



2018 ANNUAL REPORT

**TRANSFORMING
BUILDINGS INTO
STRATEGIC
ASSETS**

CRAFT

CUSTOMER JOURNEYS

Atrius Navigator delivers precise indoor positioning (IPS) and location-based services (LBS), enabling applications that redefine customer journeys and enhance business operations.



A photograph of two business professionals in an office setting. A man in a white shirt and tie is leaning over a desk, looking at a laptop. A woman is seated at the desk, also looking at the laptop. A coffee cup is visible on the desk. The image is overlaid with a large, semi-transparent teal 'A' shape.

MAKE ROOM FOR INTELLIGENT DATA

Atrius Spaces transforms occupancy data into accurate insights into your space utilization to efficiently allocate and plan for your spatial requirements - optimizing facility operations, budgeting and life cycle management - across your building or campus portfolio.



MONITOR

EQUIPMENT & REOURCES

Atrius Assets combines asset tracking services with Bluetooth® low energy technology tags to manage critical equipment and resources for easy, real-time location and status monitoring.



TRANSFORM

CUSTOMER JOURNEYS INTO BUSINESS INTELLIGENCE

Atrius Insights enables greater understanding of how visitors interact with retail or office space so businesses can optimize customer journeys, analyze traffic and behavioral patterns, and improve conversions.



CREATE BRILLIANT EXPERIENCES



ATRIUS™

Wherever there are people, there are lights. And when enabled with the right technology, lighting networks can become a powerful sensory network capable of capturing the building-wide data needed to enhance customer experiences and optimize business operations.

With its rich, flexible suite of software services, Atrius IoT Solutions unlocks the power of that location-aware sensory data – allowing businesses and developers to create a wide range of mobile and web-based applications. From indoor positioning and spatial analytics to space utilization, Atrius IoT Solutions are helping transform IoT data into a world of infinite possibilities.

A MESSAGE FROM THE CEO

TO OUR STAKEHOLDERS

2018 was another year of record financial performance for Acuity Brands as we reported all-time highs for net sales, net income, and diluted earnings per share. During the past year, we continued to successfully execute our strategy to extend our leadership position in the North American lighting and building management solutions market by providing our customers with differentiated value from our industry-leading portfolio of innovative products and solutions along with superior service.

Acuity Brands 2018 financial results included:

- Record net sales of \$3.68 billion, an increase of 5% compared with fiscal 2017;
- Record net income of \$349.6 million, an increase of 9% compared with fiscal 2017;
- Record diluted earnings per share of \$8.52, an increase of 15% compared with fiscal 2017;
- Record net cash provided by operating activities of \$353.2 million, an increase of 5% compared with fiscal 2017;
- Fiscal 2018 year-end cash balance of \$129.1 million, while funding \$163.2 million for acquisitions, investing \$43.6 million in capital expenditures, repurchasing \$298.4 million of the Company's common stock, and paying \$21.4 million of dividends to stockholders; and

- Return on shareholders' equity of 21% compared with 19% in fiscal 2017.

While we achieved record financial performance on various measures, fiscal 2018 was a difficult operating environment characterized by continued overall weak end market demand, aggressive price competition for certain basic, lesser featured fixtures, and significant input cost inflation. Fiscal 2018 operating profit declined \$64.2 million to \$454.6 million, or 12.4% of net sales, compared with prior year's operating profit of \$518.8 million, or 14.8% of net sales. The increase in diluted earnings per share was due primarily to the benefits of lower tax expense and stock repurchases, which more than offset the negative impact of the decline in operating profit.

\$3.68B

NET SALES

Record net sales of \$3.68 billion, an increase of 5% compared with fiscal 2017.

\$349.6M

NET INCOME

Record net income of \$349.6 million, an increase of 9% compared with fiscal 2017.

\$8.52

EARNINGS PER SHARE

Record diluted earnings per share of \$8.52, an increase of 15% compared with fiscal 2017.

\$353.2M

NET CASH PROVIDED BY OPERATING ACTIVITIES

Record net cash provided by operating activities of \$353.2 million, an increase of 5% compared with fiscal 2017.

On the strategic front, we had many significant accomplishments, including the following key items during fiscal 2018:

- Extended our industry leading portfolio of innovative and energy-efficient lighting and building management solutions with the introduction of almost 100 new product families, including the expansion of the Contractor Select portfolio to more profitably compete in the market segment for basic, lesser featured luminaires;
- Increased the sales of our Atrius-based IoT-enabled solutions, providing customers with the opportunity to transform their spaces from expense items to strategic assets;
- Outpaced the growth rate of our overall market and gained market share in many important product categories and sales channels;
- Expanded our portfolio and access to market with the acquisitions of Lucid Design Group and IOTA Engineering; and
- Initiated actions to further streamline our operations to reduce costs, accelerate investments in areas with higher growth opportunities, and improve our productivity and financial performance.

At August 31, 2018, the 1 and 3-year total returns on the Company's common stock were below that of the respective benchmark indexes, which include the S&P Midcap 400 Index, the Dow Jones U.S. Electrical Components & Equipment Index, and the Dow Jones U.S. Building Materials & Fixtures Index. However, the Company's 5-year annualized return was in line with the respective benchmark indexes as noted in the table on page 12.



ANNUALIZED TOTAL RETURNS	1-YEAR	3-YEARS	5-YEARS
Acuity Brands, Inc.	(13%)	(8%)	13%
Dow Jones U.S. Electrical Components & Equipment Index	17%	19%	13%
Dow Jones U.S. Building Materials & Fixtures Index	6%	11%	15%
Standard & Poor's Midcap 400 Index	20%	15%	13%

Our Future: Growth, Innovation, Excellence

This is an extraordinary time to be in the lighting and building management industries, particularly for a company of the caliber of Acuity Brands. Rapid advancements in technology, along with the need for greater energy efficiency, changes in public policy, and demand for environmental sustainability, continue to drive profound changes in our industry creating exciting opportunities. Acuity Brands is capitalizing on these profound changes to provide lighting and building management solutions that are efficient, elegant, and sophisticated, while at the same time simple to install, maintain, and use. We are at the forefront of transforming the lighting and building management industries. Our experience, knowledge, and skill as lighting experts allow us to deliver superior lighting solutions for virtually any application,

a promise best captured in our tag line: "Expanding the Boundaries of Lighting™."

As the world entered the 21st century, digital technology was evolving in a way where many discussed the possibility of creating connected solutions where vast amounts of data could be collected and utilized to enhance the interface between humans and infrastructure of all kinds ushering in the world of "Smart Cities" through "connected, intelligent buildings." At Acuity Brands, we are turning this dream into reality where our many solutions are creating "connected, intelligent buildings" for customers transforming their buildings into strategic assets for owners and users alike. Our company is uniquely positioned to accelerate the adoption of connected, intelligent buildings because of our unique collection of hardware and software assets along with our multiple channels to market that are unmatched in the industry today. Our solutions, which contain embedded sensors and software, are ubiquitous, dense, and powered, affording the opportunity to collect vast amounts of actionable data to optimize the efficiency and utilization of the space, position people, and track assets, among other activities. The value creating potential of these capabilities are endless as customers are finding out.

21%

RETURN ON
SHAREHOLDERS' EQUITY

Return on shareholders' equity of 21% compared with 19% in fiscal 2017.

\$129.1M

CASH BALANCE

Fiscal 2018 year-end cash balance of \$129.1 million, while funding \$163.2 million for acquisitions, investing \$43.6 million in capital expenditures, repurchasing \$298.4 million of the Company's common stock, and paying \$21.4 million of dividends to stockholders.

As we enter 2019, our mission is to continue to build on our rich legacy of excellence, growth, and innovation to provide great returns for our shareholders, superior value for our customers, and growth opportunities for our associates. Our passion and intense focus continue to be centered on creating lighting and building management solutions that deliver superior quality, energy efficiency and performance. We know that superior quality of light enhances how we live and interact, whether it is increasing students' learning ability in schools, improving worker productivity and comfort in offices and industrial facilities, enhancing the shopping experience in retail establishments, or accelerating patient healing in hospitals. The possibilities of what can be achieved using intelligent lighting solutions are still being explored. Our associates are rapidly exploiting new technologies and aggressively expanding our industry-leading portfolio by developing intelligent lighting and building management solutions that represent significant advancements over traditional technologies and easily network with other systems, improving energy efficiency, health & safety, and productivity.

As the market leader in North America, we believe our deep expertise in technology, optics and thermal management, our understanding of the art and science of lighting, and our ability to provide tailored lighting and building management solutions for numerous applications have positioned the company to excel. Our key strategies and tactical focus have remained consistent over the last few years. We expect to continue to execute our profitable growth strategy by focusing on three mission-critical areas of operational excellence that we refer to as the 3 Cs:

- Providing unparalleled **customer service**;
- Pursuing world-class **cost efficiency** by eliminating non-value added activities and transaction costs; and
- Creating a **culture** that demands excellence in everything we do through continuous improvement.

On behalf of Acuity's management team and its Board of Directors, I would like to thank our 13,000 associates for their continued contributions and dedication to our vision. I would also like to thank our customers for their business, our suppliers for their support, and our stockholders for the partnership we share in our enterprise.

Sincerely,



Vernon J. Nagel
Chairman, President, and
Chief Executive Officer

November 19, 2018



A woman with short dark hair, wearing a white and grey striped long-sleeved shirt and a bright green apron, is smiling warmly while looking down at her work. She is in a retail or craft store, with shelves of various items visible in the background. The image is overlaid with a semi-transparent purple banner at the bottom containing text.

ATRIUS NAVIGATOR

ENHANCE CUSTOMER JOURNEYS AND BUSINESS OPERATIONS

To help deliver a wider range of location-based services to both customers and employees, the Atrius Navigator software service unlocks the power of indoor positioning data within mobile applications to improve business operations. A web-based administration tool simplifies development of applications, including setting action zones, maintaining venue layouts, and managing multi-site requirements and user roles.

The Benefits

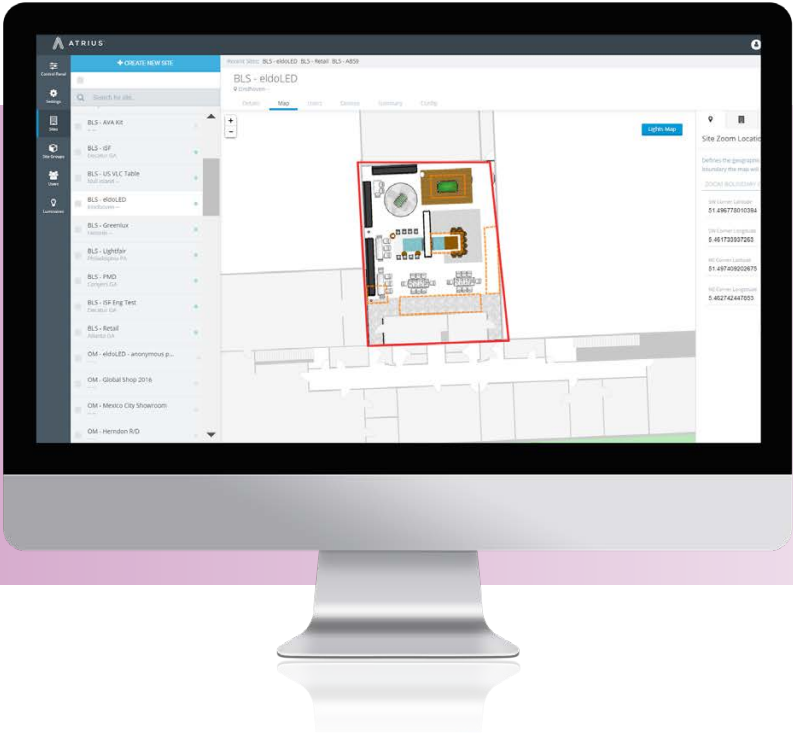
Enable real-time location-based interactions within customer loyalty or associate services mobile applications, including:

- point of interest search
- wayfinding (blue-dot navigation), including point-to-point and multi-stop routing
- proximity marketing and promotional offers
- point of interest notifications
- assistance requests and proactive customer service applications

Transform indoor positioning and location-based data, acquired from Atrius Navigator into spatial analytics with Atrius Insights, a web-based dashboard.

How It Works

Atrius Navigator acquires data from the Atrius – Ready Sensory Network, leveraging embedded Bluetooth Low Energy and/or visible light communication technologies, as well as readily-available sensor fusion technologies on users’ mobile devices.





ATRIUS SPACES

MAKE ROOM FOR INTELLIGENT DATA

Atrius Spaces software service (APIs) and web application make it easy for an enterprise to gain accurate insights into their space utilization.

The Benefits

Efficiently allocate and plan for spatial requirements, optimizing facility operations, budgeting and life cycle management, across your building or campus portfolio.

Access room, floor, and building plans anytime and anywhere through a browser.

Leverage real-time and historical data to identify occupancy status, peak and average space utilization, and types of spaces used within one or multiple buildings.

How It Works

Atrius Spaces leverages occupancy data from the nLight® lighting control platform to help building tenants, owners, and managers achieve the optimal space utilization of common areas, meeting rooms, and offices.



A woman with long brown hair, wearing a light pink top, is smiling and looking at a rack of clothes in a clothing store. She is holding a white shopping bag. The background shows a well-lit store with shelves and other clothing items. A green semi-transparent banner is overlaid on the bottom half of the image.

ATRIUS ASSETS

**TAKE ACTION
ON MOVEMENT**

Designed to enhance business performance, Atrius Assets is a cloud-based software service that provides accurate monitoring of assets and personnel directly from a web browser or via integration with other business applications. With a thorough understanding of assets' real-time location and movement trends, customers can optimize workflows, enhance on-demand and dispatch services, redesign space layouts, implement safety or theft prevention initiatives, and improve equipment utilization and maintenance.

The Benefits

Overlay 60-minutes of live data onto your venue layout to locate assets, analyze movement paths and monitor asset telemetry information.

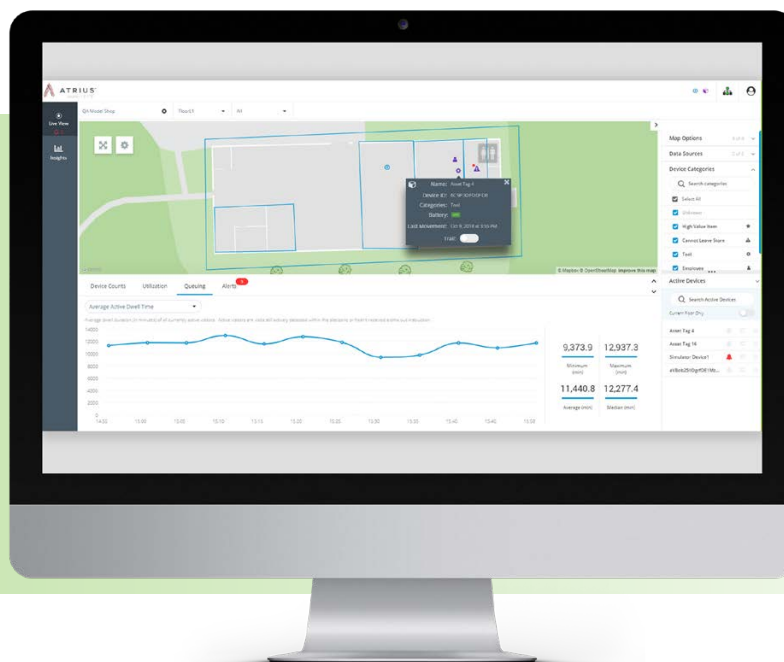
Create real-time alerts based on dwell time, count, health metrics, etc. and facilitate actionable management of alerts through web-based visualization, text and email notifications.

Integrate and use asset location, movement and telemetry data within enterprise software or third-party applications, leveraging Atrius Assets software service APIs.

Gain through understanding of asset utilization and trends, and view analysis of aggregated data over customizable date ranges with Atrius Insights' web-based spatial analytics dashboard.

How It Works

Atrius Assets provides real-time indoor tracking data of tagged assets, equipment and personnel with 2-meter or better accuracy, by leveraging the Atrius™-Ready Sensory Network and Bluetooth® Low Energy technology communication.





ATRIUS INSIGHTS

TRANSFORM LOCATION-BASED SERVICES INTO BUSINESS INTELLIGENCE

The Atrius Insights web application and APIs transform indoor positioning and asset tracking data, acquired from Atrius Navigator and Atrius Assets, into rich contextual spatial analytics. Providing thorough analysis of indoor contextual data with reports, trends and graphical representations, Atrius Insights makes complex relationships actionable for a business.

The Benefits

Gain understanding of how:

- visitors interact with a space to optimize customer journeys, analyze and predict traffic and behavioral patterns, and improve conversions
- asset utilization and trends, for space-contextual optimization of processes, layouts and equipment utilization

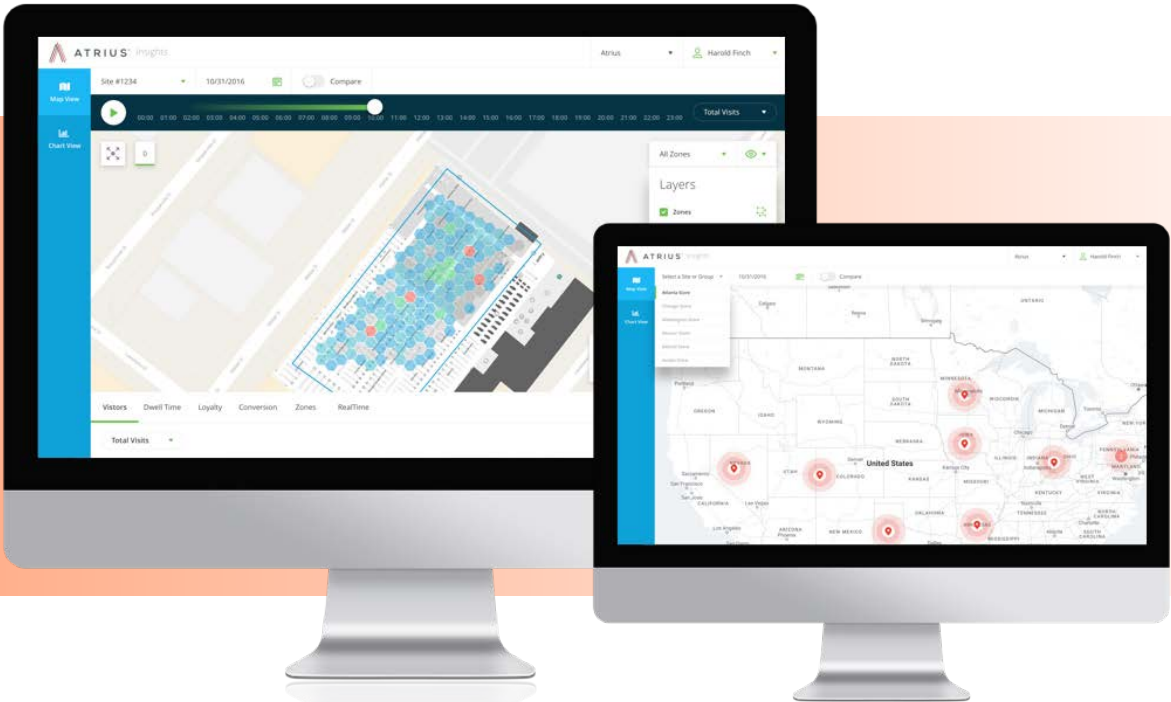
Analyze data with map-based visualizations and heatmaps that illustrate changes over time and exactly where those changes are taking places.

Aggregate and compare metrics across multi-site organizations.

APIs provide for **integration** into enterprise and third-party software.

How It Works

Using indoor positioning and asset tracking data acquired from Atrius Navigator and Atrius Assets, Atrius Insights displays location-based metrics via web-based dashboard or integrates data within enterprise systems, business intelligence, point of sale, and marketing applications.



OUR BRANDS

INNOVATIVE SOLUTIONS

ACULUX

AEL American Electric Lighting

ANTIQUE
STREET LAMPS

ATRIUS

DG
LOGIK

DISTECH
CONTROLS

DTL
DARK TO LIGHT

eldoLED

g gotham

HEALTHCARE
LIGHTING

HOLOPHANE

HYDREL

indy

IOTA

JUNO

LITHONIA
LIGHTING

lucid

MARK
ARCHITECTURAL
LIGHTING

nLIGHT

Peerless

RELOC
WIRING SOLUTIONS

ROAM

sensorswitch

SUNOPTICS

WINONA



BY THE NUMBERS

\$3.7 Billion

FISCAL 2018 NET SALES

97%

NORTH AMERICAN NET SALES

\$1.7 Billion

STOCKHOLDERS' EQUITY

25

BRANDS

2 Million

SKUs

19

MANUFACTURING FACILITIES

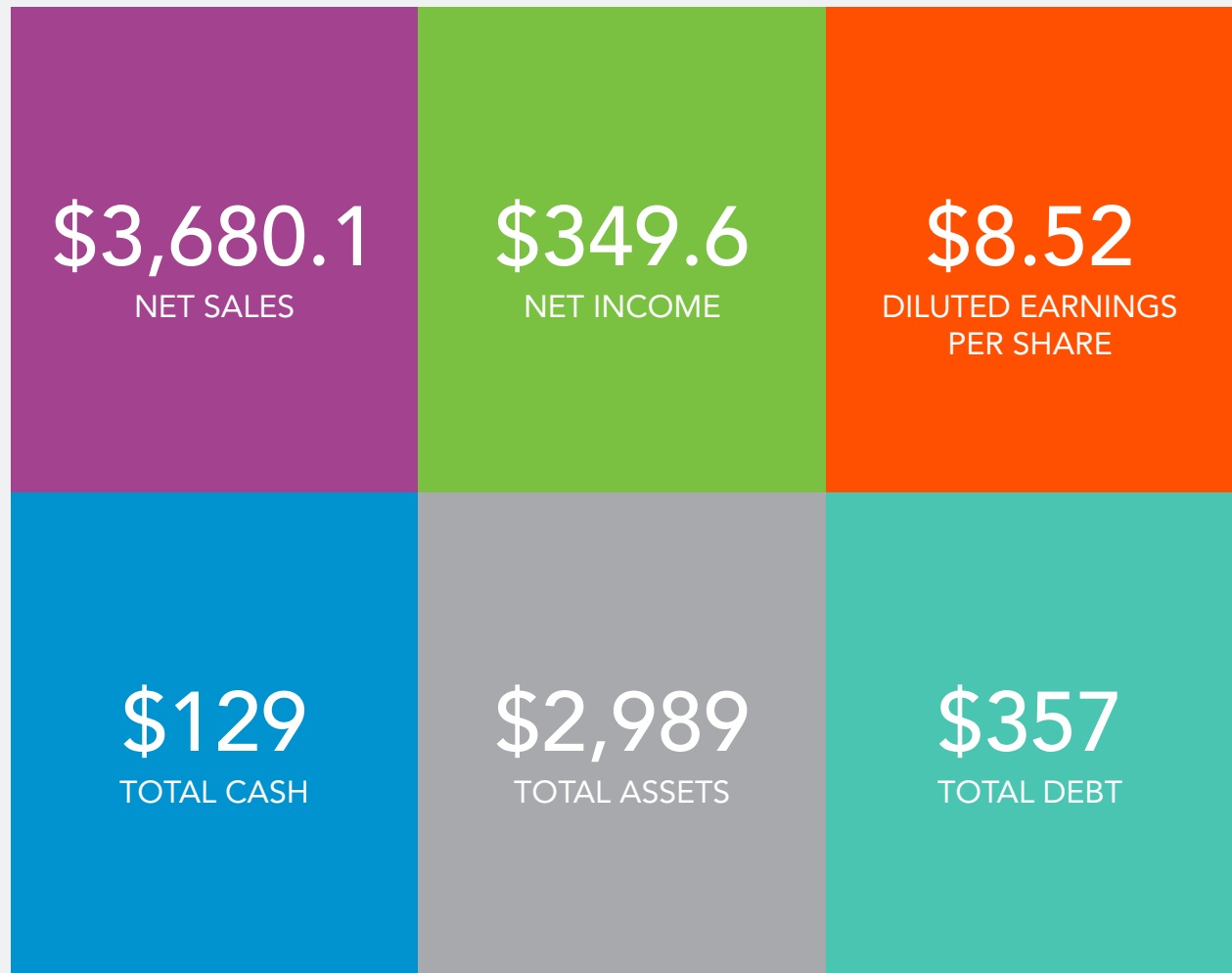
~13,000

EMPLOYEES

PERFORMANCE

FINANCIAL HIGHLIGHTS

(dollars in millions except for diluted earnings per share)



PERFORMANCE

FINANCIAL HIGHLIGHTS

(in millions of dollars, except earnings per share)

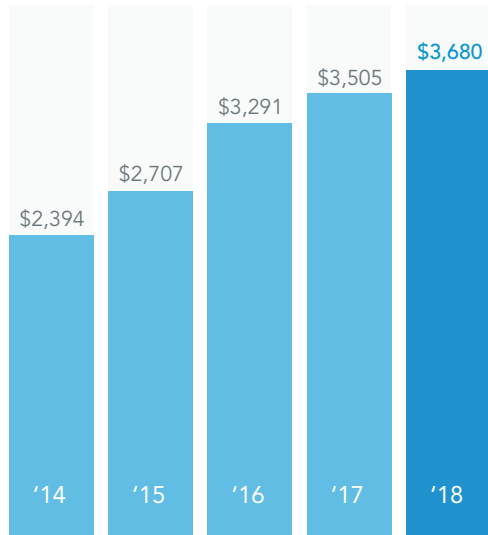
for the year ended August 31

OPERATIONS	2018 ⁽¹⁾	2017 ⁽²⁾	% Change
Net sales	\$ 3,680.1	\$ 3,505.1	5%
Gross profit %	40.4%	42.3%	
Operating profit	\$ 454.6	\$ 518.8	(12%)
Operating profit %	12.4%	14.8%	
Net Income	\$ 349.6	\$ 321.7	9%
Diluted earnings per share	\$8.52	\$7.43	15%
Diluted weighted average number of shares outstanding (in millions)	41.0	43.3	
Return on average shareholders' equity	20.9%	19.2%	9%
Cash provided by operating activities	\$ 353.2	\$ 336.6	5%
Depreciation and amortization	\$80.3	\$74.6	8%
Capital expenditures	\$43.6	\$67.3	(35%)
FINANCIAL POSITION:	2018	2017	% Change
Total assets	\$ 2,989	\$ 2,900	3%
Total cash	\$ 129	\$ 311	(59%)
Total debt	\$ 357	\$ 357	(0%)
Total stockholders' equity	\$ 1,717	\$ 1,666	3%
Ratio of total debt to capital	17.2%	17.6%	
Operating working capital as a percentage of net sales ⁽³⁾	16.3%	14.5%	

(1) 2018 results include pre-tax special charges associated with streamlining initiatives of \$5.6 million, pre-tax amortization of acquired intangible assets of \$28.5 million, pre-tax share-based payment expense of \$32.3 million, pre-tax acquisition-related items of \$3.8 million, excess inventory related to the closure of a facility of \$3.1 million, gain on sale of a business of \$5.4 million, and discrete income tax benefits of the U.S. Tax Cuts and Jobs Act of \$34.6 million, totaling \$0.32 per share.

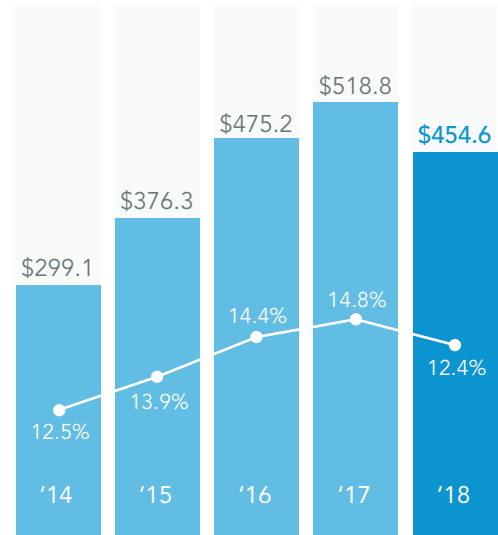
(2) 2017 results include pre-tax special charges associated with streamlining initiatives of \$11.3 million, pre-tax amortization of acquired intangible assets of \$28.0 million, pre-tax share-based payment expense of \$32.0 million, and pre-tax costs associated with manufacturing inefficiencies associated with the closing of a facility of \$1.6 million, and gain on sale of investment in an unconsolidated affiliate of \$7.2 million, totaling \$1.02 per share.

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



REVENUES

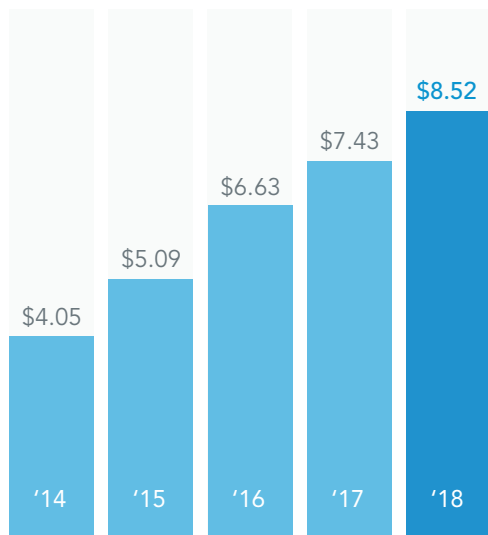
(\$ in millions)



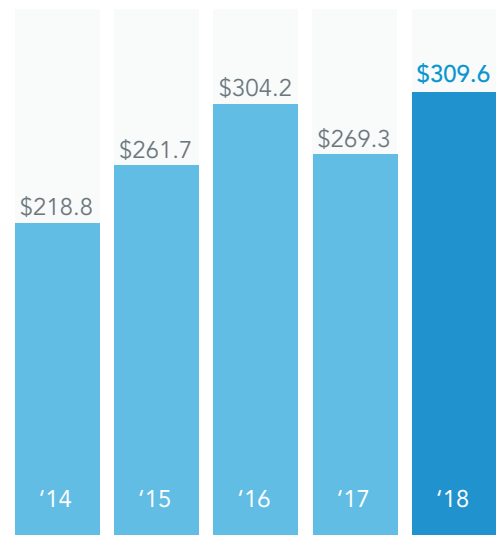
OPERATING PROFIT

(\$ in millions)

Margin



DILUTED EPS



FREE CASH FLOW

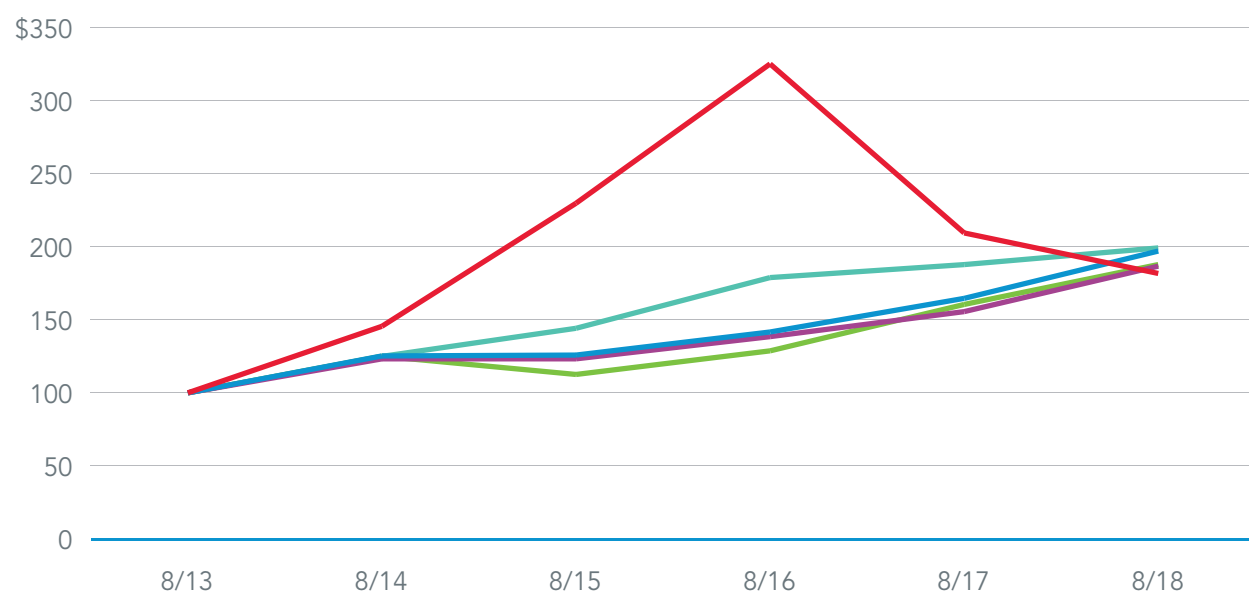
(\$ in millions)

Free Cash Flow is defined as cash provided by operating activities minus purchases of property, plant, and equipment. Prior year amounts reflect adoption of Accounting Standards Update No. 2016-09, Improvements to Employee Share-Based Payment Accounting.

FINANCIAL HIGHLIGHTS

5-YEAR CUMULATIVE TOTAL RETURN*

Among Acuity Brands, Inc., the Dow Jones U.S. Electrical Components & Equipment Index, the Dow Jones U.S. Building Materials & Fixtures Index, the S&P Midcap 400 Index, and the S&P 500 Index.



	8/13	8/14	8/15	8/16	8/17	8/18
Acuity Brands Inc.	\$100	\$146	\$230	\$325	\$209	\$182
Dow Jones U.S. Electrical Components & Equipment	\$100	\$125	\$113	\$129	\$160	\$188
Dow Jones U.S. Building Materials & Fixtures	\$100	\$125	\$144	\$179	\$188	\$199
S&P Midcap 400 Index	\$100	\$123	\$123	\$138	\$156	\$187
S&P 500 Index	\$100	\$125	\$126	\$142	\$165	\$197

*For fiscal year ending August 31. Assumes \$100 invested on 8/31/13 in stock or index, including reinvestment of dividends.

During fiscal 2018, the Company was removed from the S&P 500 Index and added to the S&P Midcap 400 Index.

Copyright © 2018 Standard & Poor's, a division of S&P Global. All rights reserved.

Copyright © 2018 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

STOCKHOLDER INFORMATION

BOARD OF DIRECTORS

Vernon J. Nagel⁽¹⁾

Chairman, President, and
Chief Executive Officer
Acuity Brands, Inc.

W. Patrick Battle

Managing Partner
Stillwater Family Holdings

Peter C. Browning⁽²⁾

Managing Director
Peter Browning Partners Board
Advisory Services

G. Douglas Dillard, Jr.

Founder and Managing Director
Slewgrass Capital, LLC

James H. Hance, Jr.

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

Robert F. McCullough

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

Julia B. North

Former President and
Chief Executive Officer
VSI Enterprises, Inc.;
Former President of Consumer
Services BellSouth Corporation

Dominic J. Pileggi⁽³⁾

Former Chairman and
Chief Executive Officer
Thomas & Betts Corporation

Ray M. Robinson⁽⁴⁾

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

Norman H. Wesley

Former Chairman and
Chief Executive Officer
Fortune Brands, Inc.

Mary A. Winston

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

EXECUTIVE OFFICERS

Vernon J. Nagel

Chairman, President, and
Chief Executive Officer

Richard K. Reece

Executive Vice President
and Chief Financial Officer

Laurent J. Vernerey

Executive Vice President
and President of Acuity
Technology Group

(1) Chairman of Executive Committee

(2) Chairman of Governance Committee, Lead Director

(3) Chairman of Audit Committee

(4) Chairman of Compensation Committee

CORPORATE INFORMATION

CORPORATE HEADQUARTERS

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

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

TRANSFER AGENT AND 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

www.computershare.com/investor

Toll Free: 866-234-1921
(Inside the United States and Canada)

201-680-6578
(Outside the United States and Canada)

STOCK LISTING

New York Stock Exchange
Ticker Symbol: AYI

ANNUAL MEETING

11:00 a.m. Eastern Time
January 4, 2019
Four Seasons Hotel
75 Fourteenth Street, NE
Atlanta, Georgia 30309

REPORTS AVAILABLE TO STOCKHOLDERS

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

- 2018 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
www.acuitybrands.com

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

EY
Suite 1000
55 Ivan Allen Jr. Boulevard
Atlanta, Georgia 30308-3051
404-874-8300

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.



1170 Peachtree Street, NE

Suite 2300

Atlanta, GA 30309-7676

404-853-1400

acuitybrands.com