



Company	Ticker	Sector	Industry
Acuity Brands, Inc.	AYI-US	Industrials	Electrical Equipment

Business Description

Acuity Brands, Inc. engages in the provision of lighting and building management solutions and services. The company's product portfolio has indoor and outdoor applications, catering to commercial, institutional, industrial, infrastructure and residential markets. It offers luminaires, lighting controls, controllers for various building systems, power supplies, prismatic skylights, drivers, and location-awareness solutions. Recent investments in integrated digital systems, smart lighting platforms and ultra-violet disinfection products aim to maintain leadership in the \$20 billion North American lighting market. Acuity Brands operates in North America, Europe, and Asia. The company was founded in 2001 and is headquartered in Atlanta, GA.

Price Chart

Key Info & Metrics



Empirical Research Rank:	1
Date Purchased:	05/07/2021
Price:	\$194.87
52-Week Range:	\$146.36 - \$196.61
Dividend Yield:	0.27%
Market Cap (\$M):	\$6,246
Forward Price-to-Earnings:	14
Total Return	
Year-to-Date:	17.7%
1 Year:	4.8%
3 Year:	67.4%
5 Year:	34.2%

Investment Case - Updated: November 6, 2022

After a prolonged period of market share loss to low-priced Asian competitors, Acuity Brands has executed a turnaround led by new CEO Neil Ashe. Rationalizing underperforming products, diversifying the supply chain, re-launching value-based lighting, and strengthening the distribution channel have been key to the restructuring. Acuity's sales outlook is underscored by favorable regulatory policies for energy-efficient buildings. The company has also invested in smart lighting platforms and UVC disinfecting technology to advance the portfolio. However, a rebound from 2020 pandemic-lows may be gradual, as non-residential construction is just beginning to recover and lighting installation takes place later in the process. Investments in energy-efficiency may be boosted by the pending infrastructure bill, which could accelerate the recovery. Even with flattish sales, Acuity has maintained margin stability with cost management offsetting raw material inflation. This, along with ongoing share repurchases to take advantage of price dislocation, has primed earnings per share to quickly return to new highs.

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