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 February 28, 2023.

OR

☐ **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 1200, Atlanta, Georgia 30309-7676
(Address of principal executive offices)

(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 ☐

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 ☐

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	☐	Non-accelerated filer	☐
Smaller reporting company	☐	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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ 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 — 31,798,338 shares as of March 30, 2023.

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)

	February 28, 2023 (unaudited)	August 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 339.0	$ 223.2
Accounts receivable, less reserve for doubtful accounts of $1.2 and $1.2, respectively	523.1	665.9
Inventories	436.4	485.7
Prepayments and other current assets	95.0	91.2
Total current assets	1,393.5	1,466.0
Property, plant, and equipment, net	286.0	276.5
Operating lease right-of-use assets	77.8	74.9
Goodwill	1,080.3	1,084.3
Intangible assets, net	495.8	529.2
Deferred income taxes	1.2	1.3
Other long-term assets	49.2	48.0
Total assets	$ 3,383.8	$ 3,480.2
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 324.8	$ 397.8
Current maturities of debt	—	18.0
Current operating lease liabilities	17.2	15.7
Accrued compensation	78.0	88.0
Other current liabilities	176.3	214.1
Total current liabilities	596.3	733.6
Long-term debt	495.3	495.0
Long-term operating lease liabilities	72.4	67.4
Accrued pension liabilities	41.7	41.4
Deferred income taxes	100.6	102.1
Other long-term liabilities	129.9	128.9
Total liabilities	1,436.2	1,568.4
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; 54,389,841 and 54,241,069 issued, respectively	0.5	0.5
Paid-in capital	1,047.1	1,036.3
Retained earnings	3,325.8	3,176.2
Accumulated other comprehensive loss	(126.3)	(125.8)
Treasury stock, at cost, of 22,475,844 and 21,753,820 shares, respectively	(2,299.5)	(2,175.4)
Total stockholders' equity	1,947.6	1,911.8
Total liabilities and stockholders' equity	$ 3,383.8	$ 3,480.2

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		Six Months Ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
Net sales	$ 943.6	$ 909.1	$ 1,941.5	$ 1,835.2
Cost of products sold	536.9	529.8	1,118.3	1,070.1
Gross profit	406.7	379.3	823.2	765.1
Selling, distribution, and administrative expenses	295.2	277.0	595.9	547.7
Special charges	—	—	6.9	—
Operating profit	111.5	102.3	220.4	217.4
Other expense:				
Interest expense, net	5.7	6.0	12.3	11.9
Miscellaneous (income) expense, net	(3.7)	(1.9)	5.4	(1.6)
Total other expense	2.0	4.1	17.7	10.3
Income before income taxes	109.5	98.2	202.7	207.1
Income tax expense	26.3	22.9	44.6	44.2
Net income	$ 83.2	$ 75.3	$ 158.1	$ 162.9
Earnings per share[(1)]:				
Basic earnings per share	$ 2.60	$ 2.16	$ 4.91	$ 4.65
Basic weighted average number of shares outstanding	32.048	34.964	32.178	35.007
Diluted earnings per share	$ 2.57	$ 2.13	$ 4.86	$ 4.60
Diluted weighted average number of shares outstanding	32.386	35.364	32.545	35.444
Dividends declared per share	$ 0.13	$ 0.13	$ 0.26	$ 0.26
Comprehensive income:				
Net income	$ 83.2	$ 75.3	$ 158.1	$ 162.9
Other comprehensive income (loss) items:				
Foreign currency translation adjustments	(1.1)	4.8	(2.6)	(7.1)
Defined benefit plans, net of tax	1.0	1.2	2.1	2.4
Other comprehensive (loss) income items, net of tax	(0.1)	6.0	(0.5)	(4.7)
Comprehensive income	$ 83.1	$ 81.3	$ 157.6	$ 158.2

(1) Earnings per share is calculated using unrounded numbers. Amounts in the table may not recalculate exactly due to rounding.

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)

	Six Months Ended	
	February 28, 2023	February 28, 2022
Cash flows from operating activities:		
Net income	$ 158.1	$ 162.9
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	48.5	47.9
Share-based payment expense	22.0	17.6
Gain on sale of property, plant, and equipment	—	(2.3)
Asset impairment	4.3	1.7
Loss on sale of a business	11.2	—
Changes in operating assets and liabilities, net of acquisitions and divestitures:		
Accounts receivable	142.6	23.5
Inventories	44.5	(117.6)
Prepayments and other current assets	(1.7)	(51.8)
Accounts payable	(69.1)	63.4
Other	(54.0)	(18.0)
Net cash provided by operating activities	306.4	127.3
Cash flows from investing activities:		
Purchases of property, plant, and equipment	(35.6)	(24.1)
Proceeds from sale of property, plant, and equipment	—	8.9
Acquisition of businesses, net of cash acquired	—	(10.2)
Other investing activities	6.4	(1.7)
Net cash used for investing activities	(29.2)	(27.1)
Cash flows from financing activities:		
Repayments on credit facility, net of borrowings	(18.0)	—
Repurchases of common stock	(121.7)	(108.0)
Proceeds from stock option exercises and other	1.7	10.2
Payments of taxes withheld on net settlement of equity awards	(12.9)	(7.3)
Dividends paid	(8.5)	(9.3)
Net cash used for financing activities	(159.4)	(114.4)
Effect of exchange rate changes on cash and cash equivalents	(2.0)	(1.6)
Net change in cash and cash equivalents	115.8	(15.8)
Cash and cash equivalents at beginning of period	223.2	491.3
Cash and cash equivalents at end of period	$ 339.0	$ 475.5
Supplemental cash flow information:		
Income taxes paid during the period	$ 52.1	$ 54.4
Interest paid during the period	$ 21.9	$ 18.9

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. (referred to herein as “we,” “our,” “us,” the “Company,” or similar references) 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.

ABL Segment

ABL's portfolio of lighting solutions includes commercial, architectural, and specialty lighting in addition to lighting controls and components that can be combined to create integrated lighting controls systems. We offer devices such as luminaires that predominantly utilize light emitting diode (“LED”) technology designed to optimize energy efficiency and comfort for various indoor and outdoor applications. ABL's portfolio of products includes but is not limited to the following brands: A-Light™, Aculux™, American Electric Lighting®, Cyclone™, Dark to Light®, eldoLED®, Eureka®, Gotham®, Healthcare Lighting®, Holophane®, Hydrel®, Indy™, IOTA®, Juno®, Lithonia Lighting®, Luminaire LED™, Luminis®, Mark Architectural Lighting™, nLight®, OPTOTRONIC®, Peerless®, RELOC® Wiring Solutions, and Sensor Switch®.

Principal customers of ABL include electrical distributors, retail home improvement centers, electric utilities, national accounts, original equipment manufacturer (“OEM”) customers, digital retailers, lighting showrooms, and energy service companies. Our customers are located in North America and select international markets that serve new construction, renovation and retrofit, and maintenance and repair applications. ABL's lighting and lighting controls solutions are sold primarily through a network of independent sales agencies that cover specific geographic areas and market channels, by internal sales representatives, through consumer retail channels, directly to large corporate accounts, and directly to OEM customers. Products are delivered directly from our manufacturing facilities or through a network of distribution centers, regional warehouses, and commercial warehouses using both common carriers and a company-managed truck fleet. To serve international customers, our sales forces utilize a variety of distribution methods to meet specific individual customer or country requirements.

ABL comprised approximately 95% of consolidated revenues during the three and six months ended February 28, 2023 and 2022.

ISG Segment

ISG delivers products and services that make spaces smarter, safer, and greener. ISG offers a building management platform and location-aware applications. Our building management platform includes products for controlling heating, ventilation, and air conditioning (“HVAC”), lighting, shades, and building access that deliver end-to-end optimization of those building systems. Our Atrius® intelligent building software enhances the occupant experience, improves building system management, and automates labor intensive tasks while delivering operational energy efficiency and cost reductions. Through a connected and converged building system architecture, our Atrius® software delivers different applications, allows clients to upgrade over time with natural refresh cycles, and deploys new capabilities through both software and hardware updates. Customers of ISG primarily include system integrators as well as retail stores, airports, and enterprise campuses throughout North America and select international locations. ISG products and solutions are marketed under multiple brand names, including but not limited to Atrius® and Distech Controls®.

ISG comprised approximately 5% of consolidated revenues during the three and six months ended February 28, 2023 and 2022.

Basis of Presentation

We have 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, Inc. 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 February 28, 2023, our consolidated comprehensive income for the three and six months ended February 28, 2023 and 2022, and our consolidated cash flows for the six months ended February 28, 2023 and 2022. 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 as of and for the three years in the period ended August 31, 2022 and notes thereto included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”) on October 26, 2022 (File No. 001-16583) (“Form 10-K”).

Several factors may impact our financial condition, results of operations, and cash flows for the remainder of fiscal 2023 and future fiscal periods, including continued uncertainty of general economic conditions that may impact our key end markets; the impact of future inflation or disruptions in financial and banking markets; component shortages; disruptions in the global supply chain; seasonality; global pandemics; and the impact of any acquisitions and/or divestitures, among other reasons. As such, our financial performance for the three and six months ended February 28, 2023 is not necessarily indicative of the results to be expected for the remainder of fiscal 2023 and future periods.

The COVID-19 pandemic has resulted in intermittent worldwide government restrictions on the movement of people, goods, and services resulting in increased volatility in and disruptions to global markets and has had an adverse impact on our results of operations. We remain committed to prioritizing the health and well-being of our employees (“associates”) and their families and ensuring that we operate effectively. We have implemented various health and safety policies and processes at our facilities in the United States, Mexico, Canada, and other locations as permitted by law. Although we have implemented significant measures to mitigate further spread of the virus, our associates, customers, suppliers, and contractors may continue to experience disruptions to business activities due to potential further government-mandated or voluntary shutdowns, general economic conditions, or other negative impacts of the COVID-19 pandemic.

The current conflict between Russia and Ukraine and the related sanctions and other penalties imposed by countries across the globe against Russia are creating substantial uncertainty in the global economy. While we do not have operations in Russia or Ukraine and do not have significant direct exposure to customers and vendors in those countries, we are unable to predict the impact that these actions will have on the global economy or on our financial condition, results of operations, and cash flows as of the date of these financial statements.

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

We may reclassify certain prior period amounts to conform to the current year presentation. No material reclassifications occurred during the current period.

Note 3 — Acquisitions and Divestitures

Acquisitions

There were no acquisitions during fiscal 2023 or fiscal 2022.

Divestitures

We sold our Sunoptics prismatic skylights business in November 2022. We transferred assets with a total carrying value of $15.1 million, which primarily consisted of intangibles with definite lives, inventories, and allocated goodwill from the ABL segment. We recognized a pre-tax loss on the sale of $11.2 million within *Miscellaneous expense, net* on the *Consolidated Statements of Comprehensive Income*. Additionally, we recorded impairment charges for certain retained assets as well as associate severance and other costs related to the sale. These items are included within *Special charges* on the *Consolidated Statements of Comprehensive Income*. See the *Special Charges* footnote of the *Notes to Consolidated Financial Statements* for further details.

Note 4 — New Accounting Pronouncements

Accounting Standards Yet to Be Adopted

Accounting Standards Update ("ASU") 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers ("ASU 2021-08")

In October 2021, the Financial Accounting Standards Board issued ASU 2021-08, which requires companies to recognize and measure contract assets and contract liabilities acquired in a business combination as if the acquiring company originated the related revenue contracts. ASU 2021-08 is effective for fiscal years beginning after December 15, 2022, or our fiscal 2024, with early adoption permitted, including in an interim period. We are currently assessing the impacts of ASU 2021-08 to determine whether we will adopt early or in fiscal 2024. Amendments within the standard are required to be applied on a prospective basis from the date of adoption. We will apply the provisions of ASU 2021-08 after adoption to future acquisitions, if any.

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

Note 5 — Fair Value Measurements

We determine fair value measurements based on the assumptions a market participant would use in pricing an asset or liability. Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurement* ("ASC 820"), establishes a three-level hierarchy that distinguishes 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).

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. 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.

Financial Instruments Recorded at Fair Value

We used quoted market prices to determine the fair value of Level 1 assets and liabilities. Our cash and cash equivalents (Level 1), which are required to be carried at fair value and measured on a recurring basis, were $339.0 million and $223.2 million as of February 28, 2023 and August 31, 2022, respectively.

We hold a small number of strategic investments totaling $9.5 million and $11.9 million as of February 28, 2023 and August 31, 2022, respectively. These investments are primarily equity instruments in privately-held entities over which we do not exercise significant influence or control. We generally account for these investments at fair value on a recurring basis; however, most of these investments do not have readily determinable fair value. We have elected the practical expedient in ASC Topic 321, *Investments—Equity Securities*, to measure such investments at cost less any impairment adjusted for observable price changes, if any. As such, these investments are excluded from the fair value hierarchy.

During the second quarter of fiscal 2023, we received cash for the cancellation of one of these strategic investments, whose underlying company was acquired by a third party. We also received preferred equity in the third party that is carried at fair value on a recurring basis and is accounted for under ASC 320, *Investments—Debt Securities* using discounted cash flows based on rates of similar instruments (Level 2).

Changes in the fair values of these financial instruments during the three and six months ended February 28, 2023 and 2022 were not material to our financial condition, results of operations, or cash flows.

Disclosures of Fair Value of Financial Instruments

Disclosures of fair value information about financial instruments, 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 Topic 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.

Fair value for our outstanding debt obligations is estimated based on discounted future cash flows using rates currently available for debt of similar terms and maturity (Level 2). Our 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. The estimated fair value of our senior unsecured public notes was $390.6 million and $399.2 million as of February 28, 2023 and August 31, 2022, respectively. The decrease in fair value is due to increases in market bond yields since the end of fiscal 2022. We had no short-term borrowings and $18.0 million of short-term borrowings outstanding under our revolving credit facility as of February 28, 2023 and August 31, 2022, respectively. These borrowings are variable-rate instruments that reset on a frequent short-term basis; therefore, we estimate that any outstanding carrying values, which are equal to the face amounts, of these instruments approximate their fair values. See *Debt and Lines of Credit* footnote of the *Notes to Consolidated Financial Statements* for further details on our outstanding borrowings.

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 6 — Inventories

Inventories include materials, direct labor, inbound freight, customs, duties, tariffs, and related manufacturing overhead. Inventories are stated on a first-in, first-out basis at the lower of cost and net realizable value and consist of the following as of the dates presented (in millions):

	February 28, 2023	August 31, 2022
Raw materials, supplies, and work in process [1]	$ 250.3	$ 252.6
Finished goods	213.7	264.0
Inventories excluding reserves	464.0	516.6
Less: Reserves	(27.6)	(30.9)
Total inventories	$ 436.4	$ 485.7

[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.

We review inventory quantities on hand and record a provision for excess or obsolete inventory primarily based on estimated future demand and current market conditions. A significant change in customer demand or market conditions could render certain inventory obsolete and could have a material adverse impact on our operating results in the period the change occurs.

Note 7 — Property, Plant, and Equipment

Property, plant, and equipment consist of the following as of the dates presented (in millions):

	February 28, 2023	August 31, 2022
Land	$ 22.4	$ 22.0
Buildings and leasehold improvements	207.5	202.3
Machinery and equipment	697.9	667.6
Total property, plant, and equipment, at cost	927.8	891.9
Less: Accumulated depreciation and amortization	(641.8)	(615.4)
Property, plant, and equipment, net	$ 286.0	$ 276.5

Note 8 — Goodwill and Intangible Assets

Through multiple acquisitions, we acquired definite-lived intangible assets consisting primarily of customer relationships, patented technology, distribution networks, and trademarks and trade names associated with specific products, 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 for definite-lived intangible assets of $9.3 million and $10.3 million during the three months ended February 28, 2023 and 2022, respectively, and $22.9 million and $20.6 million during the six months ended February 28, 2023 and 2022, respectively. Amortization expense is generally recorded on a straight-line basis.

The following table summarizes the expected amortization expense for the next five fiscal years as of the date presented (in millions):

Fiscal Year	February 28, 2023
2023	$ 41.5
2024	36.9
2025	29.4
2026	26.7
2027	25.2

The following table summarizes the changes in the carrying amount of goodwill by segment during the periods presented (in millions):

	ABL	ISG	Total
Balance as of August 31, 2022	$ 1,014.2	$ 70.1	$ 1,084.3
Derecognitions for divestitures	(0.7)	—	(0.7)
Foreign currency translation adjustments	(1.2)	(2.1)	(3.3)
Balance as of February 28, 2023	$ 1,012.3	$ 68.0	$ 1,080.3

	ABL	ISG	Total
Balance as of August 31, 2021	$ 1,022.2	$ 72.5	$ 1,094.7
Adjustments to provisional amounts from acquired businesses	0.6	—	0.6
Foreign currency translation adjustments	(2.6)	(0.3)	(2.9)
Balance as of February 28, 2022	$ 1,020.2	$ 72.2	$ 1,092.4

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 9 — Other Current Liabilities

Other current liabilities consist of the following as of the dates presented (in millions):

	February 28, 2023	August 31, 2022
Customer incentive programs[1]	$ 25.2	$ 40.7
Refunds to customers[1]	26.2	28.0
Current deferred revenues[1]	15.7	11.4
Sales commissions	25.8	41.9
Freight costs	16.1	22.8
Warranty and recall costs[2]	23.6	22.4
Tax-related items[3]	5.5	13.9
Interest on long-term debt[4]	2.3	2.3
Other	35.9	30.7
Total other current liabilities	$ 176.3	$ 214.1

(1) Refer to the *Revenue Recognition* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K for additional information.
(2) Refer to the *Commitments and Contingencies* footnote of the *Notes to Consolidated Financial Statements* for additional information.
(3) Includes accruals for income, sales and use, and value added taxes.
(4) Refer to the *Debt and Lines of Credit* footnote of the *Notes to Consolidated Financial Statements* for additional information.

Note 10 — Debt and Lines of Credit

Long-term Debt

On November 10, 2020, Acuity Brands Lighting, Inc. issued $500.0 million aggregate principal amount of 2.150% senior unsecured notes due December 15, 2030 (the “Unsecured Notes”) at a price equal to 99.737% of their face value. Interest on the Unsecured Notes is paid semi-annually in arrears on June 15 and December 15 of each year. We recorded $4.8 million of deferred issuance costs related to the Unsecured Notes as a direct deduction from the face amount of the Unsecured Notes. These issuance costs are amortized over the 10-year term of the Unsecured Notes.

The Unsecured Notes are fully and unconditionally guaranteed on a senior unsecured basis by Acuity Brands, Inc. and ABL IP Holding LLC, a wholly-owned subsidiary of Acuity Brands, Inc.

Lines of Credit

On June 30, 2022, we entered into a credit agreement (the “Credit Agreement”) with a syndicate of banks that provides us with a $600.0 million five-year unsecured revolving credit facility (the “Revolving Credit Facility”) with the ability to request an additional $400.0 million of borrowing capacity. We had no short-term borrowings at February 28, 2023 and $18.0 million in short-term borrowings at August 31, 2022 outstanding under the Revolving Credit Facility.

The Revolving Credit Facility uses the Secured Overnight Financing Rate (“SOFR”) as the applicable benchmark for U.S. Dollar borrowings and an applicable benchmark rate for non-U.S. Dollar borrowings as defined in the Credit Agreement. The applicable margin pricing grid mechanics are based on the better of our public credit ratings or our net leverage ratio and range from 0.80% to 1.20% for base rate borrowings and from 0.00% to 0.20% for floating rate advances. We are also required to pay certain fees in connection with the Credit Agreement, including administrative service fees and annual facility fees, which range from 0.075% to 0.175% of the aggregate $600.0 million remaining commitment of the lenders under the Credit Agreement.

The Credit Agreement contains a leverage ratio covenant (“Maximum Leverage Ratio”) of total indebtedness to earnings before interest, tax, depreciation, and amortization (“EBITDA”), as such terms are defined in the Credit Agreement. This ratio is computed at the end of each fiscal quarter for the most recent 12-month period. The Credit Agreement generally allows for a Maximum Leverage Ratio of 3.75 (subject to a temporary increase to 4.25 in the event of a significant acquisition) and allows netting of all unrestricted cash and cash equivalents against debt.

We were in compliance with all covenants under the Credit Agreement as of February 28, 2023. At February 28, 2023, we had additional borrowing capacity under the Credit Agreement of $596.2 million under the most restrictive covenant in effect at the time, which represents the full amount of the Revolving Credit Facility less outstanding letters of credit of $3.8 million issued under the Revolving Credit Facility, primarily for securing collateral requirements under our casualty insurance programs.

Borrowings and repayments on our Revolving Credit Facility with terms of three months or less are reported on a net basis on our *Consolidated Statements of Cash Flows*.

Interest Expense, net

Interest expense, net, is comprised primarily of interest expense on long-term debt, line of credit borrowings, and loans that are secured by and presented net of company-owned life insurance policies on our *Consolidated Balance Sheets*. Interest expense is partially offset by interest income earned on cash and cash equivalents.

The following table summarizes the components of interest expense, net for the periods presented (in millions):

	Three Months Ended		Six Months Ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
Interest expense	$ 7.6	$ 6.4	$ 15.5	$ 12.6
Interest income	(1.9)	(0.4)	(3.2)	(0.7)
Interest expense, net	$ 5.7	$ 6.0	$ 12.3	$ 11.9

Note 11 — 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 estimated liabilities and claims, legal and contractual issues, environmental laws and regulations, guarantees, and indemnities. We establish estimated liabilities when the associated costs related to uncertainties or guarantees become probable and can be reasonably estimated. For the period ended February 28, 2023, no material changes have occurred in our estimated liabilities 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 other than the items discussed below.

Product Warranty and Recall Costs

Our products generally have a standard warranty term of five years that assures our products comply with agreed upon specifications. We record an accrual for the estimated amount of future warranty costs when the related revenue is recognized. Estimated future warranty and recall costs are primarily based on historical experience of identified warranty and recall claims. Estimated costs related to product warranty and recall costs outside of our historical experience, which could include significant product recalls or formal campaigns soliciting repair or return of a product, are accrued when they are deemed to be probable and can be reasonably estimated. Any estimated or actual loss recoveries that offset our costs and payments are reflected as assets and included within *Other current assets* or *Other long-term assets* on the *Consolidated Balance Sheets* based on the expected timing of receipt of recovery.

There can be no assurance future warranty and recall costs will not exceed historical amounts, new technology products may not generate unexpected costs, and/or loss recoveries will not be fully collectible. If actual future warranty or recall costs exceed historical amounts, additional increases in the accrual may be required, which could have a material adverse impact on our results of operations and cash flows.

Estimated liabilities for product warranty and recall costs are included in *Other current liabilities* and *Other long-term liabilities* on the *Consolidated Balance Sheets* based upon when we expect to settle the incurred warranty. The following table summarizes changes in the estimated liabilities for product warranty and recall costs during the periods presented (in millions):

	Six Months Ended	
	February 28, 2023	February 28, 2022
Beginning balance	$ 27.3	$ 20.3
Warranty and recall costs	19.1	12.4
Payments and other deductions	(18.4)	(11.4)
Ending balance	$ 28.0	$ 21.3

Shareholder Derivative Complaint

As previously disclosed, on October 1, 2021, certain alleged shareholders of the Company filed a putative derivative complaint in the United States District Court for the Northern District of Georgia (the “Court”) asserting claims against three former executives for breach of fiduciary duty and certain other claims (the “Derivative Complaint”). The Company was named as a nominal defendant. On January 20, 2023, the parties filed a joint stipulation of voluntary dismissal with prejudice wherein the named plaintiffs agreed to dismiss the Derivative Complaint. Thereafter, the Court ordered dismissal of the Derivative Complaint with prejudice as to the named plaintiffs on January 20, 2023.

Data Security Incidents

On December 14, 2022, a former associate filed a putative class action complaint against the Company in the United States District Court for the Northern District of Georgia on behalf of all persons whose personal information was compromised as a result of data security incidents we experienced in October 2020 and/or December 2021. On January 25, 2023, a second putative class action complaint was filed in the same venue by two other former associates.

Both complaints contain similar allegations and claim that the Company failed to exercise reasonable caution in securing and safeguarding associate information. On that basis, the complaints assert claims for negligence, breach of contract, breach of implied contract, unjust enrichment, breach of fiduciary duty, invasion of privacy, and breach of confidence. The plaintiffs seek class certification, monetary damages, certain injunctive relief regarding our data-security measures, additional credit-monitoring services, other equitable relief (including disgorgement), attorneys’ fees, costs, and pre- and post-judgment interest.

The Northern District Court recently consolidated both actions on March 3, 2023, and a consolidated complaint is forthcoming. We dispute the allegations in both complaints, and given the recency of the lawsuits, are planning our response strategy, which we currently expect to include a vigorous defense of the claims.

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 early stages of the proceedings where key evidential and legal issues have not been resolved. In addition, we have received inquires from, and it is also possible that investigations or other actions are taken by, state and/or federal agencies regarding the data security incidents and related data privacy matters. 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 have insurance, subject to certain terms and conditions, for these types of matters.

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 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 estimated liabilities 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 accrued 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 accrued amounts.

Note 12 — Changes in Stockholders' Equity

The following tables summarize changes in the components of stockholders' equity for the periods presented (in millions):

	Common Stock Outstanding						
	Shares	Amount	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock, at cost	Total
Balance, August 31, 2022	32.5	$ 0.5	$ 1,036.3	$ 3,176.2	$ (125.8)	$ (2,175.4)	$ 1,911.8
Net income	—	—	—	74.9	—	—	74.9
Other comprehensive loss	—	—	—	—	(0.4)	—	(0.4)
Share-based payment amortization, issuances, and cancellations	0.2	—	(1.8)	—	—	—	(1.8)
Employee stock purchase plan issuances	—	—	0.5	—	—	—	0.5
Cash dividends of $0.13 per share paid on common stock	—	—	—	(4.3)	—	—	(4.3)
Stock options exercised	—	—	0.4	—	—	—	0.4
Repurchases of common stock	(0.5)	—	—	—	—	(77.6)	(77.6)
Balance, November 30, 2022	32.2	0.5	1,035.4	3,246.8	(126.2)	(2,253.0)	1,903.5
Net income	—	—	—	83.2	—	—	83.2
Other comprehensive loss	—	—	—	—	(0.1)	—	(0.1)
Share-based payment amortization, issuances, and cancellations	—	—	10.9	—	—	—	10.9
Employee stock purchase plan issuances	—	—	0.3	—	—	—	0.3
Cash dividends of $0.13 per share paid on common stock	—	—	—	(4.2)	—	—	(4.2)
Stock options exercised	—	—	0.5	—	—	—	0.5
Repurchases of common stock	(0.2)	—	—	—	—	(46.5)	(46.5)
Balance, February 28, 2023	32.0	$ 0.5	$ 1,047.1	$ 3,325.8	$ (126.3)	$ (2,299.5)	$ 1,947.6

	Common Stock Outstanding						
	Shares	Amount	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock, at cost	Total
Balance, August 31, 2021	35.2	$ 0.5	$ 995.6	$ 2,810.3	$ (98.2)	$ (1,663.7)	$ 2,044.5
Net income	—	—	—	87.6	—	—	87.6
Other comprehensive loss	—	—	—	—	(10.7)	—	(10.7)
Share-based payment amortization, issuances, and cancellations	0.1	—	0.4	—	—	—	0.4
Employee stock purchase plan issuances	—	—	0.6	—	—	—	0.6
Cash dividends of $0.13 per share paid on common stock	—	—	—	(4.7)	—	—	(4.7)
Stock options exercised	0.1	—	8.0	—	—	—	8.0
Repurchases of common stock	(0.3)	—	—	—	—	(52.8)	(52.8)
Balance, November 30, 2021	35.1	0.5	1,004.6	2,893.2	(108.9)	(1,716.5)	2,072.9
Net income	—	—	—	75.3	—	—	75.3
Other comprehensive income	—	—	—	—	6.0	—	6.0
Share-based payment amortization, issuances, and cancellations	—	—	9.4	—	—	—	9.4
Employee stock purchase plan issuances	—	—	0.4	—	—	—	0.4
Cash dividends of $0.13 per share paid on common stock	—	—	—	(4.6)	—	—	(4.6)
Stock options exercised	—	—	1.2	—	—	—	1.2
Repurchases of common stock	(0.3)	—	—	—	—	(56.3)	(56.3)
Balance, February 28, 2022	34.8	$ 0.5	$ 1,015.6	$ 2,963.9	$ (102.9)	$ (1,772.8)	$ 2,104.3

Note 13 — 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. We allocate the expected consideration to be collected to each distinct performance obligation identified in a sale based on its standalone selling price. Sales and use taxes collected on behalf of governmental authorities are excluded from revenues.

Further details regarding revenue recognition are included within the *Revenue Recognition* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K.

Contract Balances

Our rights related to collections from customers are unconditional and are reflected within *Accounts receivable* on the *Consolidated Balance Sheets* at net realizable value. Further details regarding our method for developing our estimate of expected credit losses over the contractual term of our receivables are included within the *Significant Accounting Policies* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K.

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 consists of the following as of the periods presented (in millions):

	February 28, 2023	August 31, 2022
Current deferred revenues	$ 15.7	$ 11.4
Non-current deferred revenues	51.0	53.1

Current deferred revenues primarily consist of software licenses as well as professional service and service-type warranty fees collected prior to performing the related service and are included within *Other current liabilities* on the *Consolidated Balance Sheets*. These services are expected to be performed within one year. Revenue recognized from beginning balances of contract liabilities during the six months ended February 28, 2023 totaled $6.5 million.

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*.

Unsatisfied performance obligations that do not represent contract liabilities are generally expected to be satisfied within one year from February 28, 2023 and consist primarily of orders for physical goods that have not yet been shipped.

Disaggregated Revenues

Our ABL segment's lighting and lighting controls are sold primarily through independent sales agents who cover specific geographic areas and market channels, by internal sales representatives, through consumer retail channels, directly to large corporate accounts, and through other distribution methods, including directly to OEM customers. ISG sells predominantly to system integrators. The following table shows revenue from contracts with customers by sales channel and reconciles to our segment information for the periods presented (in millions):

	Three Months Ended		Six Months Ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
ABL:				
Independent sales network	$ 635.3	$ 614.3	$ 1,309.0	$ 1,251.1
Direct sales network	94.7	83.2	201.1	173.2
Retail sales	50.4	42.7	100.3	89.6
Corporate accounts	54.0	53.6	103.1	90.6
OEM and other	56.4	69.3	124.4	142.2
Total ABL	890.8	863.1	1,837.9	1,746.7
ISG	58.2	50.0	115.0	96.4
Eliminations	(5.4)	(4.0)	(11.4)	(7.9)
Total	$ 943.6	$ 909.1	$ 1,941.5	$ 1,835.2

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 over the related requisite service period, including stock options, performance stock units, and restricted stock (all part of our equity incentive plan), as well as stock units representing certain deferrals into our director deferred compensation plan or our supplemental deferred savings plan.

The following table presents share-based payment expense for the periods presented (in millions):

	Three Months Ended		Six Months Ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
Share-based payment expense	$ 11.3	$ 10.0	$ 22.0	$ 17.6

We recognized excess tax benefits of $1.7 million and $4.4 million related to share-based payment awards during the six months ended February 28, 2023 and 2022, respectively.

Further details regarding 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 at least the minimum annual contributions to the plans to the extent indicated by actuarial valuations and statutory requirements. Plan assets are invested primarily in fixed income and equity 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 included the following components before tax for the periods presented (in millions):

	Three Months Ended		Six Months Ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
Service cost	$ 1.2	$ 1.2	$ 2.3	$ 2.4
Interest cost	2.3	1.6	4.5	3.1
Expected return on plan assets	(2.4)	(3.5)	(4.8)	(6.9)
Amortization of prior service cost	0.6	0.7	1.3	1.4
Recognized actuarial loss	0.7	0.9	1.5	1.8
Net periodic pension cost	$ 2.4	$ 0.9	$ 4.8	$ 1.8

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 Charges

During the first quarter of fiscal 2023, we recognized $6.9 million within *Special charges* on the *Consolidated Statements of Comprehensive Income* primarily for impairments of operating lease right-of-use assets for $4.3 million associated with our previously owned Sunoptics prismatic skylights business that were not transferred in connection with the sale. We additionally recognized associate severance and other costs totaling $2.6 million primarily in connection with the Sunoptics divestiture.

We recognized no special charges during the second quarter of fiscal 2023.

Note 17 — Earnings Per Share

Basic earnings per share 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. Common stock equivalents are calculated using the treasury stock method. The dilutive effects of share-based payment awards subject to market and/or performance conditions that were not met during the period are excluded from the computation of diluted earnings per share.

The following table calculates basic earnings per common share and diluted earnings per common share for the periods presented (in millions, except per share data):

	Three Months Ended		Six Months Ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
Net income	$ 83.2	$ 75.3	$ 158.1	$ 162.9
Basic weighted average shares outstanding	32.048	34.964	32.178	35.007
Common stock equivalents	0.338	0.400	0.367	0.437
Diluted weighted average shares outstanding	32.386	35.364	32.545	35.444
Basic earnings per share[(1)]	$ 2.60	$ 2.16	$ 4.91	$ 4.65
Diluted earnings per share[(1)]	$ 2.57	$ 2.13	$ 4.86	$ 4.60

[(1)] Earnings per share is calculated using unrounded numbers. Amounts in the table may not recalculate exactly due to rounding.

The following table presents stock options, performance stock awards, and restricted stock awards that were excluded from the diluted earnings per share calculation for the periods presented as the effect of inclusion would have been antidilutive (in millions):

	Three Months Ended		Six Months Ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
Stock options	0.1	0.1	0.1	0.1
Performance stock awards	— *	—	— *	—
Restricted stock awards	0.1	0.1	0.1	0.1

* Represents shares of less than 0.1 million.

Further discussion of our share-based payment 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 18 — 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. Comprehensive income includes our net income as well as other comprehensive income (loss) items, which are comprised of foreign currency translation and pension adjustments.

The following table presents the changes in each component of accumulated other comprehensive loss net of tax during the periods presented (in millions):

	Foreign Currency Items	Defined Benefit Pension Plans	Accumulated Other Comprehensive Loss Items
Balance at August 31, 2022	$ (73.5)	$ (52.3)	$ (125.8)
Other comprehensive loss before reclassifications	(2.6)	—	(2.6)
Amounts reclassified from accumulated other comprehensive loss [1]	—	2.1	2.1
Net current period other comprehensive (loss) income	(2.6)	2.1	(0.5)
Balance at February 28, 2023	$ (76.1)	$ (50.2)	$ (126.3)

	Foreign Currency Items	Defined Benefit Pension Plans	Accumulated Other Comprehensive Loss Items
Balance at August 31, 2021	$ (40.2)	$ (58.0)	$ (98.2)
Other comprehensive loss before reclassifications	(7.1)	—	(7.1)
Amounts reclassified from accumulated other comprehensive loss [1]	—	2.4	2.4
Net current period other comprehensive (loss) income	(7.1)	2.4	(4.7)
Balance at February 28, 2022	$ (47.3)	$ (55.6)	$ (102.9)

[1] The before tax amounts of the defined benefit pension plan items are included in net periodic pension cost. See the *Pension and Defined Contribution Plans* footnote for additional details.

The following table summarizes the tax expense or benefit allocated to each component of other comprehensive income (loss) for the periods presented (in millions):

	Three Months Ended					
	February 28, 2023			February 28, 2022		
	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
Foreign currency translation adjustments	$ (1.1)	$ —	$ (1.1)	$ 4.8	$ —	$ 4.8
Defined benefit pension plans:						
Amortization of defined benefit pension items:						
Prior service cost	0.6	(0.1)	0.5	0.7	(0.2)	0.5
Actuarial losses	0.7	(0.2)	0.5	0.9	(0.2)	0.7
Total defined benefit pension plans, net	1.3	(0.3)	1.0	1.6	(0.4)	1.2
Other comprehensive (loss) income	$ 0.2	$ (0.3)	$ (0.1)	$ 6.4	$ (0.4)	$ 6.0

	Six Months Ended					
	February 28, 2023			February 28, 2022		
	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
Foreign currency translation adjustments	$ (2.6)	$ —	$ (2.6)	$ (7.1)	$ —	$ (7.1)
Defined benefit pension plans:						
Amortization of defined benefit pension items:						
Prior service cost	1.3	(0.3)	1.0	1.4	(0.4)	1.0
Actuarial losses	1.5	(0.4)	1.1	1.8	(0.4)	1.4
Total defined benefit pension plans, net	2.8	(0.7)	2.1	3.2	(0.8)	2.4
Other comprehensive loss	$ 0.2	$ (0.7)	$ (0.5)	$ (3.9)	$ (0.8)	$ (4.7)

Note 19 — Segment Information

We report our financial results of operations in two reportable segments, ABL and ISG, consistent with how our chief operating decision maker currently evaluates operating results, assesses performance, and allocates resources within the Company.

The accounting policies of our reportable segments are the same as those described in the *Significant Accounting Policies* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K. Corporate expenses that are primarily administrative in function and benefit the Company on an entity-wide basis are not allocated to our segments. These include expenses related to governance, policy setting, compliance, and certain other shared services functions. Beginning in fiscal 2023, we now allocate special charges to operating segment information presented to the chief operating decision maker on a prospective basis. Special charges during the six months ended February 28, 2023 of $6.9 million pertained to the ABL segment. We recorded no special charges during the three months ended February 28, 2023 or during fiscal 2022.

The following table presents financial information by operating segment for the periods presented (in millions):

	ABL	ISG	Corporate	Eliminations[1]	Total
Three Months Ended February 28, 2023					
Net sales	$ 890.8	$ 58.2	$ —	$ (5.4)	$ 943.6
Operating profit (loss)	123.6	6.3	(18.4)	—	111.5
Depreciation and amortization	18.2	3.5	0.3	—	22.0
Three Months Ended February 28, 2022					
Net sales	$ 863.1	$ 50.0	$ —	$ (4.0)	$ 909.1
Operating profit (loss)	116.5	1.2	(15.4)	—	102.3
Depreciation and amortization	19.8	3.6	0.2	—	23.6
Six Months Ended February 28, 2023					
Net sales	$ 1,837.9	$ 115.0	$ —	$ (11.4)	$ 1,941.5
Operating profit (loss)	241.7	14.0	(35.3)	—	220.4
Depreciation and amortization	40.9	7.0	0.6	—	48.5
Six Months Ended February 28, 2022					
Net sales	$ 1,746.7	$ 96.4	$ —	$ (7.9)	$ 1,835.2
Operating profit (loss)	244.6	3.2	(30.4)	—	217.4
Depreciation and amortization	40.2	7.2	0.5	—	47.9

[1] This column represents intersegment sales. Profit on these sales eliminates within gross profit on a consolidated basis.

The following table reconciles operating profit by segment to income before income taxes (in millions):

	Three Months Ended		Six Months Ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
Operating profit - ABL	$ 123.6	$ 116.5	$ 241.7	$ 244.6
Operating profit - ISG	6.3	1.2	14.0	3.2
Unallocated corporate amounts	(18.4)	(15.4)	(35.3)	(30.4)
Operating profit	111.5	102.3	220.4	217.4
Interest expense, net	5.7	6.0	12.3	11.9
Miscellaneous (income) expense, net	(3.7)	(1.9)	5.4	(1.6)
Income before income taxes	$ 109.5	$ 98.2	$ 202.7	$ 207.1

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. (referred to herein as "we," "our," "us," the "Company," or similar references) and its subsidiaries as of February 28, 2023 and for the three and six months ended February 28, 2023 and 2022. 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, Inc.'s Annual Report on Form 10-K for the fiscal year ended August 31, 2022, filed with the Securities and Exchange Commission (the "SEC") on October 26, 2022 ("Form 10-K").

Overview

Company

We are 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.

Several factors may impact our financial condition, results of operations, and cash flows for the remainder of fiscal 2023 and future fiscal periods, including continued uncertainty of general economic conditions that may impact our key end markets; the impact of future inflation or disruptions in financial and banking markets; component shortages; disruptions in the global supply chain; seasonality; global pandemics; and the impact of any acquisitions and/or divestitures, among other reasons. As such, our financial performance for the three and six months ended February 28, 2023 is not necessarily indicative of the results to be expected for the remainder of fiscal 2023 and future periods.

The COVID-19 pandemic has resulted in intermittent worldwide government restrictions on the movement of people, goods, and services resulting in increased volatility in and disruptions to global markets and has had an adverse impact on our results of operations. We remain committed to prioritizing the health and well-being of our employees ("associates") and their families and ensuring that we operate effectively. We have implemented various health and safety policies and processes at our facilities in the United States, Mexico, Canada, and other locations as permitted by law. Although we have implemented significant measures to mitigate further spread of the virus, our associates, customers, suppliers, and contractors may continue to experience disruptions to business activities due to potential further government-mandated or voluntary shutdowns, general economic conditions, or other negative impacts of the COVID-19 pandemic.

The current conflict between Russia and Ukraine and the related sanctions and other penalties imposed by countries across the globe against Russia are creating substantial uncertainty in the global economy. While we do not have operations in Russia or Ukraine and do not have significant direct exposure to customers and vendors in those countries, we are unable to predict the impact that these actions will have on the global economy or on our financial condition, results of operations, and cash flows as of the date of these financial statements.

Financial Condition, Capital Resources, and Liquidity

We have numerous sources of capital, including cash on hand and cash flows generated from operations, as well as various sources of financing. Our ability to generate sufficient cash flows from operations or to access certain capital markets, including banks, is necessary to meet our capital allocation priorities, which are to invest in our current business for growth, to invest in mergers and acquisitions, to maintain our dividend, and to make share repurchases. Sufficient cash flow generation is also critical to fund our operations in the short and long terms and to maintain compliance with covenants contained in our financing agreements.

Our significant contractual cash requirements primarily include principal and interest on our unsecured notes and borrowings under our credit agreement, payments for operating lease liabilities, and certain purchase obligations incurred in the ordinary course of business that are enforceable and legally binding. Our obligations related to these items are described further within *Management's Discussion and Analysis of Financial Condition and Results of Operations* within our Annual Report filed on Form 10-K. 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 flows 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 borrowing capacity, will sufficiently support our long-term liquidity needs. In the event of a sustained market deterioration, we may need additional capital, which would require us to evaluate available alternatives and take appropriate actions.

Cash

Our cash position at February 28, 2023 was $339.0 million, an increase of $115.8 million from August 31, 2022. Cash generated from operating activities and cash on hand were used during the current year to fund our capital allocation priorities as discussed below.

We generated $306.4 million of cash flows from operating activities during the six months ended February 28, 2023, compared with $127.3 million in the prior-year period, an increase of $179.1 million. This increase was due primarily to increased cash collections from customers and fewer inventory purchases during the current period, partially offset by the timing of payments for purchases on account.

We elected to defer certain employer payroll taxes as allowable under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES” Act) signed into law on March 27, 2020. We paid half of these deferrals in December 2021 and the other half in December 2022.

Financing Arrangements

See the *Debt and Lines of Credit* footnote of the *Notes to Consolidated Financial Statements* for discussion of the terms of our various financing arrangements, including the $500.0 million aggregate principal amount of 2.150% senior unsecured notes due December 15, 2030 (the “Unsecured Notes”) as well as the terms of our $600.0 million five-year unsecured revolving credit facility (“Revolving Credit Facility”).

At February 28, 2023, our outstanding debt balance was $495.3 million, which consisted solely of our Unsecured Notes, compared to our cash position of $339.0 million. We were in compliance with all covenants under our financing arrangements as of February 28, 2023.

At February 28, 2023, we had additional borrowing capacity under the Revolving Credit Facility of $596.2 million under the most restrictive covenant in effect at the time, which represents the full amount of the Revolving Credit Facility less outstanding letters of credit of $3.8 million issued under the facility. As of February 28, 2023, our cash on hand combined with the additional borrowing capacity under the Revolving Credit Facility totaled $935.2 million.

The Unsecured Notes were issued by Acuity Brands Lighting, Inc., a wholly-owned subsidiary of Acuity Brands, Inc. The Unsecured Notes are fully and unconditionally guaranteed on a senior unsecured basis by Acuity Brands, Inc. and ABL IP Holding LLC, a wholly-owned subsidiary of Acuity Brands, Inc. The following tables present summarized financial information for Acuity Brands, Inc., Acuity Brands Lighting, Inc., and ABL IP Holding LLC on a combined basis after the elimination of all intercompany balances and transactions between the combined group as well as any investments in non-guarantors as of the dates and during the period presented (in millions):

Summarized Balance Sheet Information	**February 28, 2023**	**August 31, 2022**
Current assets	$ 929.6	$ 1,056.6
Amounts due from non-guarantor affiliates	311.2	280.2
Non-current assets	1,387.6	1,414.3
Current liabilities	487.8	620.4
Non-current liabilities	819.5	821.0

Summarized Income Statement Information	**Six Months Ended February 28, 2023**
Net sales	$ 1,633.3
Gross profit	676.6
Net income	132.7

Capital Allocation Priorities

Our capital allocation priorities are to invest in our current business for growth, to invest in mergers and acquisitions, to maintain our dividend, and to make share repurchases.

Investments in Current Business for Growth

We invested $35.6 million and $24.1 million in property, plant, and equipment during the six months ended February 28, 2023 and 2022, respectively. We invested more in fiscal 2023 primarily for investments in new and enhanced information technology, equipment, and tooling.

Strategic Acquisitions, Investments, and Divestitures

We seek opportunities to strategically expand and enhance our portfolio of solutions. There were no acquisitions during the first half of fiscal 2023 or fiscal 2022. The $10.2 million of cash outflows reflected in the fiscal 2022 *Consolidated Statements of Cash Flows* relate to working capital settlements for fiscal 2021 acquisitions. We sold our Sunoptics prismatic skylights business in November 2022. We recognized a pre-tax loss of $11.2 million on the sale of this business.

Please refer to the *Acquisitions and Divestitures* footnote of the *Notes to Consolidated Financial Statements* for more information.

Dividends

We paid dividends on our common stock of $8.5 million ($0.26 per share) and $9.3 million ($0.26 per share) during the six months ended February 28, 2023 and 2022, respectively. All decisions regarding the declaration and payment of dividends are at the discretion of the Board of Directors (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.

Share Repurchases

During the first six months of fiscal 2023, we repurchased 0.7 million shares of our outstanding common stock for $124.1 million. Total cash outflows for share repurchases during the six months ended February 28, 2023 were $121.7 million. We expect to repurchase shares on an opportunistic basis subject to various factors including stock price, Company performance, market conditions, and other possible uses of cash. As of February 28, 2023, the maximum number of shares that may yet be repurchased under the share repurchase program authorized by the Board equaled 2.1 million shares.

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Results of Operations

Second Quarter of Fiscal 2023 Compared with Second Quarter of Fiscal 2022

The following table sets forth information comparing the components of net income for the three months ended February 28, 2023 and 2022 (in millions except per share data):

	Three Months Ended			
	February 28, 2023	February 28, 2022	Increase (Decrease)	Percent Change
Net sales	$ 943.6	$ 909.1	$ 34.5	3.8 %
Cost of products sold	536.9	529.8	7.1	1.3 %
Gross profit	406.7	379.3	27.4	7.2 %
Percent of net sales	*43.1 %*	*41.7 %*	*140 bps*	
Selling, distribution, and administrative expenses	295.2	277.0	18.2	6.6 %
Operating profit	111.5	102.3	9.2	9.0 %
Percent of net sales	*11.8 %*	*11.3 %*	*50 bps*	
Other expense:				
Interest expense, net	5.7	6.0	(0.3)	(5.0) %
Miscellaneous income, net	(3.7)	(1.9)	(1.8)	NM
Total other expense	2.0	4.1	(2.1)	(51.2) %
Income before income taxes	109.5	98.2	11.3	11.5 %
Percent of net sales	*11.6 %*	*10.8 %*	*80 bps*	
Income tax expense	26.3	22.9	3.4	14.8 %
Effective tax rate	*24.0 %*	*23.3 %*		
Net income	$ 83.2	$ 75.3	$ 7.9	10.5 %
Diluted earnings per share	$ 2.57	$ 2.13	$ 0.44	20.7 %

NM - not meaningful

Net Sales

Net sales for the three months ended February 28, 2023 increased $34.5 million, or 3.8%, to $943.6 million, compared with $909.1 million in the prior-year period. Both our ABL and ISG segments benefited from recent price increases. Changes in foreign currency rates and the divestiture from our Sunoptics prismatic skylight business did not have a meaningful impact on net sales for the second quarter of fiscal 2023.

Gross Profit

Gross profit for the second quarter of fiscal 2023 increased $27.4 million, or 7.2%, to $406.7 million, compared with $379.3 million in the prior-year period, and gross profit margin increased 140 basis points to 43.1% from 41.7% compared with the prior-year period. Our gross profit increased compared with the prior year as price increases more than offset material, labor, and other cost escalations.

Operating Profit

Selling, distribution, and administrative expenses ("SD&A") expenses for the three months ended February 28, 2023 were $295.2 million, compared with $277.0 million in the prior-year period, an increase of $18.2 million, or 6.6%. The increase in SD&A expenses was due primarily to higher commissions associated with higher sales and higher associate-related costs.

Operating profit for the second quarter of fiscal 2023 was $111.5 million (11.8% of net sales), compared with $102.3 million (11.3% of net sales) for the prior-year period, an increase of $9.2 million, or 9.0%. The increase in operating profit was due primarily to the increase in gross profit, partially offset by higher commissions and associate-related costs.

Interest Expense, net

Interest expense, net, was $5.7 million and $6.0 million for the second quarter of fiscal 2023 and 2022, respectively. The decrease in net interest expense was due to changes in investing rates compared to the prior year, partially offset by changes in average short-term borrowings outstanding.

Miscellaneous Income, net

Miscellaneous income, net consists of non-service related components of net periodic pension cost, gains and losses associated with foreign currency-related transactions, and non-operating gains and losses.

We reported net miscellaneous income of $3.7 million and $1.9 million for the second quarter of fiscal 2023 and 2022, respectively. This year-over-year increase is due primarily to favorable foreign currency transaction gains, partially offset by an increase in net pension cost.

Income Taxes and Net Income

Our effective income tax rate was 24.0% and 23.3% for the second quarter of fiscal 2023 and 2022, respectively.

Net income for the second quarter of fiscal 2023 increased $7.9 million, or 10.5%, to $83.2 million, from $75.3 million reported for the prior-year period. The increase in net income was due primarily to increased operating profit. Diluted earnings per share for the three months ended February 28, 2023 increased $0.44, or 20.7%, to $2.57 compared with diluted earnings per share of $2.13 for the prior-year period. This increase reflects higher net income and lower outstanding diluted shares.

Segment Results

The following table sets forth information comparing the operating results of our segments, ABL and ISG, for the three months ended February 28, 2023 and 2022 (in millions):

	Three Months Ended			
	February 28, 2023	**February 28, 2022**	**Increase (Decrease)**	**Percent Change**
ABL:				
Net sales	$ 890.8	$ 863.1	$ 27.7	3.2 %
Operating profit	123.6	116.5	7.1	6.1 %
Operating profit margin	13.9 %	13.5 %	40	*bps*
ISG:				
Net sales	$ 58.2	$ 50.0	$ 8.2	16.4 %
Operating profit	6.3	1.2	5.1	425.0 %
Operating profit margin	10.8 %	2.4 %	840	*bps*

ABL net sales for the three months ended February 28, 2023 increased $27.7 million, or 3.2%, to $890.8 million, compared with $863.1 million in the prior-year period. Sales within the ABL segment benefited from recent price increases.

Operating profit for ABL was $123.6 million (13.9% of ABL net sales) for the three months ended February 28, 2023, compared with $116.5 million (13.5% of ABL net sales) in the prior-year period, an increase of $7.1 million. The increase in operating profit was due primarily to the fall through of increased profitability on higher sales, partially offset by higher commission rates and associate-related costs.

ISG net sales for the three months ended February 28, 2023 increased $8.2 million, or 16.4%, to $58.2 million, compared with $50.0 million in the prior-year period, driven primarily by price increases as well as increased demand for building management controls. ISG operating profit was $6.3 million for the three months ended February 28, 2023, compared with $1.2 million in the prior-year period, an increase of $5.1 million. This increase was due primarily to contributions from higher sales, partially offset by increased associate-related costs.

First Six Months of Fiscal 2023 Compared with First Six Months of Fiscal 2022

The following table sets forth information comparing the components of net income for the six months ended February 28, 2023 and 2022 (in millions except per share data):

	Six Months Ended			
	February 28, 2023	February 28, 2022	Increase (Decrease)	Percent Change
Net sales	$ 1,941.5	$ 1,835.2	$ 106.3	5.8 %
Cost of products sold	1,118.3	1,070.1	48.2	4.5 %
Gross profit	823.2	765.1	58.1	7.6 %
Percent of net sales	*42.4 %*	*41.7 %*	*70 bps*	
Selling, distribution, and administrative expenses	595.9	547.7	48.2	8.8 %
Special charges	6.9	—	6.9	NM
Operating profit	220.4	217.4	3.0	1.4 %
Percent of net sales	*11.4 %*	*11.8 %*	*(40) bps*	
Other expense:				
Interest expense, net	12.3	11.9	0.4	3.4 %
Miscellaneous expense (income), net	5.4	(1.6)	7.0	NM
Total other expense	17.7	10.3	7.4	71.8 %
Income before income taxes	202.7	207.1	(4.4)	(2.1)%
Percent of net sales	*10.4 %*	*11.3 %*	*(90) bps*	
Income tax expense	44.6	44.2	0.4	0.9 %
Effective tax rate	*22.0 %*	*21.3 %*		
Net income	$ 158.1	$ 162.9	$ (4.8)	(2.9)%
Diluted earnings per share	$ 4.86	$ 4.60	$ 0.26	5.7 %
NM - not meaningful				

Net Sales

Net sales for the six months ended February 28, 2023 increased $106.3 million, or 5.8%, to $1.94 billion compared with $1.84 billion in the prior-year period. Both our ABL and ISG segments benefited from recent price increases. Changes in foreign currency rates and the divestiture from our Sunoptics prismatic skylight business did not have a meaningful impact on net sales for the first six months of fiscal 2023.

Gross Profit

Gross profit for the six months ended February 28, 2023 increased $58.1 million, or 7.6%, to $823.2 million compared with $765.1 million in the prior-year period. Gross profit margin increased 70 basis points to 42.4% for the six months ended February 28, 2023 compared with 41.7% in the prior-year period. Our gross profit increased compared with the prior year as price increases more than offset material, labor, and other cost escalations.

Operating Profit

SD&A expenses for the six months ended February 28, 2023 were $595.9 million compared with $547.7 million in the prior-year period, an increase of $48.2 million, or 8.8%. The increase in SD&A expense was due primarily to higher commissions associated with higher sales as well as increased associate-related costs.

Additionally, in the first quarter of fiscal 2023 we recorded $4.0 million of accelerated amortization for intangibles associated with certain brands that were discontinued. We also recognized special charges of $6.9 million during the first quarter of fiscal 2023. Please refer to the *Special Charges* footnote of the *Notes to Consolidated Financial Statements* for further details.

Operating profit for the first six months of fiscal 2023 was $220.4 million (11.4% of net sales) compared with $217.4 million (11.8% of net sales) for the prior-year period, an increase of $3.0 million, or 1.4%. The increase in operating profit was due primarily to higher gross profit associated with the increase in sales, partially offset by higher SD&A expenses, which includes the aforementioned acceleration of amortization and special charges in the first quarter of fiscal 2023. The operating profit margin decrease of 40 bps year over year was due primarily to higher special charges, commission rates, and amortization expense.

Interest Expense, net

Interest expense, net, was $12.3 million and $11.9 million for the six months ended February 28, 2023 and 2022, respectively. The increase in net interest expense was due to changes in average short-term borrowings outstanding, partially offset by increased investing rates compared to the prior year.

Miscellaneous Expense (Income), net

Miscellaneous expense (income), net consists of non-service related components of net periodic pension cost, gains and losses associated with foreign currency-related transactions, and non-operating gains and losses.

We reported net miscellaneous expense of $5.4 million for the six months ended February 28, 2023 and net miscellaneous income of $1.6 million for the six months ended February 28, 2022. This year-over-year change was largely due to the $11.2 million loss of the sale of the Sunoptics prismatic skylights business during fiscal 2023 as well as higher net pension cost, partially offset by higher gains on foreign currency-related items compared to the prior year.

The details of the Sunoptics sale are described in the *Acquisitions and Divestitures* footnote of the *Notes to Consolidated Financial Statements.*

Income Taxes and Net Income

Our effective income tax rate was 22.0% and 21.3% for the six months ended February 28, 2023 and 2022, respectively.

Net income for the first six months of fiscal 2023 decreased $4.8 million, or 2.9%, to $158.1 million from $162.9 million reported for the prior-year period. The decrease in net income resulted primarily from $22.1 million in combined pre-tax losses and special charges recognized from the Sunoptics sale and other restructuring activities as well as accelerated amortization of intangible assets during the first quarter of fiscal 2023. Diluted earnings per share for the six months ended February 28, 2023 increased $0.26 to $4.86 compared with diluted earnings per share of $4.60 for the prior-year period. This increase reflects lower outstanding diluted shares, partially offset by lower net income.

Segment Results

The following table sets forth information comparing the operating results of our segments, ABL and ISG, for the six months ended February 28, 2023 and 2022 (in millions):

	Six Months Ended			
	February 28, 2023	**February 28, 2022**	**Increase (Decrease)**	**Percent Change**
ABL:				
Net sales	$ 1,837.9	$ 1,746.7	$ 91.2	5.2 %
Operating profit	241.7	244.6	(2.9)	(1.2)%
Operating profit margin	13.2 %	14.0 %	(80)	*bps*
ISG:				
Net sales	$ 115.0	$ 96.4	$ 18.6	19.3 %
Operating profit	14.0	3.2	10.8	337.5 %
Operating profit margin	12.2 %	3.3 %	890	*bps*

ABL net sales for the six months ended February 28, 2023 increased 5.2% compared with the prior-year period. Sales within the ABL segment benefited from recent price increases.

Operating profit for ABL was $241.7 million (13.2% of ABL net sales) for the six months ended February 28, 2023 compared to $244.6 million (14.0% of ABL net sales) in the prior-year period, a decrease of $2.9 million. The decrease in operating profit was due primarily to the recognition of nonrecurring items in the first quarter of fiscal 2023, including special charges of $6.9 million and acceleration of amortization for definite-lived intangibles related to brands that were discontinued of $4.0 million, as well as increased commission rates. These unfavorable impacts were partially offset by profit realized on increased sales.

ISG net sales for the six months ended February 28, 2023 increased 19.3% compared with the prior-year period primarily driven by price increases as well as strong demand for building management controls. ISG operating profit was $14.0 million for the six months ended February 28, 2023 compared with $3.2 million in the prior-year period, an increase of $10.8 million. This increase was due primarily to contributions from higher sales, partially offset by increased associate-related costs.

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. generally accepted accounting principles ("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; goodwill and indefinite-lived intangible assets; share-based payment expense; and product warranty and recall costs. 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 critical accounting estimates with the Audit Committee of the Board of Directors on a recurring basis.

There have been no material changes in our critical accounting estimates during the current period. 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 Statements and Information

This filing 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 use words such as "expect," "believe," "intend," "anticipate," "indicative," "projection," "predict," "plan," "may," "could," "should," "would," "potential," and words of similar meaning, as well as other words or expressions referencing future events, conditions, or circumstances. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Act. Statements that describe or relate to the Company's plans, goals, intentions, strategies, or financial outlook, and statements that do not relate to historical or current fact, are examples of forward-looking statements. 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 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 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 quarterly report or to reflect the occurrence of unanticipated events, whether as a result of new information, future events, or otherwise.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

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 February 28, 2023. 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 February 28, 2023. 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.

There have been no changes in our internal control over financial reporting that occurred during our most recent completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

Information regarding reportable legal proceedings is contained in *Part I, Item 3. Legal Proceedings* in our 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 three and six months ended February 28, 2023, and updates any descriptions of previously reported legal proceedings in which there have been material developments during such period. 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*

The instability of certain financial institutions may have adverse impacts on certain of our vendors and customers and/or on our ability to access our cash deposits, which could negatively impact our cash flows, results of operations, and financial condition.

During fiscal 2023, there have been public reports of instability at certain financial institutions. Although we do not hold material deposits or investments at these financial institutions, and despite the steps taken to date by U.S. and foreign agencies and institutions to protect depositors, the follow-on effects of the events surrounding recent bank failures and pressure on other financial institutions are unknown, could include failures of other financial institutions to which we face direct or indirect exposure, and may lead to significant disruptions to the cash flows, operations and financial condition of our vendors, customers, and/or us. Additionally, tight credit conditions could impair the ability of real estate developers, property owners, and contractors to effectively access capital markets or obtain reasonable costs of capital on borrowed funds, resulting in depressed levels of construction and renovation projects. The inability of these constituents to borrow money to fund construction and renovation projects may reduce the demand for the Company's products and services.

Other than the item listed above, 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 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

On March 31, 2022, the Board of Directors (the "Board") authorized the repurchase of up to five million shares of our common stock. Under the current share repurchase authorization, we may repurchase shares of our common stock from time to time at prevailing market prices, depending on market conditions, through open market or privately negotiated transactions. No date has been established for the completion of the share repurchase program, and we are not obligated to repurchase any shares. Subject to applicable corporate securities laws, repurchases may be made at such times and in such amounts as management deems appropriate. Repurchases under the program can be discontinued at any time management feels additional repurchases are not warranted. As of February 28, 2023, the maximum number of shares that may yet be repurchased under the share repurchase program authorized by the Board equaled 2.1 million shares. The following table reflects activity related to equity securities we repurchased during the quarter ended February 28, 2023:

Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Maximum Number of Shares that May Yet Be Purchased Under the Plans
12/1/2022 through 12/31/2022	29,613	$ 173.97	29,613	2,336,920
1/1/2023 through 1/31/2023	95,743	$ 178.79	95,743	2,241,177
2/1/2023 through 2/28/2023	125,035	$ 193.87	125,035	2,116,142
Total	250,391	$ 185.75	250,391	2,116,142

Item 5. *Other Information*

None.

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 Restated Certification of Incorporation 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)	Certificate of Amendment to the Restated Certificate of Incorporation of Acuity Brands, Inc., dated as of January 7, 2021.	Reference is made to Exhibit 3(d) of registrant's Form 10-Q as filed with the Commission on January 7, 2021, which is incorporated herein by reference.
	(e)	Amended and Restated Bylaws of Acuity Brands, Inc., dated as of January 7, 2021.	Reference is made to Exhibit 3(e) of registrant's Form 10-Q as filed with the Commission on January 7, 2021, which is incorporated herein by reference.
EXHIBIT 10	(1)	Acuity Brands, Inc. Non-Employee Director Compensation Schedule.	Filed with the Commission as part of this Form 10-Q.
	(2)	Acuity Brands, Inc. 2005 Supplemental Deferred Savings Plan (As Amended and Restated effective March 30, 2023).	Filed with the Commission as part of this Form 10-Q.
EXHIBIT 22		List of Guarantors and Subsidiary Issuers of Guaranteed Securities.	Reference is made to Exhibit 22 of registrant's Form 10-K as filed with the Commission on October 26, 2022, which is incorporated herein by reference.
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.
EXHIBIT 104		Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)	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: April 4, 2023	By:	/S/ NEIL M. ASHE
		NEIL M. ASHE **CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER**
Date: April 4, 2023	By:	/S/ KAREN J. HOLCOM
		KAREN J. HOLCOM **SENIOR VICE PRESIDENT AND** **CHIEF FINANCIAL OFFICER (Principal Financial and Accounting Officer)**

Acuity Brands, Inc.
Non-Employee Director Compensation
(As of January 25, 2023)

Annual Retainer

Cash Portion	$95,000
Non-Cash Portion	$155,000

Annual Committee Chair and Lead Director Retainers

Audit Committee	$25,000
Compensation and Management Development Committee	$20,000
Governance Committee	$15,000
Lead Director	$30,000

Additional Meeting Fees

Board Meeting Fee (for each meeting attended in excess of 6 meetings)	$2,000
Committee Meeting Fee (for each meeting attended in excess of 6 meetings)	$1,500

The annual retainer, including any committee chair or lead director retainer, is payable in a single payment after the annual meeting at which the director is elected by stockholders for a one-year term. Additional meeting fees, when earned, are paid in cash in September following the completion of the fiscal year by which the number of meetings attended is determined. Each director may elect the form of payment for each portion of their annual retainer, subject, in some cases, to our Stock Ownership Guidelines.

Cash Portion: Each director may elect to have the Cash Portion either paid in cash or deferred into the Amended and Restated 2011 Director Deferred Compensation Plan (the "Amended 2011 NEDC"). Amounts deferred into the Amended 2011 NEDC may be credited into either an interest-bearing cash fund or into a stock unit fund. The value of the stock unit fund mirrors the value of the Company's common stock and earns cash dividends that are credited to the interest-bearing cash fund.

Non-Cash Portion: Each director may elect to have the Non-Cash Portion paid in either a restricted stock award ("RSA") or deferred restricted stock unit award ("DSU"), each pursuant to the Amended and Restated 2012 Omnibus Stock Incentive Compensation Plan, if he or she has exceeded the Stock Ownership Guidelines value. Prior to exceeding the Stock Ownership Guidelines value, the Non-Cash Portion will be paid in the form of a DSU. RSAs and DSUs become fully vested on the first anniversary of the grant date, or, if earlier, the date of the next subsequent annual meeting of stockholders. Both RSAs and DSUs earn dividend equivalents during the vesting period at a rate equal to the dividends paid to other holders of our common stock if and when declared. DSUs continue to earn dividend equivalents until such time as they are distributed. When a director ceases service with the Company during the one-year vesting period, the total number of shares earned will be prorated based on the ratio of the total number of days served to the number of days in the vesting period. Any awards not earned will be forfeited effective as of the date the director's service ends.

Matching Gift Program

Directors may participate in the Company’s Matching Gift Program. Under the program, Acuity Brands will match eligible charitable contributions by participants up to a total of $5,000 per fiscal year.

Director Education

Directors are encouraged to attend director education programs. Acuity Brands, Inc. will reimburse expenses of up to $5,000 per fiscal year for attendance at accredited programs.

ACUITY BRANDS, INC.

2005 SUPPLEMENTAL DEFERRED SAVINGS PLAN

(As Amended and Restated effective March 30, 2023)

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 and make other clarifying changes. Accordingly, this amendment and restatement is hereby effective March 30, 2023.

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) 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, Total and Permanent Disability, or after attaining age 55. The Retirement Account shall include all Matching Subaccount and Supplemental Subaccount balances and may include certain Deferral Subaccounts when designated by the Participant as such.

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 his Compensation 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. 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 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 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 Section 5.2 (whether or not the Cash In-Service Account was in payment status at such time). Further, if a Participant has made an election under this Section 5.1(c) and becomes entitled to payment of his Retirement Account under Section 5.1(b), the payment structure shall continue to be governed by the election made with respect to the Cash In-Service Account 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 <u>time</u> (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 died, 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 30th day of March, 2023, to be effective on the Effective Date, except where otherwise noted.

ACUITY BRANDS, INC.

By:
Title:

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.

EXHIBIT 31(a)

I, Neil M. Ashe, 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 second 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: April 4, 2023

/s/ Neil M. Ashe

Neil M. Ashe
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, Karen J. Holcom, 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 second 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: April 4, 2023

/s/ Karen J. Holcom

Karen J. Holcom
Senior 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 February 28, 2023, 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/ Neil M. Ashe

Neil M. Ashe
Chairman, President and Chief Executive Officer
April 4, 2023

[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 February 28, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, the Senior 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/ Karen J. Holcom

Karen J. Holcom
Senior Vice President and Chief Financial Officer
April 4, 2023

[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.]