

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 18, 2020

BRADY CORPORATION
(Exact name of registrant as specified in its charter)

Commission File Number 1-14959

Wisconsin
(State or other jurisdiction of incorporation or organization)

39-0971239
(IRS Employer Identification No.)

6555 West Good Hope Road
Milwaukee, Wisconsin 53223
(Address of principal executive offices and Zip Code)
(414) 358-6600
(Registrant's Telephone Number)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Nonvoting Common Stock, par value \$0.01 per share	BRC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 or the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On November 19, 2020, Brady Corporation (the “Company”) issued a press release announcing its fiscal 2021 first quarter financial results. A copy of the press release is being furnished to the Securities and Exchange Commission as Exhibit 99.1 attached hereto and is incorporated herein by reference.

Item 5.07 SUBMISSIONS OF MATTERS TO A VOTE OF SECURITY HOLDERS

On November 18, 2020, at the Company’s Annual Shareholders’ Meeting, the holders of all of the 3,538,628 shares of the Company’s Class B Common Stock voted unanimously in favor of electing the following persons to serve as the Company’s directors until the next annual meeting of shareholders and until their successors have been elected:

- Patrick W. Allender
- Gary S. Balkema
- David S. Bem
- Elizabeth P. Bruno
- Nancy L. Gioia
- Conrad G. Goodkind
- Frank W. Harris
- J. Michael Nauman
- Bradley C. Richardson
- Michelle E. Williams

Item 7.01 REGULATION FD DISCLOSURE

On November 19, 2020, the Company hosted a conference call related to its fiscal 2021 first quarter financial results. A copy of the slides referenced in the conference call, which is also posted on the Corporation’s website, is being furnished to the Securities and Exchange Commission as Exhibit 99.2 attached hereto and is incorporated herein by reference.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

EXHIBIT NUMBER	DESCRIPTION
99.1	Press Release of Brady Corporation, dated November 19, 2020, relating to first quarter fiscal 2021 financial results.
99.2	Informational slides provided by Brady Corporation, dated November 19, 2020, relating to first quarter fiscal 2021 financial results.
104	Cover Page Interactive Data File (embedded within Inline XBRL document).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BRADY CORPORATION

Date: November 19, 2020

/s/ AARON J. PEARCE

Aaron J. Pearce
Chief Financial Officer and Treasurer

For More Information:

Investor contact: Ann Thornton 414-438-6887

Media contact: Kate Venne 414-358-5176

Brady Corporation Reports Fiscal 2021 First Quarter Results

- Income before income taxes and losses of unconsolidated affiliate increased by 1.6 percent to \$42.2 million in the first quarter of fiscal 2021 compared to \$41.6 million in the same quarter of the prior year.
- Diluted EPS was \$0.64 in the first quarter of fiscal 2021 compared to \$0.70 in the same quarter of the prior year. Diluted EPS in the first quarter of fiscal 2020 was positively impacted by a reduced income tax rate of 9.8 percent primarily due to a favorable tax audit settlement and tax benefits from equity-based compensation.
- Cash flow from operating activities was up 61.8 percent to \$62.8 million in the first quarter of fiscal 2021 compared to \$38.8 million in the same quarter of the prior year.
- Sales for the quarter declined 3.4 percent. Organic sales declined 4.9 percent and the impact of foreign currency translation increased sales by 1.5 percent.

MILWAUKEE (November 19, 2020) -- Brady Corporation (NYSE: BRC) ("Brady" or "Company"), a world leader in identification solutions, today reported its financial results for its fiscal 2021 first quarter ended October 31, 2020.

Quarter Ended October 31, 2020 Financial Results:

Income before income taxes and losses of unconsolidated affiliate increased 1.6 percent to \$42.2 million for the quarter ended October 31, 2020, compared to \$41.6 million in the same quarter last year.

Net income for the quarter ended October 31, 2020 declined 10.7 percent to \$33.5 million compared to \$37.5 million in the same quarter last year. Earnings per diluted Class A Nonvoting Common Share were \$0.64 for the first quarter of fiscal 2021, compared to \$0.70 in the same quarter last year. Net income and earnings per diluted Class A Nonvoting Common Share in the first quarter of last year were positively impacted by a reduced income tax rate of 9.8 percent primarily due to a favorable tax audit settlement and tax benefits from equity-based compensation.

Sales for the quarter ended October 31, 2020 declined 3.4 percent, which consisted of an organic sales decline of 4.9 percent and an increase of 1.5 percent from foreign currency translation. Sales for the quarter ended October 31, 2020 were \$277.2 million compared to \$286.9 million in the same quarter last year. By segment, sales declined 7.8 percent in Identification Solutions and increased 9.8 percent in Workplace Safety, which consisted of an organic sales decline of 8.4 percent in Identification Solutions and organic sales growth of 5.5 percent in Workplace Safety.

Commentary:

“We experienced a steady improvement in sales volumes as the global economy slowly healed throughout our first quarter. Sales improved in each of the last six months and we expanded our customer base in our Workplace Safety business by providing the high-quality products and the service levels that our customers have come to expect,” said Brady’s President and Chief Executive Officer, J. Michael Nauman. “This quarter, we saw demand in our Identification Solutions business improve while our Workplace Safety business had another strong quarter with organic sales increasing more than 5 percent. Growth in our Workplace Safety business was primarily driven by increased sales of safety and identification products directly related to the COVID-19 pandemic, including social distancing and personal hygiene signage. Even with the negative impacts from the COVID-19 pandemic, we increased pre-tax income this quarter as a result of our focus on executing sustainable efficiency gains. Our ongoing investments in sales, marketing, and new product development combined with our reduced cost structure position us to drive substantial profit improvements when demand increases in industrial end-markets.”

“Brady is financially strong and continues to generate significant cash flow. As of October 31, 2020, we had \$256.3 million of cash on hand and no outstanding debt,” said Brady’s Chief Financial Officer, Aaron Pearce. “We generated \$62.8 million of cash flow from operating activities this quarter, which was an increase of 61.8 percent compared to last year’s first quarter, and we returned \$14.1 million to our shareholders in the form of dividends and share buybacks. We are generating operating cash flow in excess of net income and we have a balance sheet that allows us to make the investments necessary to drive future revenue and earnings growth while paying a solid dividend. Although we are seeing some reduction in demand for products specifically designed to help in the fight of COVID-19 and there are macro-economic challenges caused by additional government lockdowns that will impact our financial results for the quarter ending January 31, 2021, Brady’s strong balance sheet and cash generation position us extremely well for future financial success as industrial production improves.”

A webcast regarding Brady’s fiscal 2021 first quarter financial results will be available at www.bradycorp.com/investors beginning at 9:30 a.m. central time today.

Brady Corporation is an international manufacturer and marketer of complete solutions that identify and protect people, products and places. Brady’s products help customers increase safety, security, productivity and performance and include high-performance labels, signs, safety devices, printing systems and software. Founded in 1914, the Company has a diverse customer base in electronics, telecommunications, manufacturing, electrical, construction, medical, aerospace and a variety of other industries. Brady is headquartered in Milwaukee, Wisconsin and as of July 31, 2020, employed approximately 5,400 people in its worldwide businesses. Brady’s fiscal 2020 sales were approximately \$1.08 billion. Brady stock trades on the New York Stock Exchange under the symbol BRC. More information is available on the Internet at www.bradycorp.com.

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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, earnings, 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,” “continue” or “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: adverse impacts of the novel coronavirus (“COVID-19”) pandemic or other pandemics; decreased demand for our products; our ability to compete effectively or to successfully execute our strategy; Brady’s ability to develop technologically advanced products that meet customer demands; raw material and other cost increases; 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; divestitures and contingent liabilities from divestitures; Brady’s ability to properly identify, integrate, and grow acquired companies; litigation, including product liability claims; foreign currency fluctuations; potential write-offs of Brady’s goodwill and other intangible assets; changes in tax legislation and tax rates; differing interests of voting and non-voting shareholders; numerous other matters of national, regional and global scale, including major public health issues 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, 2020.

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.

BRADY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited; Dollars in thousands, except per share data)

	Three months ended October 31,			
	2020		2019	
Net sales	\$	277,227	\$	286,947
Cost of goods sold		141,799		145,542
Gross margin		135,428		141,405
Operating expenses:				
Research and development		10,203		10,967
Selling, general and administrative		83,037		89,547
Total operating expenses		93,240		100,514
Operating income		42,188		40,891
Other income (expense):				
Investment and other income		155		1,380
Interest expense		(106)		(701)
Income before income taxes and losses of unconsolidated affiliate		42,237		41,570
Income tax expense		8,582		4,072
Income before losses of unconsolidated affiliate		33,655	\$	37,498
Equity in losses of unconsolidated affiliate		(174)		—
Net income	\$	33,481	\$	37,498
Net income per Class A Nonvoting Common Share:				
Basic	\$	0.64	\$	0.71
Diluted	\$	0.64	\$	0.70
Dividends	\$	0.22	\$	0.22
Net income per Class B Voting Common Share:				
Basic	\$	0.63	\$	0.69
Diluted	\$	0.62	\$	0.68
Dividends	\$	0.20	\$	0.20
Weighted average common shares outstanding:				
Basic		52,021		53,143
Diluted		52,292		53,736

BRADY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	October 31, 2020 (Unaudited)	July 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 256,333	\$ 217,643
Accounts receivable, net of allowance for credit losses of \$7,704 and \$7,157, respectively	156,735	146,181
Inventories	120,220	135,662
Prepaid expenses and other current assets	11,489	9,962
Total current assets	544,777	509,448
Property, plant and equipment—net	119,960	115,068
Goodwill	412,718	416,034
Other intangible assets	20,910	22,334
Deferred income taxes	8,976	8,845
Operating lease assets	41,013	41,899
Other assets	27,353	28,838
Total	<u>\$ 1,175,707</u>	<u>\$ 1,142,466</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 62,907	\$ 62,547
Accrued compensation and benefits	55,410	41,546
Taxes, other than income taxes	8,497	8,057
Accrued income taxes	10,707	8,652
Current operating lease liabilities	16,097	15,304
Other current liabilities	51,343	49,782
Total current liabilities	204,961	185,888
Long-term operating lease liabilities	29,951	31,982
Other liabilities	60,394	61,524
Total liabilities	295,306	279,394
Stockholders' equity:		
Common stock:		
Class A nonvoting common stock—Issued 51,261,487 shares, and outstanding 48,497,649 and 48,456,954 shares, respectively	513	513
Class B voting common stock—Issued and outstanding, 3,538,628 shares	35	35
Additional paid-in capital	332,121	331,761
Retained earnings	726,546	704,456
Treasury stock—2,763,838 and 2,804,533 shares, respectively of Class A nonvoting common stock, at cost	(109,146)	(107,216)
Accumulated other comprehensive loss	(69,668)	(66,477)
Total stockholders' equity	880,401	863,072
Total	<u>\$ 1,175,707</u>	<u>\$ 1,142,466</u>

BRADY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; Dollars in thousands)

	Three months ended October 31,	
	2020	2019
Operating activities:		
Net income	\$ 33,481	\$ 37,498
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,635	5,634
Stock-based compensation expense	3,574	3,618
Deferred income taxes	(1,175)	1,009
Equity in losses of unconsolidated affiliate	174	—
Other	(266)	1,533
Changes in operating assets and liabilities:		
Accounts receivable	(11,371)	(4,362)
Inventories	14,758	249
Prepaid expenses and other assets	(1,398)	(1,404)
Accounts payable and accrued liabilities	17,363	(5,193)
Income taxes	2,063	266
Net cash provided by operating activities	62,838	38,848
Investing activities:		
Purchases of property, plant and equipment	(9,321)	(7,724)
Other	119	527
Net cash used in investing activities	(9,202)	(7,197)
Financing activities:		
Payment of dividends	(11,391)	(11,533)
Proceeds from exercise of stock options	160	3,411
Payments for employee taxes withheld from stock-based awards	(2,617)	(7,269)
Purchase of treasury stock	(2,720)	—
Other	17	65
Net cash used in financing activities	(16,551)	(15,326)
Effect of exchange rate changes on cash	1,605	(304)
Net increase in cash and cash equivalents	38,690	16,021
Cash and cash equivalents, beginning of period	217,643	279,072
Cash and cash equivalents, end of period	\$ 256,333	\$ 295,093

BRADY CORPORATION AND SUBSIDIARIES
SEGMENT INFORMATION
(Unaudited; Dollars in thousands)

	Three months ended October 31,	
	2020	2019
NET SALES		
ID Solutions	\$ 198,192	\$ 214,987
Workplace Safety	79,035	71,960
Total	<u>\$ 277,227</u>	<u>\$ 286,947</u>
SALES INFORMATION		
<i>ID Solutions</i>		
Organic	(8.4)%	(0.2)%
Currency	0.6 %	(1.2)%
Total	<u>(7.8)%</u>	<u>(1.4)%</u>
<i>Workplace Safety</i>		
Organic	5.5 %	(0.8)%
Currency	4.3 %	(3.4)%
Total	<u>9.8 %</u>	<u>(4.2)%</u>
<i>Total Company</i>		
Organic	(4.9)%	(0.4)%
Currency	1.5 %	(1.7)%
Total	<u>(3.4)%</u>	<u>(2.1)%</u>
SEGMENT PROFIT		
ID Solutions	\$ 40,279	\$ 42,443
Workplace Safety	7,988	5,157
Total	<u>\$ 48,267</u>	<u>\$ 47,600</u>
SEGMENT PROFIT AS A PERCENT OF NET SALES		
ID Solutions	20.3 %	19.7 %
Workplace Safety	10.1 %	7.2 %
Total	<u>17.4 %</u>	<u>16.6 %</u>

	Three months ended October 31,	
	2020	2019
Total segment profit	\$ 48,267	\$ 47,600
Unallocated amounts:		
Administrative costs	(6,079)	(6,709)
Investment and other income	155	1,380
Interest expense	(106)	(701)
Income before income taxes and losses of unconsolidated affiliate	<u>\$ 42,237</u>	<u>\$ 41,570</u>



Brady Corporation

F'21 Q1 Financial Results

November 19, 2020



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, the Company's future financial position, business strategy, targets, projected sales, costs, earnings, 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,” “continue” or “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: adverse impacts of the novel coronavirus (“COVID-19”) pandemic or other pandemics; decreased demand for our products; our ability to compete effectively or to successfully execute our strategy; Brady's ability to develop technologically advanced products that meet customer demands; raw material and other cost increases; 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; divestitures and contingent liabilities from divestitures; Brady's ability to properly identify, integrate, and grow acquired companies; litigation, including product liability claims; foreign currency fluctuations; potential write-offs of Brady's goodwill and other intangible assets; changes in tax legislation and tax rates; differing interests of voting and non-voting shareholders; numerous other matters of national, regional and global scale, including major public health issues 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, 2020.

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.



Managing Through the Pandemic

Managing Through the Pandemic:

- Thank you to all of the Brady employees and front-line workers.
- Brady is an essential business.
- Brady's products are helping in the fight of COVID-19.

Key Messages:

- Workplace Safety performed well. We grew revenues and expanded our customer base.
- ID Solutions' revenue continued to trend positively, and profit as a percent of sales increased.
- Our reduced cost structure drove increased operating income.
- Strong balance sheet and cash generation.



Q1 F'21 Financial Summary

- **Sales were \$277.2M in Q1 of F'21 compared with \$286.9M in Q1 of F'20.**
 - Organic sales declined 4.9%.
 - Foreign currency translation increased sales 1.5%.
- **Gross profit margin of 48.9% in Q1 of F'21 compared with 49.3% in Q1 of F'20.**
- **SG&A expense of \$83.0M (30.0% of sales) in Q1 of F'21 compared with \$89.5M (31.2% of sales) in Q1 of F'20.**
- **R&D expense of \$10.2M (3.7% of sales) in Q1 of F'21 compared with \$11.0M (3.8% of sales) in Q1 of F'20.**
- **Income before income taxes and losses of unconsolidated affiliate increased 1.6% to \$42.2M in Q1 of F'21 compared with \$41.6M in Q1 of F'20.**
- **Net income per Class A Diluted Nonvoting Common Share was \$0.64 in Q1 of F'21 compared with \$0.70 in Q1 of F'20.**
- **Net cash provided by operating activities increased 61.8% to \$62.8M in Q1 of F'21 compared to \$38.8M in Q1 of F'20.**



Sales Overview

SALES

(millions of)



Q1 F'21 SALES:

- Total sales declined 3.4%.
- Organic sales declined 4.9%:
 - ID Solutions – Organic sales decline of 8.4%.
 - Workplace Safety – Organic sales growth of 5.5%.
- 1.5% increase due to foreign currency translation.

Q1 F'21 SALES COMMENTARY:

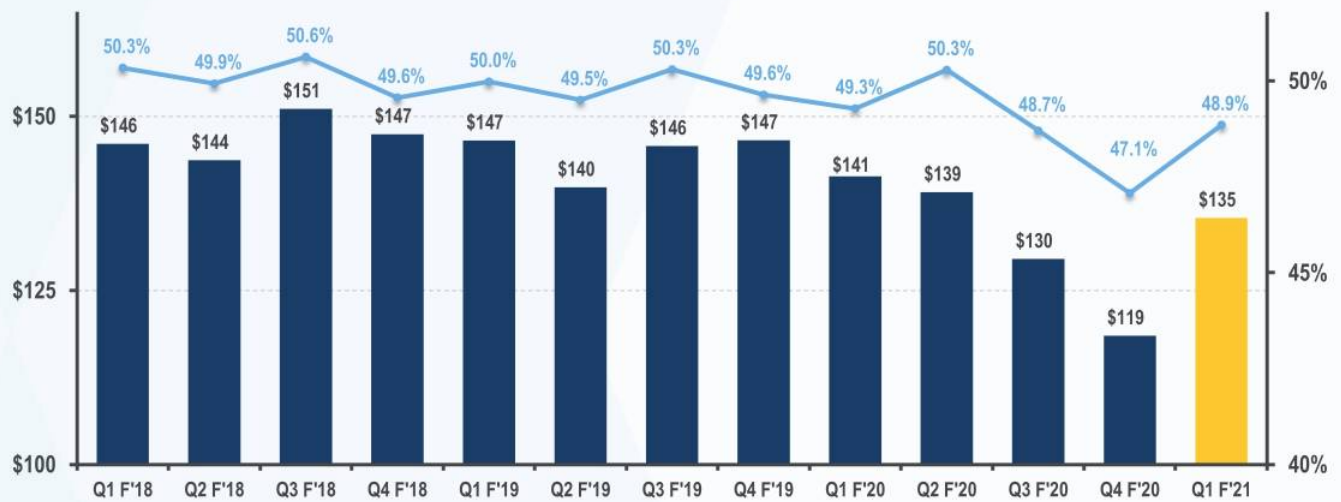
- Workplace Safety – Continued strong organic sale growth driven by the sale of products directly supporting the fight of Covid-19.
- ID Solutions – Organic sales trends continued to improve as we progressed throughout the quarter.



Gross Profit Margin

GROSS PROFIT & GPM%

(millions of)



Q1 F'21 – GROSS PROFIT MARGIN:

- Gross profit margin of 48.9% compared to 49.3% in Q1 of F'20.
- We continue to invest in automation and manufacturing efficiencies.
- Gross profit margin was negatively impacted by reduced sales and production volumes in our ID Solutions business along with product mix in our Workplace Safety business.



SG&A Expense

SG&A EXPENSE AND SG&A EXPENSE AS A % of SALES

(millions of U.S. dollars)



Q1 F'21 – SG&A EXPENSE:

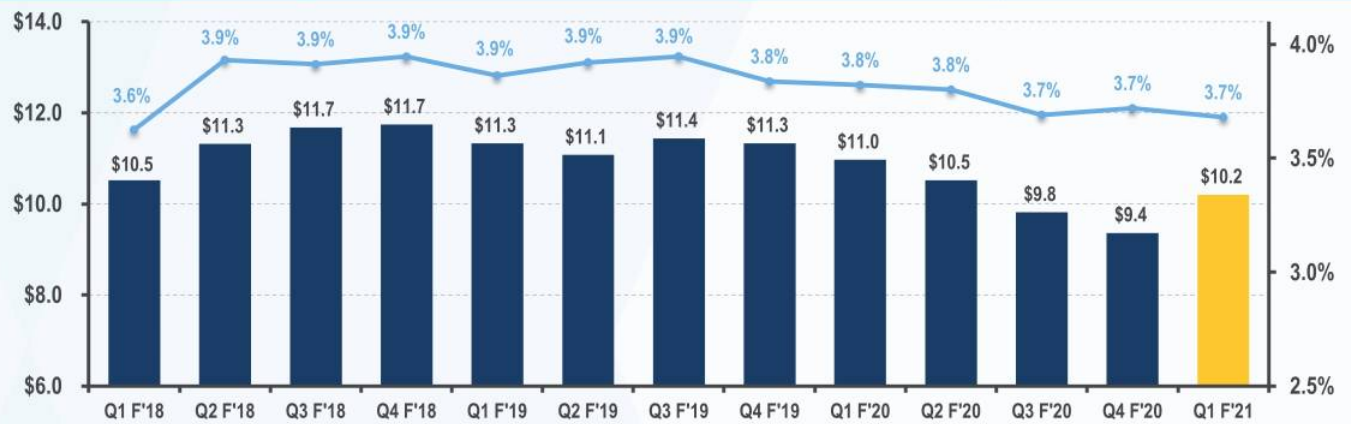
- The \$6.5M reduction in SG&A expense compared to Q1 of F'20 was due to ongoing benefits from efficiency action combined with a reduction in discretionary spend.
- Sequentially, SG&A expense was up \$7.1M compared to the fourth quarter of last year. This increase was primarily due to increased incentive-based compensation.



R&D Expense

R&D EXPENSE AND R&D EXPENSE AS A % of SALES

(millions of U.S. dollars)



Q1 F'21 – R&D EXPENSE:

- We continue to invest in R&D to drive future organic sales growth.
- Solid new product pipeline.
- Focused on ensuring our R&D spend is both efficient and effective.



Income Before Income Taxes

INCOME BEFORE INCOME TAXES AND LOSSES OF UNCONSOLIDATED AFFILIATE (millions of)



Q1 F'21 - INCOME BEFORE INCOME TAXES AND LOSSES OF UNCONSOLIDATED AFFILIATE:

- Income before income taxes and losses of unconsolidated affiliate increased 1.6% to \$42.2M in Q1 of F'21 compared to \$41.6M in Q1 of F'20.



Net Income & Diluted EPS

NET INCOME PER CLASS A DILUTED SHARE



NET INCOME

(millions of)



Q1 F'21 – NET INCOME & DILUTED EPS:

- Diluted EPS and net income in Q1 of the prior year was positively impacted by a reduced income tax rate of 9.8% primarily due to a favorable tax audit settlement and tax benefits from equity-based compensation. If tax rates were consistent both net income and diluted EPS would have increased in Q1 of F'21 compared to Q1 of F'20.
- Net income was \$33.5M in Q1 of F'21 compared to \$37.5M in Q1 of F'20.
- Diluted EPS was \$0.64 in Q1 of F'21 compared to \$0.70 in Q1 of F'20.



Cash Generation & Uses

CASH FLOW FROM OPERATING ACTIVITIES (millions of USD)



CASH FLOWS IN Q1 OF F'21:

- Cash flow from operating activities was \$62.8M in Q1 of F'21 compared to \$38.8M in Q1 of F'20.
- Cash flow from operating activities was significantly in excess of net earnings during quarter ended October 31, 2020.
- Free cash flow* was \$53.5M in Q1 of F'21 compared to \$31.1M in Q1 of F'20.
- We returned \$14.1M to our shareholders in form of dividends and share buybacks in Q1 F'21.

(millions of USD)

	3 Mos. Ended Oct. 31, 2020	3 Mos. Ended Oct. 31, 2019
Cash Balance - Beginning of Period	\$ 217.6	\$ 279.1
Cash Flow from Operating Activities	62.8	38.8
Capital Expenditures	(9.3)	(7.7)
Dividends	(11.4)	(11.5)
Share Repurchases	(2.7)	-
Effect of Exchange Rates on Cash	1.6	(0.3)
Other	(2.3)	(3.3)
Cash Balance - End of Period	\$ 256.3	\$ 295.1

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



Net Cash

NET CASH

(millions)



STRONG BALANCE SHEET:

- October 31, 2020 cash = \$256.3M.
- Approximately 34% of our cash is held in the United States.
- Balance sheet provides flexibility for future investments.
- Brady has no outstanding debt.



Identification Solutions

Q1 F'21 vs. Q1 F'20

(millions of USD)

	Q1 F'21	Q1 F'20	Change
Sales	\$ 198.2	\$ 215.0	- 7.8%
Segment Profit	40.3	42.4	- 5.1%
Segment Profit %	20.3%	19.7%	+ 60 bps

SALES & SEGMENT PROFIT %

(millions of USD)



Q1 F'21 SUMMARY:

- Revenues declined - (7.8%):
 - Organic = - (8.4%).
 - Fx = + 0.6%
- Organic sales continued to improve sequentially over each of the last 6 months.
- Organic sales performed better in Asia than in North America and Europe.
- Expenses are down due to sustainable efficiency activities as well as strong cost containment.
- Segment profit as a percent of sales increased despite reduced sales volumes.



Workplace Safety

Q1 F'21 vs. Q1 F'20

(millions of USD)

	Q1 F'21	Q1 F'20	Change
Sales	\$ 79.0	\$ 72.0	+ 9.8%
Segment Profit	8.0	5.2	+ 54.9%
Segment Profit %	10.1%	7.2%	+ 290 bps

Q1 F'21 SUMMARY:

- Revenues increased + 9.8%:
 - Organic = + 5.5%.
 - Fx = + 4.3%.
- Organic sales increased due to increased sales of products directly related to the fight of the Covid-19 pandemic.
- Segment profit as a percent of sales increased due to leverage on the increased organic sales volumes and a continued focus on delivering sustainable efficiency gains.

SALES & SEGMENT PROFIT %

(millions of USD)



Investor Relations

Brady Contact:

Ann Thornton
Investor Relations
414-438-6887

Ann_Thornton@bradycorp.com

See our web site at
www.bradycorp.com



