



Brady Corporation

F'26 Q2 Financial Results



February 19, 2026

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; 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 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, 2025.

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.

Q2 F'26 Highlights

Sales Growth

- ▶ Organic sales growth of 1.6%.
- ▶ Americas & Asia organic sales growth of 3.1%.
- ▶ Europe & Australia organic sales decline of 1.1%.
- ▶ Acquisition growth of 2.3%.

Gross Profit Margin

- ▶ GPM of 50.6% compared to 49.3% in Q2 of F'25.
- ▶ Gross profit in Q2 last year included facility closure and other reorganization costs.

Growth in Adjusted Diluted Earnings per Share*

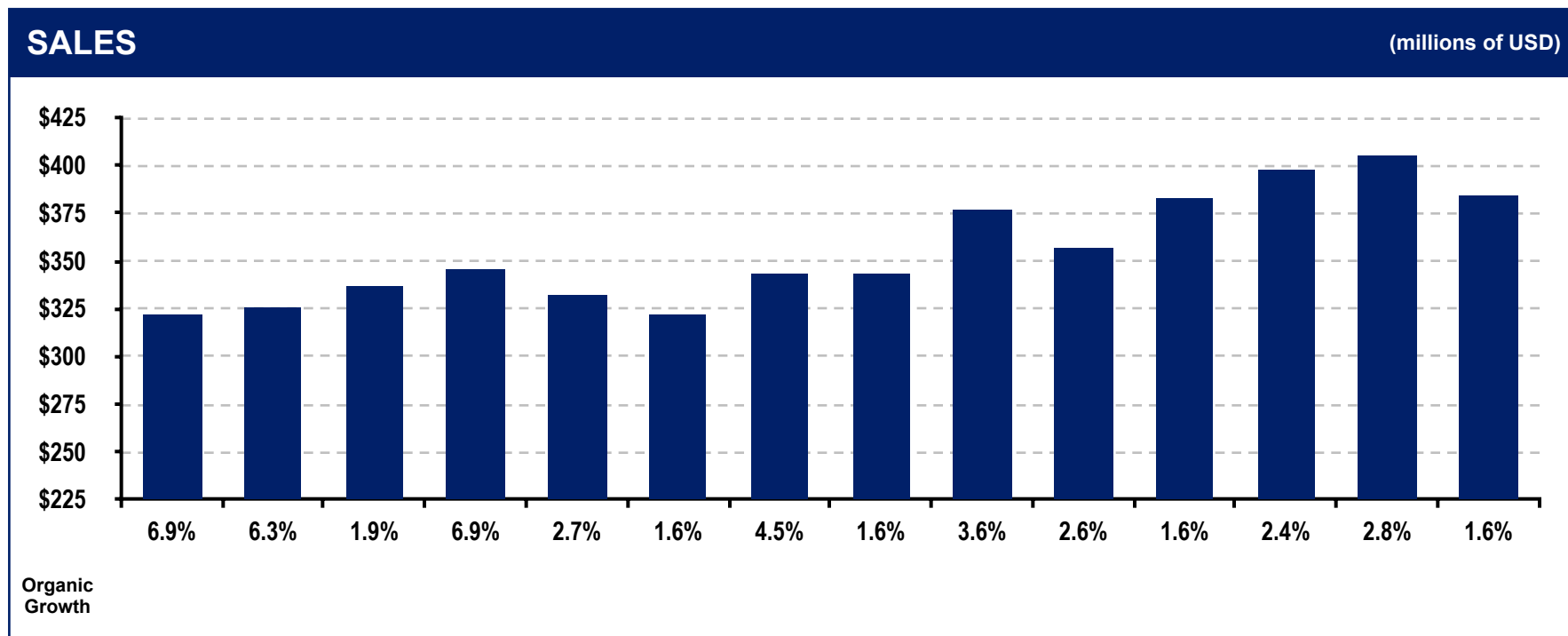
- ▶ GAAP EPS of \$1.01 in Q2 of F'26 vs. \$0.83 in Q2 of F'25.
- ▶ Adjusted Diluted Earnings per Share* increased 9.0% to \$1.09 in Q2 of F'26 compared to \$1.00 in Q2 of F'25.

Returning Capital to our Shareholders

- ▶ Paid dividends of \$11.6M.
- ▶ Purchased 65,747 shares in Q2 of F'26 for \$4.9M.
- ▶ In a net cash position of \$97.8M at January 31, 2026.

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

Sales Overview



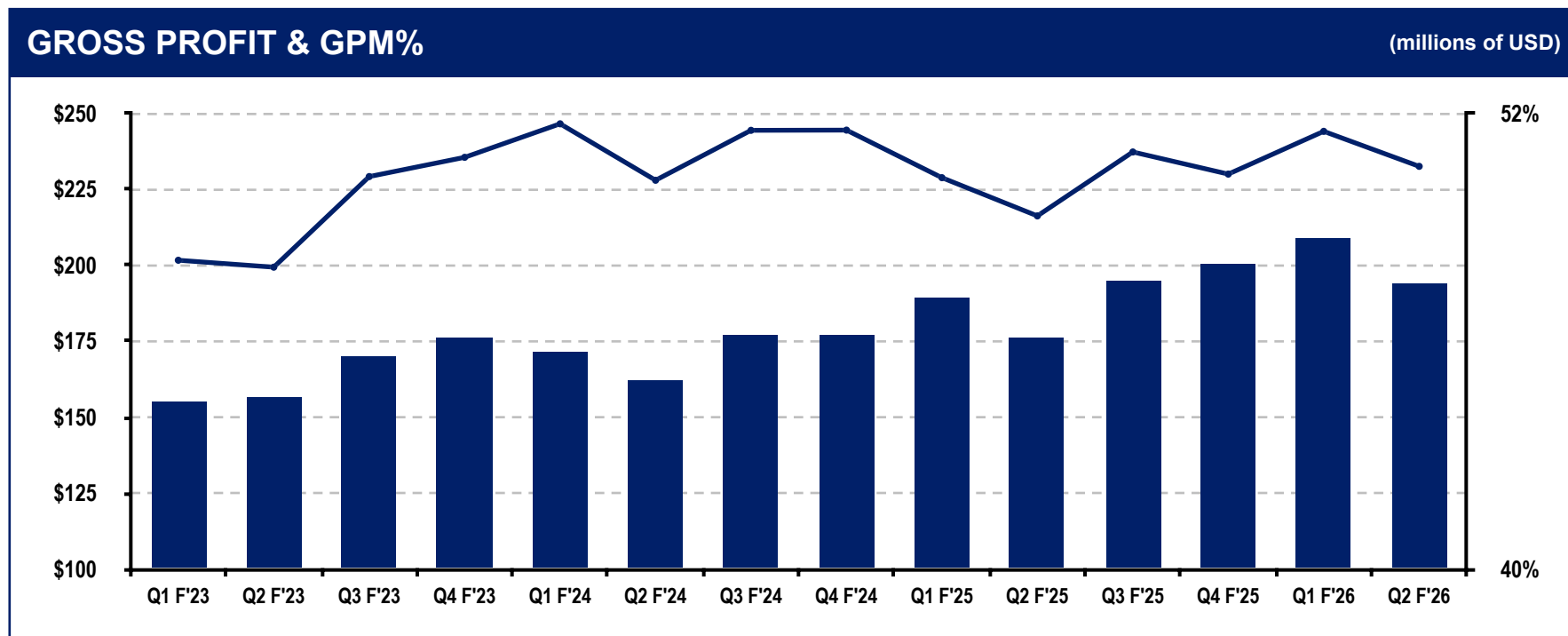
Q2 F'26 SALES:

- ▶ Total sales increased 7.7%.
- ▶ Organic sales increased 1.6%.
 - Americas & Asia – Organic sales increased 3.1%.
 - Europe & Australia – Organic sales declined 1.1%.
- ▶ Foreign currency translation increased sales 3.8%.
- ▶ Acquisitions increased sales 2.3%.

Q2 F'26 SALES COMMENTARY:

- ▶ Organic sales grew 1.4% in the Americas with growth in wire ID and product ID.
- ▶ Asia organic sales grew 14.2% with growth throughout the region.
- ▶ Organic sales declined 1.1% in Europe and declined 1.7% in Australia.

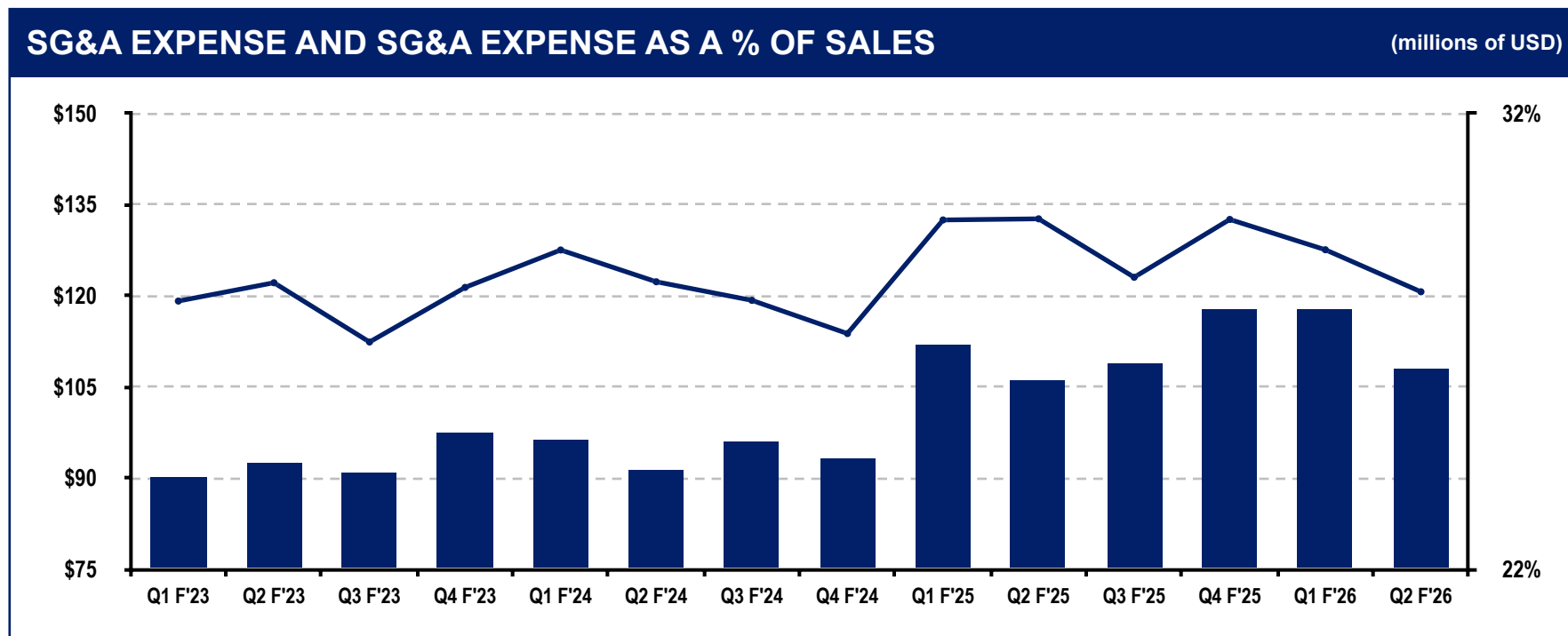
Gross Profit Margin



Q2 F'26 – GROSS PROFIT MARGIN:

- ▶ Gross profit margin of 50.6% compared to 49.3% in Q2 of F'25.
- ▶ The impact of facility closures and other reorganization costs reduced gross profit margin by \$1.9M in Q2 of F'25.

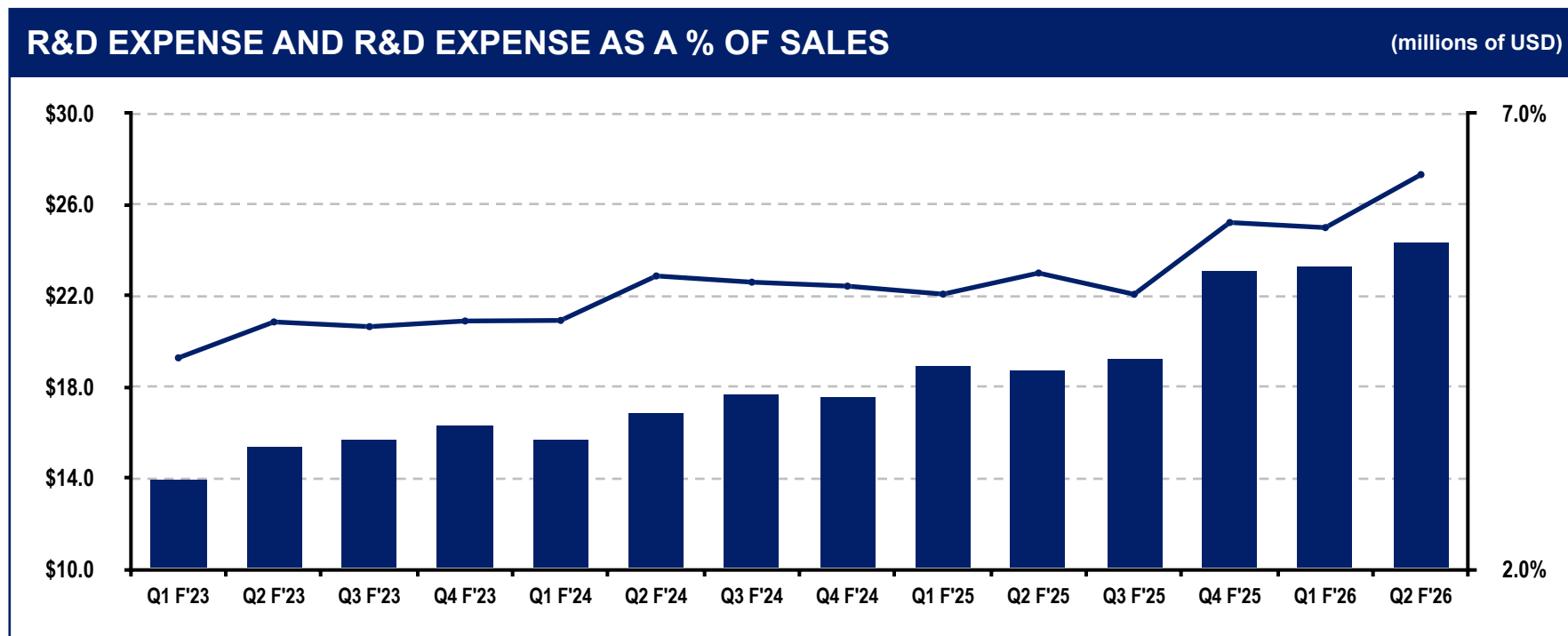
SG&A Expense



Q2 F'26 – SG&A EXPENSE:

- ▶ SG&A expense decreased as a percent of sales when compared to Q2 last year primarily due to cost reduction actions taken in fiscal year 2025.
- ▶ We continue to focus on identifying and executing sustainable efficiency gains in order to offset cost increases, while making the necessary investments to drive sales growth.

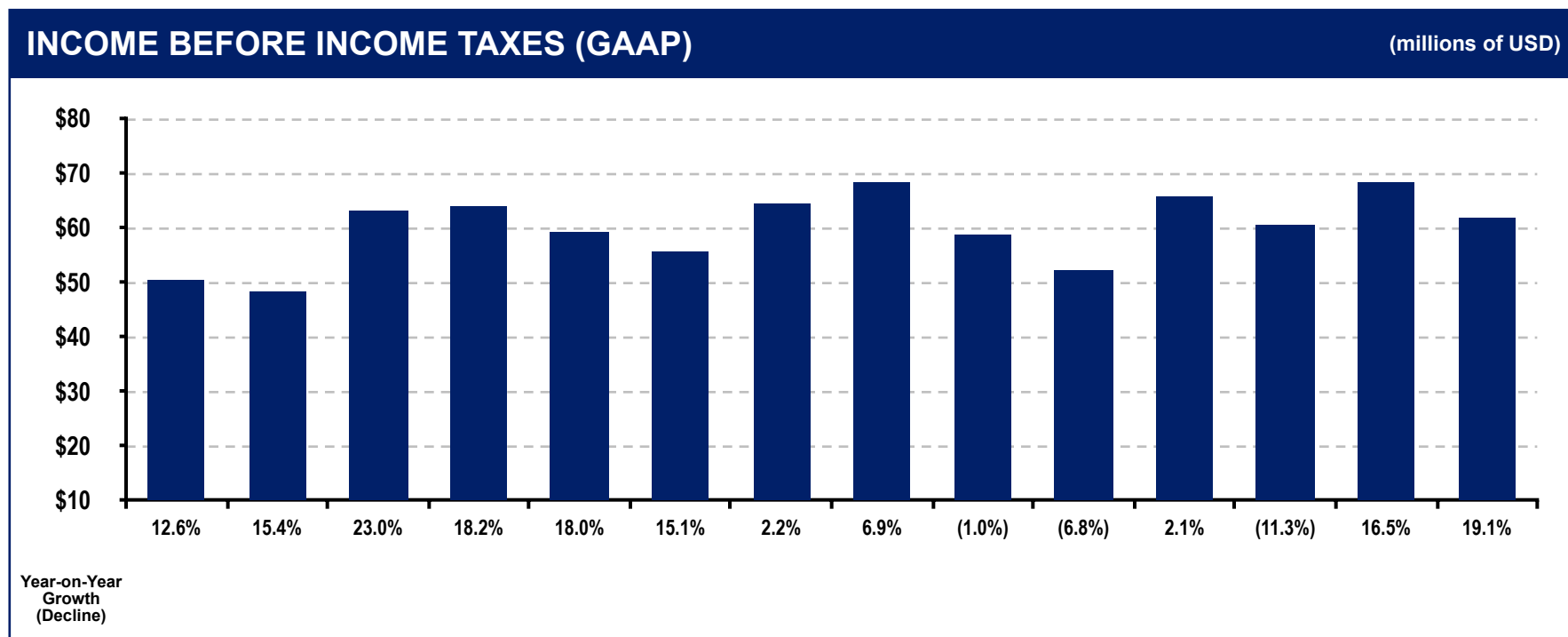
R&D Expense



Q2 F'26 – R&D EXPENSE:

- ▶ Investments in R&D continue to drive organic sales growth.
- ▶ F'25 acquisitions have a higher level of R&D as a percentage of sales.

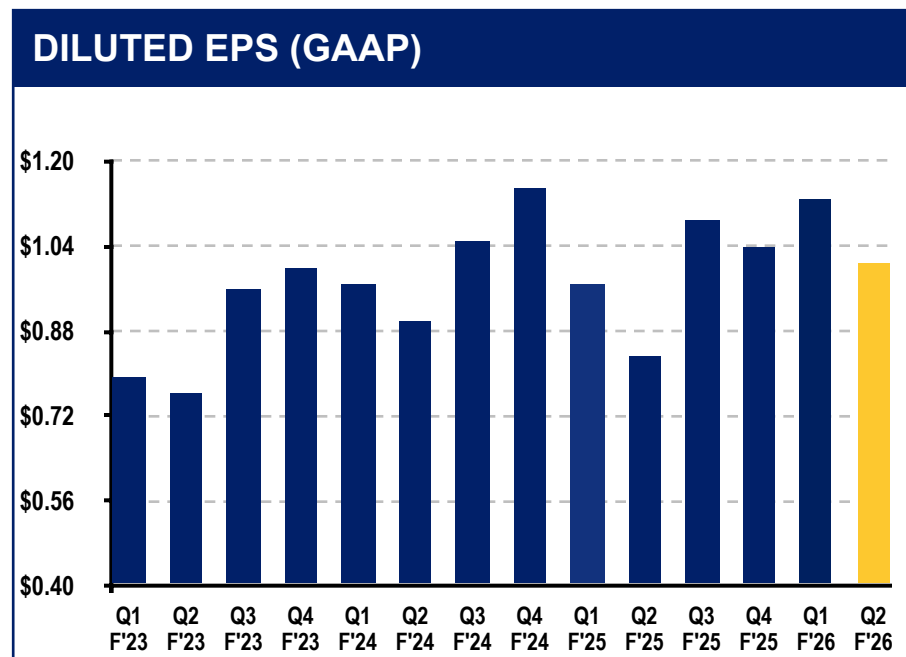
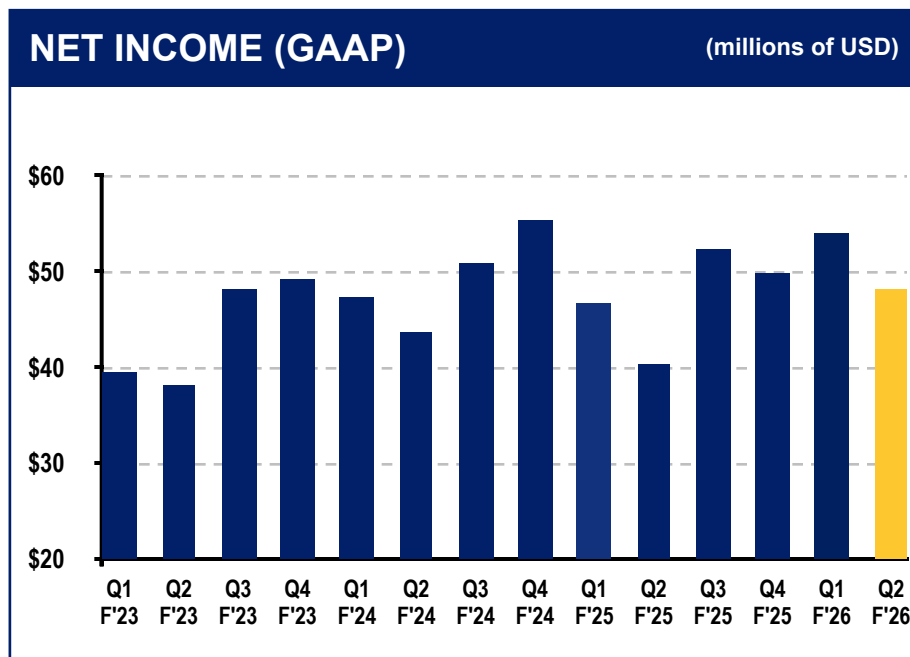
Income Before Income Taxes



Q2 F'26 – INCOME BEFORE INCOME TAXES:

- ▶ GAAP Income before income taxes increased 19.1% to \$62.0M in Q2 of F'26 compared to \$52.0M in Q2 of F'25.
- ▶ Adjusted Income Before Income Taxes* increased 7.7% to \$67.2M in Q2 of F'26 compared to \$62.4M in Q2 of F'25.

Net Income & Diluted EPS



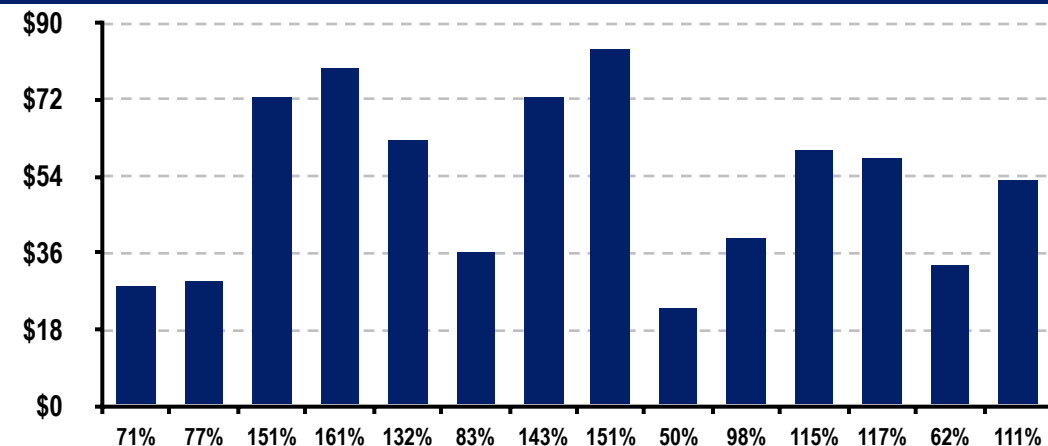
Q2 F'26 – NET INCOME & DILUTED EPS:

- ▶ GAAP Net Income was \$48.1M in Q2 of F'26 compared to \$40.3M in Q2 of F'25.
 - Adjusted Net Income* was \$52.0M in Q2 of F'26 compared to \$48.1M in Q2 of F'25 (increased 8.0%).
- ▶ GAAP Diluted EPS was \$1.01 in Q2 of F'26 compared to \$0.83 in Q2 of F'25.
 - Adjusted Diluted EPS* was \$1.09 in Q2 of F'26 compared to \$1.00 in Q2 of F'25 (increased 9.0%).

Cash Generation

CASH FLOW FROM OPERATING ACTIVITIES

(millions of USD)



% of Net Income

(millions of USD)	3 Mos. Ended Jan. 31, 2026	3 Mos. Ended Jan. 31, 2025	6 Mos. Ended Jan. 31, 2026	6 Mos. Ended Jan. 31, 2025
Cash Balance - Beginning of Period	\$ 182.7	\$ 145.7	\$ 174.3	\$ 250.1
Cash Flow from Operating Activities	53.3	39.6	86.7	63.0
Capital Expenditures	(11.0)	(7.1)	(21.9)	(14.4)
Dividends	(11.6)	(11.5)	(23.1)	(22.9)
Share Repurchases	(4.9)	-	(9.0)	-
Business Acquisitions	-	-	(17.4)	(137.3)
Debt Repayments	(37.2)	(29.0)	(21.1)	(3.2)
Effect of Exchange Rates on Cash	4.0	(2.4)	4.7	(0.6)
Other	1.2	3.2	3.3	3.8
Cash Balance - End of Period	\$ 176.5	\$ 138.5	\$ 176.5	\$ 138.5

CASH FLOWS IN Q2 OF F'26:

Overview:

- ▶ Cash flow from operating activities was \$53.3M in Q2 of F'26 vs. \$39.6M in Q2 of F'25.
- ▶ Free cash flow* was \$42.3M in Q2 of F'26 compared to \$32.5M in Q2 of F'25.

Returning Funds to our Shareholders:

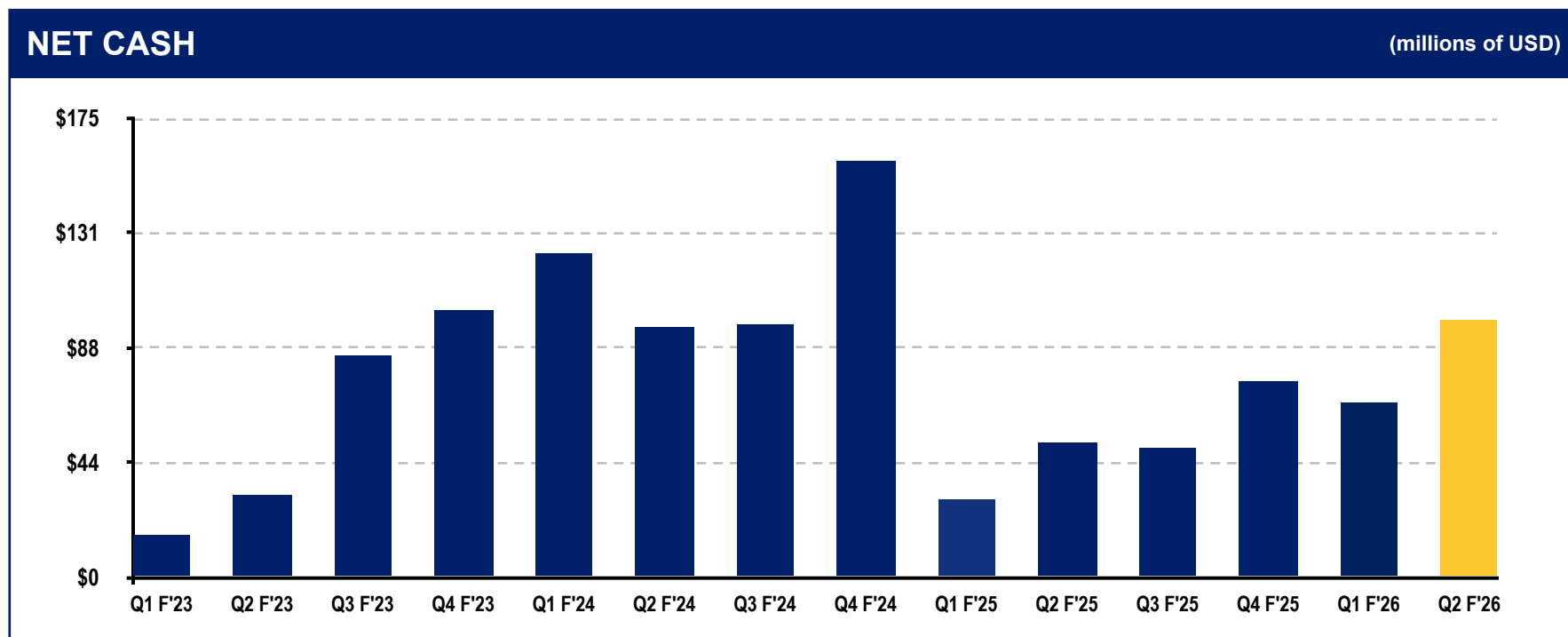
In Q2 of F'26, we returned a total of \$16.5M to our shareholders in the form of dividends and share buybacks.

- ▶ **Dividends** – Returned \$11.6M to our shareholders in dividends.
- ▶ **Share Buybacks** – Repurchased 66k shares in Q2 of F'26 for \$4.9M (average price of \$74.68/share).



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

Net Cash



STRONG BALANCE SHEET:

- ▶ January 31, 2026 cash = \$176.5M.
- ▶ January 31, 2026 debt = \$78.7M.
- ▶ Balance sheet provides flexibility for future organic investments and strategic M&A.

F'26 Updated Diluted EPS Guidance

GAAP Diluted EPS	\$4.62 to \$4.82 (+17.3% to +22.3% vs. F'25)
F'26 Adjusted Diluted EPS*	\$4.95 to \$5.15 (+7.6% to +12.0% vs. F'25)

Guidance Assumptions:

- ▶ Organic sales growth in the low-single digit percentages.
- ▶ Full-year income tax rate of approximately 21%.
- ▶ Foreign currency exchange rates as of January 31, 2026.
- ▶ Depreciation and amortization expense of approximately \$44M.
- ▶ Capital expenditures of approximately \$45M.

Americas & Asia

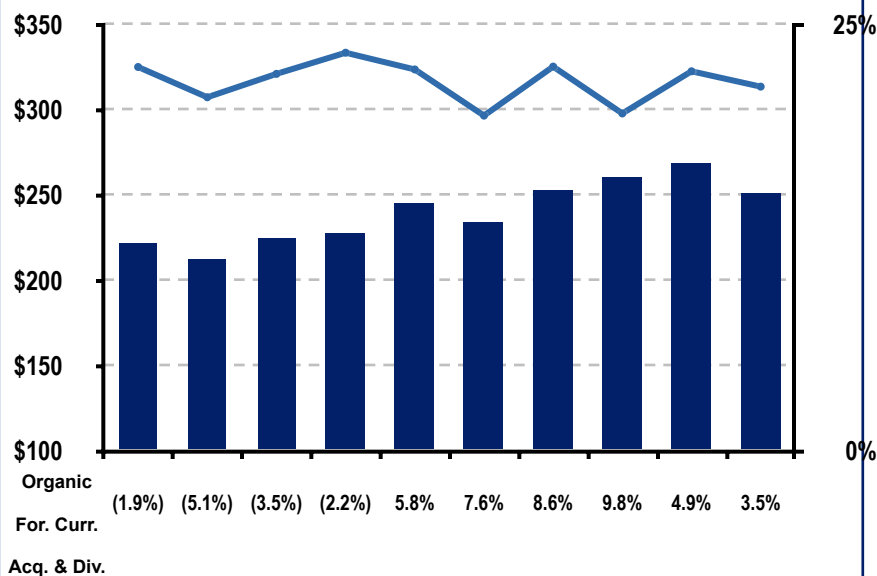
Q2 F'26 vs. Q2 F'25

(millions of USD)

	Q2 F'26	Q2 F'25	Change
Sales	\$ 251.6	\$ 233.8	+ 7.6%
Segment Profit	53.8	46.0	+ 16.9%
Segment Profit %	21.4%	19.7%	+ 170 bps

SALES & SEGMENT PROFIT %

(millions of USD)



Q2 F'26 SUMMARY:

- Revenues increased 7.6% in Q2 of F'26:
 - Organic growth = + 3.1%.
 - Acquisition = + 3.5%.
 - Fx increase = +1.0%.
- Organic sales grew 1.4% in the Americas with growth in wire ID and product ID.
- Organic sales grew 14.2% in Asia with growth throughout the region.
- Growth in segment profit due to organic sales growth in higher gross margin product lines. Q2 of F'25 segment profit included certain facility closure and other reorganization costs.

OUTLOOK:

- Approximately 3%-4% organic sales growth in F'26.
- Growth in segment profit excluding amortization.

Europe & Australia

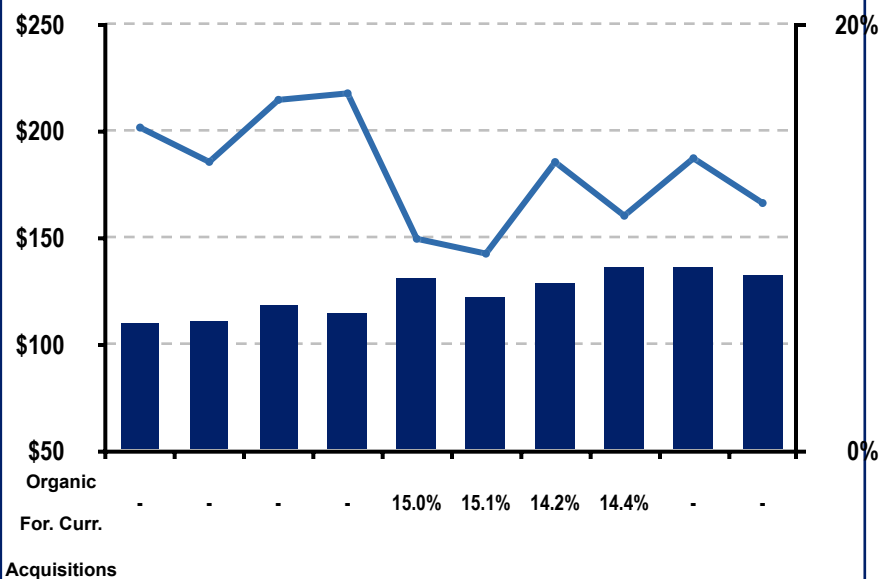
Q2 F'26 vs. Q2 F'25

(millions of USD)

	Q2 F'26	Q2 F'25	Change
Sales	\$ 132.5	\$ 122.8	+ 7.9%
Segment Profit	15.4	11.4	+ 35.5%
Segment Profit %	11.6%	9.3%	+ 230 bps

SALES & SEGMENT PROFIT %

(millions of USD)



Q2 F'26 SUMMARY:

- Revenues increased 7.9% in Q2 of F'26:
 - Organic decline = (1.1%).
 - Fx increase = + 9.0%.
- Organic sales declined 1.1% in Europe and declined 1.7% in Australia.
- Segment profit increased due to cost reduction actions from fiscal year 2025. Q2 of F'25 segment profit included facility closure and other reorganization costs.

OUTLOOK:

- Return to organic sales growth in the second half of F'26.
- Growth in segment profit excluding amortization.

Investor Relations

Brady Contact:

Ann Thornton
Investor Relations
414-438-6887

Ann_Thornton@bradycorp.com

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 January 31,		Six months ended January 31,	
	2026	2025	2026	2025
Income before income taxes	\$ 62,005	\$ 52,047	\$ 130,481	\$ 110,847
Amortization expense	5,172	4,671	10,513	9,384
Facility closure and other reorganization costs	-	5,654	-	5,654
Non-recurring acquisition-related costs and other expenses	-	-	-	5,059
Adjusted Income Before Income Taxes (non-GAAP measure)	\$ 67,177	\$ 62,372	\$ 140,994	\$ 130,944

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 January 31,		Six months ended January 31,	
	2026	2025	2026	2025
Income tax expense (GAAP measure)	\$ 13,954	\$ 11,713	\$ 28,494	\$ 23,730
Amortization expense	1,247	1,125	2,536	2,258
Facility closure and other reorganization costs	-	1,413	-	1,413
Non-recurring acquisition-related costs and other expenses	-	-	-	1,265
Adjusted Income Tax Expense (non-GAAP measure)	\$ 15,201	\$ 14,251	\$ 31,030	\$ 28,666

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 January 31,		Six months ended January 31,	
	2026	2025	2026	2025
Net income (GAAP measure)	\$ 48,051	\$ 40,334	\$ 101,987	\$ 87,117
Amortization expense	3,925	3,546	7,977	7,126
Facility closure and other reorganization costs	-	4,241	-	4,241
Non-recurring acquisition-related costs and other expenses	-	-	-	3,794
Adjusted Net Income (non-GAAP measure)	\$ 51,976	\$ 48,121	\$ 109,964	\$ 102,278

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 January 31,		Six months ended January 31,	
	2026	2025	2026	2025
Net income per Class A Nonvoting Common Share (GAAP measure)	\$ 1.01	\$ 0.83	\$ 2.14	\$ 1.81
Amortization expense	0.08	0.07	0.17	0.15
Facility closure and other reorganization costs	-	0.09	-	0.09
Non-recurring acquisition-related costs and other expenses	-	-	-	0.08
Adjusted Diluted EPS (non-GAAP measure)	\$ 1.09	\$ 1.00	\$ 2.30	\$ 2.12

Diluted EPS Excluding Certain Items Guidance:

	Fiscal 2026 Expectations	
	Low	High
Earnings per diluted Class A Common Share (GAAP measure)	\$ 4.62	\$ 4.82
Amortization expense	0.33	0.33
Adjusted Diluted EPS (non-GAAP measure)	\$ 4.95	\$ 5.15