



Brady Corporation

F'25 Q3 Financial Results

May 16, 2025



Forward-Looking Statements

In this news release, statements that are not reported financial results or other historic information are “forward-looking statements.” These forward-looking statements relate to, among other things, the Company's future financial position, business strategy, targets, projected sales, costs, income, capital expenditures, debt levels and cash flows, and 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 Brady’s control, that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. For Brady, uncertainties arise from: 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 our products; our ability to compete effectively or to successfully execute our strategy; our ability to develop technologically advanced products that meet customer demands; Brady’s ability to identify, integrate, and grow acquired companies, and to manage contingent liabilities from divested businesses; difficulties in protecting our websites, networks and systems against security breaches; risks associated with the loss of key employees; extensive regulations by U.S. and non-U.S. governmental and self-regulatory entities; global climate change and environmental regulations; litigation, including product liability claims; foreign currency fluctuations; 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; changes in tax legislation and tax rates; 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 Brady’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 Brady’s Form 10-K for the year ended July 31, 2024.

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

Q3 F'25 Highlights

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Sales Growth

- ▶ Organic sales growth of 1.6%.
- ▶ Americas & Asia organic sales growth of 5.4%.
- ▶ Europe & Australia organic sales decline of 5.4%.
- ▶ Acquisition growth of 10.5%.

Gross Profit Margin

- ▶ GPM of 51.0% compared to 51.6% in Q3 of F'24.
- ▶ Gross profit includes facility closure and other reorganization costs in Q3 F'25.

Growth in Earnings per Share

- ▶ GAAP EPS increased 3.8% to \$1.09 in Q3 of F'25 compared to \$1.05 in Q3 of F'24.
- ▶ Adjusted Diluted Earnings per Share* increased 11.9% to \$1.22 in Q3 of F'25 compared to \$1.09 in Q3 of F'24.

Returned Funds to our Shareholders

- ▶ Purchased 476k shares in Q3 of F'25 for \$33.2M (average price = \$69.64 per share).
- ▶ Paid dividends of \$11.3M in the quarter.
- ▶ In a net cash position of \$49.3M at April 30, 2025.

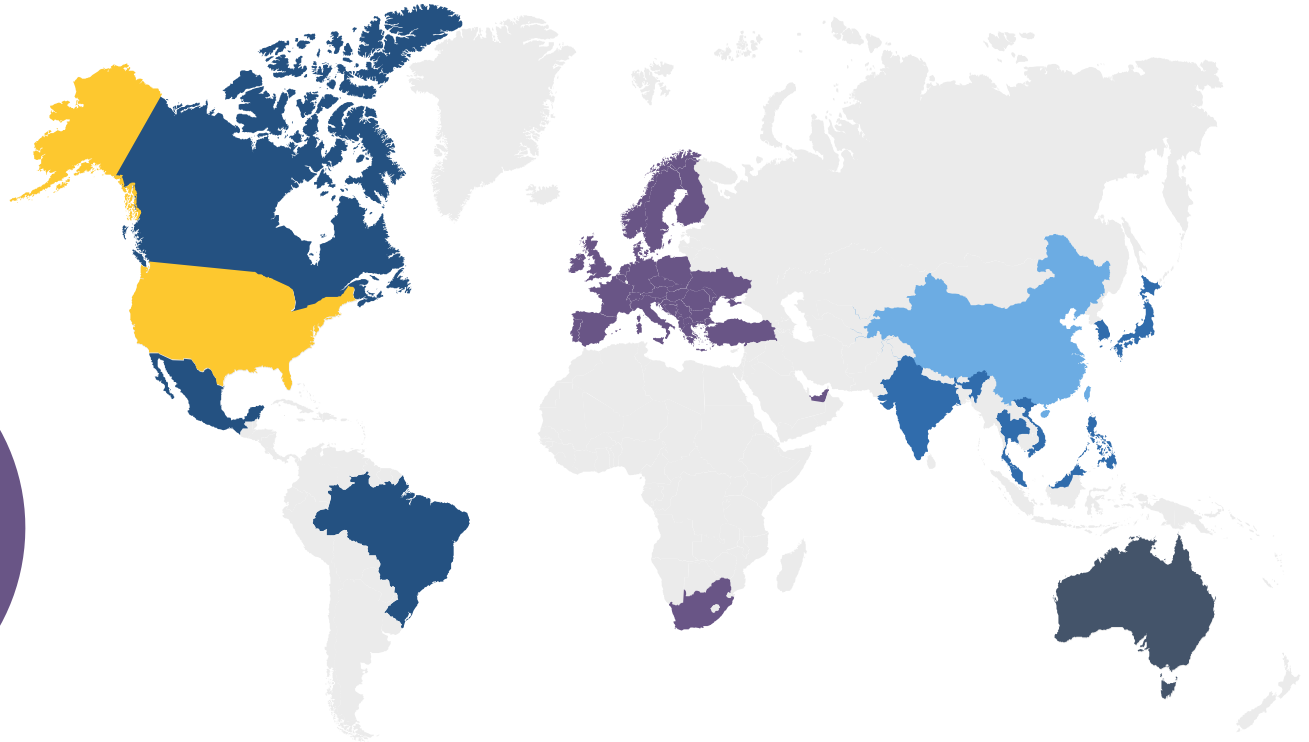
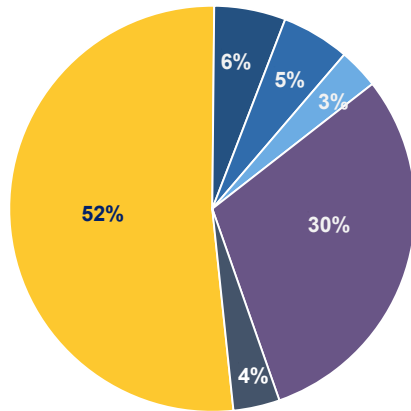
F'25 EPS Guidance

- ▶ Tightening full year F'25 Adjusted EPS guidance to \$4.48 to \$4.63 per share from \$4.45 to \$4.70 per share.
- ▶ Tightening full year F'25 GAAP EPS guidance to \$3.95 to \$4.10 per share from \$3.99 to \$4.24 per share.

* Adjusted Diluted Earnings per Share is a non-GAAP measure. See appendix.

Geographic Presence

YTD Q3 F'25 Sales by Geography
(90 facilities in 35 countries)



U.S.A.

Rest of Americas

Asia (excl. China)

China

Europe, Middle East & Africa

Australia

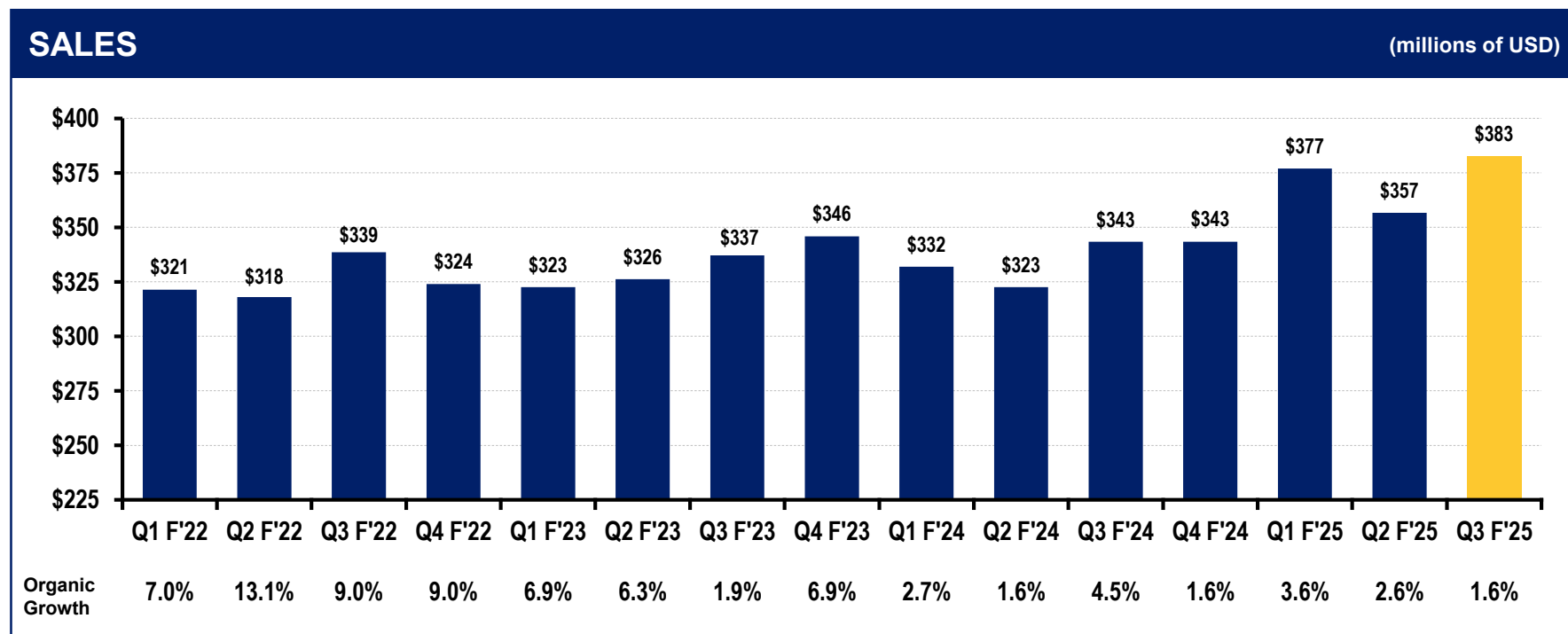
Brazil, Canada,
Mexico.

India, Japan,
Malaysia,
Philippines, South
Korea, Singapore,
Thailand, Vietnam.

Austria, Belgium, Denmark, Finland,
France, Germany, Hungary, Italy,
Netherlands, Norway, Poland, Qatar,
Saudi Arabia, Slovakia, South Africa,
Spain, Sweden, Switzerland, Turkey,
UAE, U.K.

Sales Overview

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Q3 F'25 SALES:

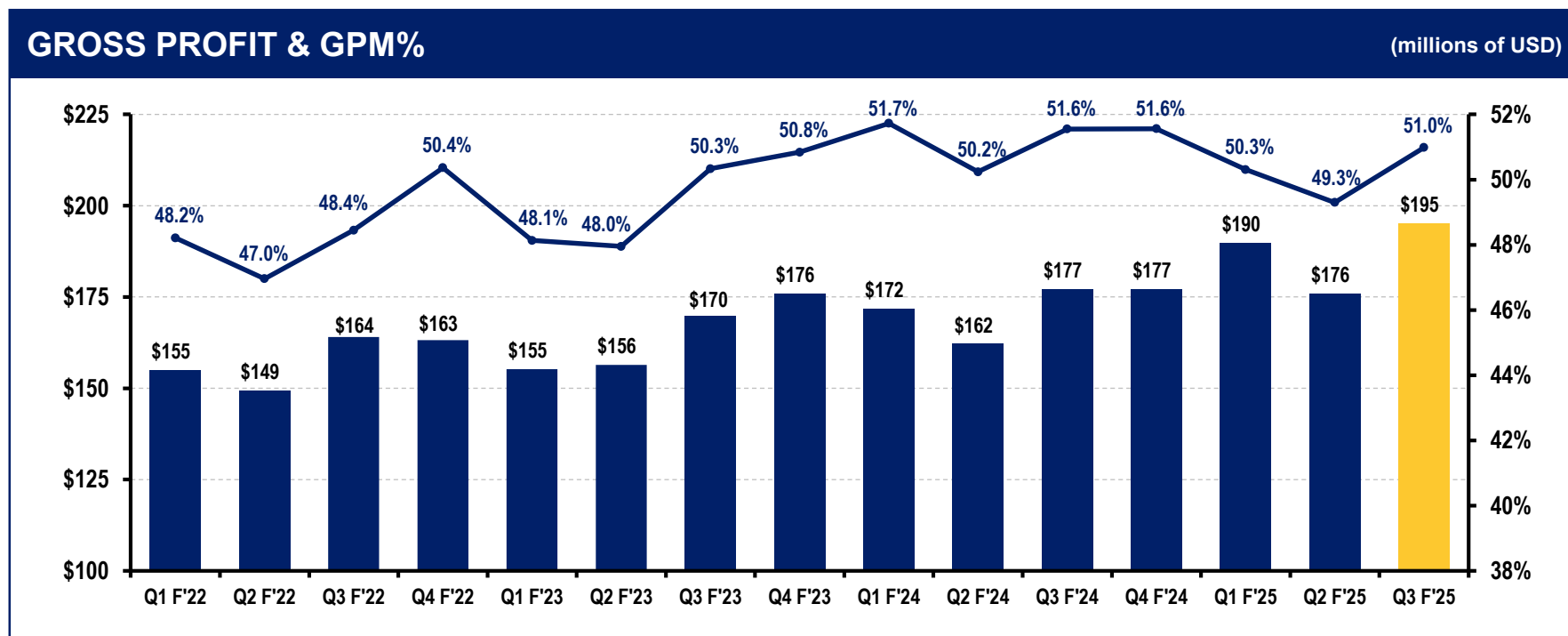
- ▶ Total sales increased 11.4%.
- ▶ Organic sales increased 1.6%.
 - Americas & Asia – Organic sales increased 5.4%.
 - Europe & Australia – Organic sales declined 5.4%.
- ▶ Foreign currency translation decreased sales 0.7%.
- ▶ Acquisitions increased sales 10.5%.

Q3 F'25 SALES COMMENTARY:

- ▶ Organic sales grew 3.3% in the Americas with growth in most major product lines.
- ▶ Asia organic sales grew 22.9% with growth across the region, including China.
- ▶ Organic sales declined 5.1% in Europe and declined 8.1% in Australia.

Gross Profit Margin

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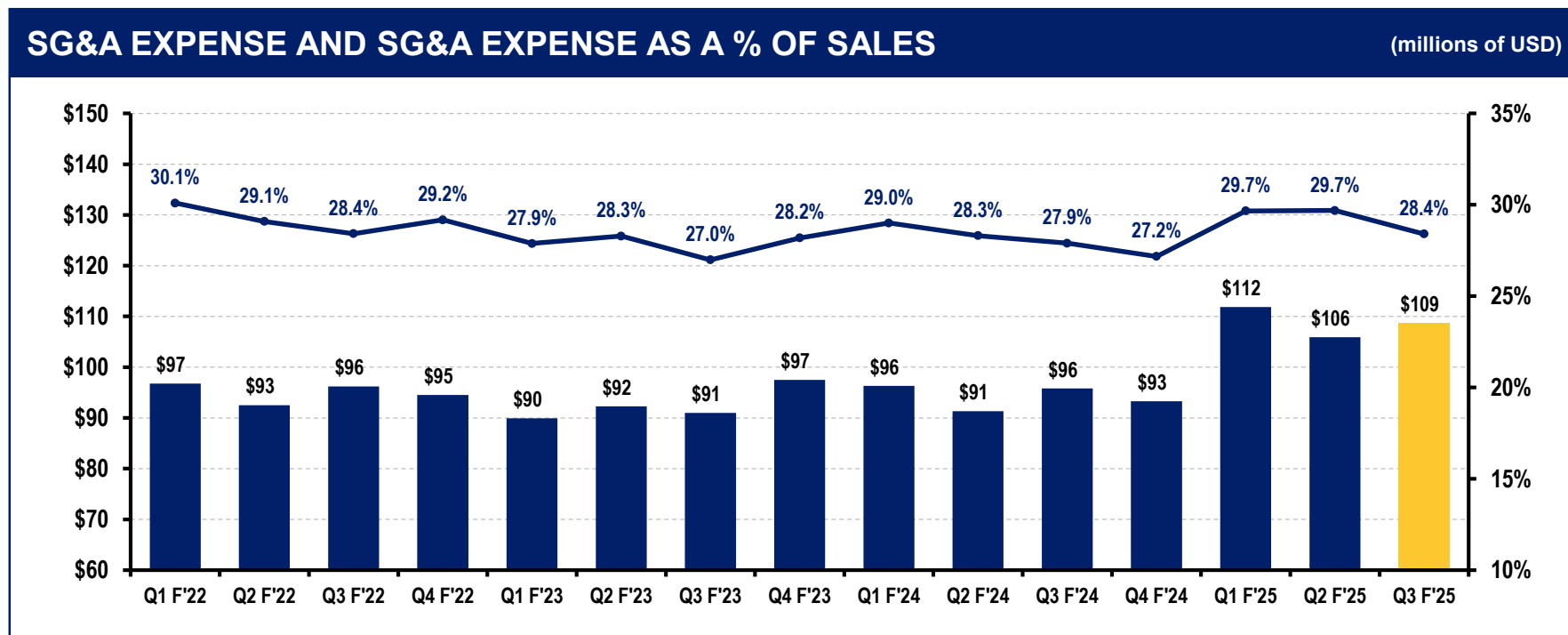


Q3 F'25 – GROSS PROFIT MARGIN:

- ▶ Gross profit margin of 51.0% compared to 51.6% in Q3 of F'24.
- ▶ The impact of facility closures and other reorganization costs reduced gross profit margin by approximately 30 basis points in Q3 of F'25.

SG&A Expense

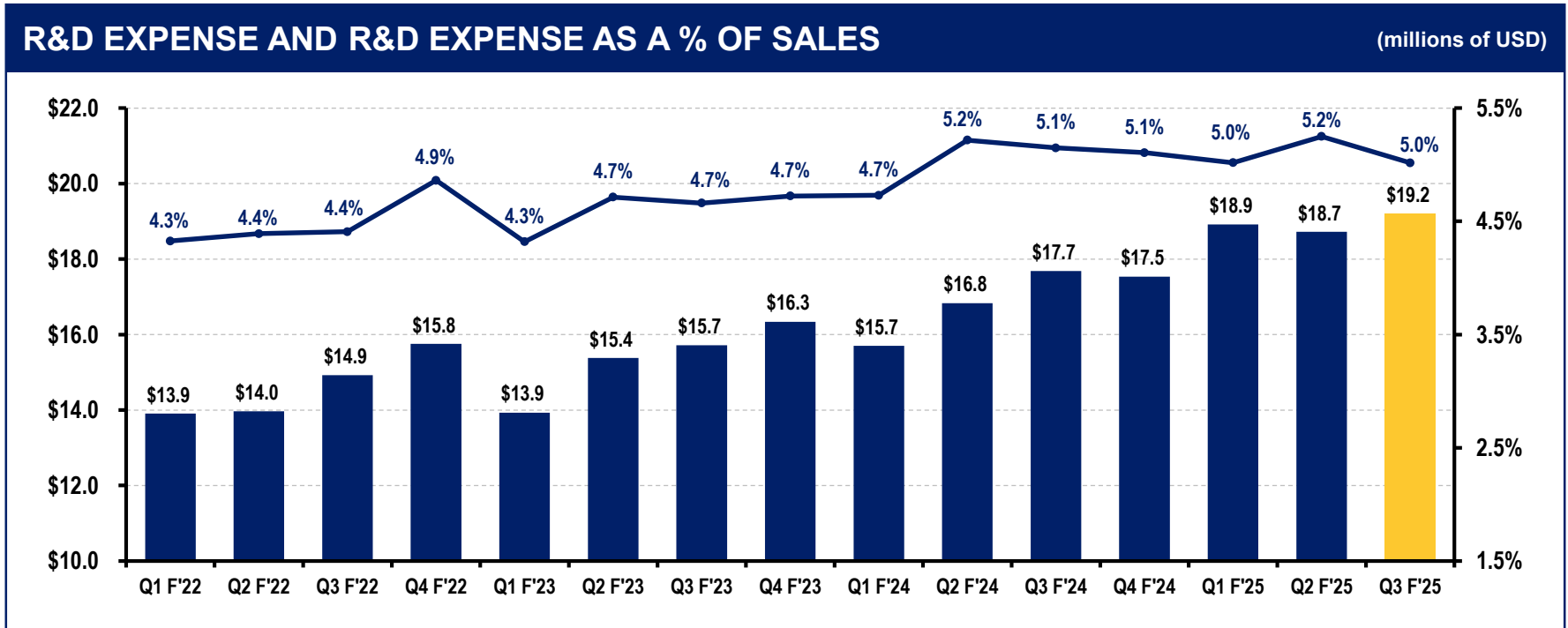
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Q3 F'25 – SG&A EXPENSE:

- ▶ SG&A expense increased as a percent of sales when compared to Q3 last year primarily due to increased amortization and facility closure and other reorganization costs.
- ▶ Amortization expense was \$4.8M in Q3 of F'25 and \$2.4M in Q3 of F'24, and facility closure and other reorganization costs were \$3.9M in Q3 of F'25.
- ▶ We continue to drive efficiencies in SG&A expenses while investing in sales-generating resources.

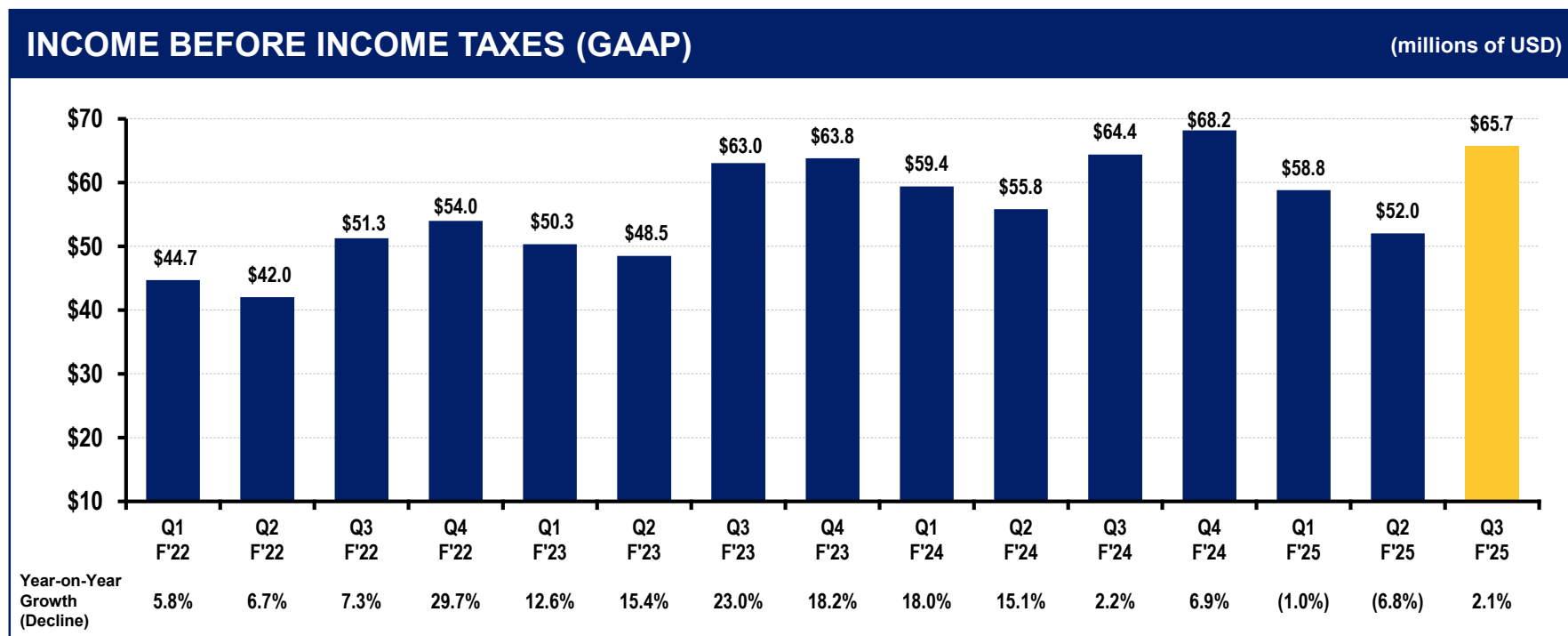
R&D Expense



Q3 F'25 – R&D EXPENSE:

- ▶ We remain committed to our investments in R&D in order to drive profitable long-term sales growth through our new product roadmap.

Income Before Income Taxes

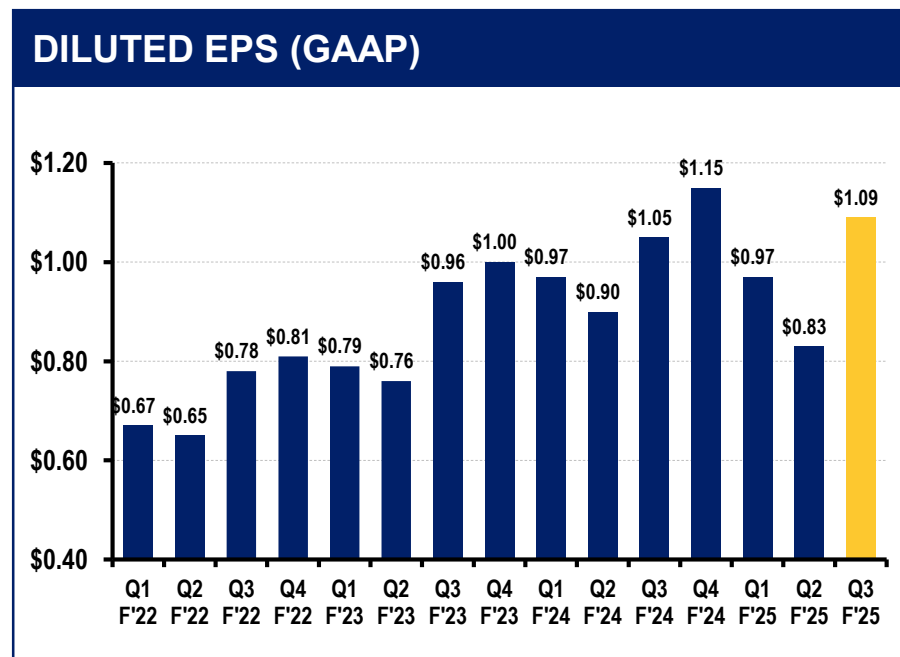
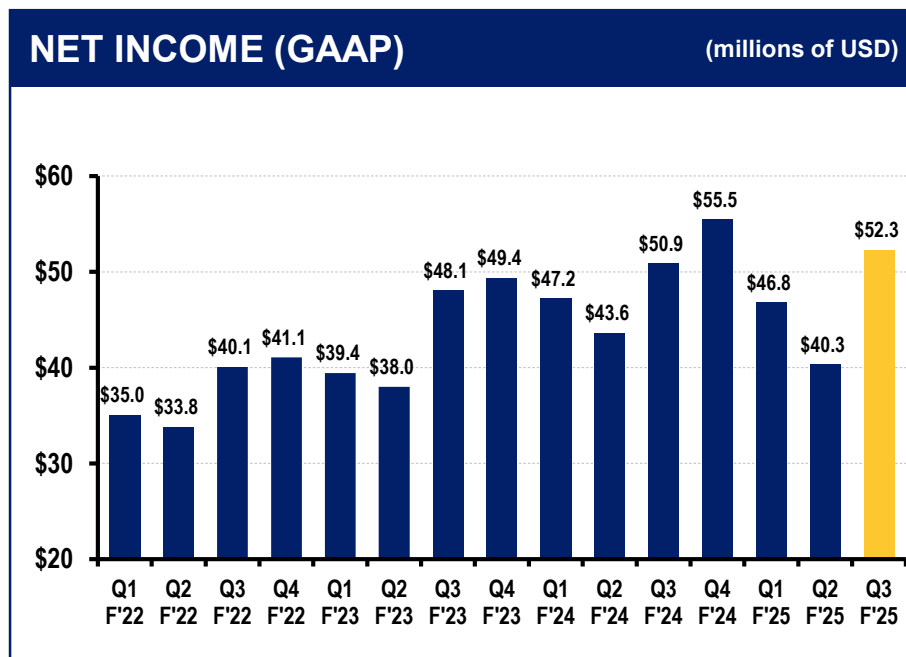


Q3 F'25 – INCOME BEFORE INCOME TAXES:

- ▶ GAAP Income before income taxes increased 2.1% to \$65.7M in Q3 of F'25 compared to \$64.4M in Q3 of F'24.
- ▶ Excluding adjusted* items from both periods, income before income taxes increased 11.5% to \$74.4M in Q3 of F'25 compared to \$66.8M in Q3 of F'24.

Net Income & Diluted EPS

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Q3 F'25 – NET INCOME & DILUTED EPS:

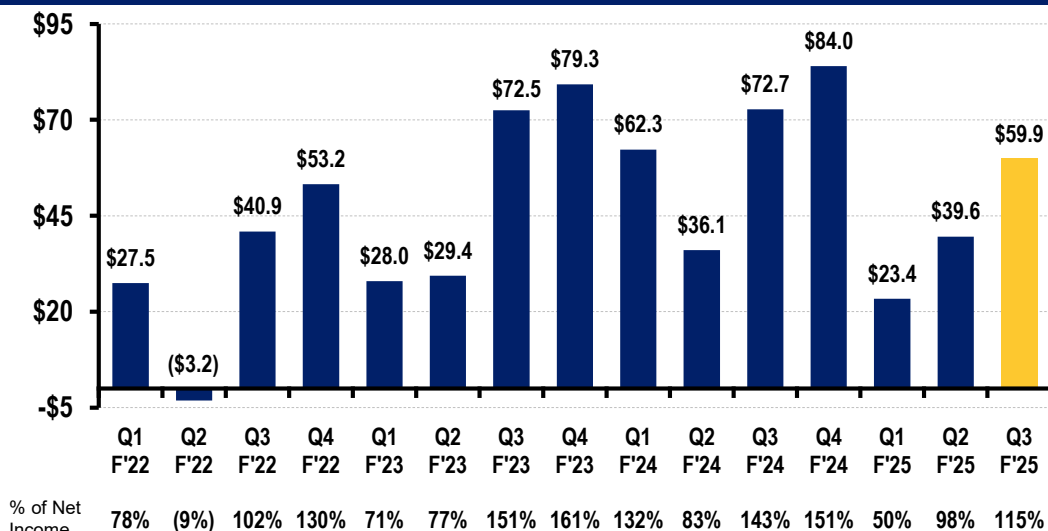
- ▶ GAAP Net Income was \$52.3M in Q3 of F'25 compared to \$50.9M in Q3 of F'24 (increased 2.7%).
 - Adjusted Net Income* was \$58.8M in Q3 of F'25 compared to \$52.7M in Q3 of F'24 (increased 11.6%).
- ▶ GAAP Diluted EPS was \$1.09 in Q3 of F'25 compared to \$1.05 in Q3 of F'24.
 - Adjusted Diluted EPS* was \$1.22 in Q3 of F'25 compared to \$1.09 in Q3 of F'24 (increased 11.9%).

Cash Generation

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CASH FLOW FROM OPERATING ACTIVITIES

(millions of USD)



CASH FLOWS IN Q3 OF F'25:

Overview:

- ▶ Cash flow from operating activities was \$59.9M in Q3 of F'25 vs. \$72.7M in Q3 of F'24.
- ▶ Free cash flow* was \$55.6M in Q3 of F'25 compared to \$64.4M in Q3 of F'24.

Returning Funds to our Shareholders:

In F'25, we returned a total of \$67.4M to our shareholders in the form of dividends and share buybacks.

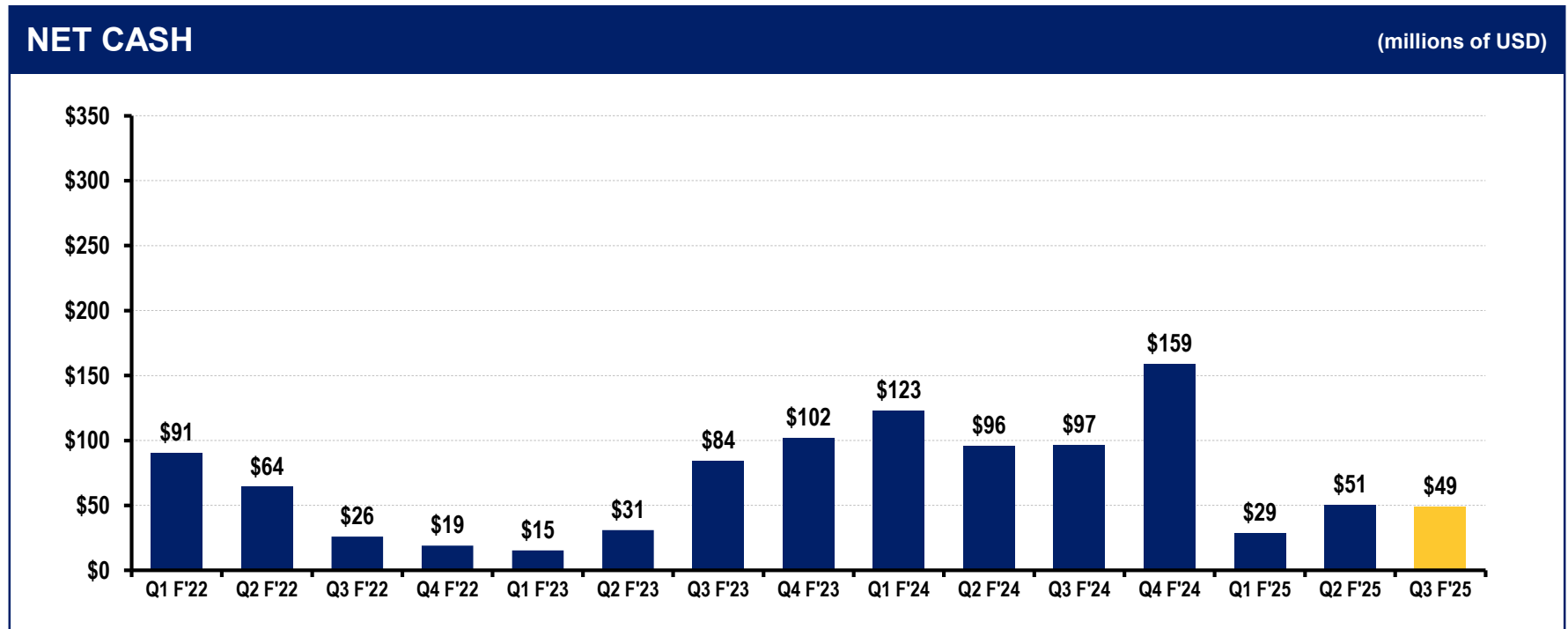
- ▶ **Dividends** – Increased our annual dividend for the 39th consecutive year.
- ▶ **Share Buybacks** – Repurchased 476k shares in Q3 F'25 for \$33.2M (average price of \$69.64/share).

(millions of USD)

	3 Mos. Ended Apr. 30, 2025	3 Mos. Ended Apr. 30, 2024	9 Mos. Ended Apr. 30, 2025	9 Mos. Ended Apr. 30, 2024
Cash Balance - Beginning of Period	\$ 138.5	\$ 143.9	\$ 250.1	\$ 151.5
Cash Flow from Operating Activities	59.9	72.7	122.9	171.1
Capital Expenditures	(4.3)	(8.3)	(18.7)	(69.2)
Dividends	(11.3)	(11.2)	(34.2)	(33.9)
Share Repurchases	(33.2)	(50.4)	(33.2)	(72.2)
Business Acquisitions	(9.9)	-	(147.2)	-
Net Debt Borrowings	15.1	15.7	11.9	14.1
Effect of Exchange Rates on Cash	(3.1)	(0.6)	(3.7)	(2.8)
Other	0.5	(1.3)	4.3	1.9
Cash Balance - End of Period	\$ 152.2	\$ 160.5	\$ 152.2	\$ 160.5



* Free cash flow is calculated as Net Cash Provided by Operating Activities less Capital Expenditures.



STRONG BALANCE SHEET:

- ▶ April 30, 2025 cash = \$152.2M.
- ▶ April 30, 2025 debt = \$102.8M.
- ▶ Balance sheet provides flexibility for future organic investments and strategic M&A.

F'25 Updated Diluted EPS Guidance

GAAP Diluted EPS **\$3.95 to \$4.10**

F'25 Adjusted Diluted EPS* **\$4.48 to \$4.63**

Guidance Assumptions:

- ▶ Organic sales growth in the low-single digit percentages.
- ▶ Full-year income tax rate of approximately 20%.
- ▶ Foreign currency exchange rates as of April 30, 2025.
- ▶ Depreciation and amortization expense of approximately \$40M.
- ▶ Capital expenditures of approximately \$25M.

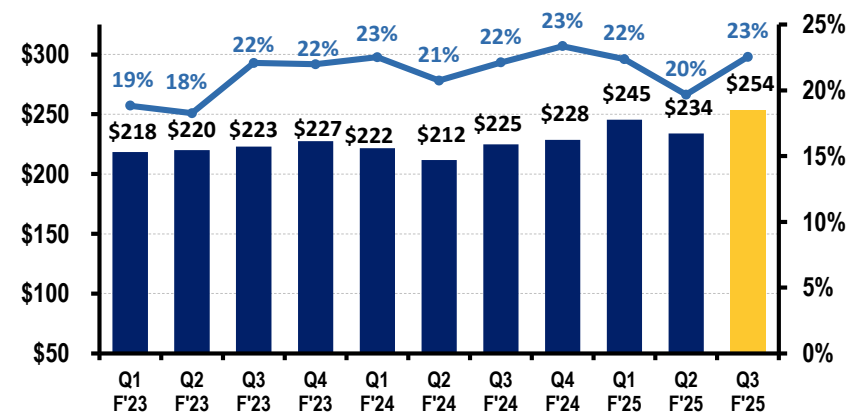
Q3 F'25 vs. Q3 F'24

(millions of USD)

	Q3 F'25	Q3 F'24	Change
Sales	\$ 253.7	\$ 224.8	12.9%
Segment Profit	57.2	49.7	+ 15.0%
Segment Profit %	22.5%	22.1%	+ 40 bps

SALES & SEGMENT PROFIT %

(millions of USD)



Organic	4.0%	6.9%	1.2%	5.6%	3.3%	1.2%	4.5%	3.4%	5.1%	4.3%	5.4%
For. Curr.	(1.4%)	(1.0%)	(0.8%)	(0.2%)	-	0.1%	(0.1%)	(0.8%)	(0.2%)	(1.4%)	(1.1%)
Acq. & Div.	-	-	(0.3%)	(1.0%)	(1.9%)	(5.1%)	(3.5%)	(2.2%)	5.8%	7.6%	8.6%

Q3 F'25 SUMMARY:

- Revenues increased 12.9% in Q3 of F'25:
 - Organic growth = + 5.4%.
 - Fx decrease = (1.1%).
 - Acquisition = + 8.6%.
- Organic sales grew 3.3% in the Americas with growth in most major product lines.
- Organic sales grew 22.9% in Asia; growth throughout the region including China.
- Growth in segment profit due to organic sales growth in higher gross margin product lines, which was partially offset by increased amortization from acquisitions and facility closure and other reorganization costs. Excluding these increased costs, segment profit increased 20.2%.

OUTLOOK:

- Low-single digit organic sales growth in Q4 F'25.
- Growth in segment profit excluding amortization and facility closure and other reorganization costs.

Europe & Australia

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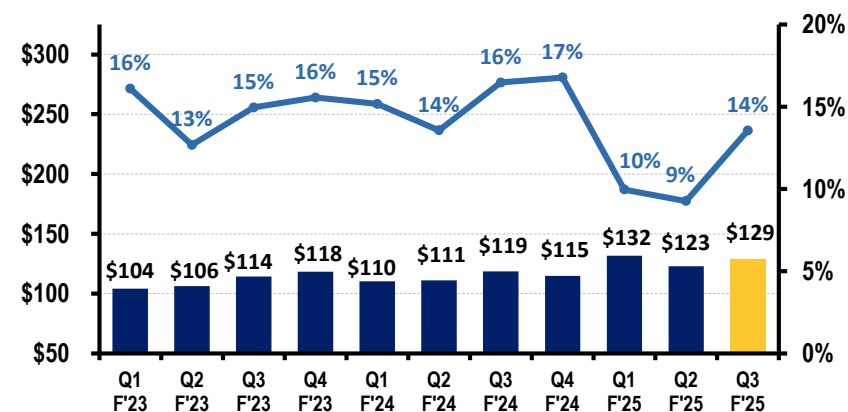
Q3 F'25 vs. Q3 F'24

(millions of USD)

	Q3 F'25	Q3 F'24	Change
Sales	\$ 128.9	\$ 118.6	8.7%
Segment Profit	17.5	19.5	(10.5%)
Segment Profit %	13.6%	16.5%	- 290 bps

SALES & SEGMENT PROFIT %

(millions of USD)



Organic	12.8%	5.2%	3.4%	9.5%	1.4%	2.5%	4.4%	(1.8%)	0.7%	(0.8%)	(5.4%)
For. Curr.	(17.0%)	(8.9%)	(4.8%)	2.0%	4.6%	2.0%	(0.6%)	(1.2%)	3.6%	(3.6%)	(0.1%)
Acquisitions	-	-	-	-	-	-	-	-	15.0%	15.1%	14.2%

Q3 F'25 SUMMARY:

- Revenues increased 8.7% in Q3 of F'25:
 - Organic decline = (5.4%).
 - Fx decrease = (0.1%).
 - Acquisition = 14.2%
- Organic sales declined 5.1% in Europe and declined 8.1% in Australia.
- Segment profit decreased due to the decline in organic sales, as well as increased amortization and facility closure and other reorganization costs. Excluding these increased costs, segment profit increased 3.8%.

OUTLOOK:

- Organic sales approximately flat in Q4 F'25 due to challenging macro environment.
- Growth in segment profit excluding amortization and facility closure and other reorganization costs.

Investor Relations

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Investor Relations

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See our website at

www.bradycorp.com/investors





Appendix

GAAP to Non-GAAP Reconciliations

Non-GAAP Reconciliations

GAAP to NON-GAAP MEASURES

(Unaudited; Dollars in Thousands, Except Per Share Amounts)

In accordance with the U.S. Securities and Exchange Commission's Regulation G, the following provides definitions of the non-GAAP measures used in the earnings release and the reconciliation to the most closely related GAAP measure.

Adjusted Income Before Income Taxes:

Brady is presenting the non-GAAP measure, "Adjusted Income Before Income Taxes." This is not a calculation based upon GAAP. The amounts included in this non-GAAP measure are derived from amounts included in the Consolidated Financial Statements and supporting footnote disclosures. We do not view these items to be part of our ongoing results. We believe this profit measure provides an important perspective of underlying business trends and results and provides a more comparable measure from year to year. The table below provides a reconciliation of the GAAP measure of Income before income taxes to the non-GAAP measure of Adjusted Income Before Income Taxes:

	Three months ended April 30,		Nine months ended April 30,	
	2025	2024	2025	2024
Income before income taxes	\$ 65,745	\$ 64,411	\$ 176,592	\$ 179,633
Amortization expense	4,754	2,365	14,138	7,084
Facility closure and other reorganization costs	3,930	-	9,584	-
Non-recurring acquisition-related costs and other expenses	-	-	5,059	-
Adjusted Income Before Income Taxes (non-GAAP measure)	\$ 74,429	\$ 66,776	\$ 205,373	\$ 186,717

Adjusted Income Tax Expense:

Brady is presenting the non-GAAP measure, "Adjusted Income Tax Expense." This is not a calculation based upon GAAP. The amounts included in this non-GAAP measure are derived from amounts included in the Consolidated Financial Statements and supporting footnote disclosures. We do not view these items to be part of our ongoing results. We believe this measure provides an important perspective of underlying business trends and results and provides a more comparable measure from year to year. The table below provides a reconciliation of the GAAP measure of Income tax expense to the non-GAAP measure of Adjusted Income Tax Expense:

	Three months ended April 30,		Nine months ended April 30,	
	2025	2024	2025	2024
Income tax expense (GAAP measure)	\$ 13,482	\$ 13,521	\$ 37,212	\$ 37,874
Amortization expense	1,144	548	3,402	1,642
Facility closure and other reorganization costs	983	-	2,396	-
Non-recurring acquisition-related costs and other expenses	-	-	1,265	-
Adjusted Income Tax Expense (non-GAAP measure)	\$ 15,609	\$ 14,069	\$ 44,275	\$ 39,516

Non-GAAP Reconciliations

GAAP to NON-GAAP MEASURES

(Unaudited; Dollars in Thousands, Except Per Share Amounts)

In accordance with the U.S. Securities and Exchange Commission's Regulation G, the following provides definitions of the non-GAAP measures used in the earnings release and the reconciliation to the most closely related GAAP measure.

Adjusted Net Income:

Brady is presenting the non-GAAP measure, "Adjusted Net Income." This is not a calculation based upon GAAP. The amounts included in this non-GAAP measure are derived from amounts included in the Consolidated Financial Statements and supporting footnote disclosures. We do not view these items to be part of our ongoing results. We believe this measure provides an important perspective of underlying business trends and results and provides a more comparable measure from year to year. The table below provides a reconciliation of the GAAP measure of Net income to the non-GAAP measure of Adjusted Net Income:

	Three months ended April 30,		Nine months ended April 30,	
	2025	2024	2025	2024
Net income (GAAP measure)	\$ 52,263	\$ 50,890	\$ 139,380	\$ 141,759
Amortization expense	3,610	1,817	10,736	5,442
Facility closure and other reorganization costs	2,947	-	7,188	-
Non-recurring acquisition-related costs and other expenses	-	-	3,794	-
Adjusted Net Income (non-GAAP measure)	\$ 58,820	\$ 52,707	\$ 161,098	\$ 147,201

Adjusted Diluted EPS:

Brady is presenting the non-GAAP measure, "Adjusted Diluted EPS." This is not a calculation based upon GAAP. The amounts included in this non-GAAP measure are derived from amounts included in the Consolidated Financial Statements. We do not view these items to be part of our ongoing results. We believe this measure provides an important perspective of underlying business trends and results and provides a more comparable measure from year to year. The table below provides a reconciliation of the GAAP measure of Net income per Class A Nonvoting Common Share to the non-GAAP measure of Adjusted Diluted EPS (Note that certain amounts will not foot due to rounding):

	Three months ended April 30,		Nine months ended April 30,	
	2025	2024	2025	2024
Net income per Class A Nonvoting Common Share (GAAP measure)	\$ 1.09	\$ 1.05	\$ 2.89	\$ 2.91
Amortization expense	0.08	0.04	0.22	0.11
Facility closure and other reorganization costs	0.06	-	0.15	-
Non-recurring acquisition-related costs and other expenses	-	-	0.08	-
Adjusted Diluted EPS (non-GAAP measure)	\$ 1.22	\$ 1.09	\$ 3.34	\$ 3.03

Diluted EPS Excluding Certain Items Guidance:

	Fiscal 2025 Expectations	
	Low	High
Earnings per diluted Class A Common Share (GAAP measure)	\$ 3.95	\$ 4.10
Amortization expense	0.30	0.30
Facility closure and other reorganization costs	0.15	0.15
Non-recurring acquisition-related costs and other expenses	0.08	0.08
Adjusted Diluted EPS (non-GAAP measure)	\$ 4.48	\$ 4.63