



AcuityBrands.

2020 ANNUAL REPORT

**Embracing change.
Engaging our potential.**



PROCESS

Streamlining processes and creating new efficiencies.



Letter to Stakeholders

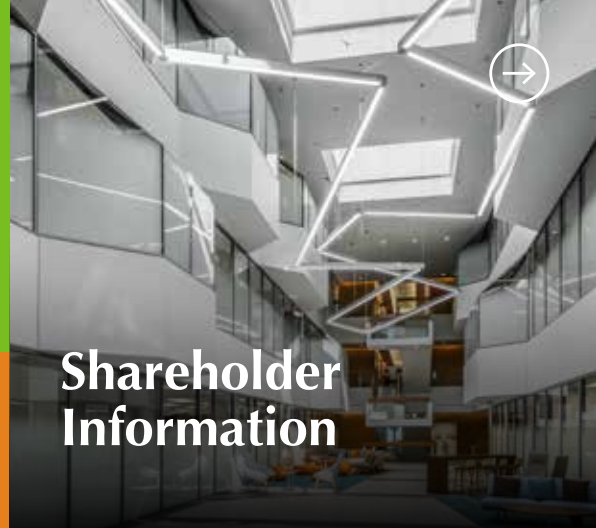


Financial Performance



INNOVATION

Enabling intelligent spaces and driving performance.



Shareholder Information



PEOPLE

Cultivating a strong committed team of associates.



EarthLIGHT
Report



A MESSAGE FROM NEIL M. ASHE, PRESIDENT AND CHIEF EXECUTIVE OFFICER

To Our Stakeholders



“We are a team of curious individuals seeking innovative solutions to problems before our customers ask for them.”

NEIL M. ASHE
President and Chief Executive Officer

ABOUT NEIL

Neil has led successful digital transformations at some of the most important internet, media, and commerce companies in the world. He and his teams created significant shareholder value through an ability to innovate and a strong commitment to customers.



This year marked my appointment as the next CEO of Acuity Brands. I could not be more excited to join together with more than 11,000 talented associates to transform our Company, to transform the industries that we serve, and to increase our impact on the communities in which we operate.

As you are keenly aware, the COVID-19 pandemic presented unprecedented challenges to our business and our world. It also presented Acuity Brands with an opportunity to demonstrate our resiliency, compassion, and strength. We met these challenges and used them as catalysts for change. Throughout the year we balanced the strong financial condition of our Company with the needs of our associates, customers, suppliers, and shareholders while embarking on the transformation of our business.

2020 IN REVIEW

Throughout the year we demonstrated the adaptability of our associates, the durability of our business, and our financial strength. We have shown that we can be a strong performer in all markets, including the current one.

- We demonstrated strong cash generation with \$450 million in free cash flow. We will use this cash to grow our current businesses and invest in new opportunities while managing our capital structure for value creation.
- We initiated the digital transformation of the business and are in the process of transforming our customer service levels and new product development cycles to be better, smarter, and faster.
- We expanded our intelligent building platform. With Distech and Atrius, we have strategically impactful technology assets that we believe we can build into a very valuable business over time.
- We completed acquisitions of The Luminaires Group (TLG) and LocusLabs, Inc. (LocusLabs). The acquisition of TLG expanded our offering of leading specification-grade luminaires for commercial, institutional, hospitality, and municipal markets. LocusLabs expanded our software offering to support intelligent buildings through its leading indoor mapping and location platform.
- We entered the market for germicidal UV light disinfection products through alliances with Ushio America, Puro Lighting, and Violet Defense.
- We implemented additional programs to support diversity and inclusion. These programs include listening sessions, town hall-style meetings, and resource groups focused on minorities and women and will ultimately lead to building a stronger Acuity Brands.



Financial Highlights

We performed well in fiscal 2020 despite the pandemic and the corresponding impacts on demand for the end-markets we serve. Net sales were \$3.3 billion, a decline of 9% as compared with the prior year. Despite the challenging market environment, we were able to increase our gross profit margins by 190 basis points. We achieved an operating profit of \$354 million and net income of \$248 million. Our diluted earnings per share was \$6.27.

We generated record net cash provided by operating activities of \$505 million, an increase of \$10 million from fiscal 2019. Free cash flow (net cash provided by operating activities, less capital expenditures) was \$450 million, an increase of \$8 million as compared to the prior year. Our year-end cash balance totaled \$561 million, an increase of \$100 million since the end of fiscal 2019 after investing \$55 million in capital expenditures, paying \$21 million of dividends to stockholders, and repurchasing \$69 million of the Company's common stock. We provided a return on stockholders' equity of 12.2% and an adjusted return on invested capital of 13.6%, both of which are meaningfully above our weighted average cost of capital.

As we look forward to fiscal 2021, we see an opportunity to leverage our expanded product portfolio in lighting, lighting controls, and intelligent building solutions in addition to our investment in our digital transformation, to extend our leading market position and create a new future for our industry.

PERFORMING WELL IN UNCERTAIN TIMES

Fiscal 2020 was a coalescence of challenges, opportunities, and successes. At the onset of the pandemic, we immediately launched several cross-functional workstreams focused on helping us determine the way forward, including how to change our workplace and create ways of working to accommodate the new world brought on by the pandemic. We clearly and unambiguously declared that our priorities were and continue to be: 1) the health and well-being of our associates and their families, and 2) ensuring that we operate effectively and emerge from this pandemic a stronger company. The pandemic has been a real test of who we are, as individuals, as a company, and as a community, and we accomplished some remarkable things.

Our team identified opportunities to make the most impact and we rapidly seized them. We identified temporary alternate care sites as an urgent need that we could help satisfy. In less than 48 hours, our Custom Architectural Lighting Solutions and Applied Technology Solutions teams developed a portable healthcare light stand, designed for lighting patient pods per specifications of the U.S. Army Corps of Engineers. They were deployed to facilities in Michigan, the Javits Center in New York, and McCormick Place in Chicago to support the life-saving treatments for the most critically ill.

Meanwhile, our business continued to march forward. Acuity Brands achieved significant sales wins throughout the pandemic while new products continued to be conceived, developed, and launched on schedule. Our go-to-market, product, and enabling teams transitioned the Company to operate in a virtual work environment almost overnight. Our use of virtual platforms to communicate with our independent sales network and our end users for product information, sales efforts, and training all accelerated. Our supply chain was already unmatched in the industry. Today, it is formidably stronger.

Our people make all the difference. Throughout Acuity Brands our associates continued to identify ways to make a positive impact on the communities where we operate and live in addition to the substantial day-to-day efforts required to balance work life and family priorities. We will not be what we were before the impact of the pandemic. We will emerge stronger and more agile with new ways of working. We are well prepared to invent the future of Acuity Brands.

TRANSFORMING ACUITY BRANDS

We are transforming the way we do things and leveraging the Company's strong foundation and sound balance sheet as we continue our journey to be an industrial technology leader. In fiscal 2020, we embarked on a digital transformation of the business. We are in the process of making our business better, smarter, and faster while we transform the service levels to our customers and improve our product development cycles.

The digital transformation we have embarked upon is not merely about technology. It begins with a transformative customer experience that delivers on increased expectations. We also want to operate like a digital company, adopting the methods and strategies that allow us to execute our processes effectively and efficiently using technology. It is about both what we do and how we do it. We have outstanding opportunities in our product and technology portfolio – in our lighting, lighting controls, and building management systems – as well as dynamic opportunities in location-aware applications. The digital transformation of the Company will make the core business stronger and set the stage for what we believe will be solid growth in revenue and profitability over the long term.

Our strategy is to drive our transformation and expand the capabilities of our intelligent building platform, while we continue to use the cash flow that we generate to grow our current businesses, add new ones, and generate value for shareholders.



STRONGER TOGETHER

Acuity Brands is many things. We are a company with a strong strategic, operating, and financial foundation. We are a team of curious individuals seeking innovative solutions to problems before our customers ask for them. We are lighting solutions experts who are opportunistic on our customers' behalf, optimizing their energy efficiency and enhancing the occupant experience while reducing operating costs. We create intelligent building solutions that enable our customers to convert their buildings into strategic assets. We are a talented group of transformative thinkers and together we are creating a future of what can be.

During fiscal 2020, we expanded our management team to increase our capabilities for the opportunities and challenges ahead. Dianne Mills was added as our Chief Human Resources Officer and will build on our strong culture to ensure we continue to attract, develop, and retain exceptional talent aligned with our business strategy. Vijay Raghavendra joined Acuity Brands in the newly created position of Chief Technology Officer to align our product and technology architecture with our customers' needs. They bring a wealth of experience and passion for growing our Company and will be key contributors to our transformation.

I believe in our people. Our associates are the ones who best understand the decisions that need to be made for their markets, their customers, and their operations. We empower them by giving them the authority and responsibility for making these decisions and holding them accountable for the results. We employ, empower, and embrace a diverse group of people at Acuity Brands and increasingly work to build an organization that reflects society.

Our EarthLIGHT program will continue to enhance our ability to become better stewards of the environment and the communities where we do business. It will also help us to focus on better maintaining a diverse board and workforce and to improve our governance procedures. We continue to provide our associates with ongoing training programs, health and wellness programs, and career advancement opportunities.

I am proud of the collaborative culture we have at Acuity Brands. We want to be the place where the best people want to work because they believe they can do their best work here.

BUILDING FOR OUR FUTURE

We are not experiencing a new normal, but a new and different reality. We are executing well and will come out of this challenging market environment a stronger company and a better business than we went into it. We have learned new ways to work and plan to build on this momentum of productivity, collaboration, and innovation. We will continue to light the way for each other, our customers, and all our stakeholders during and far beyond this uncertain time.

I cannot imagine a year that would have revealed better evidence of our Company's durability and sustainability in unfavorable environments than fiscal 2020. Unusually challenging times demand incredible things from extraordinary people, and those are the elements that came together this year at Acuity Brands. The commitment and selflessness of our associates is truly inspiring.

We are building for tomorrow, inventing the way that we will be working in the future. We want to master the art of the possible. At the same time, we will continue to leverage our market-leading position to extend that prominence, as we develop solutions to questions the industry has not yet asked.

I could not be more excited about the years ahead. We value the trust you have placed in us and will continue to work to safeguard it. Acuity Brands is on the way to some new and exciting places, and I appreciate that you are with us for the journey ahead.

NEIL M. ASHE
President and Chief Executive Officer



THANK YOU FROM OUR EXECUTIVE CHAIRMAN

The year 2020 marks my last year, and in some ways, my best year with Acuity Brands. It has been a privilege to have led our remarkable associates at this great Company over the past 15 years. We accomplished a great deal together including successfully navigating one of the greatest technology transformations faced by any industry with the advent of digital lighting. I am delighted that Neil Ashe agreed to succeed me as CEO as he recognized the great potential of our Company and the opportunity to create great value for our stakeholders. The Board of Directors' choice of Neil as our next leader culminated an orderly succession plan that began a year before. Neil has a very successful track record of profitable growth through innovation and the ability and vision to take actions and implement strategies that will enhance this industry and our world in ways that have not been done before. He and our global team of associates are going to do great things together and continue to light the way into the future.



Within weeks of Neil's appointment, the COVID-19 pandemic arrived and forever changed our business and our world. It was my delight, but not my surprise, to witness first-hand Neil's remarkable leadership and the fortitude, adaptability, and determination that our team of associates demonstrated to keep our Company operating safely and effectively. They did not miss a beat.

Today, Acuity Brands, the market leader in North America, is financially and organizationally strong and positioned for growth in the years ahead. Neil's vision and entrepreneurial leadership along with investments we have made in the past, position us well for the future. We have established a solid operating foundation that our team consistently and creatively executes from with excellence, regardless of outside pressures.

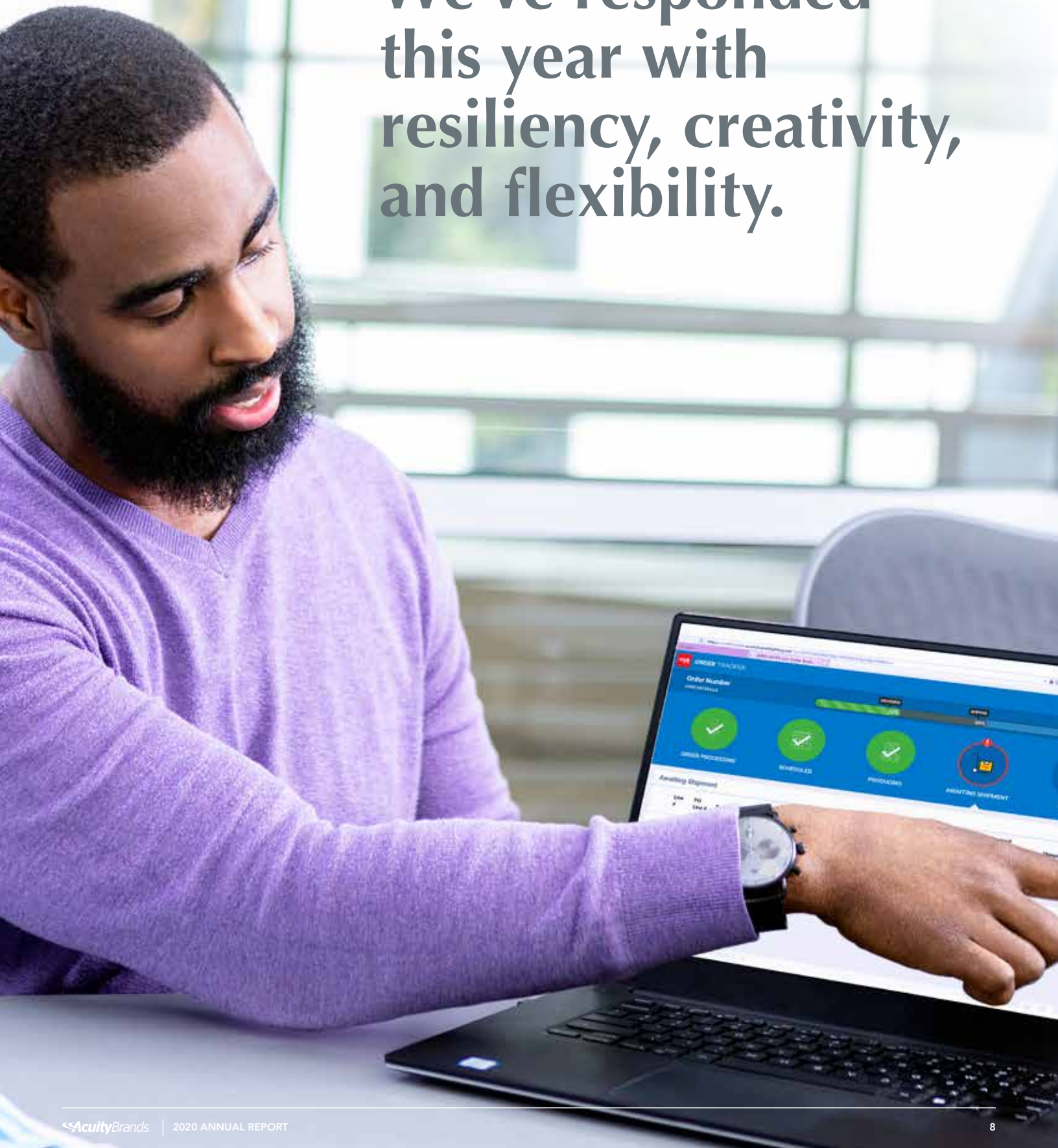
I would like to thank all our stakeholders – shareholders, customers, partners, suppliers, associates, and the many communities where we operate – for the loyalty and support they have shown me throughout my time here. I have enjoyed our interactions and relationships and those memories will no doubt be the first thing I think of when I reflect on my wonderful years at this Company. Thank you for our journey together. It has been a privilege and an honor to be a part of the Acuity Brands team.

I am very excited about the Company's future...and I firmly believe that Acuity Brands' best days are ahead.

VERNON J. NAGEL
Executive Chairman



We've responded
this year with
resiliency, creativity,
and flexibility.





“We’re creating new processes and boosting efficiencies to become even better partners to our customers.”

Tyler H. Moon, Senior Vice President and Chief Operating Officer

ABOUT TYLER

Over the last 13 years, Tyler has held several different senior positions in operations, product management, and sales, and as Acuity Brands’ new COO, he is using his knowledge of the Company to help us further drive our data-driven, customer-focused mindset within our supply chain operations.

During every crisis, there is an opportunity for those who can respond with resiliency, creativity, and flexibility.

This year Acuity Brands faced tremendous challenges across our entire value chain, and as we adapted our operations to the realities of a global pandemic, we took advantage of this unique inflection point in our Company’s history. With our associates leading the way, we developed new workflows to make us an even more responsive, reliable partner to our customers. Moving forward, we will maintain this momentum while also setting new standards and upending old paradigms to build a long-term strategic advantage.

We are driving a digital transformation to become *Better, Smarter, Faster*. Creating a more responsive customer experience is one of our top priorities and we are transforming Acuity Brands into a more agile, customer-oriented company. *Better, Smarter, Faster*, which was spearheaded by cross-functional teams, created a foundation for collecting and analyzing customer feedback, strengthening our customer touchpoints, and identifying processes and tools to close the communication gap between product orders and delivery. We have met our challenges with resolve and imagination, and, as a result, we are building a strong foundation for achieving new levels of visibility, productivity, and responsiveness.

We are incorporating new digital technologies into our manufacturing and logistics to make us efficient. In our warehouse operations, we have begun to apply the asset tracking and analytics of our Atrius® indoor data platform to our forklift fleet to work more efficiently and safely. As our supply chain operations continue to produce more and more data, we will be able to achieve real-time, end-to-end transparency throughout our supply network.



While protecting our safety and health, we carried on as an essential business.



Back in March, during a time of global supply chain disruption, we demonstrated a strong commitment to continue supplying our lighting, lighting controls, and building management systems to hospitals, clinics, supermarkets, transportation facilities, and other critical end-users. To keep our physical operations running safely and at full capacity, while at the same time supporting our associates suddenly working virtually from home, we had to rapidly develop a series of health and safety protocols that could be implemented across a range of different environments.

To ensure our supply chain and distribution teams could keep working in close collaboration with our sales teams to deliver on our commitments, we empowered our facilities across the world to create a COVID-19 response team that could implement measures to comply with local regulations as well as Centers for Disease Control (CDC) and World Health Organization (WHO) guidelines. In our three Monterrey, Mexico plants we were able to limit the potential for human cross exposure and control those environments so effectively that our safety protocols become a model for other companies operating within Mexico's northern border zone.

We are thankful for our associates who were working hard before the crisis and have continued to outperform expectations in these unprecedented times. During arguably the most challenging year in the Company's history, many of our facilities have seen increases in productivity and product shipping speeds. This operational resilience – and the dedication it required – was made possible by the passion and collaboration of our people.



“Our digital transformation goes beyond data and applications. It’s a transformation of people.”



LADARIUS AGEE
Lead Design Engineer

To solve one of our customers’ biggest challenges, we closed the gaps in our logistics ecosystem.

LaDarius’ areas of expertise include process improvement, design and implementation, procurement systems, and production optimization. This year he led a cross-functional team as part of the *Better, Smarter, Faster* initiative tasked with improving the customer experience.

I design products that go into harsh industrial spaces like warehouses and factories, and along with the rest of our Atlanta-area office associates, I have been working from home since March as part of a virtual engineering team. When Acuity Brands asked me to join the *Better, Smarter, Faster* team to help the Company drive its digital transformation, I was excited about the chance to solve some of our customers’ biggest problems, as well as get to know people outside of engineering. Our cross-functional team cut across traditional silos and included associates from sourcing, marketing, sales, IT, customer solutions, and product management.

We focused on the customer, asking how and where we can improve the customer experience. We surveyed over 200 agents and distributors, and what we heard was customers wanted a way to accurately monitor the status of their orders; and when a date was changed, know the reason why. To close the gaps in our logistics ecosystem, we realized we needed to build a real-time order tracker through our Acuity Distribution Center platform that provided accurate, timely notifications. We internally called this new platform *Where’s My Stuff*, and it was designed to improve visibility into order status while preemptively addressing at-risk-orders in time to take corrective action.

As our team connected on a personal level, we realized that digital transformation is more than a function of IT and data and applications. It is a transformation of people and an understanding of how to instill a customer-first mindset into every aspect of our Company. Being a part of this *Better, Smarter, Faster* team and working on something larger than my role as a product engineer recharged my passion for my role as an individual, as well as opened my eyes to the potential the Company has to significantly distance itself from others in the industry. I am grateful for the opportunity to do something different and have the responsibility of helping Acuity Brands solve a mission-critical challenge.



We are leveraging technology to reach the next horizon of operational effectiveness.



In our warehouse operations, we have begun to apply the asset tracking and analytics of our Atrius indoor location services platform to our forklift fleet to work more efficiently and safely. This technology provides key metrics such as distance traveled, run time versus stop time, and the time needed to complete a task. With these insights, managers can improve processes and the overall efficiency and utilization of heavy equipment while controlling maintenance and capital equipment costs.

We have also implemented a traceability process for our testing equipment, giving us the ability to recall test data from every step of our manufacturing process and detect any inconsistencies. This data will help us drive greater efficiency, transparency, and accountability across our supply chain and empower our production managers to optimize business decisions and achieve higher standards.

As part of our *Better, Smarter, Faster* initiative we provide upgrades to our Acuity Distribution Center platform to close the communication gap between product orders and delivery. Giving the customer greater visibility into their order status allows our operational team to be able to deliver more effectively to meet customer needs.



INNOVATION

Our technology integrates seamlessly to make buildings smarter.





“Our passion for innovation comes from putting the customer at the center of everything we do.”

Vijay Raghavendra, Chief Technology Officer

ABOUT VIJAY

With his extensive experience delivering platforms and applications that are fueled by data and data science, Vijay has a track record of building teams with a strong customer focus, a culture of innovation, and excellence in technology delivery.

We are driving innovation to support customer needs. To accomplish this, we have made investments to gather insights to transform the way we support our customers. By fostering a culture that focuses on the people who specify, purchase, and use our products, we will be able to respond more quickly to the needs of the market and develop solutions that set Acuity Brands apart.

We are continuing to invest in technology to provide new and innovative lighting solutions for our customers. We recognized the trend for luminaires that are smaller and less obtrusive, as well those that can be installed with less complexity. As such we developed the Modulus™ low-voltage distribution and digital lighting control system in response to this need. We are also expanding our lighting portfolio with advanced UV light disinfection products to reduce the pathogenic bioburden in buildings.

We are expanding our technology to provide integrated solutions that will help buildings become more intelligent. Our customers have realized that for them to operate sets of buildings efficiently, they need centralized cloud-based management that connects all sensors, systems, and data streams. With the Company's integrated platform of lighting, lighting controls, and intelligent building solutions, we are helping our customers go from a fragmented ecosystem to a seamless one that leverages the power of IP-connectivity and the cloud to create spaces that are more energy-efficient, comfortable, and productive.



We are expanding our offering of leading architectural lighting solutions.



Architects, contractors, and building owners want luminaires that are sleeker, more sophisticated, and easier to install. To meet their needs, our comprehensive, forward-looking lighting design portfolio provides a range of innovative solutions to meet today's lighting challenges and push the boundaries of creativity.

To take advantage of the demand for smaller, unobtrusive luminaires, we introduced the Modulus low-voltage distribution and digital lighting control system. Modulus leverages our expertise in developing drivers, sensors, and lighting controls, and is unique in that it provides low voltage distributed power and lighting control for luminaires as small as one inch in depth. We also launched Renna™ luminaires from Peerless®, leveraging the Modulus low-voltage distribution platform. Renna earned top recognition from the LightFair Innovation Awards®, one of the lighting industry's most prestigious award programs, for overall Design Excellence and Best of Category for Commercial Indoor.

In 2020, we acquired The Luminaires Group (TLG), a leading provider of specification-grade luminaires for commercial, institutional, hospitality, and municipal markets. TLG's indoor and outdoor lighting products are marketed to architects, landscape architects, interior designers, and engineers through five niche lighting brands: a-light™, Cyclone™, Eureka®, Luminaire LED™, and Luminis®. The addition of these strong brands to our lighting portfolio reinforces our commitment to offering our customers inspired architectural solutions.



“This year, we accelerated our research efforts to solve one of the biggest challenges our customers suddenly found themselves facing.”

GARY TROTT

Vice President of Technology Commercialization

We're using the power of UV light disinfection technology to reduce the pathogenic bioburden in indoor spaces.

For over 25 years, Gary has worked to develop breakthrough intelligent lighting and IoT-enabled products that change the way we interact with spaces while driving significant value beyond illumination.

Innovation isn't easy. It requires people to change what they are used to doing, and the process can be disruptive and uncomfortable. The key is to rally a cross-disciplinary team around an exciting new idea, and once people break out of their paradigms, the spark of innovation can come from anyone. This year, we accelerated our research efforts to solve one of the biggest challenges our customers suddenly found themselves facing: how to get back to business and reduce the pathogenic bioburden in their spaces.

We quickly ramped up a team to commercialize new UV light disinfection technologies that balance both efficacy and end-user safety in a way that would be easy for our customers to adopt. We entered into an exclusive business relationship with Ushio America to add their powerful Care222[®] UV disinfection technology to our portfolio. Care222 uses filtered excimer lamps to generate 222nm far-UVC light capable of inactivating viruses and bacteria on indoor surfaces and is the first UV light disinfection technology that can be used with people present.

We have also entered into strategic agreements with Violet Defense, an innovator of patented germicidal UV light disinfection technology that uses a pulsed xenon light source to kill bacteria and inactivate viruses, and Puro Lighting, a lighting and technology company that uses Violet Defense[®] technology to create UV light disinfection solutions for many different industries and categories. The compact size of these products that utilize the pulsed xenon light source makes them unobtrusive when installed in a ceiling and easier to implement than many traditional UV light solutions.

Our customers are highly motivated to find UV light disinfection products for a wide variety of requirements and budgets. We believe that our alliances providing access to advanced UV light disinfection technology coupled with our product portfolio of lighting, lighting controls and intelligent building solutions along with our sales distribution channels uniquely positions us to take advantage of this market opportunity.

Generating new intelligent building opportunities with an expanded portfolio for commercial, hospitality, healthcare and educational spaces.



According to a recent IDC Connected Buildings – Growing Adoption and Business Value Survey (sponsored by Acuity Brands), over the last two years, there has been a 38% increase in the number of fully operational connected building solutions deployments. Further, the IDC survey found solutions that put occupant experience as the most important feature are deemed as an essential investment in 2020. With this customer need in mind, one of the most sought-after features for this year is the ability to control comfort settings from personal mobile devices, instead of accessing public use devices, which are often touched by multiple end-users. This is where Distech Controls® solutions are focused on helping businesses and building owners who are looking to solve their challenges and deploy the right connected building solutions for their spaces.

The ECLYPSE™ Connected Thermostat is one of Distech Controls' most recent innovations designed to help bridge an identified technology gap in light-commercial, hospitality, hospital and educational spaces. The ECLYPSE Connected Thermostat will help building owners elevate the value of their portfolio with technology that further reduces energy consumption, provides access to comfort setting management, and can connect with the free *my PERSONIFY* app. The app gives occupants, facility managers and other key stakeholders access to the building in ways never accomplished before with a standard building thermostat. Furthermore, the ECLYPSE Connected Thermostat features an open system, with an integrated webserver to provide secure compatibility with other building systems. The ECLYPSE Connected Thermostat does not require access to the building's IT network systems, nor does it require tricky proprietary gateways for seamless integration.

While the demand for intelligent buildings continues to grow, the objectives of these spaces are forever evolving. Distech Controls will continue to expand its innovative products and solutions beyond the more traditional energy efficiency considerations of years past to occupant comfort and wellbeing as a prominent focus. Distech Controls' future-ready products and solutions are poised to take on these new challenges to offer truly intelligent buildings around the world.



PEOPLE

Let's create a workplace where the best people can do their best work.





“To support our people at work and in life, we’re helping them cope with today’s realities while creating opportunities for future growth.”

Dianne Mills, Senior Vice President and Chief Human Resources Officer

ABOUT DIANNE

Dianne uses a hands-on approach to creating a shared vision and promoting change at all levels of an organization. She has over two decades of experience in building high-performance cultures and is making a big impact at Acuity Brands.

We have overcome a lot this year and are stronger for it. As our Company needed to change the way it works almost overnight in response to the global pandemic, we have realized that many of these new norms will translate to how we work going forward. Our focus is on providing a culture that fosters an outcome-driven work environment that empowers teams to solve some of Acuity Brands’ biggest challenges, while encouraging open, productive communication.

Our goal is to create a workplace where the best people can do their best work. Because a sense of inclusion is strongly linked with engagement, we want our associates to bring their whole selves into their role at Acuity Brands, including all their inspiration, integrity, and uniqueness. During these times with a growing movement supporting social justice, creating a sense of belonging is more important than ever, and we are taking new steps to acknowledge our differences while valuing the abilities and ideas we share.



We are supporting our employees during a challenging time.

Throughout the COVID-19 pandemic, Acuity Brands has come together in profound ways to accomplish remarkable things. Since the onset in March, we have made the health and well-being of our associates and their families our top priority, while working diligently to operate effectively for our sales channel partners and customers. To accomplish this, we implemented stringent health and safety protocols for all our hourly workers who needed to continue working on-site in our factories and distribution centers.

For our associates who did not need to physically come to work to do their jobs effectively, we launched several measures to support their work-life rhythms. First, we conducted a series of listening sessions with associates to find out what kind of tools and programs our working families need to remain productive and motivated. Because the nature of work has changed, our people need the technology to work securely from anywhere, on any device, so we have created more seamless communication and collaboration across locations and platforms while maintaining the security and integrity of systems and data.

To support our sales teams and other customer-facing roles during this unprecedented paradigm shift, we created new ways to market and sell in a virtual world. We have rolled out new digital tools and have empowered our sales teams to locally create personalized marketing that can help replace and eventually complement face to face activity. We are working with our distributors to strengthen and accelerate their e-commerce platforms and strategies. And this year our sales team completed their first-ever virtual version of our national sales meeting, which connected 1,600 agency and 350 internal attendees in an online forum that showcased new products and provided the kind of demonstrations and educational elements needed to enhance product knowledge and empower participants to sell our products.

Our commitment to building a more inclusive company has never been more important.



Like many companies, we are experiencing a time when our commitment to diversity and inclusion has been accelerated and amplified. This year we conducted several listening sessions with our associates about race, and our colleagues shared openly and honestly their perceptions while making valuable recommendations. This conversation is far from over, and we are taking actions that focus on our people, our company, and our impact on our community. Here are some of our initial steps:

- We created a standing steering committee with several executive sponsors and representation from a diverse mix of associates to help guide our ongoing efforts to build a better and more diverse company.
- We are reviewing and adjusting our recruiting, training, and talent development processes to ensure we are building a diverse, equitable, and inclusive company with the best talent available.
- In the words of Dr. Martin Luther King, Jr., “Darkness cannot drive out darkness; only light can do that.” In recognition and celebration of his legacy, we have revised our holiday schedule to include Martin Luther King, Jr. Day as an official company holiday.
- We are increasing our focus on the community, including allocating \$50,000 this year to organizations working for racial equality. We will also identify service opportunities moving forward so that we can spend time together (as appropriate in a COVID-19 environment) benefiting the communities of which we are apart.

All of these activities will fall under a larger program we will develop through this journey to make us stronger together. All associates – regardless of their race, religion, gender, sexual orientation, age, political affiliation, or any other characteristics – should feel valued, respected, and accepted for their unique characteristics and contributions to Acuity Brands.



EarthLIGHT

EarthLIGHT is our comprehensive approach to ESG. Through it, we coordinate our efforts around Environmental, Social, and Governance topics, improve our performance, increase transparency, and better highlight our results on numerous ESG issues.

NURTURING OUR ENVIRONMENT

We are committed to reducing the environmental impact of our products and solutions, driving efficient use of raw materials, and operating our facilities in an intelligent, environmentally friendly manner. In these ways, we also help our customers reduce their impact.

TRAINING TOMORROW'S LEADERS

At Acuity Brands, the most important investment we make is in our people. That's why we offer so many ways they can improve themselves and their contributions to Acuity Brands. We are creating a leadership infrastructure specifically to aid in employee development. Training and education are becoming greater priorities as well. In particular, manager training is important because good managers produce engaged employees.

BUILDING A DIVERSE BOARD

We recognize and embrace the value of diversity and the benefits that diversity can bring to our Board. Diversity promotes a breadth of varied perspectives, allows for robust discussions and well-rounded decision-making, and ensures that we can benefit from all available talent. The promotion of a diverse Board makes prudent business sense and better corporate governance.



[View the Report](#)



SELECTED FINANCIAL DATA

(dollars in millions, except for diluted earnings per share)

\$3,492

TOTAL ASSETS

\$3,326

FISCAL 2020 SALES

\$561

TOTAL CASH

\$248

NET INCOME

\$401

TOTAL DEBT

\$6.27

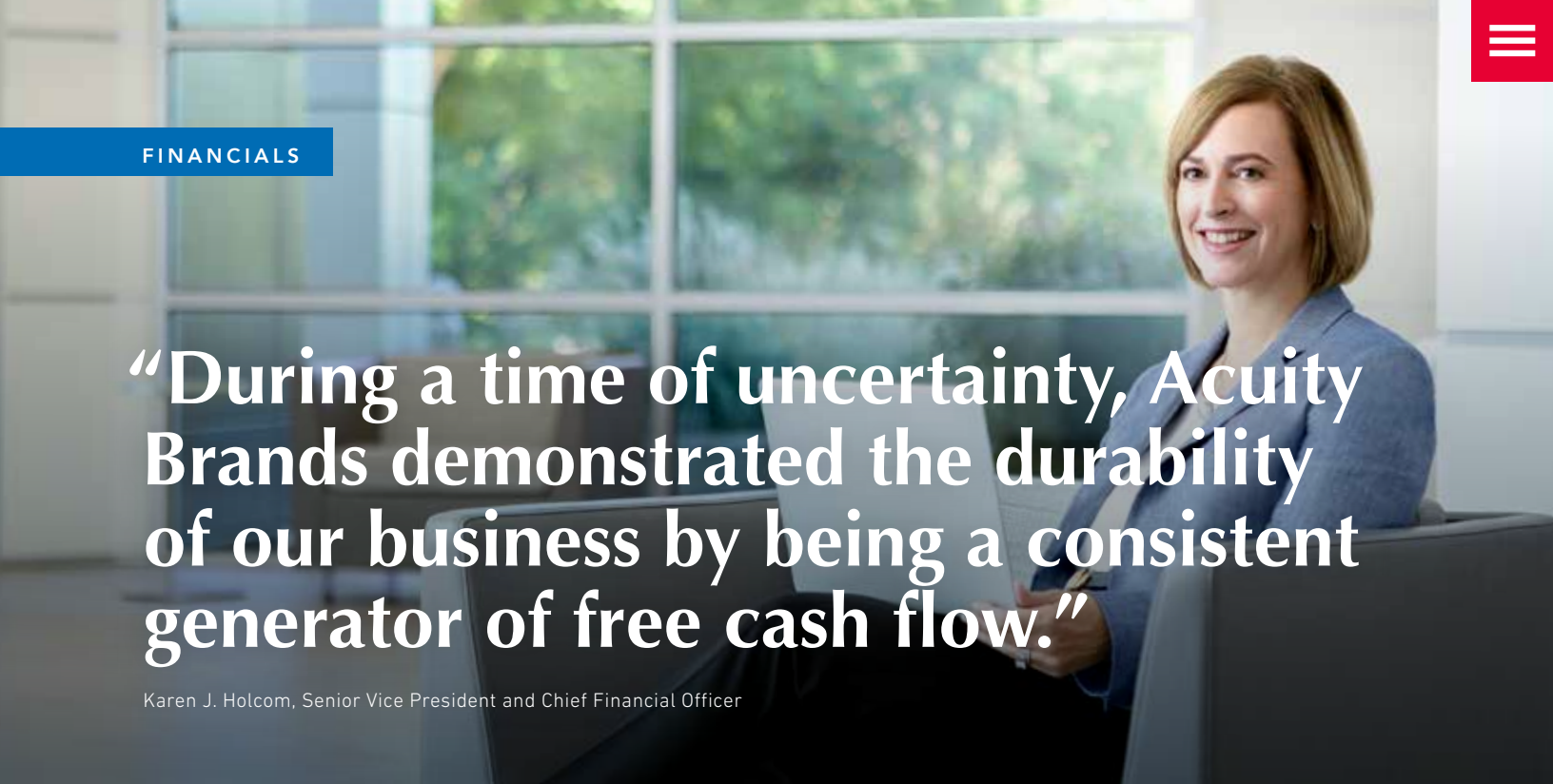
DILUTED EARNINGS PER SHARE

\$450

FREE CASH FLOW

12.2%

RETURN ON STOCKHOLDERS' EQUITY



“During a time of uncertainty, Acuity Brands demonstrated the durability of our business by being a consistent generator of free cash flow.”

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

ABOUT KAREN

Having worked at Acuity Brands for nearly 20 years, Karen is a tangible, results-oriented business leader with deep experience in accounting, forecasting, reporting, profitability and analytics who has a passion for creating shareholder value.

2020 Financial Performance

(in millions of dollars, except earnings per share)
for the year ended August 31

Operations	2020 ⁽¹⁾	2019 ⁽²⁾	% Change
Net Sales	\$3,326.3	\$3,672.7	(9%)
Gross Profit %	42.2%	40.3%	
Operating profit	\$353.9	\$462.9	(24%)
Operating profit %	10.6%	12.6%	
Net Income	\$248.3	\$330.4	(25%)
Diluted earnings per share	\$6.27	\$8.29	(24%)
Diluted weighted average number of shares outstanding (in millions)	39.6	39.8	
Return on stockholders' equity	12.2%	18.2%	
Cash provided by operating activities	\$504.8	\$494.7	2%
Depreciation and amortization	\$101.1	\$88.3	14%
Capital expenditures	\$54.9	\$53.0	4%

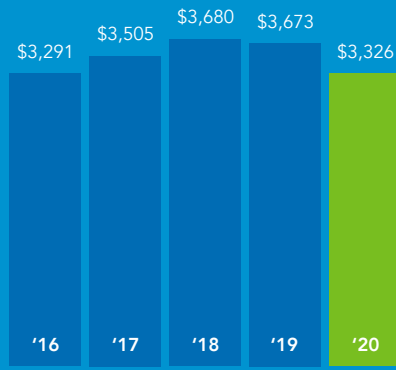


Financial Position	2020 ⁽¹⁾	2019 ⁽²⁾	% Change
Total assets	\$3,492	\$3,172	10%
Total cash	\$561	\$461	22%
Total debt	\$401	\$357	12%
Total stockholders' equity	\$2,128	\$1,919	11%
Ratio of total debt to capital	15.9%	15.7%	
Operating working capital as a percentage of net sales ⁽³⁾	14.8%	15.3%	

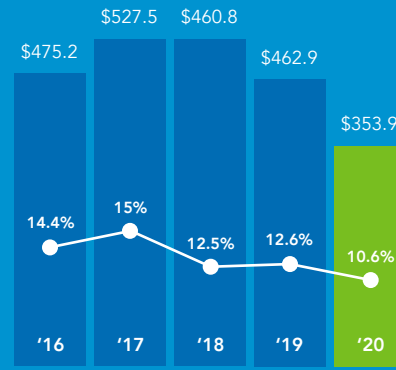
⁽¹⁾ 2020 results include pre-tax special charges associated with streamlining initiatives of \$20.0 million, pre-tax amortization of acquired intangible assets of \$41.7 million, pre-tax share-based payment expense of \$38.2 million, and pre-tax acquisition-related items of \$2.5 million, totaling \$2.00 per share.

⁽²⁾ 2019 results include pre-tax special charges associated with streamlining initiatives of \$1.8 million, pre-tax amortization of acquired intangible assets of \$30.8 million, pre-tax share-based payment expense of \$29.2 million, pre-tax manufacturing inefficiencies related to the closure of a facility of \$0.9 million, and pre-tax acquisition-related items of \$2.5 million, totaling \$1.28 per share.

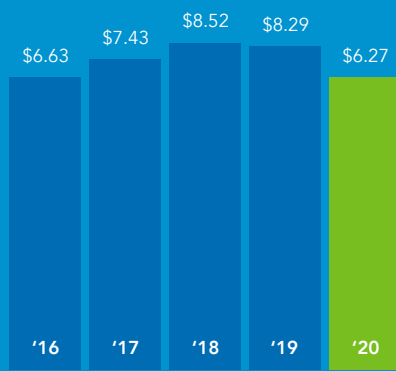
⁽³⁾ Operating working capital is defined as net receivables plus inventories minus accounts payable.



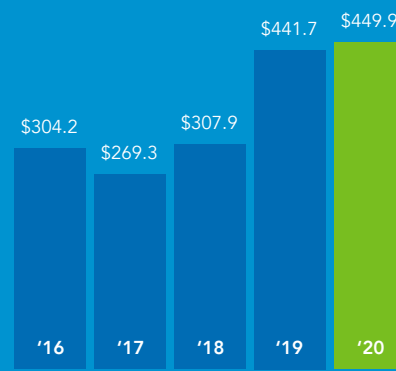
REVENUES
(\$ in millions)



OPERATING PROFIT
(\$ in millions) Margin ●—



DILUTED EPS



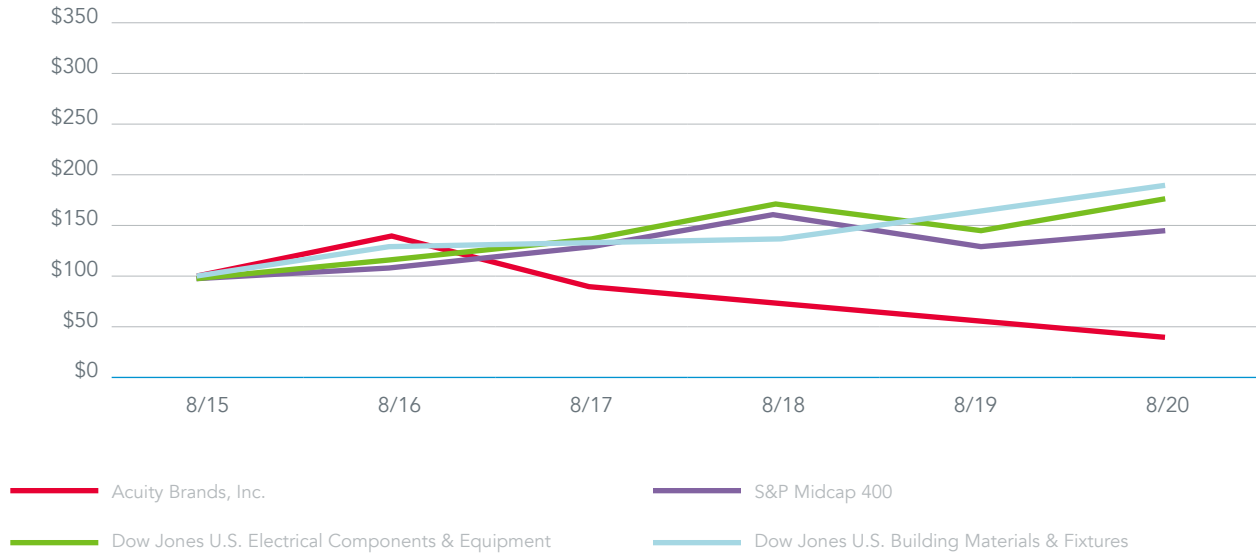
FREE CASH FLOW
(\$ in millions)

*Free Cash Flow is defined as cash provided by operating activities minus purchases of property, plant, and equipment.



5-Year Cumulative Total Return*

Among Acuity Brands, Inc., the S&P Midcap 400, the Dow Jones U.S. Electrical Components & Equipment, and the Dow Jones U.S. Building Materials & Fixtures.



	8/15	8/16	8/17	8/18	8/19	8/20
Acuity Brands, Inc.	\$100.00	\$141.51	\$91.16	\$79.09	\$65.16	\$57.07
S&P Midcap 400	\$100.00	\$112.33	\$126.22	\$151.46	\$141.73	\$147.71
Dow Jones U.S. Electrical Components & Equipment	\$100.00	\$114.34	\$142.55	\$166.80	\$149.67	\$172.79
Dow Jones U.S. Building Materials & Fixtures	\$100.00	\$124.07	\$130.22	\$138.15	\$152.97	\$180.26

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

* \$100 invested on 8/31/15 in stock or index, including reinvestment of dividends. Fiscal year ending August 31.

Shareholder Information

Board of Directors

Vernon J. Nagel

Executive Chairman
Acuity Brands, Inc.

Peter C. Browning

Managing Director
Peter Browning Partners Board
Advisory Services

Maya Leibman

Executive Vice President and
Chief Information Officer
American Airlines Group, Inc.

Dominic J. Pileggi⁽²⁾

Retired Chairman and
Chief Executive Officer
Thomas & Betts Corporation

Neil M. Ashe

President and Chief Executive Officer
Acuity Brands, Inc.

G. Douglas Dillard, Jr.

Founder and Managing Director
Slewgrass Capital, LLC

Robert F. McCullough

Retired Chief Financial Officer
AMVESCAP PLC
(now known as Invesco Ltd.)

Ray M. Robinson

Non-Executive Chairman
Citizens Trust Bank;
President Emeritus
East Lake Golf Club

W. Patrick Battle

Managing Partner
Stillwater Family Holdings

James H. Hance, Jr.⁽³⁾⁽⁴⁾

Operating Executive
The Carlyle Group LP;
Former Vice Chairman
Bank of America Corporation

Laura G. O'Shaughnessy

Co-Founder and
Former Chief Executive Officer
SocialCode, LLC

Mary A. Winston⁽¹⁾

President
Winsco Enterprises, Inc.;
Former Executive Vice President and
Chief Financial Officer
Family Dollar Stores, Inc.

⁽¹⁾ Chair of Audit Committee

⁽²⁾ Chair of Compensation and Management Development Committee

⁽³⁾ Chair of Governance Committee

⁽⁴⁾ Lead Director

Executive Officers

Vernon J. Nagel

Executive Chairman

Karen J. Holcom

Senior Vice President and
Chief Financial Officer

Neil M. Ashe

President and
Chief Executive Officer

Barry R. Goldman

Senior Vice President and
General Counsel

Richard K. Reece

Executive Vice President

Dianne S. Mills

Senior Vice President and
Chief Human Resources Officer



Corporate Information

CORPORATE HEADQUARTERS

Acuity Brands, Inc.
1170 Peachtree Street, NE
Suite 2300
Atlanta, Georgia 30309-7676
404-853-1400
acuitybrands.com

Acuity Brands Lighting
One Lithonia Way
Conyers, Georgia 30012-3957
770-922-9000

STOCK LISTING

New York Stock Exchange
Ticker Symbol: AYI

ANNUAL MEETING

11:00 a.m. Eastern Time
January 6, 2021
Virtually via
virtualshareholdermeeting.com/AYI2021

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP
55 Ivan Allen Jr. Blvd.
Suite 1000
Atlanta, Georgia 30308-3051
404-874-8300

FORWARD-LOOKING STATEMENTS

Information contained within the 2020 Annual Report is intended only to summarize certain of our efforts of the Company and it is not intended to replace or supplement the Company's audited financial statements or filings with the Securities and Exchange Commission, and undue reliance should not be placed on this report. Actual results of these efforts could differ materially from the Company's summary of current plans goals and expectations. This report contains forward-looking statements within the meaning of the U.S. federal securities laws. Statements that may be considered forward-looking include statements incorporating terms such as "expects," "believes," "intends," "estimates," "forecasts," "anticipates," "could," "may," "should," "suggests," "remain," "will," and similar terms that relate to future events, performance, or results of the Company and specifically include statements made in this report regarding the Company's future practices and programs and the Company's beliefs, commitments, expectations, goals, and targets, planned implementation, and intended outcomes of new technologies. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the historical experience of the Company and management's present expectations or projections. The risks and uncertainties that could cause actual results to differ materially from those expressed in our forward-looking statements are more fully described in the Company's SEC filings including risks discussed in Part I, "Item 1a. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended August 31, 2020. The discussion of those risks is specifically incorporated herein by reference. Management believes these forward-looking statements are reasonable; however, undue reliance should not be placed on any forward-looking statements, which are based on current expectations. Further, forward-looking statements speak only as of the date they are made, and management undertakes no obligation to update publicly any of them considering new information or future events.

REPORTS AVAILABLE TO STOCKHOLDERS

Copies of the following Company reports may be obtained, without charge:

- 2020 Annual Report to the Securities and Exchange Commission, filed on Form 10-K
- Quarterly Reports to the Securities and Exchange Commission, filed on Form 10-Q

Requests should be directed to:
Acuity Brands, Inc.
Attention: Investor Relations
1170 Peachtree Street, NE
Suite 2300
Atlanta, Georgia 30309-7676
404-853-1400
acuitybrands.com

DIRECT STOCK PURCHASE PLAN

Computershare Shareowner Services offers a direct stock purchase and sale plan for investors wishing to purchase Acuity Brands stock. Dividends can be automatically reinvested. The Plan is not sponsored or administered by Acuity Brands. Inquiries should be directed to: Computershare Shareowner Services.

TRANSFER AGENT & REGISTRAR

Computershare Shareowner Services is the transfer agent, registrar, dividend disbursing agent and dividend reinvestment agent for the Company. Stockholders of record with questions about lost certificates, lost or missing dividend checks, direct deposit of dividends, or notification of change of address should contact:

Acuity Brands, Inc.
c/o Computershare

By Regular Mail
PO Box 505000
Louisville, Kentucky 40233-5000

By Overnight Delivery
462 South 4th Street, Suite 1600
Louisville, Kentucky 40202

computershare.com/investor

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Inside the United States and Canada

201-680-6578
Outside the United States and Canada



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