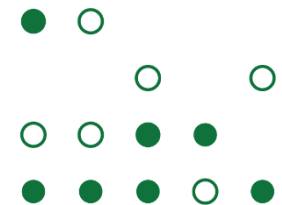




# FISCAL 2026 SECOND-QUARTER RESULTS

APRIL 2, 2026



Mark Architectural Lighting™, Juno®, Gotham® Lighting: CIBC Square, Toronto



# FORWARD LOOKING STATEMENTS

This presentation and related conference call and webcast contain “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 include, but are not limited to, statements that describe or relate to the Company’s plans, initiatives, projections, vision, goals, targets, commitments, expectations, objectives, prospects, strategies, or financial outlook, and the assumptions underlying or relating thereto. In some cases, we may use words such as “expect,” “believe,” “intend,” “anticipate,” “estimate,” “forecast,” “indicate,” “project,” “predict,” “plan,” “may,” “will,” “could,” “should,” “would,” “potential,” and words of similar meaning, as well as other words or expressions referencing future events, conditions, or circumstances to identify forward-looking statements. We intend these forward-looking statements to be covered by the safe harbor provisions for

forward-looking statements contained in the Act. 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, assumptions and other important factors, many of which are outside of our control and any of which could cause our actual results to differ materially from those expressed or implied by the forward-looking statements. 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, the sections titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”), 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. This presentation is not comprehensive, and for that reason, should be read in

conjunction with such filings. 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" and "adjusted gross profit margin" and "adjusted operating profit" and "adjusted operating profit margin" for total company and by segment; for total company only we additionally include: "adjusted net income;" "adjusted diluted EPS;" "earnings before interest, taxes, depreciation and amortization ("EBITDA");" "EBITDA margin;" "adjusted EBITDA;" and "adjusted EBITDA margin." These non-GAAP financial measures are provided to enhance the reader's overall understanding of our 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, acquired profit in inventory, special charges and acquisition-related items.

We also provide "free cash flow" ("FCF") for total company to enhance the reader's understanding of our ability to generate additional cash from its 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 our 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 presentation 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 gross profit and adjusted gross profit margin for total company and by segment are "gross profit" and "gross profit margin," respectively, which include the adjustments detailed in the appendix. Adjusted gross profit margin is adjusted gross profit divided by net sales for total company and by segment. 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 the adjustments detailed in the appendix. 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 adjustments detailed in the appendix. 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 adjustments detailed in the appendix. EBITDA margin is EBITDA divided by net sales. The most directly comparable GAAP

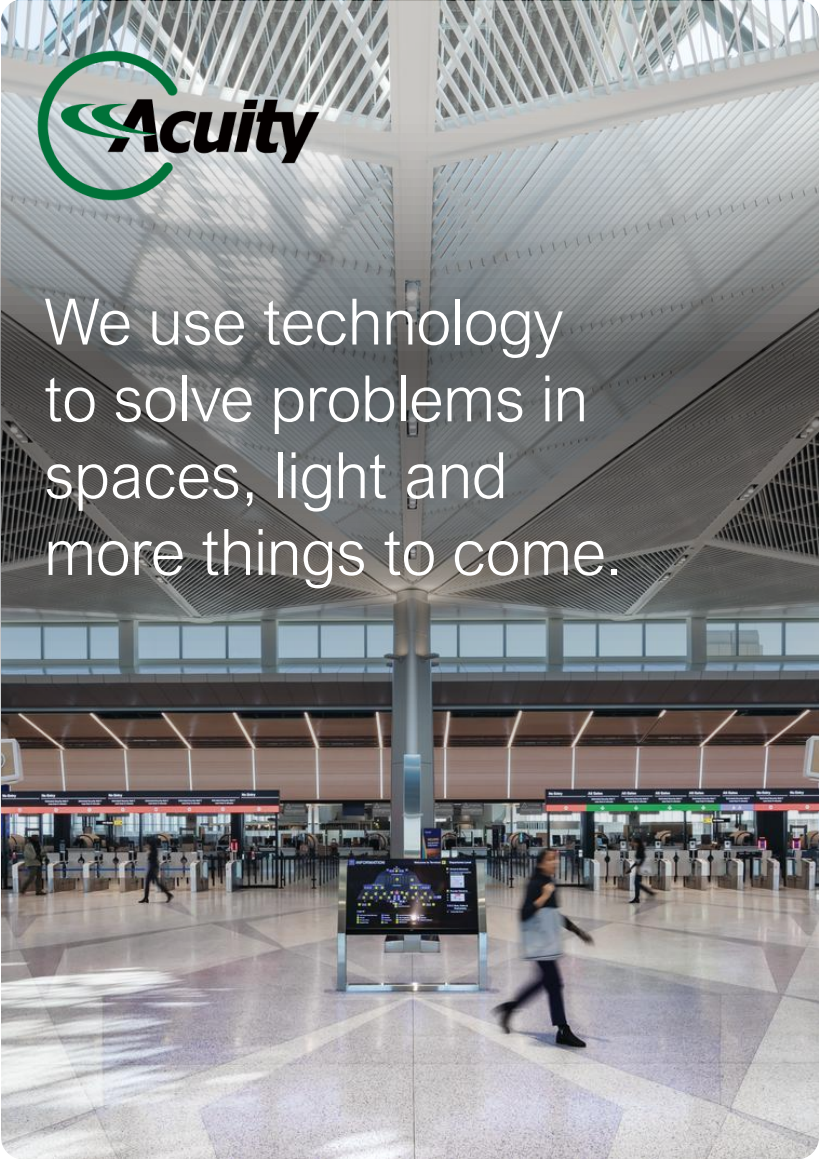
measure for adjusted EBITDA is "net income," which includes the adjustments detailed in the appendix. Adjusted EBITDA margin is adjusted EBITDA divided by net sales. A reconciliation of each measure to the most directly comparable GAAP measure is available in the appendix of this presentation, except 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 2026 non-GAAP outlook measure.

We define FCF as net cash provided by operating activities less purchases of property, plant and equipment. A calculation of this measure is available in this presentation.

Our 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.



# ABOUT ACUITY



## OUR BUSINESS SEGMENTS

## INNOVATORS | DISRUPTORS | BUILDERS

### OUR VALUES

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

### HOW WE CREATE VALUE

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

### OUR OPERATING SYSTEM

**BETTER.  
SMARTER.  
FASTER.**



# AYI: FISCAL 2026 SECOND QUARTER PERFORMANCE

(\$ in Millions, Except Per Share Data)

Strong Execution Delivers a Solid Performance

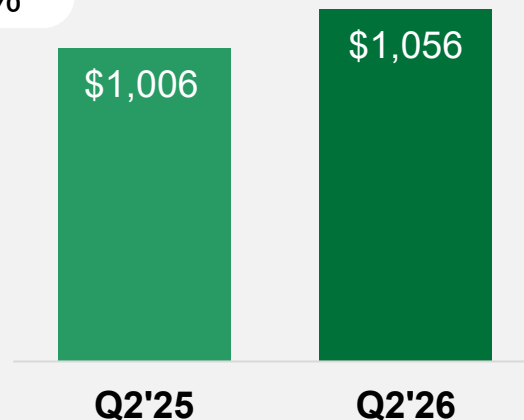
Adjusted Operating Profit<sup>1</sup> Increased by 8 Percent and Expanded Adjusted Operating Profit Margin<sup>1</sup> by 50 bps

Increased Adjusted Diluted EPS<sup>1</sup> by 11 Percent Above Prior Year

Generated Strong YTD Cash Flow From Operations; Repaid \$200M of Term Loan; Repurchased Over \$100M Shares

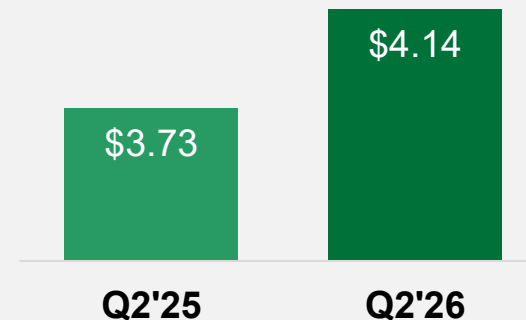
## NET SALES

5%



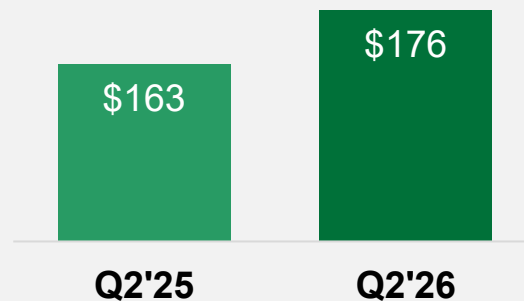
## AYI ADJUSTED DILUTED EPS<sup>1</sup>

11%



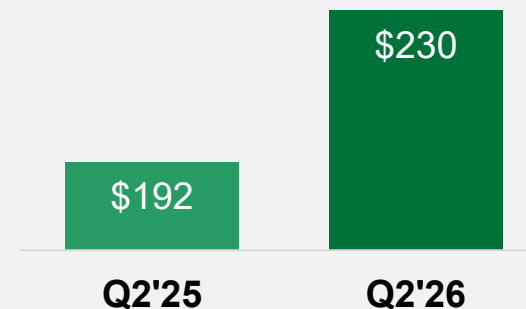
## AYI ADJUSTED OPERATING PROFIT<sup>1</sup>

8%



## AYI YTD CASH FLOW FROM OPERATIONS

20%



<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. Note: Graphs not to scale



# ABL: ACUITY BRANDS LIGHTING

## Fiscal 2026 Second Quarter Performance

Mark Architectural Lighting™, Peerless® Lighting: Portland International Airport

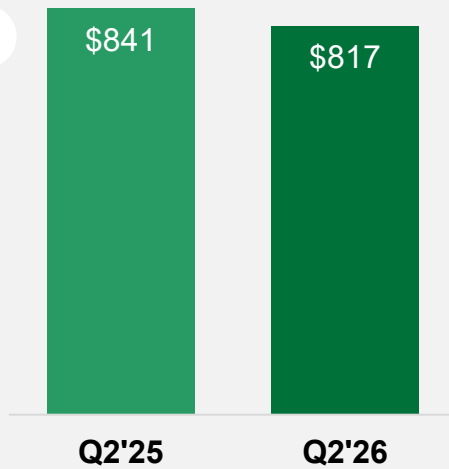


PREDICTABLE, REPEATABLE, SCALABLE

(\$ in Millions)

### NET SALES

(3%)



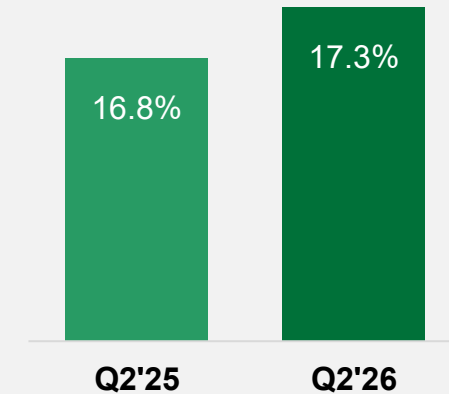
### ADJUSTED OPERATING PROFIT<sup>1</sup>

Flat



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

50 bps



<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.  
Note: Graphs not to scale



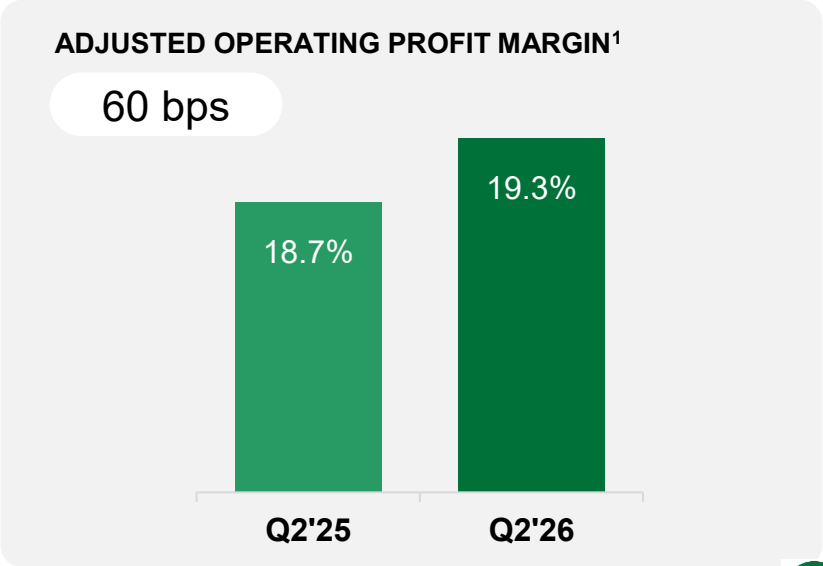
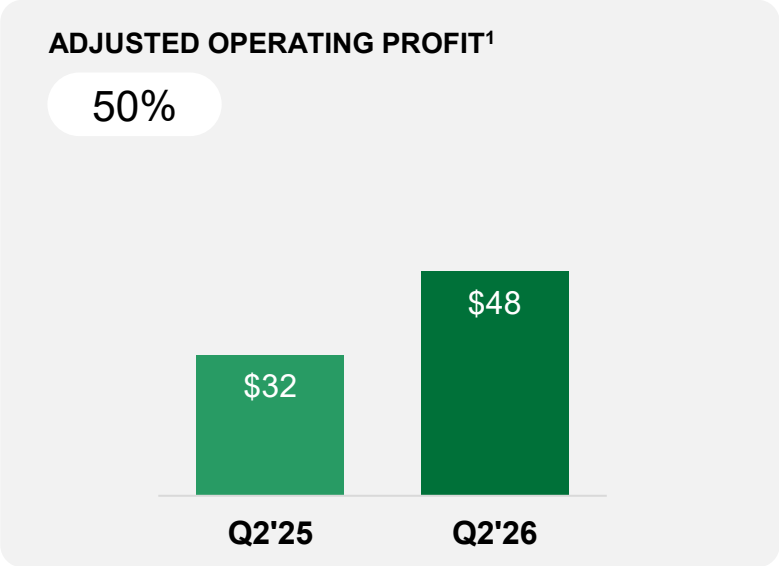
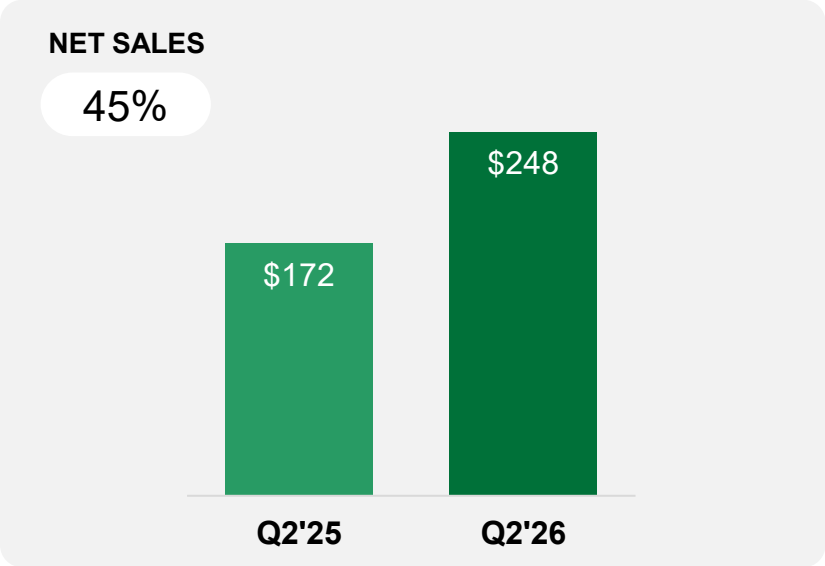
# AIS: ACUITY INTELLIGENT SPACES



UNIQUE AND DISRUPTIVE TECHNOLOGIES DRIVING PRODUCTIVITY FOR PEOPLE EXPERIENCING SPACES AND FOR PEOPLE PROVIDING THOSE SPACES

## MAKING SPACES AUTONOMOUS

(\$ in Millions)



<sup>1</sup>Acuity Intelligent Spaces 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. Note: Graphs not to scale



# YTD FISCAL 2026 CAPITAL ALLOCATION PRIORITIES

1.



Invest for Growth in our Current Businesses

2.



Invest in M&A

3.



Increase our Dividend

4.



Repurchase Shares

## YTD FISCAL 2026 QUARTER ALLOCATION

**\$230M**

Cash Flow From Operations

**\$42M**

Capital Expenditures

**\$106M**

Share Repurchases

**\$200M**

Debt Repayment



# FISCAL 2026 OUTLOOK

---

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

**\$4.7B to \$4.9B**

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

**\$19.00 to \$20.50**

<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.

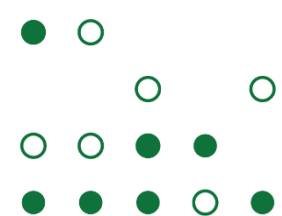




# QUARTERLY TRENDS

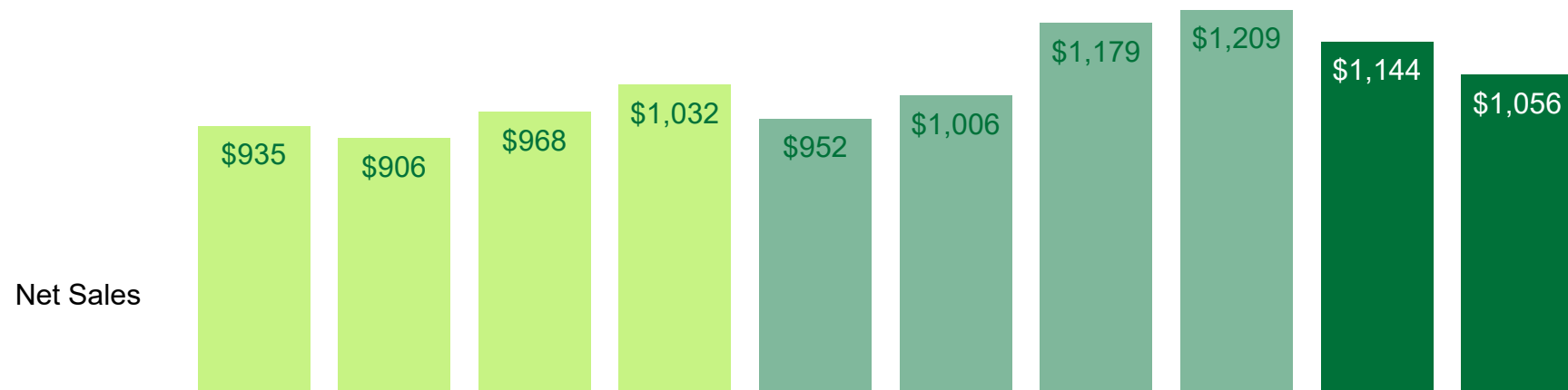


Luminus® Pelican: Application Rendering



# AYI: QUARTERLY TRENDS

(\$ in Millions, Except Per Share Data)



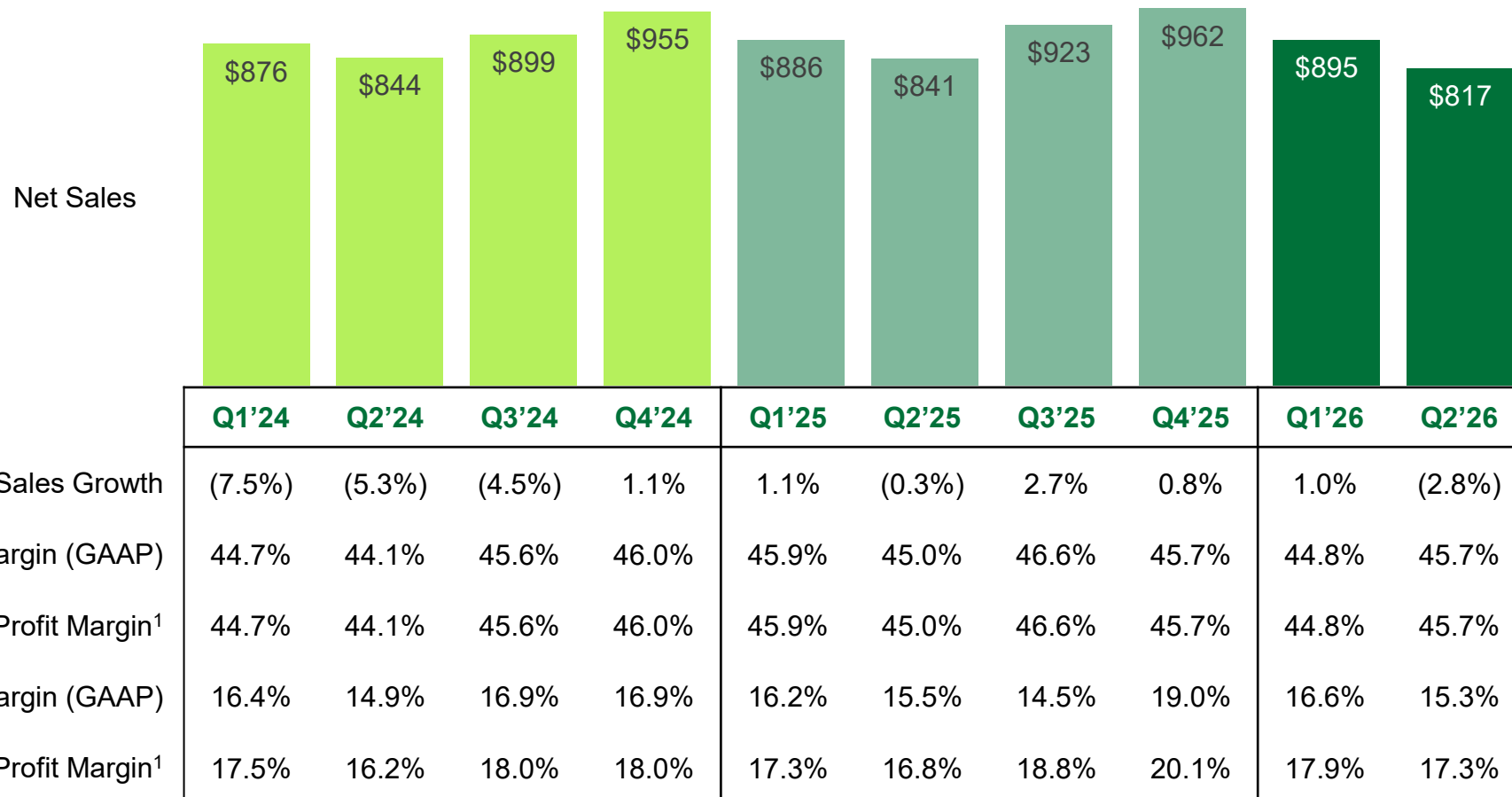
	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
Net Sales Growth	(6.3%)	(4.0%)	(3.2%)	2.2%	1.8%	11.1%	21.7%	17.1%	20.2%	4.9%
Gross Profit Margin (GAAP)	45.8%	45.5%	46.7%	47.3%	47.2%	46.5%	48.4%	48.9%	48.4%	49.3%
Adjusted Gross Profit Margin <sup>1</sup>	45.8%	45.5%	46.7%	47.3%	47.2%	47.5%	50.0%	48.9%	48.4%	49.3%
Operating Margin (GAAP)	14.2%	13.0%	15.0%	15.2%	14.0%	11.0%	11.9%	14.9%	14.0%	12.6%
Adjusted Operating Profit Margin <sup>1</sup>	16.5%	15.5%	17.3%	17.3%	16.7%	16.2%	18.8%	18.6%	17.2%	16.7%
Diluted Earnings per Share (GAAP)	\$3.21	\$2.84	\$3.62	\$3.77	\$3.35	\$2.45	\$3.12	\$3.61	\$3.82	\$3.09
Adjusted Diluted Earnings per Share <sup>1</sup>	\$3.72	\$3.38	\$4.15	\$4.30	\$3.97	\$3.73	\$5.12	\$5.20	\$4.69	\$4.14

<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)

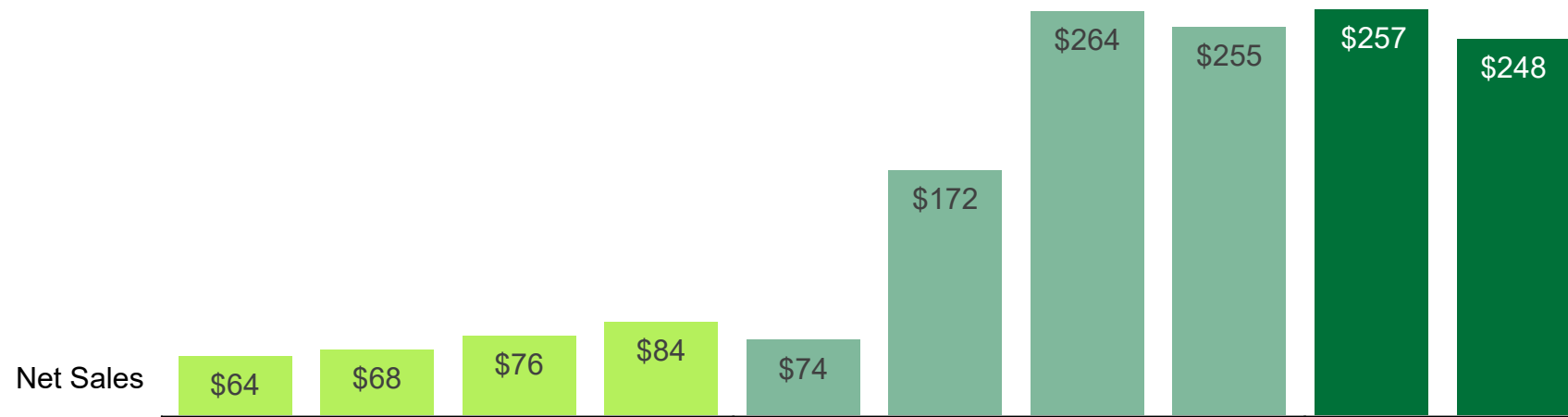


<sup>1</sup>ABL Adjusted Operating Profit Margin and Adjusted Gross Profit Margin are non-GAAP financial measures. See the Appendix for reconciliations to the most directly comparable financial measures calculated in accordance with GAAP.



# AIS: QUARTERLY TRENDS

(\$ in Millions)



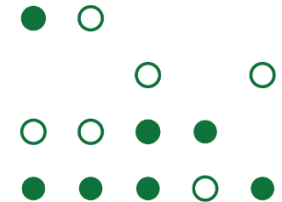
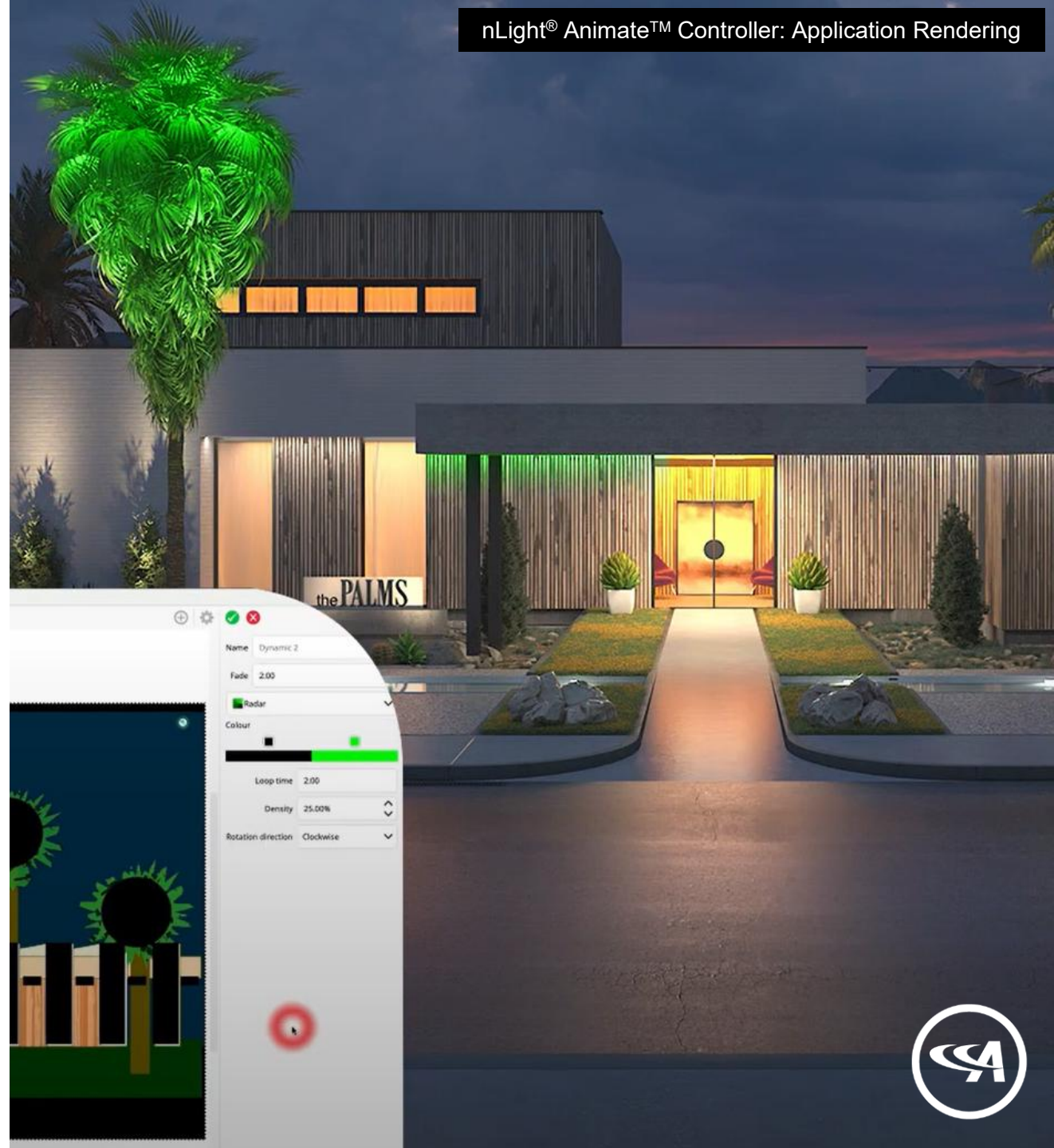
	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
Net Sales Growth	13.0%	17.0%	15.0%	16.7%	14.5%	151.8%	248.9%	204.2%	250.2%	44.7%
Gross Profit Margin (GAAP)	56.9%	59.7%	55.9%	59.4%	58.5%	52.5%	52.9%	59.2%	59.5%	59.1%
Adjusted Gross Profit Margin <sup>1</sup>	56.9%	59.7%	55.9%	59.4%	58.5%	58.5%	60.2%	59.2%	59.5%	59.1%
Operating Margin (GAAP)	8.3%	13.4%	16.5%	19.9%	14.7%	5.8%	10.4%	11.0%	14.4%	11.4%
Adjusted Operating Profit Margin <sup>1</sup>	16.0%	21.0%	22.9%	25.6%	21.0%	18.7%	23.6%	21.4%	22.0%	19.3%

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





# APPENDIX



# AYI: ADJUSTED GROSS PROFIT AND ADJUSTED GROSS PROFIT MARGIN

(\$ in Millions)

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
<b>Net Sales</b>	\$935	\$906	\$968	\$1,032	\$952	\$1,006	\$1,179	\$1,209	\$1,144	\$1,056
<b>Gross Profit (GAAP)</b>	428	412	452	489	449	468	570	591	\$554	\$520
<i>Gross Profit Margin (GAAP)</i>	45.8%	45.5%	46.7%	47.3%	47.2%	46.5%	48.4%	48.9%	48.4%	49.3%
<i>Adjustments</i>										
Add-back: Acquired profit in inventory	-	-	-	-	-	10	19	-	-	-
<b>Adjusted Gross Profit (Non-GAAP)</b>	\$428	\$412	\$452	\$489	\$449	\$478	\$589	\$591	\$554	\$520
<b>Adjusted Gross Profit Margin (Non-GAAP)</b>	45.8%	45.5%	46.7%	47.3%	47.2%	47.5%	50.0%	48.9%	48.4%	49.3%



# AYI: ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING PROFIT MARGIN

(\$ in Millions)

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
<b>Net Sales</b>	\$935	\$906	\$968	\$1,032	\$952	\$1,006	\$1,179	\$1,209	\$1,144	\$1,056
<b>Operating Profit (GAAP)</b>	133	118	145	157	133	110	140	181	\$160	\$133
<i>Operating Profit Margin (GAAP)</i>	14.2%	13.0%	15.0%	15.2%	14.0%	11.0%	11.9%	14.9%	14.0%	12.6%
<i>Adjustments</i>										
Add-back: Amortization of acquired intangible assets	10	10	10	10	9	17	20	31	23	24
Add-back: Stock-based compensation expense	11	12	12	12	12	11	11	11	13	13
Add-back: Special charges	-	-	-	-	-	-	30	-	-	6
Add-back: Acquisition-related costs	-	-	-	-	5	14	3	3	-	-
Add-back: Acquired profit in inventory	-	-	-	-	-	10	19	-	-	-
<b>Adjusted Operating Profit (Non-GAAP)</b>	\$154	\$140	\$167	\$179	\$159	\$163	\$222	\$225	\$196	\$176
<i>Adjusted Operating Profit Margin (Non-GAAP)</i>	16.5%	15.5%	17.3%	17.3%	16.7%	16.2%	18.8%	18.6%	17.2%	16.7%



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

(\$ in Millions, Except Per Share Data)

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
<b>Net Sales</b>	\$935	\$906	\$968	\$1,032	\$952	\$1,006	\$1,179	\$1,209	\$1,144	\$1,056
<b>Net income (GAAP)</b>	101	89	114	119	107	78	98	114	\$121	\$97
<i>Adjustments</i>										
Add-back: Amortization of acquired intangible assets	10	10	10	10	9	17	20	31	23	24
Add-back: Stock-based compensation expense	11	12	12	12	12	11	11	11	13	13
Add-back: Special charges	-	-	-	-	-	-	30	-	-	6
Add-back: Loss on sale of a business	-	-	-	-	-	-	-	-	-	-
Add-back: Impairment of investment	-	-	-	-	-	-	-	-	-	-
Add-back: Acquisition-related costs	-	-	-	-	5	14	3	3	-	-
Add-back: Acquired profit in inventory	-	-	-	-	-	10	19	-	-	-
Add-back: Pension settlement loss	-	-	-	-	-	-	-	31	-	-
<b>Total pre-tax adjustments to Net income</b>	21	22	22	22	25	53	82	76	36	43
Adjustment for tax effect	(5)	(5)	(5)	(5)	(6)	(12)	(19)	(17)	(8)	(10)
Less: One-time tax benefit	-	-	-	-	-	-	-	(8)	-	-
<b>Adjusted Net Income (Non-GAAP)</b>	\$117	\$106	\$131	\$136	\$126	\$118	\$162	\$164	\$148	\$130
<i>Diluted weighted average number of shares outstanding</i>	31.4	31.4	31.5	31.5	31.8	31.7	31.6	31.5	31.6	31.4
<b>Diluted Earnings Per Share (GAAP)</b>	\$3.21	\$2.84	\$3.62	\$3.77	\$3.35	\$2.45	\$3.12	\$3.61	\$3.82	\$3.09
<b>Adjusted Diluted Earnings Per Share (Non-GAAP)</b>	\$3.72	\$3.38	\$4.15	\$4.30	\$3.97	\$3.73	\$5.12	\$5.20	\$4.69	\$4.14

Note: May Not Foot Due to Rounding

NYSE: AYI 17



# AYI: EBITDA AND ADJUSTED EBITDA

(\$ in Millions)

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
<b>Net Sales</b>	<b>\$935</b>	<b>\$906</b>	<b>\$968</b>	<b>\$1,032</b>	<b>\$952</b>	<b>\$1,006</b>	<b>\$1,179</b>	<b>\$1,209</b>	<b>\$1,144</b>	<b>\$1,056</b>
<b>Net Income (GAAP)</b>	<b>101</b>	<b>89</b>	<b>114</b>	<b>119</b>	<b>107</b>	<b>78</b>	<b>98</b>	<b>114</b>	<b>121</b>	<b>97</b>
<i>Net Income as a Percent of Net Sales (GAAP)</i>	<i>10.8%</i>	<i>9.8%</i>	<i>11.8%</i>	<i>11.5%</i>	<i>11.2%</i>	<i>7.7%</i>	<i>8.3%</i>	<i>9.4%</i>	<i>10.5%</i>	<i>9.2%</i>
Interest expense (income), net	1	-	(2)	(4)	(4)	7	12	7	8	7
Income tax expense	30	28	34	34	28	25	27	24	32	26
Depreciation	13	13	13	13	13	14	15	15	15	15
Amortization	10	10	10	10	9	17	20	31	23	24
<b>EBITDA (Non-GAAP)</b>	<b>155</b>	<b>140</b>	<b>169</b>	<b>172</b>	<b>152</b>	<b>140</b>	<b>172</b>	<b>191</b>	<b>199</b>	<b>169</b>
<i>EBITDA Margin (Non-GAAP)</i>	<i>16.5%</i>	<i>15.5%</i>	<i>17.4%</i>	<i>16.6%</i>	<i>16.0%</i>	<i>13.9%</i>	<i>14.6%</i>	<i>15.8%</i>	<i>17.4%</i>	<i>16.0%</i>
<i>Adjustments</i>										
Miscellaneous expense (income), net	1	1	(1)	8	3	1	2	36	(1)	3
Share-based payment expense	11	12	12	12	12	11	11	11	13	13
Special charges	-	-	-	-	-	-	30	-	-	6
Acquisition-related costs	-	-	-	-	5	14	3	3	-	-
Acquired profit in inventory	-	-	-	-	-	10	19	-	-	-
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$167</b>	<b>\$153</b>	<b>\$180</b>	<b>\$191</b>	<b>\$172</b>	<b>\$177</b>	<b>\$236</b>	<b>\$241</b>	<b>\$211</b>	<b>\$191</b>
<i>Adjusted EBITDA Margin (Non-GAAP)</i>	<i>17.8%</i>	<i>16.9%</i>	<i>18.6%</i>	<i>18.5%</i>	<i>18.0%</i>	<i>17.5%</i>	<i>20.0%</i>	<i>19.9%</i>	<i>18.5%</i>	<i>18.1%</i>

Note: May Not Foot Due to Rounding



# AYI: YEAR-TO-DATE CASH FLOW

(\$ in Millions)

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
<b>YTD Net cash provided by operating activities (GAAP)</b>	\$190	\$293	\$445	\$619	\$132	\$192	\$399	\$601	\$141	\$230
YTD Purchases of property, plant, and equipment	(15)	(29)	(41)	(64)	(19)	(29)	(44)	(68)	(26)	(42)
<b>Free Cash Flow (Non-GAAP)</b>	\$175	\$264	\$404	\$555	\$113	\$163	\$355	\$533	\$115	\$188



# ABL: ADJUSTED GROSS PROFIT AND ADJUSTED GROSS PROFIT MARGIN

(\$ in Millions)

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
<b>Net Sales</b>	\$876	\$844	\$899	\$955	\$886	\$841	\$923	\$962	\$895	\$817
<b>Gross Profit (GAAP)</b>	392	372	410	439	406	378	430	440	401	374
<i>Gross Profit Margin (GAAP)</i>	44.7%	44.1%	45.6%	46.0%	45.9%	45.0%	46.6%	45.7%	44.8%	45.7%
<b>Adjusted Gross Profit (Non-GAAP)</b>	\$392	\$372	\$410	\$439	\$406	\$378	\$430	\$440	\$401	\$374
<i>Adjusted Gross Profit Margin (Non-GAAP)</i>	44.7%	44.1%	45.6%	46.0%	45.9%	45.0%	46.6%	45.7%	44.8%	45.7%



# ABL: ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING PROFIT MARGIN

(\$ in Millions)

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
<b>Net Sales</b>	\$876	\$844	\$899	\$955	\$886	\$841	\$923	\$962	\$895	\$817
<b>Operating Profit (GAAP)</b>	144	126	152	162	143	130	134	183	149	125
<i>Operating Profit Margin (GAAP)</i>	16.4%	14.9%	16.9%	16.9%	16.2%	15.5%	14.5%	19.0%	16.6%	15.3%
<i>Adjustments</i>										
Add-back: Amortization of acquired intangible assets	7	7	7	7	6	7	6	6	6	7
Add-back: Stock-based compensation expense	4	4	4	4	4	4	4	4	5	4
Add-back: Special charge	-	-	-	-	-	-	30	-	-	6
<b>Adjusted Operating Profit (Non-GAAP)</b>	\$154	\$136	\$162	\$172	\$154	\$141	\$174	\$194	\$160	\$142
<i>Adjusted Operating Profit Margin (Non-GAAP)</i>	17.5%	16.2%	18.0%	18.0%	17.3%	16.8%	18.8%	20.1%	17.9%	17.3%



# AIS: ADJUSTED GROSS PROFIT AND ADJUSTED GROSS PROFIT MARGIN

(\$ in Millions)

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
<b>Net Sales</b>	\$64	\$68	\$76	\$84	\$74	\$172	\$264	\$255	\$257	\$248
<b>Gross Profit (GAAP)</b>	37	41	42	50	43	90	140	151	153	147
<i>Gross Profit Margin (GAAP)</i>	56.9%	59.7%	55.9%	59.4%	58.5%	52.5%	52.9%	59.2%	59.5%	59.1%
<i>Adjustments</i>										
Add-back: Acquired profit in inventory	-	-	-	-	-	10	19	-	-	-
<b>Adjusted Gross Profit (Non-GAAP)</b>	37	41	42	50	43	100	159	151	153	147
<b>Adjusted Gross Profit Margin (Non-GAAP)</b>	56.9%	59.7%	55.9%	59.4%	58.5%	58.5%	60.2%	59.2%	59.5%	59.1%



# AI: ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING PROFIT MARGIN

(\$ in Millions)

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
<b>Net Sales</b>	\$64	\$68	\$76	\$84	\$74	\$172	\$264	\$255	\$257	\$248
<b>Operating Profit (GAAP)</b>	5	9	13	17	11	10	27	28	37	28
<i>Operating Profit Margin (GAAP)</i>	8.3%	13.4%	16.5%	19.9%	14.7%	5.8%	10.4%	11.0%	14.4%	11.4%
<i>Adjustments</i>										
Add-back: Amortization of acquired intangible assets	3	3	3	3	3	10	14	25	17	17
Add-back: Stock-based compensation expense	2	2	1	2	2	2	2	2	2	3
Add-back: Acquired profit in inventory	-	-	-	-	-	10	19	-	-	-
<b>Adjusted Operating Profit (Non-GAAP)</b>	\$10	\$14	\$17	\$22	\$15	\$32	\$62	\$55	\$57	\$48
<i>Adjusted Operating Profit Margin (Non-GAAP)</i>	16.0%	21.0%	22.9%	25.6%	21.0%	18.7%	23.6%	21.4%	22.0%	19.3%

