



# Brady Corporation

## Acquisition of Honeywell Productivity Solutions and Services (“PSS”)

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# Forward-Looking Statements

In this presentation, statements that are not reported financial results or other historic information are “forward-looking statements.” These forward-looking statements relate to, among other things, statements about the proposed transaction by the Company to acquire the PSS business, the benefits and synergies of the proposed transaction, future opportunities for the Company and the combined company, and any other statements regarding the Company’s, the PSS business’, and the combined company’s future operations and future financial position, anticipated economic activity, business strategies, targets, future earnings, anticipated growth, market opportunities, debt levels and cash flows, competition and other expectations and estimates for future periods including plans and objectives of management for future operations.

The use of words such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “should,” “project,” “plan” or similar terminology are generally intended to identify forward-looking statements. These forward-looking statements by their nature address matters that are, to different degrees, uncertain and are subject to risks, assumptions, and other factors, some of which are beyond the Company’s control, that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. For the Company, uncertainties arise from: the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive agreement to acquire the PSS business; the expected timing and likelihood of completion of the transaction to acquire the PSS business, including the timing, receipt and terms and conditions of any required governmental and regulatory approvals of the transaction that could reduce anticipated benefits or cause the parties to abandon the transaction; the risk that the transaction and its announcement could have an adverse effect on the ability of the Company and the PSS business to retain customers and retain and hire key personnel and maintain relationships with their suppliers and customers and on their operating results and businesses generally; failure of the Company to achieve the transaction synergies identified in this presentation on the timeline indicated or at all; increased cost of materials, labor, material shortages and supply chain disruptions, including as a result of tariffs or other impacts of the global trade environment; decreased demand for the Company’s products; the Company’s ability to compete effectively or to successfully execute our strategy; the Company’s ability to develop technologically advanced products that meet customer demands; the Company’s ability to identify, integrate and grow acquired companies, and to manage contingent liabilities from divested businesses; difficulties in protecting the Company’s websites, networks, and systems against security breaches; extensive regulations by U.S. and non-U.S. governmental and self-regulatory entities; risks associated with the loss of key employees; litigation, including product liability claims; global climate change and environmental regulations; foreign currency fluctuations; changes in tax legislation and tax rates; potential write-offs of goodwill and other intangible assets; differing interests of voting and non-voting shareholders and changes in the regulatory and business environment around dual-class voting structures; numerous other matters of national, regional and global scale, including major public health crises and government responses thereto and those of a political, economic, business, competitive, and regulatory nature contained from time to time in the Company’s U.S. Securities and Exchange Commission filings, including, but not limited to, those factors listed in the “Risk Factors” section within Item 1A of Part I of the Company’s Form 10-K for the year ended July 31, 2025.

These uncertainties may cause the Company’s actual future results to be materially different than those expressed in its forward-looking statements. The Company does not undertake to update its forward-looking statements except as required by law.

# Compelling Strategic and Financial Rationale

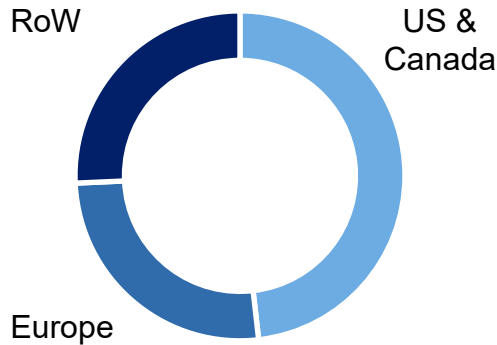
- ✓ **Complementary product portfolio adds scale and extends Brady into adjacent workflows**
  - ~\$1.1B revenue PSS platform features strong positions in mobile computing, barcode scanning, RFID and workflow software, complementing Brady's leading position in its printer and specialty adhesive materials portfolios
- ✓ **Expands TAM across technology-enabled identification, data capture and workflow solutions markets**
  - ~\$9B TAM expansion driven by entry into non-overlapping product categories and end markets, further positioning Brady to benefit from secular tailwinds across automation, digitization, and asset tracking
- ✓ **Diversifies business profile and enhances growth trajectory**
  - ~55% of PSS revenue in retail and transportation & logistics segments gives Brady access to new channels and enterprise customers, complementary to Brady's strength in industrial and compliance-driven segments (e.g. Healthcare)
- ✓ **Creates platform for high-margin recurring revenue and software, service & voice penetration**
  - 3M+ PSS devices under service contracts with recurring refresh cycles and millions more with lifecycle service, software and voice opportunities, augmented by opportunities to extend across Brady's portfolio
- ✓ **Expected to be highly accretive to earnings with clear deleveraging path to support existing capital allocation strategy**
  - Expected to be double-digit accretive to Adjusted Diluted EPS\* within first year following close and achieve below 2.0x net leverage within first two years following close
  - Committed to maintaining strong balance sheet to support disciplined and consistent capital allocation strategy

\*Non-GAAP measure. See appendix for additional information.

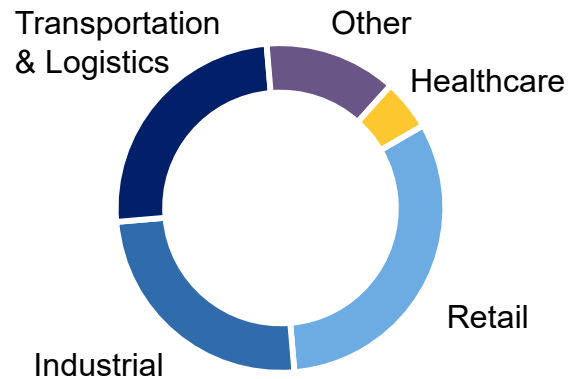
# Acquisition of Honeywell Productivity Solutions & Services (“PSS”)

- PSS offers a comprehensive suite of hardware, software and service offerings that enable high-volume, automated data collection and tracking, with leading positions in mobile computers, barcode scanners, printing solutions and voice guidance
- Supports large enterprise customers across a diverse set of industries, including high-growth logistics, manufacturing, warehousing and retail verticals
- Recurring Software & Service revenue with industry-leading solutions tailored to industry needs

Revenue by Geography



Revenue by End Market



**\$1.1B**  
CY2025 Revenue

**45 – 50%**  
Gross Margin

**3,700+**  
Active Patents

**3M+**  
Installed Base with  
Active Service  
Contracts

**\$200M+**  
FY2025 Annual  
Recurring Revenue

## Mobility



Handheld computers



Tablets

## Scanners



Specialty rugged scanners



General purpose scanners

## Printers



Industrial printer



Desktop printer

## Software, Service, and Voice

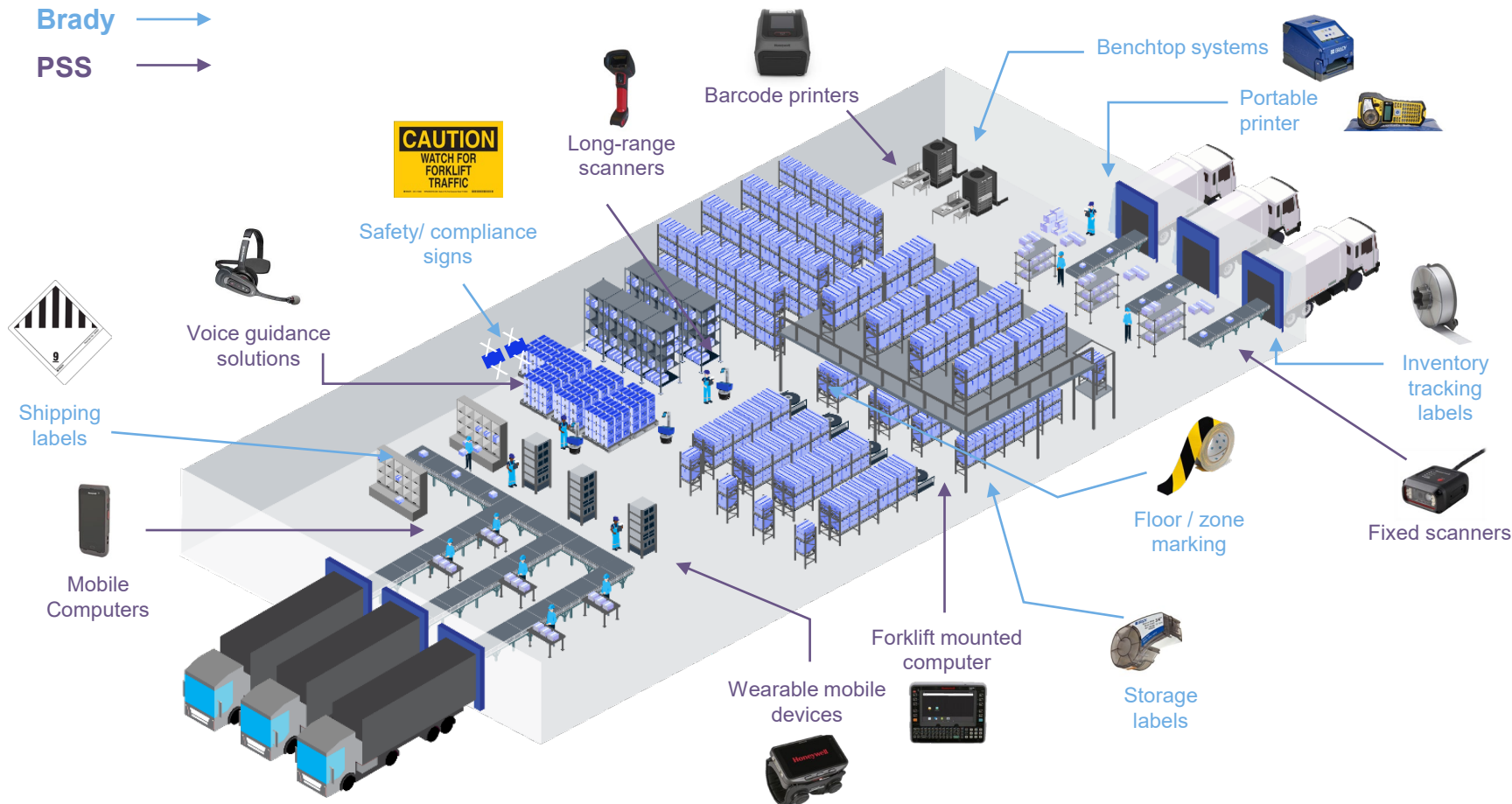


Voice automated solutions



Device software

# Expands Portfolio with Data Capture and Workflow Solutions...



Enhancing Brady's value proposition and expanding customer touchpoints with **end-to-end hardware & software solutions across critical workflows** – combining complementary portfolios of identification, data capture and support capabilities

# ...And Highly Complementary Technologies



## MOBILITY

- PSS's leading global mobility devices portfolio further enables Brady to benefit from secular tailwinds in warehousing and delivery applications where multi-functional devices drive value and are increasingly required to augment user efficiency and data accuracy



## SCANNERS

- PSS's differentiated barcode scanning and RFID capabilities enhances Brady's end-to-end solution set while also providing opportunities for commercial collaboration with best-in-class technology and versatility across applications and environments



## PRINTERS

- Leverages Brady's core capabilities in vertically integrated printer technologies and consumables while filling gaps with select PSS printer technologies – creating a best-in-class platform well-positioned amid accelerating adoption in attractive end markets



## SOFTWARE, SERVICE & VOICE

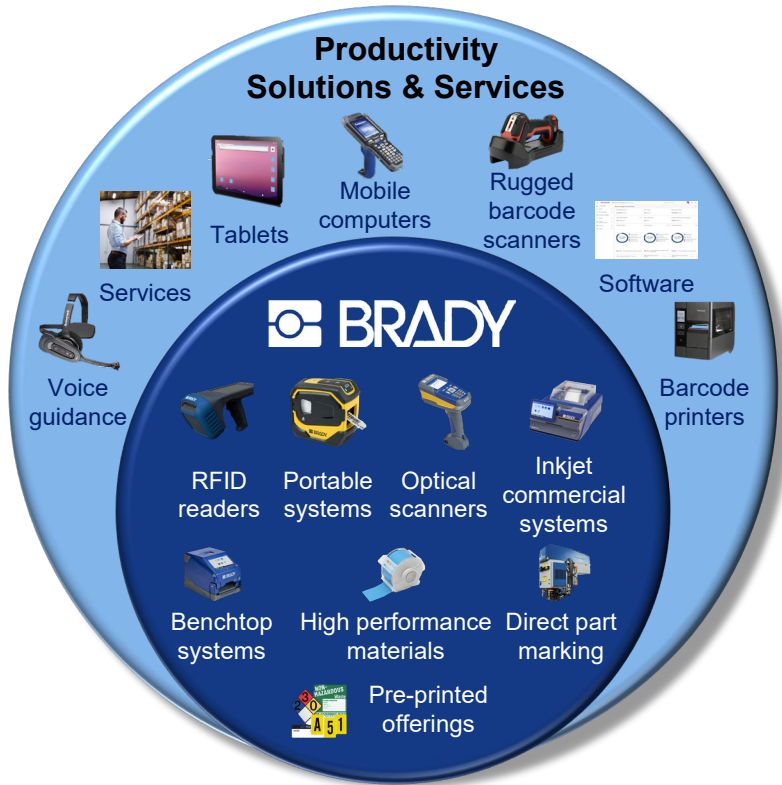
- PSS's high-margin software, service & voice offerings and expansive installed base provides an opportunity to enhance customer connectivity and deliver value 'beyond the product'



**Honeywell**  
Productivity  
Solutions &  
Services



# Expanding Total Addressable Market, Indexed to Key Secular Growth Trends



~\$9B TAM expansion driven by entry into adjacent, non-overlapping product categories and end markets

Strengthens position in growing identification and data capture market driven by e-commerce warehouse expansion, labor constraints and RFID adoption

Identification & Data Capture Market Growth  
**3%+**  
'25 - '30 CAGR

Well-positioned to capitalize on accelerating device adoption, with stronger presence in growing retail and transportation & logistics segments

PSS Revenue Mix  
**~55%**  
Retail and T&L

Enhances software & services offerings creating high-growth, high-value lifecycle opportunities

Software & Services Market Growth  
**10 - 15% | 5%**  
'25 - '30 CAGR

Broadens channel presence and access to growing enterprise customers where value-added services & leading technologies drive retention & growth

Majority of PSS 600-person commercial team serving large enterprise accounts

# Platform for High-Margin Recurring Revenue and Software, Service & Voice Penetration

**3M+**

*PSS devices with active service contracts with millions more deployed, creating significant further opportunities*

**\$200M+**

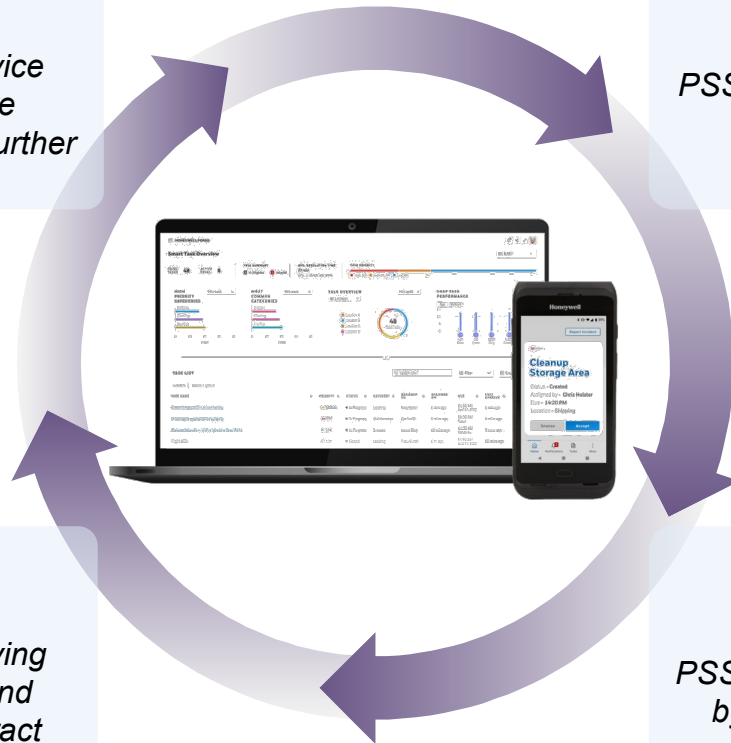
*PSS recurring service, software and voice revenue today*

**3 – 5 year**

*Hardware refresh cycles driving repeat hardware demand and opportunity for service contract attachment*

**90%+**

*PSS revenue retention as measured by customers with >5+ years of purchasing*



PSS's high-margin software and service offerings provide **opportunity to increase recurring revenue, improve long-term margin profile, and strengthen customer relationships**

# Transaction Overview

## Purchase Price

- Purchase price of \$1.4 billion on cash-free, debt-free basis
- Represents a transaction value of approximately ~8x EBITDA for the twelve months ended December 31, 2025

## Expected Financial Impact

- Acquisition expected to be double-digit accretive to Adjusted Diluted EPS\* within first year following close

## Synergy Opportunities

- Annual net run-rate cost synergies of \$25+ million expected to be achieved within three years of closing through improved operational efficiency
- Incremental revenue synergies expected to be captured over same period as Brady focuses on cross-selling opportunities

## Financing

- 100% cash transaction expected to be financed with cash on hand and new debt financing
- At close of transaction, expects leverage ratio\* of ~2.5x net debt / EBITDA, deleveraging to below 2.0x within two years
- Committed to maintaining strong balance sheet to support disciplined and consistent capital allocation strategy

## Timing

- Anticipated closing in second half of calendar year 2026
- Subject to regulatory approval and customary closing conditions

\*Non-GAAP measure. See appendix for additional information.

# Delivering Significant Value to Brady Shareholders



## Attractive Growth Platform

- Adds new, attractive & scalable growth avenues across complementary high-value products and high-growth end markets
- Additive to existing channels and customers with increased enterprise account exposure



## Consistent with Strategic Priorities

- Expands into new adjacencies forming end-to-end customer solutions
- Bolsters technologies portfolio
- Creates opportunities for high-margin recurring revenue



## Enhanced Financial Profile

- Enhances Brady's resilience through market cycles with increased opportunity to drive profitable growth



## Strong Balance Sheet

- Expect to deleverage to healthy net leverage levels to preserve financial flexibility

# APPENDIX – NON-GAAP FINANCIAL MEASURES

Adjusted Diluted EPS and the ratio of net debt to EBITDA are non-GAAP measures. We believe that these non-GAAP financial measures are useful measures for providing investors with additional information to understand and compare our operating results across accounting periods and compared to our peers. Our management primarily uses these non-GAAP measures to help us evaluate our business and forecast our future results. This additional information is not meant to be considered in isolation or as a substitute for results of operations prepared and presented in accordance with GAAP. For forward-looking non-GAAP measures as used in this presentation, we do not attempt to provide a reconciliation to the equivalent GAAP measures as certain elements of these measures are dependent on future events and therefore cannot be precisely calculated without unreasonable effort or expense. The significance of these elements are indeterminable at this time. Forward-looking non-GAAP measures are estimated in a manner consistent with our historical practice.

# Contacts

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## About Brady Corporation

Brady (NYSE: BRC), is a global manufacturer and supplier of identification solutions and workplace safety products that identify and protect premises, products and people. The ability to provide customers with a broad range of proprietary, customized and diverse products for use in various applications across multiple industries and geographies, along with a commitment to quality and service, have made Brady a leader in many of its markets.

For more information, visit [bradyid.com](http://bradyid.com).

**BRADY**

Dual Frequency RFID



THT-UHF/HF-B423-86x46

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