



STITCH from A.Light

# FISCAL 2024 FIRST QUARTER RESULTS

JANUARY 9, 2024

# FORWARD LOOKING STATEMENTS

This presentation and related conference call and webcast include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, 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. Examples of forward-looking statements in this presentation include, without limitation, statements relating to our full-year fiscal 2024 guidance and expected financial performance.

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 presentation, conference call and webcast or to reflect the occurrence of unanticipated events, whether as a result of new information, future events, or otherwise.



# NON-GAAP FINANCIAL MEASURES

We disclose the following non-generally accepted accounting principles ("GAAP") financial measures: "adjusted gross profit", "adjusted gross profit margin", "adjusted operating profit" and "adjusted operating profit margin" for total company and by segment; "adjusted net income;" "adjusted diluted earnings per share ("EPS") "earnings before interest, taxes, depreciation, and amortization ("EBITDA");" and "adjusted EBITDA." These non-GAAP financial measures are provided to enhance the reader's overall understanding of the Company's current financial performance and prospects for the future. Specifically, management believes that these non-GAAP measures provide useful information to investors by excluding or adjusting items for amortization of acquired intangible assets, share-based payment expense, impairments of investments, supplier recovery charge and special charges associated with continued efforts to streamline the organization and integrate recent acquisitions, and a loss on sale of business. Management typically adjusts for these items for internal reviews of performance and uses the above non-GAAP measures for baseline comparative operational analysis, decision making, and other activities.

Management believes these non-GAAP measures provide greater comparability and enhanced visibility into the Company's results of operations as well as comparability with many of its peers, especially those companies focused

more on technology and software. Non-GAAP financial measures included in this news release should be considered in addition to, and not as a substitute for or superior to, results prepared in accordance with GAAP.

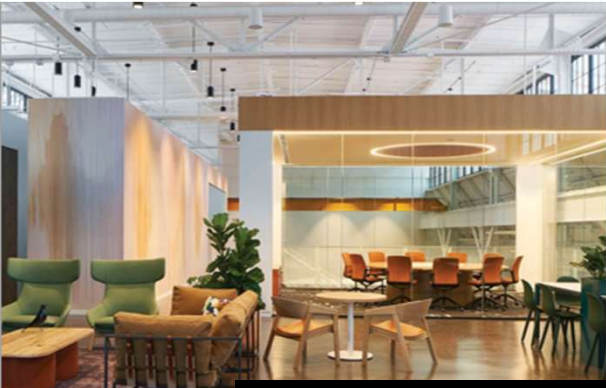
The most directly comparable GAAP measures for adjusted operating profit and adjusted operating profit margin for total company and by segment are "operating profit" and "operating profit margin," respectively, which include amortization of acquired intangible assets share-based payment expense, supplier recovery charge and special charges. Adjusted operating profit margin is adjusted operating profit divided by net sales for total company and by segment. The most directly comparable GAAP measures for adjusted net income and adjusted diluted EPS are "net income" and "diluted EPS," respectively, which include the impact of amortization of acquired intangible assets, share-based payment expense, impairments of investments, supplier recovery charge, special charges, and a loss on sale of business. Adjusted diluted EPS is adjusted net income divided by diluted weighted average shares outstanding. The most directly comparable GAAP measure for EBITDA is "net income", which includes the impact of net interest expense, income taxes, depreciation, and amortization of acquired intangible assets. The most directly comparable GAAP measure for adjusted EBITDA is

"net income", which includes the impact of net interest expense, income taxes, depreciation, amortization of acquired intangible assets, share-based payment expense, supplier recovery charges, special charges, and miscellaneous (income) expense, net. A reconciliation of each measure to the most directly comparable GAAP measure is available in this news release, except for forward-looking measures of adjusted diluted EPS where a reconciliation to the corresponding GAAP measure is not available without unreasonable effort due to the variability, complexity, and limited visibility of certain assumptions within, as well as the methodology used to estimate, the 2024 non-GAAP outlook measure. The Company's non-GAAP financial measures may not be comparable to similarly titled non-GAAP financial measures used by other companies, have limitations as an analytical tool, and should not be considered in isolation or as a substitute for GAAP financial measures. Our presentation of such measures, which may include adjustments to exclude unusual or non-recurring items, should not be construed as an inference that our future results will be unaffected by other unusual or non-recurring items.



# AYI: ACUITY BRANDS, INC.

## INTERSECTION OF SUSTAINABILITY AND TECHNOLOGY



Gotham® Lighting: Elite Staffing, Inc.

### Our Business Segments

- ABL** Acuity Brands Lighting and Lighting Controls (ABL)
- ISG** Intelligent Spaces Group (ISG)

## OUR COMPETITIVE ADVANTAGE

Our Operating System

**BETTER.  
SMARTER.  
FASTER.** +

Our Values

- Integrity
- Time
- Curiosity
- Owner's Mindset
- Customer Obsessed
- People
- Community

## HOW WE CREATE VALUE

- Grow Net Sales
- Turn Profits Into Cash
- Don't Grow Balance Sheet as Fast

## EFFECTIVE CAPITAL ALLOCATION

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



# AYI: FISCAL 2024 FIRST QUARTER PERFORMANCE

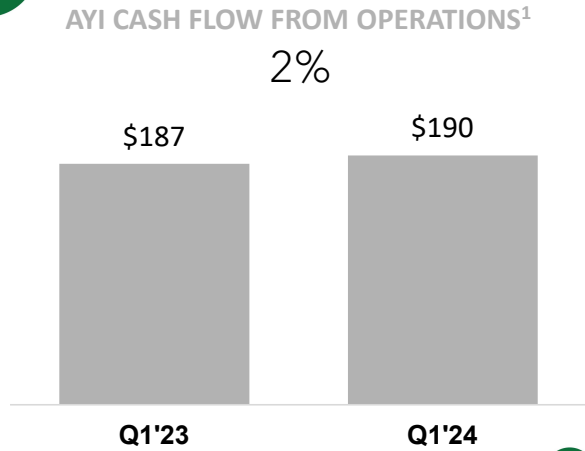
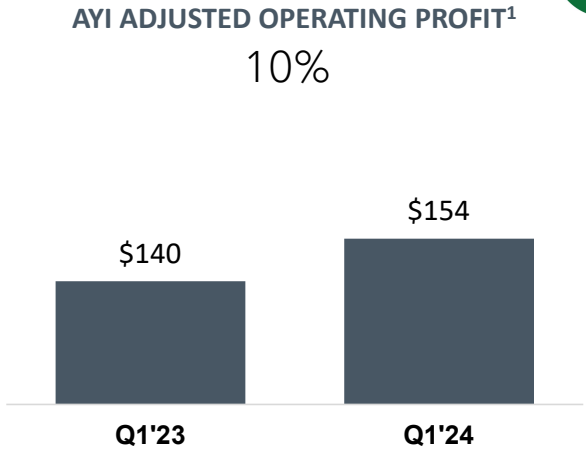
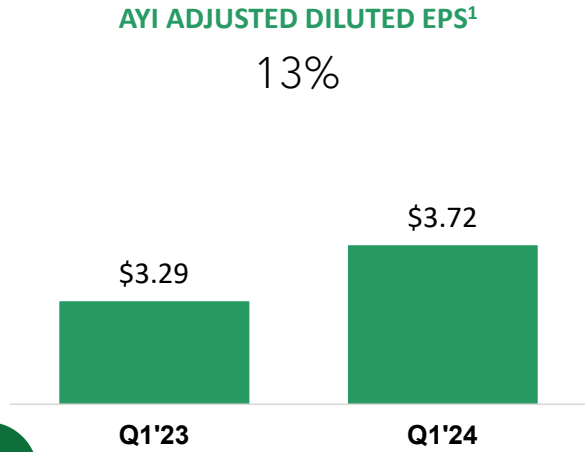
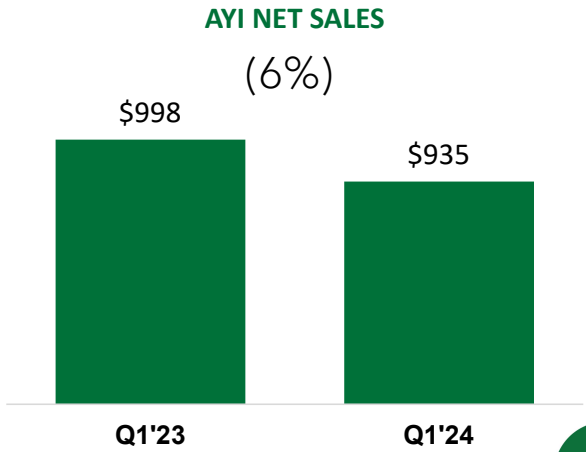
(\$ in Millions, Except Per Share Data)

Continued Strong Execution

Increased Adjusted Operating Profit by 10 Percent and Expanded Adjusted Operating Profit Margin by 250 bps

Increased Adjusted Diluted EPS by 13 Percent

Generated Strong Cash Flow and Allocated Capital Effectively to Drive Value



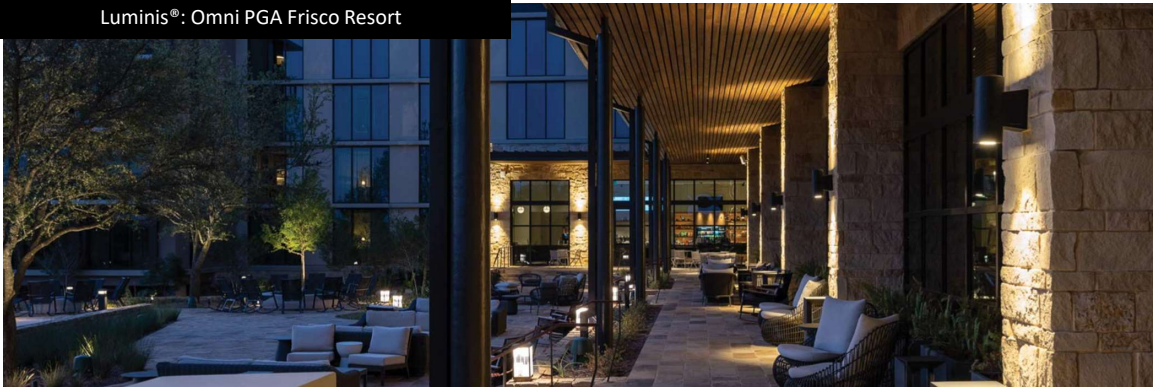
<sup>1</sup>AYI Adjusted Operating Profit, Adjusted Operating Profit Margin and Adjusted Diluted EPS are non-GAAP financial measures. See the Appendix for reconciliations to the most directly comparable financial measures calculated in accordance with GAAP.



# ABL: ACUITY BRANDS LIGHTING AND LIGHTING CONTROLS

FISCAL 2024 FIRST QUARTER PERFORMANCE

Luminis®: Omni PGA Frisco Resort



PREDICTABLE, REPEATABLE, SCALABLE

(\$ in Millions)

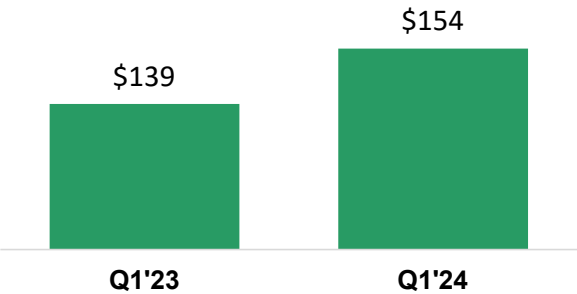
ABL NET SALES

(7%)



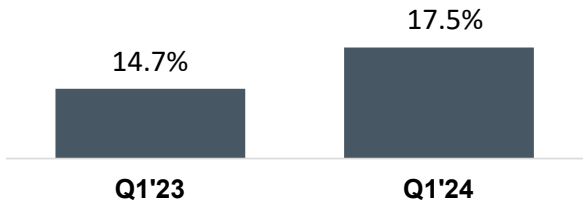
ABL ADJUSTED OPERATING PROFIT<sup>1</sup>

11%



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

280bps



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



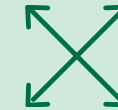
# ISG: INTELLIGENT SPACES GROUP

FISCAL 2024 FIRST QUARTER PERFORMANCE

Distech Controls®: Refuge du Goûter



CONNECTING THE  
EDGE TO THE CLOUD



EXPANDING DISTECH'S  
ADDRESSABLE MARKET

## SMARTER, SAFER, GREENER

(\$ in Millions)

### ISG NET SALES

13%

\$64

\$57

Q1'23

Q1'24

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

(15%)

\$12

\$10

Q1'23

Q1'24

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

(530bps)

21.3%

16.0%

Q1'23

Q1'24

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





# FISCAL 2024 YEAR TO DATE CAPITAL ALLOCATION



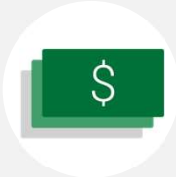
Invest for Growth in our Current Businesses



Invest in M&A



Maintain our Dividend



Repurchase Shares to Create Permanent Shareholder Value

**\$190M**

Operating Cash Flow

**\$15M**

CapEx

**\$50M**

Share Repurchases





# FISCAL 2024 OUTLOOK

**AYI Net Sales Range<sup>1</sup>**

\$3.7B to \$4.0B

*ABL Net Sales*

*Down Low to Mid-Single Digits*

*ISG Net Sales*

*Up Mid Teens*

**Adjusted Diluted EPS Range<sup>1</sup>**

\$13.00 to \$14.50

<sup>1</sup> Management estimates are based on multiple quantitative and qualitative inputs and contains forward-looking information; please see Forward Looking Statements on slide 2. We do not expect to update guidance on a quarterly basis.





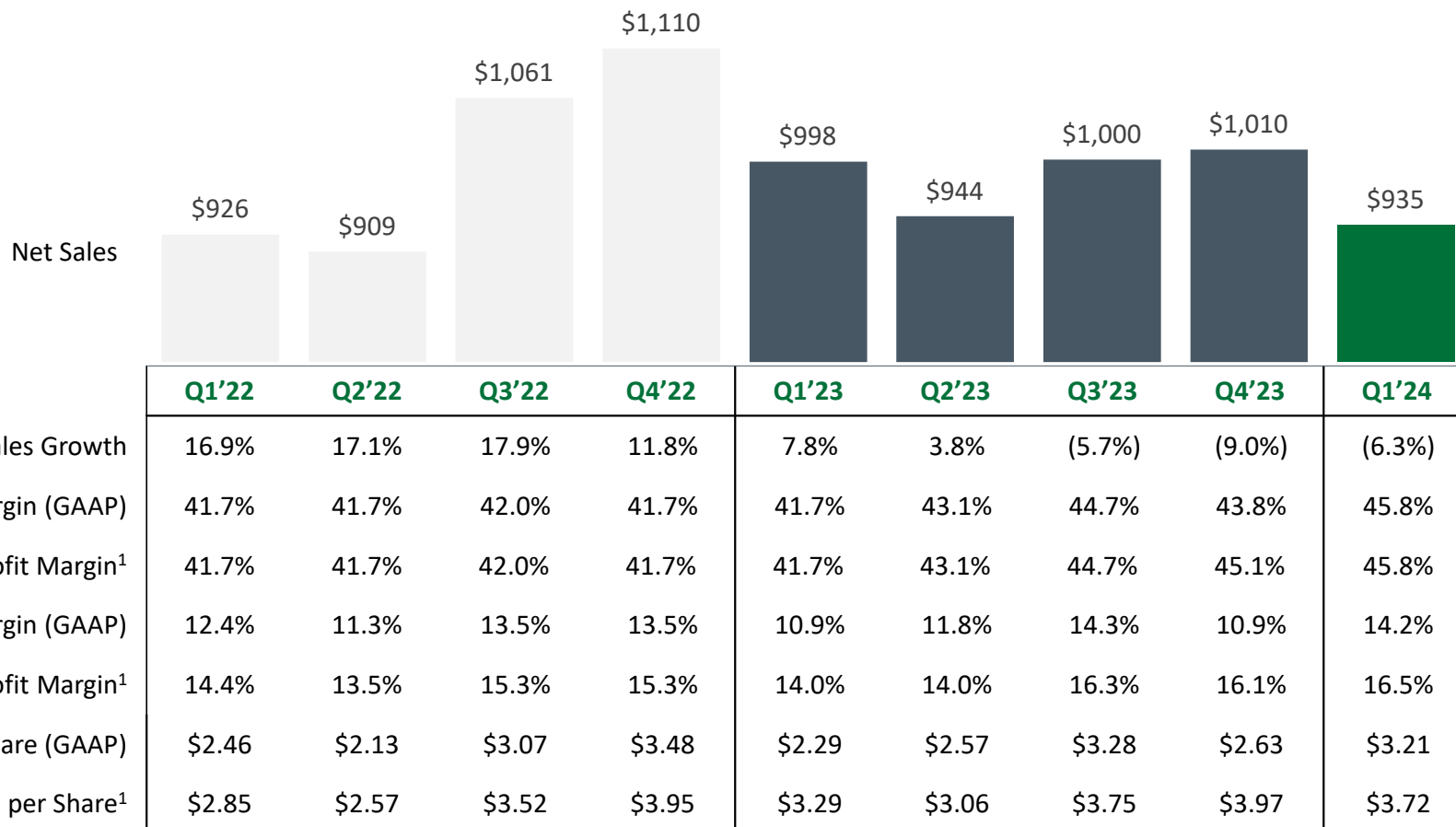
The NYC Experience Center by Acuity Academy

# QUARTERLY TRENDS



# AYI: QUARTERLY TRENDS

(\$ in Millions, Except Per Share Data)

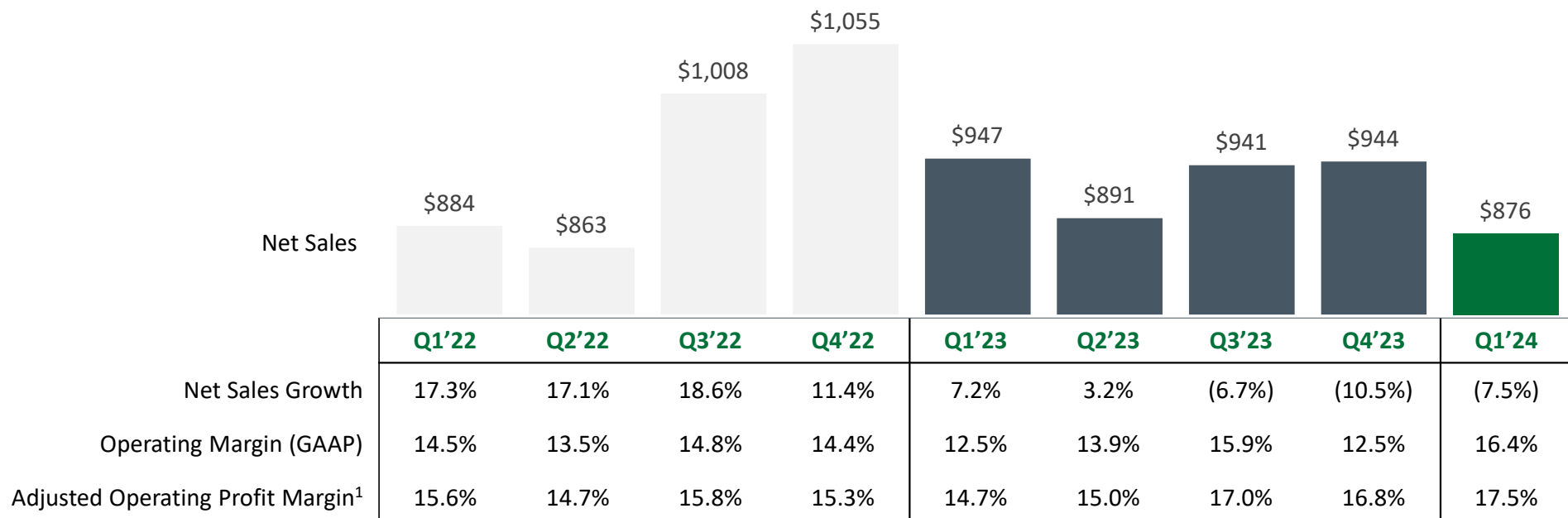


<sup>1</sup> AYI Adjusted Gross Profit Margin, Adjusted Operating Profit Margin and Adjusted Diluted Earnings Per Share are non-GAAP financial measures. See the Appendix for reconciliations to the most directly comparable financial measures calculated in accordance with GAAP.



# ABL QUARTERLY TRENDS

(\$ in Millions)

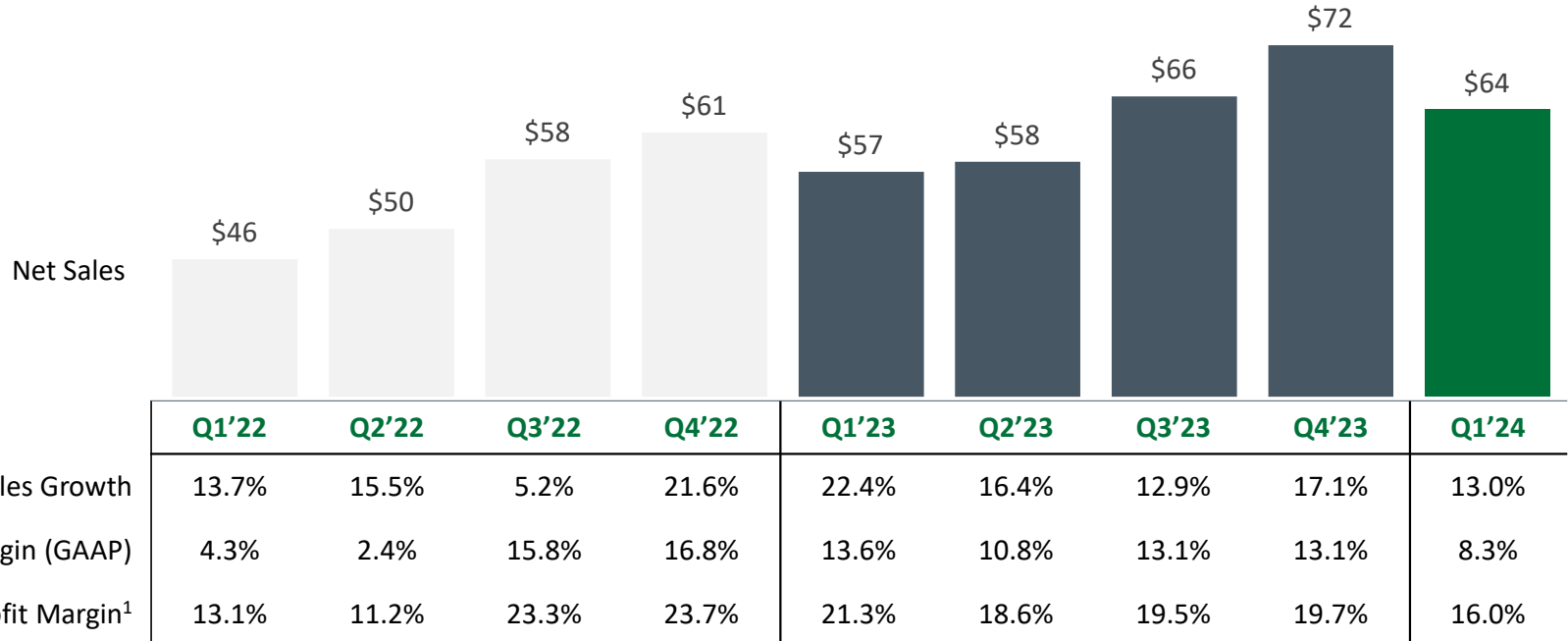


<sup>1</sup> ABL Adjusted Operating Profit Margin is a non-GAAP financial measure. See the Appendix for reconciliations to the most directly comparable financial measures calculated in accordance with GAAP.



# ISG QUARTERLY TRENDS

(\$ in Millions)



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





The NYC Experience Center by Acuity Academy

# APPENDIX

## Reconciliation of Non-GAAP Measures



# AYI: ADJUSTED GROSS PROFIT AND ADJUSTED GROSS PROFIT MARGIN

(\$ in Millions, Except Per Share Data)

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
<b>Net Sales</b>	\$926	\$909	\$1,061	\$1,110	\$998	\$944	\$1,000	\$1,010	\$935
<b>Gross Profit (GAAP)</b>	386	379	445	463	417	407	447	443	428
<i>Gross Profit Margin (GAAP)</i>	41.7%	41.7%	42.0%	41.7%	41.7%	43.1%	44.7%	43.8%	45.8%
<i>Adjustments</i>									
Add-back: Supplier recovery charge	-	-	-	-	-	-	-	13	-
<b>Adjusted Gross Profit (Non-GAAP)</b>	\$386	\$379	\$445	\$463	\$417	\$407	\$447	\$456	\$428
<i>Adjusted Gross Profit Margin (Non-GAAP)</i>	41.7%	41.7%	42.0%	41.7%	41.7%	43.1%	44.7%	45.1%	45.8%

Note: May Not Foot Due to Rounding





# AYI: ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING PROFIT MARGIN

(\$ in Millions, Except Per Share Data)

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
<b>Net Sales</b>	\$926	\$909	\$1,061	\$1,110	\$998	\$944	\$1,000	\$1,010	\$935
<b>Operating Profit (GAAP)</b>	115	102	143	150	109	112	143	110	133
<i>Operating Profit Margin (GAAP)</i>	12.4%	11.3%	13.5%	13.5%	10.9%	11.8%	14.3%	10.9%	14.2%
Add-back: Amortization of acquired intangible assets	10	10	10	10	14	9	9	10	10
Add-back: Stock-based compensation expense	8	10	10	10	11	11	10	10	11
Add-back: Special charge	-	-	-	-	7	-	-	20	-
<i>Adjustments</i>									
Add-back: Supplier recovery charge	-	-	-	-	-	-	-	13	-
<b>Adjusted Operating Profit (Non-GAAP)</b>	\$133	\$123	\$163	\$170	\$140	\$132	\$163	\$162	\$154
<i>Adjusted Operating Profit Margin (Non-GAAP)</i>	14.4%	13.5%	15.3%	15.3%	14.0%	14.0%	16.3%	16.1%	16.5%

Note: May Not Foot Due to Rounding



# AYI: ADJUSTED NET INCOME AND ADJUSTED DILUTED EARNINGS PER SHARE

(\$ in Millions)

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
<b>Net Sales</b>	\$926	\$909	\$1,061	\$1,110	\$998	\$944	\$1,000	\$1,010	\$935
<b>Net income (GAAP)</b>	88	75	106	115	75	83	105	83	101
Add-back: Amortization of acquired intangible assets	10	10	10	10	14	9	9	10	10
Add-back: Stock-based compensation expense	8	10	10	10	11	11	10	10	11
Add-back: Special charge	-	-	-	-	7	-	-	20	-
<i>Adjustments</i>									
Add-back: Loss on sale of a business	-	-	-	-	11	-	-	-	-
Add-back: Supplier recovery charge	-	-	-	-	-	-	-	13	-
Add-back: Impairment of investment	-	-	-	-	-	-	-	3	-
<b>Total pre-tax adjustments to Net income</b>	18	20	20	20	42	21	20	55	21
Adjustment for Tax Effect	(4)	(5)	(5)	(5)	(10)	(5)	(5)	(13)	(5)
<b>Adjusted Net Income (Non-GAAP)</b>	\$101	\$91	\$121	\$131	\$108	\$99	\$120	\$125	\$117
<i>Diluted weighted average number of shares outstanding</i>	35.5	35.4	34.4	33.2	32.7	32.4	32.0	31.6	31.4
<b>Diluted Earnings Per Share (GAAP)</b>	\$2.46	\$2.13	\$3.07	\$3.48	\$2.29	\$2.57	\$3.28	\$2.63	\$3.21
<b>Adjusted Diluted Earnings Per Share (Non-GAAP)</b>	\$2.85	\$2.57	\$3.52	\$3.95	\$3.29	\$3.06	\$3.75	\$3.97	\$3.72

Note: May Not Foot Due to Rounding

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# AYI: EBITDA AND ADJUSTED EBITDA

(\$ in Millions)

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
<b>Net Sales</b>	<b>\$926</b>	<b>\$909</b>	<b>\$1,061</b>	<b>\$1,110</b>	<b>\$998</b>	<b>\$944</b>	<b>\$1,000</b>	<b>\$1,010</b>	<b>\$935</b>
<b>Net Income (GAAP)</b>	88	75	106	115	75	83	105	83	101
Interest expense, net	6	6	6	7	7	6	4	3	1
Income tax expense	21	23	32	33	18	26	34	22	30
Depreciation	14	13	13	13	13	13	13	13	13
Amortization	10	10	10	10	14	9	9	10	10
<b>EBITDA (Non-GAAP)</b>	<b>139</b>	<b>128</b>	<b>168</b>	<b>179</b>	<b>126</b>	<b>137</b>	<b>165</b>	<b>131</b>	<b>155</b>
Miscellaneous expense (income), net	0	(2)	(2)	(6)	9	(4)	1	2	1
Share-based payment expense	8	10	10	10	11	11	10	10	11
Special charges	0	0	0	0	7	0	0	20	0
Supplier recovery charge	-	-	-	-	-	-	-	13	-
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$147</b>	<b>\$136</b>	<b>\$176</b>	<b>\$183</b>	<b>\$153</b>	<b>\$145</b>	<b>\$176</b>	<b>\$175</b>	<b>\$167</b>

Note: May Not Foot Due to Rounding



# ABL: ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING PROFIT MARGIN

(\$ in Millions, Except Per Share Data)

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
<b>Net Sales</b>	\$884	\$863	\$1,008	\$1,055	\$947	\$891	\$941	\$944	\$876
<b>Operating Profit (GAAP)</b>	128	117	150	151	118	124	150	118	144
<i>Operating Profit Margin (GAAP)</i>	14.5%	13.5%	14.8%	14.4%	12.5%	13.9%	15.9%	12.5%	16.4%
Add-back: Amortization of acquired intangible assets	7	7	7	7	11	6	6	7	7
Add-back: Stock-based compensation expense	3	3	3	3	3	4	4	3	3
Add-back: Special charge					7			18	
<i>Infrequent</i>									
Add-back: Supplier recovery charge	-	-	-	-	-	-	-	13	-
<b>Adjusted Operating Profit (Non-GAAP)</b>	\$138	\$127	\$160	\$162	\$139	\$133	\$160	\$159	\$154
<i>Adjusted Operating Profit Margin (Non-GAAP)</i>	15.6%	14.7%	15.8%	15.3%	14.7%	15.0%	17.0%	16.8%	17.5%

Note: May Not Foot Due to Rounding

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# ISG: ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING PROFIT MARGIN

(\$ in Millions, Except Per Share Data)

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
<b>Net Sales</b>	\$46	\$50	\$58	\$61	\$57	\$58	\$66	\$72	\$64
<b>Operating Profit (GAAP)</b>	2	1	9	10	8	6	9	9	5
<i>Operating Profit Margin (GAAP)</i>	4.3%	2.4%	15.8%	16.8%	13.6%	10.8%	13.1%	13.1%	8.3%
Add-back: Amortization of acquired intangible assets	3	3	3	3	3	3	3	4	3
Add-back: Stock-based compensation expense	1	1	1	1	1	1	1		2
<b>Adjusted Operating Profit (Non-GAAP)</b>	\$6	\$6	\$14	\$15	\$12	\$11	\$13	\$14	\$10
<i>Adjusted Operating Profit Margin (Non-GAAP)</i>	13.1%	11.2%	23.3%	23.8%	21.3%	18.6%	19.5%	19.7%	16.0%

Note: May Not Foot Due to Rounding

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