diluted earnings per share ("EPS") was \$2.13, an increase of 22.4 percent over the prior year.

"I am proud of the strong performance delivered by our team through the second quarter of fiscal 2022," stated Neil Ashe, Chairman, President and Chief Executive Officer of Acuity Brands, Inc. "Our focus on service and product vitality has allowed us to meet current customer demand while also investing in the long-term growth and transformation of our Company."

Gross profit of \$379.3 million for the second quarter of fiscal 2022 increased \$42.6 million, or 12.7 percent, over the prior year. This increase was driven by revenue growth as well as our ability to offset the significant increase in material and freight costs through price increases and product and productivity improvements. Gross profit as a percent of net sales was 41.7 percent for the second quarter of fiscal 2022, a decrease of 170 basis points from 43.4 percent over the prior year but flat sequentially over the first quarter of 2022.

Operating profit of \$102.3 million for the second quarter of fiscal 2022 increased \$11.3 million, or 12.4 percent, over the prior year as we continued to leverage operating expenses. Operating profit was 11.3 percent of net sales for the second quarter of fiscal 2022, a decrease of 40 basis points from 11.7 percent over the prior year. The operating margin decrease was driven by the year-over-year decrease in gross margin partially offset by the leveraging of operating expenses.

Adjusted operating profit of \$122.6 million for the second quarter of fiscal 2022 increased \$13.7 million, or 12.6 percent, over the prior year. Adjusted operating profit was 13.5 percent of net sales for the second quarter of fiscal 2022, a decrease of 50 basis points from 14.0 percent in the prior year.

Net income of \$75.3 million for the second quarter of fiscal 2022 increased \$12.4 million, or 19.7 percent, over the prior year. Diluted earnings per share of \$2.13 for the second quarter of fiscal 2022 increased \$0.39, or 22.4 percent, from \$1.74 in the prior year.

Adjusted net income of \$91.0 million increased \$14.3 million, or 18.6 percent, over the prior year. Adjusted diluted earnings per share of \$2.57 increased \$0.45, or 21.2 percent, from \$2.12 in the prior year.

Segment Performance

Acuity Brands Lighting and Lighting Controls ("ABL")

ABL generated net sales of \$863.1 million for the second quarter of fiscal 2022, an increase of \$126.3 million or 17.1 percent, over the prior year with acquisitions contributing approximately 4 percent to current year sales growth.

- Net sales of \$614.3 million in the Independent Sales Network increased 11.7 percent over the prior year.
- Net sales of \$83.2 million in the Direct Sales Network increased 5.1 percent over the prior year.
- Sales in the Corporate Accounts channel of \$53.6 million increased 104.6 percent over the prior year.
- Retail sales of \$42.7 million declined 2.3 percent over the prior year.

Operating profit was \$116.5 million for the second quarter of fiscal 2022, an increase of \$14.5 million or 14.2 percent over the prior year. Adjusted operating profit was \$126.9 million for the second quarter of fiscal 2022, an increase of \$15.0 million or 13.4 percent, over the prior year.

Intelligent Spaces Group ("ISG")

ISG generated net sales of \$50.0 million for the second quarter of fiscal 2022, an increase of \$6.7 million, or 15.5 percent, over the prior year.

Operating profit was \$1.2 million for the second quarter of fiscal 2022, an increase of \$0.4 million over the prior year. Adjusted operating profit was \$5.6 million for the second quarter of fiscal 2022, an increase of \$0.8 million, or 16.7 percent, over the prior year.

Cash Flow and Capital Allocation

Net cash from operating activities of \$127.3 million decreased \$85.3 million, or 40.1 percent, for the first six months of fiscal 2022 compared to the same period in the prior year due primarily to increased operating working capital, as we managed our inventory levels to support growth and insulate production facilities from inconsistent supply availability.

During the first six months of 2022, the Company repurchased 0.6 million shares of common stock for a total of \$109.1 million at an average price of \$182.19 per share.

Today's Call Details

The Company is planning to host a conference call at 8:00 a.m. (ET) today, Tuesday, April 5, 2022. Neil Ashe, Chairman, President and Chief Executive Officer of Acuity Brands, Inc. will lead the call.

The conference call and earnings release can be accessed via the Investor Relations section of the Company's website at www.investors.acuitybrands.com. A replay of the call will also be posted to the Investor Relations site within two hours of the completion of the conference call and will be available on the site for a limited time.

About Acuity Brands

Acuity Brands, Inc. (NYSE: AYI) is a market-leading industrial technology company. We use technology to solve problems in spaces and light. Through our two business segments, Acuity Brands Lighting and Lighting Controls ("ABL") and the Intelligent Spaces Group ("ISG"), we design, manufacture, and bring to market products and services that make a valuable difference in people's lives. We achieve growth through the development of innovative new products and services, including lighting, lighting controls, building management systems, and location-aware applications.

Acuity Brands, Inc. achieves customer-focused efficiencies that allow the Company to increase market share and deliver superior returns. The Company looks to aggressively deploy capital to grow the business and to enter attractive new verticals.

Acuity Brands, Inc. is based in Atlanta, Georgia, with operations across North America, Europe, and Asia. The Company is powered by approximately 13,500 dedicated and talented associates. Visit us at www.acuitybrands.com.

Non-GAAP Financial Measures

This news release includes the following non-generally accepted accounting principles ("GAAP") financial measures: "adjusted operating profit" and "adjusted operating profit margin" for total company and by segment; "adjusted net income;" "adjusted diluted EPS;" "earnings before interest, taxes, depreciation, and amortization ("EBITDA");" "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 amortization of acquired intangible assets, share-based payment expense, impairment on investment, 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. 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, an impairment of investment, and special charges. Adjusted diluted EPS is adjusted net income divided by diluted weighted average shares outstanding. The most directly comparable GAAP measure for FCF is “net cash provided by operating activities.” The most directly comparable GAAP measure for EBITDA is “net income”, which includes the impact of net interest expense, income taxes, depreciation, and amortization of acquired intangible assets. The most directly comparable GAAP measure for adjusted EBITDA is “net income”, which includes the impact of net interest expense, income taxes, depreciation, amortization of acquired intangible assets, share-based payment expense, special charges, and miscellaneous (income) expense, net. 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.

Forward-Looking Information

This press release includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, 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 press release regarding: strong perform long term growth and transformation. 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,” “future,” “should,” “looks to,” “leading to” 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, whether written or oral, to reflect changes in assumptions, the occurrence of events, or otherwise.

ACUITY BRANDS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)

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

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

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

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

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

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

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

| | Three Months Ended | | Increase (Decrease) | Percent Change |
|------------------------------|---------------------------|--------------------------|----------------------------|-----------------------|
| | February 28, 2022 | February 28, 2021 | | |
| Acuity Brands Lighting: | | | | |
| Independent sales network | \$ 614.3 | \$ 549.9 | \$ 64.4 | 11.7 % |
| Direct sales network | 83.2 | 79.2 | 4.0 | 5.1 % |
| Retail sales | 42.7 | 43.7 | (1.0) | (2.3)% |
| Corporate accounts | 53.6 | 26.2 | 27.4 | 104.6 % |
| Other | 69.3 | 37.8 | 31.5 | 83.3 % |
| Total Acuity Brands Lighting | 863.1 | 736.8 | 126.3 | 17.1 % |
| Intelligent Spaces Group | 50.0 | 43.3 | 6.7 | 15.5 % |
| Eliminations | (4.0) | (3.5) | (0.5) | 14.3 % |
| Total | \$ 909.1 | \$ 776.6 | \$ 132.5 | 17.1 % |

| | Six Months Ended | | Increase (Decrease) | Percent Change |
|------------------------------|--------------------------|--------------------------|----------------------------|-----------------------|
| | February 28, 2022 | February 28, 2021 | | |
| Acuity Brands Lighting: | | | | |
| Independent sales network | \$ 1,251.1 | \$ 1,109.4 | \$ 141.7 | 12.8 % |
| Direct sales network | 173.2 | 159.3 | 13.9 | 8.7 % |
| Retail sales | 89.6 | 99.7 | (10.1) | (10.1)% |
| Corporate accounts | 90.6 | 49.1 | 41.5 | 84.5 % |
| Other | 142.2 | 72.9 | 69.3 | 95.1 % |
| Total Acuity Brands Lighting | 1,746.7 | 1,490.4 | 256.3 | 17.2 % |
| Intelligent Spaces Group | 96.4 | 84.1 | 12.3 | 14.6 % |
| Eliminations | (7.9) | (5.9) | (2.0) | 33.9 % |
| Total | \$ 1,835.2 | \$ 1,568.6 | \$ 266.6 | 17.0 % |

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

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

| | Three Months Ended | | Increase (Decrease) | Percent Change |
|--|----------------------|----------------------|------------------------|----------------|
| | February 28, 2022 | February 28, 2021 | | |
| Net sales | \$ 909.1 | \$ 776.6 | \$ 132.5 | 17.1 % |
| Operating profit (GAAP) | \$ 102.3 | \$ 91.0 | \$ 11.3 | 12.4 % |
| <i>Percent of net sales</i> | | 11.3 % | 11.7 % | (40) bps |
| Add-back: Amortization of acquired intangible assets | 10.3 | 10.1 | | |
| Add-back: Share-based payment expense | 10.0 | 7.5 | | |
| Add-back: Special charges | — | 0.3 | | |
| Adjusted operating profit (Non-GAAP) | <u>\$ 122.6</u> | <u>\$ 108.9</u> | \$ 13.7 | 12.6 % |
| <i>Percent of net sales</i> | | 13.5 % | 14.0 % | (50) bps |
| Net income (GAAP) | \$ 75.3 | \$ 62.9 | \$ 12.4 | 19.7 % |
| Add-back: Amortization of acquired intangible assets | 10.3 | 10.1 | | |
| Add-back: Share-based payment expense | 10.0 | 7.5 | | |
| Add-back: Special charges | — | 0.3 | | |
| Total pre-tax adjustments to net income | 20.3 | 17.9 | | |
| Income tax effects | (4.6) | (4.1) | | |
| Adjusted net income (Non-GAAP) | <u>\$ 91.0</u> | <u>\$ 76.7</u> | \$ 14.3 | 18.6 % |
| Diluted earnings per share (GAAP) | \$ 2.13 | \$ 1.74 | \$ 0.39 | 22.4 % |
| Adjusted diluted earnings per share (Non-GAAP) | \$ 2.57 | \$ 2.12 | \$ 0.45 | 21.2 % |
| Net income (GAAP) | \$ 75.3 | \$ 62.9 | \$ 12.4 | 19.7 % |
| Interest expense, net | 6.0 | 6.6 | | |
| Income tax expense | 22.9 | 19.3 | | |
| Depreciation | 13.3 | 14.9 | | |
| Amortization | 10.3 | 10.1 | | |
| EBITDA (Non-GAAP) | 127.8 | 113.8 | 14.0 | 12.3 % |
| Share-based payment expense | 10.0 | 7.5 | | |
| Miscellaneous (income) expense, net | (1.9) | 2.2 | | |
| Special charges | — | 0.3 | | |
| Adjusted EBITDA (Non-GAAP) | <u>\$ 135.9</u> | <u>\$ 123.8</u> | \$ 12.1 | 9.8 % |

| ABL | Three Months Ended | | Increase (Decrease) | Percent Change |
|--|---------------------------|--------------------------|--------------------------------|-----------------------|
| | February 28, 2022 | February 28, 2021 | | |
| Net sales | \$ 863.1 | \$ 736.8 | \$ 126.3 | 17.1 % |
| Operating profit (GAAP) | \$ 116.5 | \$ 102.0 | \$ 14.5 | 14.2 % |
| Add-back: Amortization of acquired intangible assets | 7.1 | 6.9 | | |
| Add-back: Share-based payment expense | 3.3 | 3.0 | | |
| Adjusted operating profit (Non-GAAP) | <u>\$ 126.9</u> | <u>\$ 111.9</u> | \$ 15.0 | 13.4 % |
| Operating profit margin (GAAP) | 13.5 % | 13.8 % | (30) <i>bps</i> | |
| Adjusted operating profit margin (Non-GAAP) | 14.7 % | 15.2 % | (50) <i>bps</i> | |

| ISG | Three Months Ended | | Increase (Decrease) | Percent Change |
|--|---------------------------|--------------------------|--------------------------------|-----------------------|
| | February 28, 2022 | February 28, 2021 | | |
| Net sales | \$ 50.0 | \$ 43.3 | \$ 6.7 | 15.5 % |
| Operating profit (GAAP) | \$ 1.2 | \$ 0.8 | \$ 0.4 | 50.0 % |
| Add-back: Amortization of acquired intangible assets | 3.2 | 3.2 | | |
| Add-back: Share-based payment expense | 1.2 | 0.8 | | |
| Adjusted operating profit (Non-GAAP) | <u>\$ 5.6</u> | <u>\$ 4.8</u> | \$ 0.8 | 16.7 % |
| Operating profit margin (GAAP) | 2.4 % | 1.8 % | 60 <i>bps</i> | |
| Adjusted operating profit margin (Non-GAAP) | 11.2 % | 11.1 % | 10 <i>bps</i> | |

(In millions, except per share data)

| | Six Months Ended | | Increase (Decrease) | Percent Change |
|--|----------------------|----------------------|------------------------|----------------|
| | February 28, 2022 | February 28, 2021 | | |
| Net sales | \$ 1,835.2 | \$ 1,568.6 | \$ 266.6 | 17.0 % |
| Operating profit (GAAP) | \$ 217.4 | \$ 176.7 | \$ 40.7 | 23.0 % |
| <i>Percent of net sales</i> | | 11.8 % | 11.3 % | 50 bps |
| Add-back: Amortization of acquired intangible assets | 20.6 | 20.2 | | |
| Add-back: Share-based payment expense | 17.6 | 15.2 | | |
| Add-back: Special charges | — | 1.0 | | |
| Adjusted operating profit (Non-GAAP) | <u>\$ 255.6</u> | <u>\$ 213.1</u> | \$ 42.5 | 19.9 % |
| <i>Percent of net sales</i> | | 13.9 % | 13.6 % | 30 bps |
| Net income (GAAP) | \$ 162.9 | \$ 122.5 | \$ 40.4 | 33.0 % |
| Add-back: Amortization of acquired intangible assets | 20.6 | 20.2 | | |
| Add-back: Share-based payment expense | 17.6 | 15.2 | | |
| Add-back: Special charges | — | 1.0 | | |
| Add-back: Impairment of investment | — | 4.0 | | |
| Total pre-tax adjustments to net income | 38.2 | 40.4 | | |
| Income tax effect | (8.8) | (9.3) | | |
| Adjusted net income (Non-GAAP) | <u>\$ 192.3</u> | <u>\$ 153.6</u> | \$ 38.7 | 25.2 % |
| Diluted earnings per share (GAAP) | \$ 4.60 | \$ 3.30 | \$ 1.30 | 39.4 % |
| Adjusted diluted earnings per share (Non-GAAP) | \$ 5.43 | \$ 4.14 | \$ 1.29 | 31.2 % |
| Net income (GAAP) | \$ 162.9 | \$ 122.5 | \$ 40.4 | 33.0 % |
| Interest expense, net | 11.9 | 11.5 | | |
| Income tax expense | 44.2 | 38.9 | | |
| Depreciation | 27.3 | 29.8 | | |
| Amortization | 20.6 | 20.2 | | |
| EBITDA (Non-GAAP) | 266.9 | 222.9 | \$ 44.0 | 19.7 % |
| Share-based payment expense | 17.6 | 15.2 | | |
| Miscellaneous (income) expense, net | (1.6) | 3.8 | | |
| Special charges | — | 1.0 | | |
| Impairment of investment | — | 4.0 | | |
| Adjusted EBITDA (Non-GAAP) | <u>\$ 282.9</u> | <u>\$ 246.9</u> | \$ 36.0 | 14.6 % |

| ABL | Six Months Ended | | Increase (Decrease) | Percent Change |
|--|--------------------------|--------------------------|--------------------------------|-----------------------|
| | February 28, 2022 | February 28, 2021 | | |
| Net sales | \$ 1,746.7 | \$ 1,490.4 | \$ 256.3 | 17.2 % |
| Operating profit | \$ 244.6 | \$ 200.4 | \$ 44.2 | 22.1 % |
| Add-back: Amortization of acquired intangible assets | 14.2 | 13.9 | | |
| Add-back: Share-based payment expense | 6.3 | 5.9 | | |
| Adjusted operating profit | <u>\$ 265.1</u> | <u>\$ 220.2</u> | \$ 44.9 | 20.4 % |
| Operating profit margin | 14.0 % | 13.4 % | 60 <i>bps</i> | |
| Adjusted operating profit margin | 15.2 % | 14.8 % | 40 <i>bps</i> | |

| ISG | Six Months Ended | | Increase (Decrease) | Percent Change |
|--|--------------------------|--------------------------|--------------------------------|-----------------------|
| | February 28, 2022 | February 28, 2021 | | |
| Net sales | \$ 96.4 | \$ 84.1 | \$ 12.3 | 14.6 % |
| Operating profit (loss) | \$ 3.2 | \$ 0.7 | \$ 2.5 | 357.1 % |
| Add-back: Amortization of acquired intangible assets | 6.4 | 6.3 | | |
| Add-back: Share-based payment expense | 2.1 | 1.5 | | |
| Adjusted operating profit | <u>\$ 11.7</u> | <u>\$ 8.5</u> | \$ 3.2 | 37.6 % |
| Operating profit (loss) margin | 3.3 % | 0.8 % | 250 <i>bps</i> | |
| Adjusted operating profit margin | 12.1 % | 10.1 % | 200 <i>bps</i> | |

| | Six Months Ended | | Increase (Decrease) | Percent Change |
|---|--------------------------|--------------------------|--------------------------------|-----------------------|
| | February 28, 2022 | February 28, 2021 | | |
| Net cash provided by operating activities (GAAP) | \$ 127.3 | \$ 212.6 | \$ (85.3) | (40.1)% |
| Less: Purchases of property, plant, and equipment | (24.1) | (21.2) | | |
| Free cash flow (Non-GAAP) | <u>\$ 103.2</u> | <u>\$ 191.4</u> | \$ (88.2) | (46.1)% |