



BMS Software Suite

# AYI: ACUITY BRANDS, INC

COMPANY OVERVIEW

January 8, 2025

# FORWARD LOOKING STATEMENTS

This presentation and related conference call and webcast contain “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, but are not limited to, 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, assumptions and other important factors, many of which are outside of our control and any of which could cause our actual results to differ materially from those expressed or implied by the forward-looking statements. These risks and uncertainties are discussed in our filings with the U.S. Securities and Exchange Commission, including our most recent annual report on Form 10-K (including, but not limited to, the sections titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”), 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. This presentation is not comprehensive, and for that reason, should be read in conjunction with such filings. 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, conference call and webcast, 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 gross profit", "adjusted gross profit margin", "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")", "EBITDA margin", "adjusted EBITDA", and "Adjusted EBITDA margin". 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, supplier recovery charge and special charges associated with continued efforts to streamline the organization and integrate recent acquisitions, and a loss on sale of 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.

We also provide "free cash flow" ("FCF") to enhance the readers understanding of the Company's ability to generate additional cash from its business.

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 presentation 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 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, impairments of investments, supplier recovery charge, special charges, and a loss on sale of business. Adjusted diluted EPS is adjusted net income divided by diluted weighted average shares outstanding. 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. EBITDA margin is EBITDA divided by net sales for total company. 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, supplier recovery charges, special charges, and miscellaneous (income) expense, net. Adjusted EBITDA margin is Adjusted EBITDA divided by net sales for total company. 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 2025 non-GAAP outlook measure.

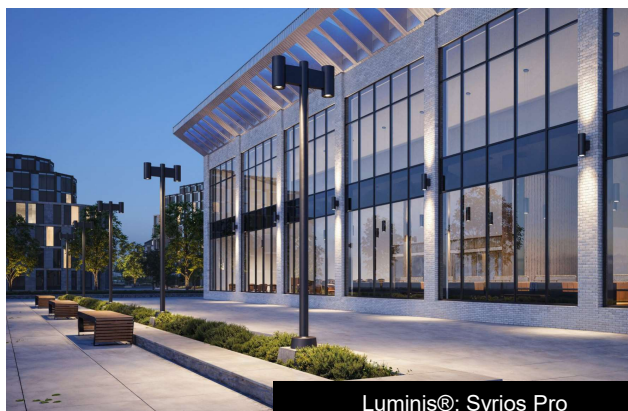
We define FCF as net cash provided by operating activities less purchase of property, plant and equipment. A calculation of this measure is available in this presentation.

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.



# ABOUT ACUITY

## INTERSECTION OF SUSTAINABILITY AND TECHNOLOGY



Luminis®: Syrios Pro

### Our Business Segments



Acuity Brands Lighting



Acuity Intelligent Spaces

## OUR COMPETITIVE ADVANTAGE

### Our Operating System



### 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

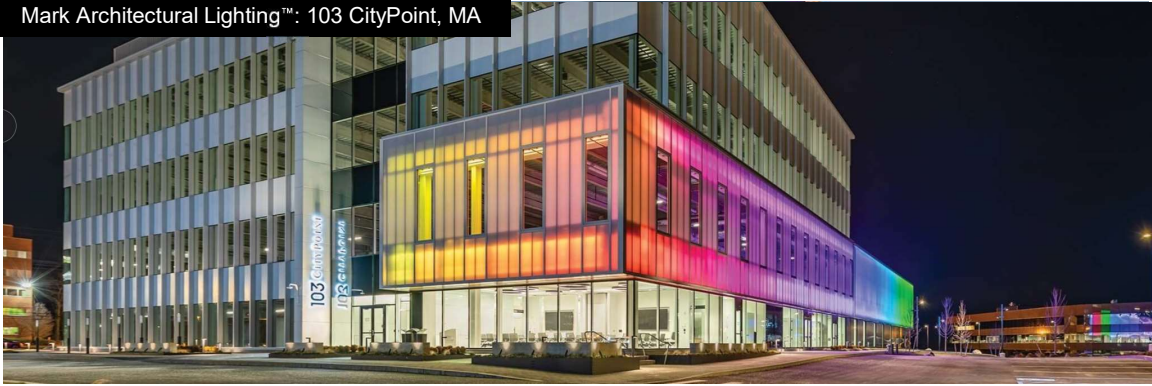
## EFFECTIVE CAPITAL ALLOCATION



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



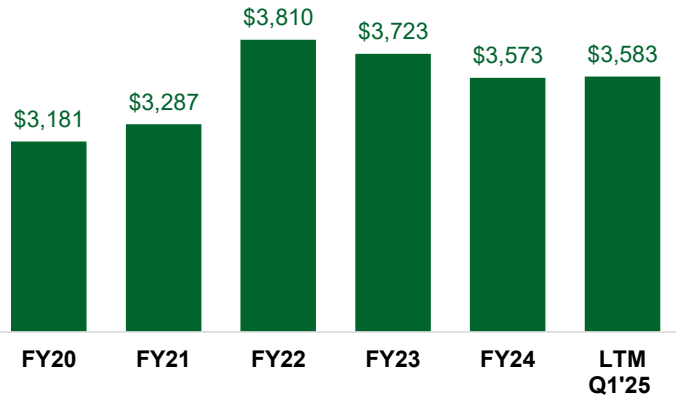
# ACUITY BRANDS LIGHTING



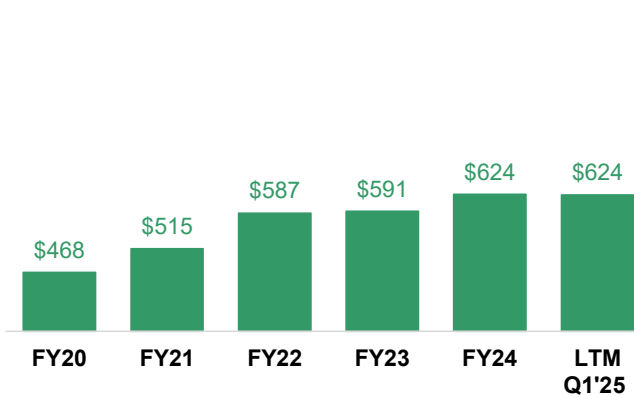
PREDICTABLE, REPEATABLE, SCALABLE

(\$ in Millions)

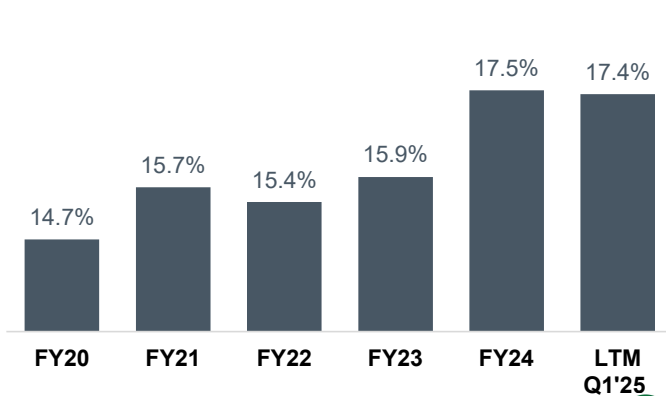
### NET SALES



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



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



<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. Note: Graphs not to scale



# ACUITY INTELLIGENT SPACES

Distech Controls™: Grand Palais





EXPANDING OUR ADDRESSABLE MARKET

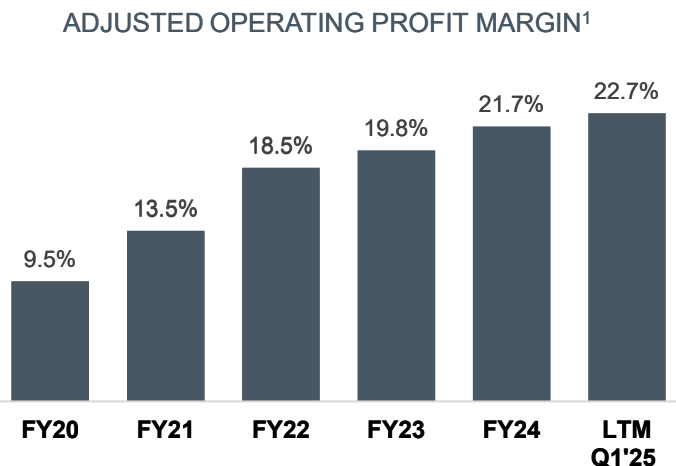
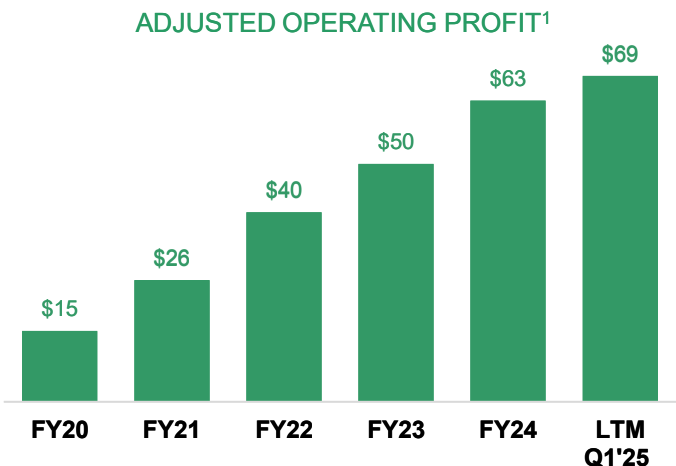
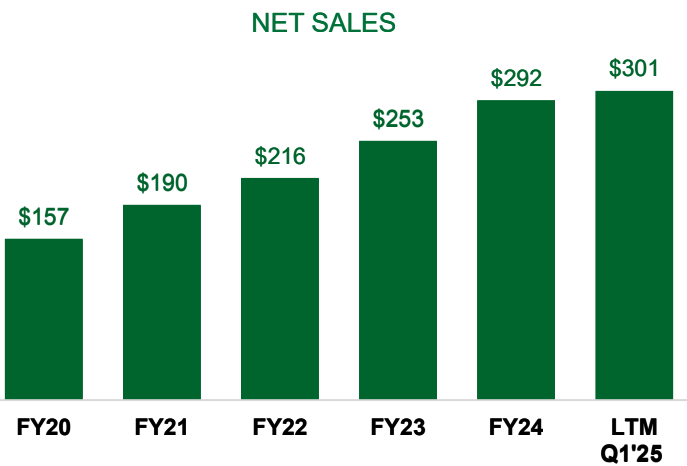
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DISRUPTIVE TECHNOLOGIES THAT LEVERAGE DATA INTEROPERABILITY


## SMARTER, SAFER, GREENER

(\$ in Millions)




<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. Note: Graphs not to scale


# EFFECTIVE CAPITAL ALLOCATION




Invest for Growth in our Current Businesses



Invest in M&A



Increase our Dividend



Repurchase Shares to Create Permanent Shareholder Value



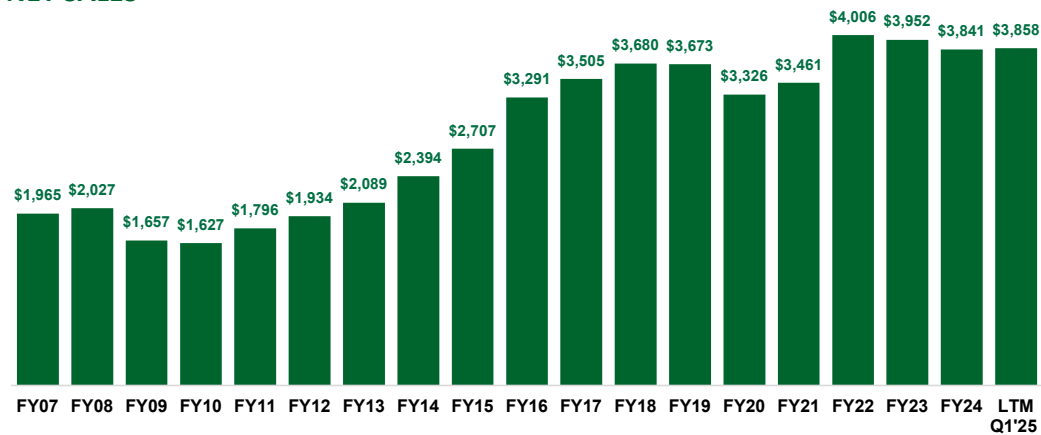
WE REPURCHASED **OVER \$1.4 BILLION** OF OUR SHARES OUTSTANDING FROM THE BEGINNING OF THE 4<sup>TH</sup> QUARTER OF 2020.

THIS IS **APPROXIMATELY 24%** OF THE THEN-OUTSTANDING SHARES.

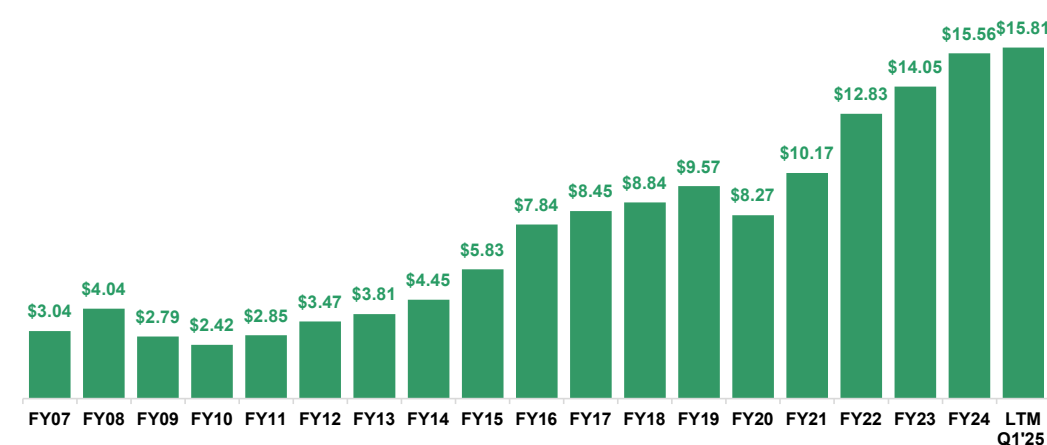
# AYI PERFORMANCE OVER TIME

(\$ in Millions, Except Per Share Data)

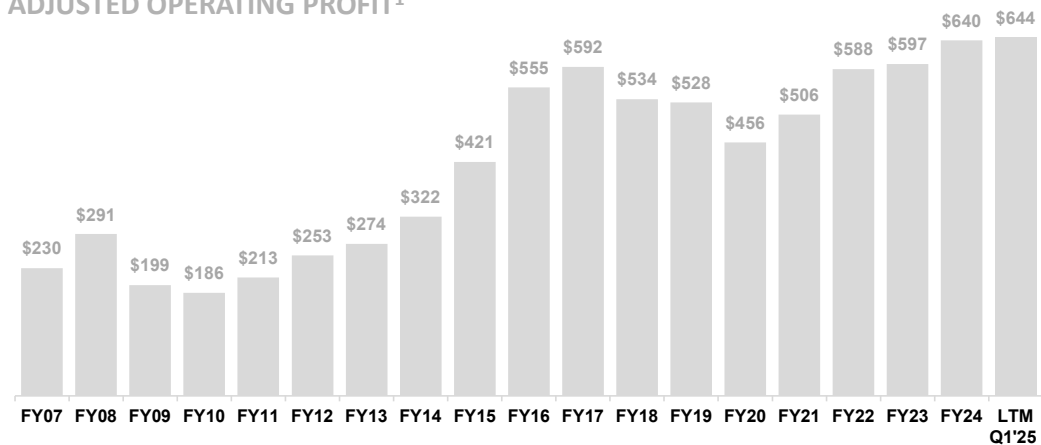
## NET SALES



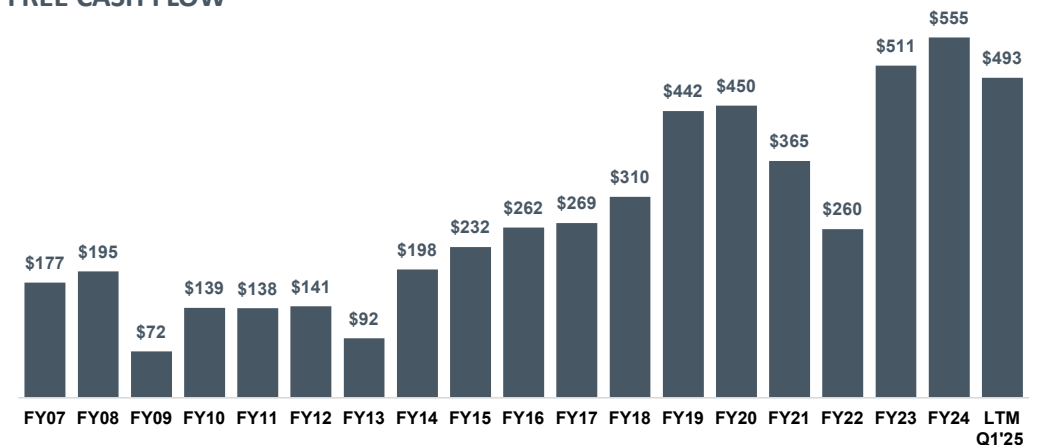
## ADJUSTED DILUTED EARNINGS PER SHARE<sup>1</sup>



## 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.

Note: Graphs not to scale





# APPENDIX

## Reconciliation of Non-GAAP Measures



nLight® AIR Wireless Lighting Controls



# 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	FY'24	LTM Q1'25
<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>\$3,841</b>	<b>\$3,858</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>\$553</b>	<b>\$554</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	40	39
Add-back: Stock-based compensation expense	11	12	10	9	8	16	17	18	18	28	32	32	29	38	33	37	42	47	48
Add-back: Special Charge	-	15	27	8	-	13	9	-	12	15	11	6	2	20	3	-	27	-	-
<i>Infrequent Adjustments</i>																			
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	-	-	-	5
Add-back: Impairment of intangible asset	-	-	-	-	-	-	-	-	-	5	-	-	-	-	-	-	-	-	-
Add-back: Manufacturing inefficiencies	-	-	-	-	-	-	-	-	-	-	2	-	1	-	-	-	-	-	-
Add-back: Excess inventory	-	-	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-	-	-
Add-back: Supplier Recovery Charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	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>\$640</b>	<b>\$644</b>
<i>Adjusted Operating Profit Margin (Non-GAAP)</i>	<i>11.7%</i>	<i>14.4%</i>	<i>11.8%</i>	<i>11.2%</i>	<i>11.5%</i>	<i>13.1%</i>	<i>13.1%</i>	<i>13.5%</i>	<i>15.6%</i>	<i>16.9%</i>	<i>16.9%</i>	<i>14.5%</i>	<i>14.4%</i>	<i>13.7%</i>	<i>14.6%</i>	<i>14.7%</i>	<i>15.1%</i>	<i>16.7%</i>	<i>16.7%</i>

**Notes:**

- 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 and all is included in all subsequent fiscal years. Prior fiscal years do not reflect this change.
- 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	FY'23	FY'24	LTM Q1'25
<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>\$423</b>	<b>\$429</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	40	39
Add-back: Stock-based compensation expense	11	12	10	9	8	16	17	18	18	28	32	32	29	38	33	37	42	47	48
Add-back: Special Charge	-	15	27	8	-	13	9	-	12	15	11	6	2	20	3	-	27	-	-
<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	-	-	-	5
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	-	-
Add-back: Supplier Recovery Charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	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>86</b>	<b>91</b>
Adjustment for Tax Effect	(3)	(11)	(14)	(12)	(6)	(16)	(18)	(8)	(15)	(28)	(22)	(20)	(15)	(23)	(19)	(18)	(32)	(20)	(21)
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>\$489</b>	<b>\$499</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	31.4	31.5
<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>\$15.56</b>	<b>\$15.81</b>

- Notes:
- 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 and all is included in all subsequent fiscal years. Prior fiscal years do not reflect this change
  - All numbers were taken from publicly available 10K's and earnings release filings that can be found on the AYI Investor Relations website
  - 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	FY'24	LTM Q125
<b>Net Cash Provided by Operating Activities</b>	\$209	\$222	\$93	\$161	\$161	\$172	\$132	\$233	\$289	\$346	\$337	\$353	\$495	\$505	\$409	\$316	\$578	\$619	\$561
Purchases of Property, Plant, and Equipment	(31)	(27)	(21)	(22)	(23)	(31)	(41)	(35)	(57)	(84)	(67)	(44)	(53)	(55)	(44)	(57)	(67)	(64)	(68)
<b>Free Cash Flow (Non-GAAP)</b>	\$177	\$195	\$72	\$139	\$138	\$141	\$92	\$198	\$232	\$262	\$269	\$308	\$442	\$450	\$365	\$260	\$511	\$555	\$493

**Notes:**

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



# ACUITY BRANDS LIGHTING ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING PROFIT MARGIN

(\$ in Millions)

	FY20	FY21	FY22	FY'23	FY'24	LTM Q1'25
<b>Net Sales</b>	<b>\$3,181</b>	<b>\$3,287</b>	<b>\$3,810</b>	<b>\$3,723</b>	<b>\$3,573</b>	<b>\$3,583</b>
<b>Operating Profit (GAAP)</b>	<b>\$426</b>	<b>\$476</b>	<b>\$546</b>	<b>\$510</b>	<b>\$583</b>	<b>\$582</b>
Add-back: Amortization of acquired intangible assets	27	28	28	29	26	26
Add-back: Stock-based compensation expense	13	11	13	14	15	16
Add-back: Acquisition related items	1	-	-	-	-	-
Add-back: Special charge	-	-	-	25	-	-
Add-back: Supplier recovery charge	-	-	-	13	-	-
<b>Adjusted Operating Profit (Non-GAAP)</b>	<b>\$468</b>	<b>\$515</b>	<b>\$587</b>	<b>\$591</b>	<b>\$624</b>	<b>\$623</b>
<i>Adjusted Operating Profit Margin (Non-GAAP)</i>	<i>14.7%</i>	<i>15.7%</i>	<i>15.4%</i>	<i>15.9%</i>	<i>17.5%</i>	<i>17.4%</i>

# ACUITY INTELLIGENT SPACES ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING PROFIT MARGIN

(\$ in Millions)

	FY20	FY21	FY22	FY'23	FY'24	LTM Q1'25
<b>Net Sales</b>	<b>\$157</b>	<b>\$190</b>	<b>\$216</b>	<b>\$253</b>	<b>\$292</b>	<b>\$301</b>
<b>Operating Profit (GAAP)</b>	<b>(\$4)</b>	<b>\$10</b>	<b>\$23</b>	<b>\$32</b>	<b>\$44</b>	<b>\$49</b>
Add-back: Amortization of acquired intangible assets	14	13	13	13	14	13
Add-back: Stock-based compensation expense	5	3	4	5	6	7
<b>Adjusted Operating Profit (Non-GAAP)</b>	<b>\$15</b>	<b>\$26</b>	<b>\$40</b>	<b>\$50</b>	<b>\$63</b>	<b>\$69</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>21.7%</i>	<i>22.7%</i>

