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): May 19, 2016

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

Commission File Number 1-14959

Wisconsin	**39-0971239**
(State of Incorporation)	**(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))

Item 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On May 19, 2016, Brady Corporation (the “Company”) issued a press release announcing its fiscal 2016 third 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 7.01 REGULATION FD DISCLOSURE

On May 19, 2016, the Company hosted a conference call related to its fiscal 2016 third 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 May 19, 2016, relating to third quarter fiscal 2016 financial results.
99.2	Informational slides provided by Brady Corporation, dated May 19, 2016, relating to third quarter fiscal 2016 financial results.

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: May 19, 2016

/s/ AARON J. PEARCE

Aaron J. Pearce

Senior Vice President, Chief Financial Officer and Chief Accounting Officer

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
99.1	Press Release of Brady Corporation, dated May 19, 2016, relating to third quarter fiscal 2016 financial results.
99.2	Informational slides provided by Brady Corporation, dated May 19, 2016, relating to third quarter fiscal 2016 financial results.

EXHIBIT 99.1

For More Information:
Investor contact: Ann Thornton 414-438-6887
Media contact: Kate Venne 414-358-5176

Brady Corporation Reports Fiscal 2016 Third Quarter Results and Increases its Fiscal 2016 EPS Guidance

- Earnings per diluted Class A Nonvoting Common Share of $0.42 in the third quarter of fiscal 2016 were up 27.3 percent and 23.5 percent compared to GAAP and non-GAAP earnings from continuing operations per diluted Class A Nonvoting Common Share* of $0.33 and $0.34, respectively, in the same quarter of the prior year.
- Organic revenue decline of 0.1 percent for the quarter ended April 30, 2016.
- Net cash provided by operating activities was $40.3 million during the third quarter of fiscal 2016, compared to $28.8 million in the same quarter of the prior year.
- Earnings per diluted Class A Common Share guidance for the full year ending July 31, 2016, increased to a range of $1.37 to $1.45.

MILWAUKEE (May 19, 2016)--Brady Corporation (NYSE: BRC) ("Brady" or "Company"), a world leader in identification solutions, today reported its financial results for its fiscal 2016 third quarter ended April 30, 2016.

Quarter Ended April 30, 2016 Financial Results:

Net earnings for the quarter ended April 30, 2016, were $21.0 million compared to $17.2 million in the same quarter last year. Non-GAAP net earnings* were $17.6 million for the quarter ended April 30, 2015.

Earnings per diluted Class A Nonvoting Common Share were $0.42 for the third quarter ended April 30, 2016, compared to $0.33 in the same quarter last year. Non-GAAP earnings per diluted Class A Nonvoting Common Share* were $0.34 for the quarter ended April 30, 2015.

Sales for the quarter ended April 30, 2016, decreased 1.2 percent to $286.8 million compared to $290.2 million in the third quarter of fiscal 2015. Total organic sales decreased 0.1 percent and foreign currency translation decreased sales by 1.1 percent. By segment, organic sales decreased 0.8 percent in Identification Solutions and increased 1.2 percent in Workplace Safety.

Nine-Month Period Ended April 30, 2016 Financial Results:

Net earnings for the nine-month period ended April 30, 2016, were $55.0 million compared to $42.4 million in the same period last year. Non-GAAP earnings from continuing operations* were $51.1 million for the nine-month period ended April 30, 2015.

Earnings per diluted Class A Nonvoting Common Share were $1.08 for the nine-month period ended April 30, 2016, compared to earnings from continuing operations per diluted Class A Nonvoting Common Share of $0.86 in the same period in fiscal 2015. Non-GAAP earnings from continuing operations per diluted Class A Nonvoting Common Share* were $0.99 for the nine-month period ended April 30, 2015.

Sales for the nine-month period ended April 30, 2016, decreased 5.0 percent to $838.5 million compared to $883.1 million in the same period in fiscal 2015. Total organic sales decreased 0.7 percent and the impact of foreign currency translation decreased sales by 4.3 percent. By segment, organic sales decreased 0.9 percent in Identification Solutions and decreased 0.2 percent in Workplace Safety.

Commentary:

"We continue to realize benefits from our focus on operational efficiency and local accountability, as our gross profit margin, segment profit margins and net earnings have all improved on a year-over-year basis for the third consecutive quarter," said Brady's President and Chief Executive Officer, J. Michael Nauman. "Organic sales were essentially flat this quarter, and we expect to face continued economic challenges in certain industrial markets and geographies. Our top priorities remain unchanged, which are to grow our pipeline of innovative new products and deliver operational efficiencies while serving our customers exceptionally well. I am pleased with our ability to improve our financial performance while simultaneously investing in our capabilities to create innovative solutions for our customers. Our consistent focus on our long-term strategy has positioned Brady to compete effectively and deliver improved results to our shareholders."

"Our focus on operational efficiency continues to result in improved cash flow. During the quarter ended April 30, 2016, net cash provided by operating activities increased to $40.3 million from $28.8 million in the same quarter of last year. Our year-to-date net cash provided by operating activities has increased by 87 percent as we finished with $98.6 million for the nine-month period ended April 30, 2016, compared with $52.7 million for the same period last year," said Brady's Chief Financial Officer, Aaron Pearce. "As a result of our strong cash generation, our balance sheet continues to provide significant flexibility for future investment."

Fiscal 2016 Guidance:

The Company is increasing its earnings per share guidance for the full year ending July 31, 2016, and anticipates earnings per diluted Class A Common Share to range from $1.37 to $1.45. Included in this guidance is a low-single digit decline in organic sales for the full fiscal year, which is reflective of ongoing economic challenges. Offsetting these anticipated organic sales declines are efficiency gains in the Company's manufacturing facilities and selling, general, and administrative expenses. This guidance is based upon exchange rates as of April 30, 2016, and a full-year income tax rate in the upper 20 percent range.

A webcast regarding Brady's fiscal 2016 third quarter financial results will be available at www.bradycorp.com 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, 2015, employed approximately 6,400 people in its worldwide businesses. Brady's fiscal 2015 sales were approximately $1.17 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.

* See accompanying notes for Non-GAAP measures.

###

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" 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: implementation of the Workplace Safety strategy; Brady's ability to develop and successfully market technologically advanced new products; technology changes and potential security violations to the Company's information technology systems; future competition; future financial performance of major markets Brady serves, which include, without limitation, telecommunications, hard disk drive, manufacturing, electrical, construction, laboratory, education, governmental, public utility, computer, healthcare and transportation; fluctuations in currency rates versus the U.S. dollar; risks associated with international operations; difficulties associated with exports; changes in the supply of, or price for, parts and components; increased price pressure from suppliers and customers; Brady's ability to retain significant contracts and customers; risk associated with loss of key talent; risks associated with obtaining governmental approvals and maintaining regulatory compliance; risk associated with product liability claims; environmental, health and safety compliance costs and liabilities; potential write-offs of Brady's substantial intangible assets; unforeseen tax consequences; risks associated with restructuring plans and maintaining acceptable operational service metrics; risks associated with divestitures; risks associated with identifying, completing, and integrating acquisitions; risks associated with our ownership structure; Brady's ability to maintain compliance with its debt covenants; increase in our level of debt; and numerous other matters of national, regional and global scale, including 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, 2015.

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 EARNINGS
(Unaudited; Dollars in thousands, except per share data)

	Three months ended April 30,		Nine months ended April 30,	
	2016	2015	2016	2015
Net sales	$ 286,816	$ 290,227	$ 838,519	$ 883,095
Cost of products sold	141,373	149,228	420,835	453,732
Gross margin	145,443	140,999	417,684	429,363
Operating expenses:				
Research and development	8,865	8,928	26,531	27,507
Selling, general and administrative	105,794	102,952	306,678	319,796
Restructuring charges	—	4,834	—	13,991
Total operating expenses	114,659	116,714	333,209	361,294
Operating income	30,784	24,285	84,475	68,069
Other income (expense):				
Investment and other income (expense)	721	434	(1,030)	968
Interest expense	(1,838)	(2,503)	(6,119)	(8,394)
Earnings from continuing operations before income taxes	29,667	22,216	77,326	60,643
Income tax expense	8,686	5,003	22,352	16,347
Earnings from continuing operations	$ 20,981	$ 17,213	$ 54,974	$ 44,296
Loss from discontinued operations, net of income taxes	—	—	—	(1,915)
Net earnings	$ 20,981	$ 17,213	$ 54,974	$ 42,381
Earnings from continuing operations per Class A Nonvoting Common Share:				
Basic	$ 0.42	$ 0.34	$ 1.09	$ 0.86
Diluted	$ 0.42	$ 0.33	$ 1.08	$ 0.86
Earnings from continuing operations per Class B Voting Common Share:				
Basic	$ 0.42	$ 0.34	$ 1.07	$ 0.85
Diluted	$ 0.42	$ 0.33	$ 1.07	$ 0.85
Loss from discontinued operations per Class A Nonvoting Common Share:				
Basic	$ —	$ —	$ —	$ (0.03)
Diluted	$ —	$ —	$ —	$ (0.03)
Loss from discontinued operations per Class B Voting Common Share:				
Basic	$ —	$ —	$ —	$ (0.04)
Diluted	$ —	$ —	$ —	$ (0.04)
Net earnings per Class A Nonvoting Common Share:				
Basic	$ 0.42	$ 0.34	$ 1.09	$ 0.83
Diluted	$ 0.42	$ 0.33	$ 1.08	$ 0.83
Dividends	$ 0.20	$ 0.20	$ 0.61	$ 0.60
Net earnings per Class B Voting Common Share:				
Basic	$ 0.42	$ 0.34	$ 1.07	$ 0.81
Diluted	$ 0.42	$ 0.33	$ 1.07	$ 0.81
Dividends	$ 0.20	$ 0.20	$ 0.59	$ 0.58
Weighted average common shares outstanding (in thousands):				
Basic	50,251	51,301	50,602	51,275
Diluted	50,505	51,450	50,747	51,370

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

	April 30, 2016	July 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 141,596	$ 114,492
Accounts receivable—net	153,289	157,386
Inventories:		
Finished products	63,105	66,700
Work-in-process	17,145	16,958
Raw materials and supplies	20,317	20,849
Total inventories	100,567	104,507
Prepaid expenses and other current assets	33,981	32,197
Total current assets	429,433	408,582
Other assets:		
Goodwill	436,191	433,199
Other intangible assets	62,260	68,888
Deferred income taxes	16,465	22,310
Other	17,157	18,704
Property, plant and equipment:		
Cost:		
Land	5,258	5,284
Buildings and improvements	94,155	94,423
Machinery and equipment	262,992	270,086
Construction in progress	2,025	2,164
	364,430	371,957
Less accumulated depreciation	264,661	260,743
Property, plant and equipment—net	99,769	111,214
Total	$ 1,061,275	$ 1,062,897
LIABILITIES AND STOCKHOLDERS' INVESTMENT		
Current liabilities:		
Notes payable	$ 6,230	$ 10,411
Accounts payable	64,428	73,020
Wages and amounts withheld from employees	40,987	30,282
Taxes, other than income taxes	7,817	7,250
Accrued income taxes	4,991	7,576
Other current liabilities	39,329	38,194
Current maturities on long-term debt	—	42,514
Total current liabilities	163,782	209,247
Long-term obligations, less current maturities	236,310	200,774
Other liabilities	65,843	65,188
Total liabilities	465,935	475,209
Stockholders' investment:		
Common Stock:		
Class A nonvoting common stock—Issued 51,261,487 and 51,261,487 shares, respectively and outstanding 46,723,474 and 47,781,184 shares, respectively	513	513
Class B voting common stock—Issued and outstanding, 3,538,628 shares	35	35
Additional paid-in capital	316,373	314,403
Earnings retained in the business	438,441	414,069
Treasury stock—4,538,013 and 3,480,303 shares, respectively of Class A nonvoting common stock, at cost	(114,012)	(93,234)
Accumulated other comprehensive loss	(42,396)	(45,034)
Other	(3,614)	(3,064)
Total stockholders' investment	595,340	587,688
Total	$ 1,061,275	$ 1,062,897

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

	Nine months ended April 30,	
	2016	2015
Operating activities:		
Net earnings	$ 54,974	$ 42,381
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	24,896	28,511
Non-cash portion of stock-based compensation expense	6,247	3,556
Non-cash portion of restructuring charges	—	3,545
Loss on sale of business, net	—	426
Deferred income taxes	3,169	(4,533)
Changes in operating assets and liabilities (net of effects of business acquisitions/divestitures):		
Accounts receivable	4,679	(797)
Inventories	4,556	(8,385)
Prepaid expenses and other assets	(734)	201
Accounts payable and accrued liabilities	3,432	(8,399)
Income taxes	(2,669)	(3,766)
Net cash provided by operating activities	98,550	52,740
Investing activities:		
Purchases of property, plant and equipment	(7,468)	(23,545)
Sale of business, net of cash retained	—	6,111
Other	1,987	3,927
Net cash used in investing activities	(5,481)	(13,507)
Financing activities:		
Payment of dividends	(30,603)	(30,712)
Proceeds from issuance of common stock	663	1,591
Purchase of treasury stock	(23,552)	—
Net proceeds from borrowing on credit facilities	28,819	64,638
Principal payments on debt	(42,514)	(42,514)
Debt issuance costs	(803)	—
Income tax on equity-based compensation, and other	(1,238)	(3,832)
Net cash used in financing activities	(69,228)	(10,829)
Effect of exchange rate changes on cash	3,263	(9,770)
Net increase in cash and cash equivalents	27,104	18,634
Cash and cash equivalents, beginning of period	114,492	81,834
Cash and cash equivalents, end of period	$ 141,596	$ 100,468

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

	Three months ended April 30,		Nine months ended April 30,	
	2016	2015	2016	2015
SALES TO EXTERNAL CUSTOMERS				
ID Solutions	$ 196,953	$ 200,786	$ 578,160	$ 604,948
Workplace Safety	89,863	89,441	260,359	278,147
Total	$ 286,816	$ 290,227	$ 838,519	$ 883,095
SALES INFORMATION				
ID Solutions				
Organic	(0.8)%	3.0 %	(0.9)%	2.4 %
Currency	(1.1)%	(5.7)%	(3.5)%	(3.3)%
Total	(1.9)%	(2.7)%	(4.4)%	(0.9)%
Workplace Safety				
Organic	1.2 %	(1.1)%	(0.2)%	0.6 %
Currency	(0.7)%	(12.2)%	(6.2)%	(7.1)%
Total	0.5 %	(13.3)%	(6.4)%	(6.5)%
Total Company				
Organic	(0.1)%	1.7 %	(0.7)%	1.8 %
Currency	(1.1)%	(8.0)%	(4.3)%	(4.6)%
Total	(1.2)%	(6.3)%	(5.0)%	(2.8)%
SEGMENT PROFIT				
ID Solutions	$ 46,445	$ 41,614	$ 123,451	$ 120,800
Workplace Safety	13,759	12,292	43,818	40,607
Total	$ 60,204	$ 53,906	$ 167,269	$ 161,407
SEGMENT PROFIT AS A PERCENT OF SALES				
ID Solutions	23.6 %	20.7 %	21.4 %	20.0 %
Workplace Safety	15.3 %	13.7 %	16.8 %	14.6 %
Total	21.0 %	18.6 %	19.9 %	18.3 %

	Three months ended April 30,		Nine months ended April 30,	
	2016	2015	2016	2015
Total segment profit	$ 60,204	$ 53,906	$ 167,269	$ 161,407
Unallocated amounts:				
Administrative costs	(29,420)	(24,787)	(82,794)	(79,347)
Restructuring charges	—	(4,834)	—	(13,991)
Investment and other income (expense)	721	434	(1,030)	968
Interest expense	(1,838)	(2,503)	(6,119)	(8,394)
Earnings from continuing operations before income taxes	$ 29,667	$ 22,216	$ 77,326	$ 60,643

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.

Earnings from Continuing Operations Before Income Taxes Excluding Certain Items:

Brady is presenting the Non-GAAP measure "Earnings from Continuing Operations Before Income Taxes Excluding Certain Items." 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 sustainable 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 Earnings from Continuing Operations Before Income Taxes to Earnings from Continuing Operations Before Income Taxes Excluding Certain Items:

	Three Months Ended April 30,		Nine Months Ended April 30,	
	2016	2015	2016	2015
Earnings from Continuing Operations Before Income Taxes (GAAP Measure)	$ 29,667	$ 22,216	$ 77,326	$ 60,643
Restructuring charges	—	4,834	—	13,991
Postretirement benefit plan curtailment gain	—	(4,296)	—	(4,296)
Earnings from Continuing Operations Before Income Taxes Excluding Certain Items (non-GAAP measure)	**$ 29,667**	**$ 22,754**	**$ 77,326**	**$ 70,338**

Income Taxes on Continuing Operations Excluding Certain Items:

Brady is presenting the Non-GAAP measure "Income Taxes on Continuing Operations Excluding Certain Items." 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 sustainable 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 Income Taxes on Continuing Operations to Income Taxes on Continuing Operations Excluding Certain Items:

	Three Months Ended April 30,		Nine Months Ended April 30,	
	2016	2015	2016	2015
Income Taxes on Continuing Operations (GAAP measure)	$ 8,686	$ 5,003	$ 22,352	$ 16,347
Restructuring charges	—	1,636	—	4,406
Postretirement benefit plan curtailment gain	—	(1,504)	—	(1,504)
Income Taxes on Continuing Operations Excluding Certain Items (non-GAAP measure)	**$ 8,686**	**$ 5,135**	**$ 22,352**	**$ 19,249**

Net Earnings from Continuing Operations Excluding Certain Items:

Brady is presenting the Non-GAAP measure "Net Earnings from Continuing Operations Excluding Certain Items." 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 sustainable 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 Net Earnings from Continuing Operations to Net Earnings from Continuing Operations Excluding Certain Items:

	Three Months Ended April 30,		Nine Months Ended April 30,	
	2016	2015	2016	2015
Net Earnings from Continuing Operations (GAAP measure)	$ 20,981	$ 17,213	$ 54,974	$ 44,296
Restructuring charges	—	3,198	—	9,585
Postretirement benefit plan curtailment gain	—	(2,792)	—	(2,792)
Net Earnings from Continuing Operations Excluding Certain Items (non-GAAP measure)	**$ 20,981**	**$ 17,619**	**$ 54,974**	**$ 51,089**

NON-GAAP MEASURES
(Unaudited; Dollars in Thousands, Except Per Share Amounts)

Net Earnings from Continuing Operations Per Diluted Class A Nonvoting Common Share Excluding Certain Items:

Brady is presenting the Non-GAAP measure "Net Earnings from Continuing Operations Per Diluted Class A Nonvoting Common Share Excluding Certain Items." 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 sustainable 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 Net Earnings from Continuing Operations Per Diluted Class A Nonvoting Common Share to Net Earnings from Continuing Operations Per Diluted Class A Nonvoting Common Share Excluding Certain Items:

	Three Months Ended April 30,		Nine Months Ended April 30,	
	2016	2015	2016	2015
Net Earnings from Continuing Operations Per Diluted Class A Nonvoting Common Share (GAAP measure)	$ 0.42	$ 0.33	$ 1.08	$ 0.86
Restructuring charges	—	0.06	—	0.19
Postretirement benefit plan curtailment gain	—	(0.05)	—	(0.05)
Net Earnings from Continuing Operations Per Diluted Class A Nonvoting Common Share Excluding Certain Items (non-GAAP measure)	**$ 0.42**	**$ 0.34**	**$ 1.08**	**$ 0.99**

Brady Corporation
F'16 Q3 Financial Results

May 19, 2016

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” 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: implementation of the Workplace Safety strategy; Brady's ability to develop and successfully market technologically advanced new products; technology changes and potential security violations to the Company's information technology systems; future competition; future financial performance of major markets Brady serves, which include, without limitation, telecommunications, hard disk drive, manufacturing, electrical, construction, laboratory, education, governmental, public utility, computer, healthcare and transportation; fluctuations in currency rates versus the U.S. dollar; risks associated with international operations; difficulties associated with exports; changes in the supply of, or price for, parts and components; increased price pressure from suppliers and customers; Brady's ability to retain significant contracts and customers; risk associated with loss of key talent; risks associated with obtaining governmental approvals and maintaining regulatory compliance; risk associated with product liability claims; environmental, health and safety compliance costs and liabilities; potential write-offs of Brady's substantial intangible assets; unforeseen tax consequences; risks associated with restructuring plans and maintaining acceptable operational service metrics; risks associated with divestitures; risks associated with identifying, completing, and integrating acquisitions; risks associated with our ownership structure; Brady's ability to maintain compliance with its debt covenants; increase in our level of debt; and numerous other matters of national, regional and global scale, including 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, 2015.

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'16 Financial Summary

- **Sales down 1.2% to $286.8M in Q3 of F'16 vs. $290.2M in Q3 of F'15.**
  - Organic sales decreased 0.1%. Foreign currency translation reduced sales by 1.1%.
- **Gross profit margin of 50.7% in Q3 of F'16 compared with 48.6% in Q3 of F'15.**
- **SG&A expense of $105.8M (36.9% of sales) in Q3 of F'16 compared with $103.0M (35.5% of sales) in Q3 of F'15.**
- **Net earnings of $21.0M in Q3 of F'16 compared with GAAP earnings from continuing operations of $17.2M and non-GAAP earnings* of $17.6M in Q3 of F'15, respectively.**
- **Net earnings per Class A Diluted Nonvoting Share of $0.42 in Q3 of F'16, up 27.3% compared with Net earnings from continuing operations per Class A Diluted Nonvoting Share of $0.33 in Q3 of F'15 and up 23.5% compared with non-GAAP Earnings per Share* of $0.34 in Q3 of F'15.**
- **Net cash provided by operating activities of $40.3M in Q3 of F'16 vs. $28.8M in Q3 of F'15.**

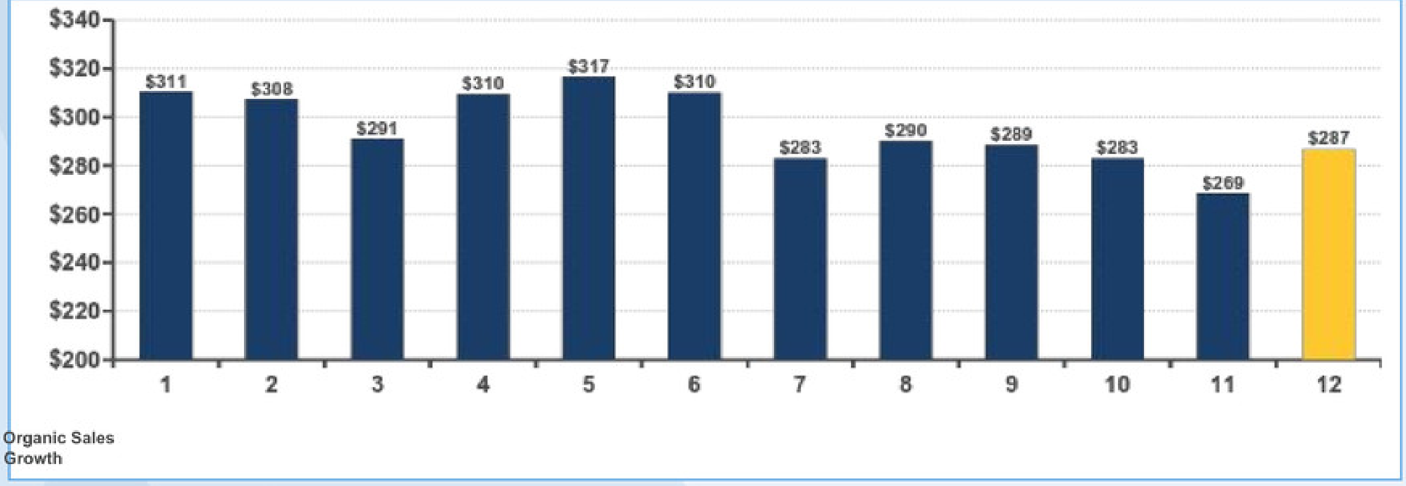
* Non-GAAP earnings and non-GAAP Earnings per Share are non-GAAP measures. See appendix.

BRADY

Sales Overview

SALES

(millions of USD)



Q3 F'16 SALES:

- (0.1%) organic sales decline:
  - ID Solutions – Organic sales decline of (0.8%).
  - Workplace Safety – Organic sales increase of 1.2%.
- (1.1%) decrease due to currency translation.

Q3 F'16 SALES COMMENTARY:

- Our European businesses in both IDS and WPS performed well, with continued organic growth in Q3 and year-to-date.
- Challenges persist in Asia and Australia where organic sales were down vs. Q3 of F'15.
- Foreign currency translation headwinds are subsiding.

Gross Profit Margin

GROSS PROFIT & GPM%

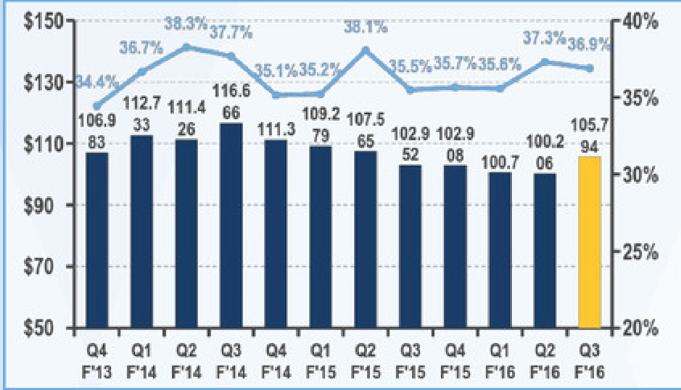
(millions of USD)

GROSS PROFIT MARGIN COMMENTARY:

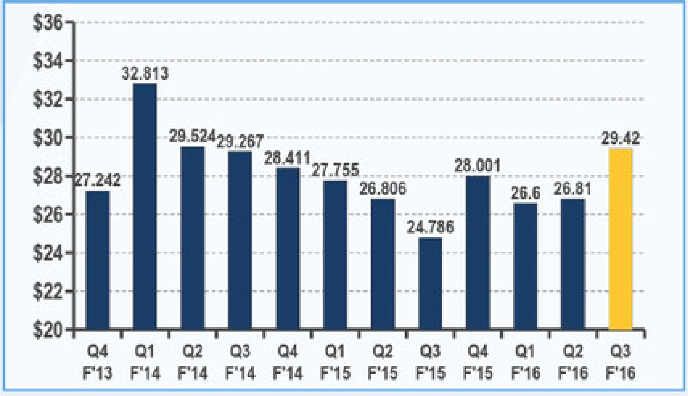
- GPM of 50.7% in Q3 of F'16 compared with 48.6% in Q3 of F'15.
- GPM in Q3 of F'15 was impacted by facility consolidation-related costs.
- On-going operational improvements are positively impacting profitability.

SG&A Expense and G&A Expense

SG&A and SG&A% of SALES (millions of USD)



GENERAL & ADMIN. EXPENSE (millions of USD)



SG&A EXPENSE:

- SG&A expense was up $2.8M to $105.8M in Q3 of F'16 compared to $103.0M in Q3 of F'15.
- SG&A expense was up vs. the prior year due to a benefit of $4.3M pre-tax from the curtailment of a retiree medical plan in Q3 of F'15.
- Excluding the prior year curtailment benefit, SG&A expense decreased by $1.5M in Q3 of F'16 compared to the prior year.

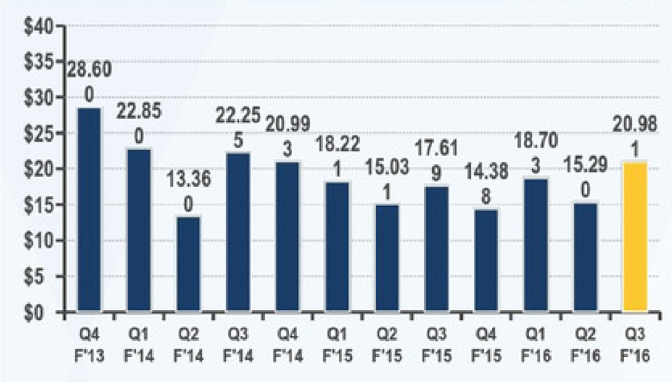
G&A EXPENSE (subset of SG&A):

- G&A expense was up $4.6M to $29.4M in Q3 of F'16 compared to $24.8M in Q3 of F'15.
- G&A expense was up vs. the prior year due to a benefit of $4.3M pre-tax from the curtailment of a retiree medical plan in Q3 of F'15.
- Excluding the prior year curtailment benefit, G&A expense increased by $0.3M in Q3 of F'16 compared to the prior year.

BRADY

Net Earnings & EPS From Continuing Operations

NET EARNINGS FROM CONTINUING OPERATIONS, EXCLUDING CERTAIN ITEMS* (millions of USD)



NET EARNINGS FROM CONTINUING OPERATIONS PER CLASS A DILUTED NONVOTING SHARE, EXCLUDING CERTAIN ITEMS*

Q3 F'16 – NET EARNINGS:

- Q3 F'16 net earnings were $21.0M compared to Non-GAAP net earnings* of $17.6M in Q3 of F'15.
- Increase in earnings driven by improved gross profit margins and efficiencies in operating expenses.

Q3 F'16 – EPS

- Q3 F'16 Diluted EPS was $0.42 compared to GAAP EPS of $0.33 and Non-GAAP EPS* of $0.34 in Q3 of F'15.
- EPS modestly impacted by a reduction in diluted weighted average common shares outstanding which decreased from 51.5M in Q3 of F'15 to 50.5M in Q3 of F'16.

* Non-GAAP Net Earnings from Continuing Operations and Non-GAAP Net Earnings from Continuing Operations Per Class A Diluted Nonvoting Share are non-GAAP measures. See appendix.

BRADY

Cash Generation & Uses

Cash Flow from Operating Activities (millions of USD)

(millions of USD)	3 Mos. Ended Apr. 30, 2016		3 Mos. Ended Apr. 30, 2015	
Cash Balance - Beginning of Period	**$**	**120.2**	**$**	**93.3**
Cash Flow from Operating Activities		40.3		28.8
Capital Expenditures		(3.5)		(5.7)
Dividends		(10.2)		(10.2)
Debt Repayments - Net		(13.3)		(7.3)
Effect of Exchange Rate on Cash		8.1		1.2
Other		(0.0)		0.4
Cash Balance - End of Period	**$**	**141.6**	**$**	**100.5**

CASH FLOWS IN Q3 OF F'16:

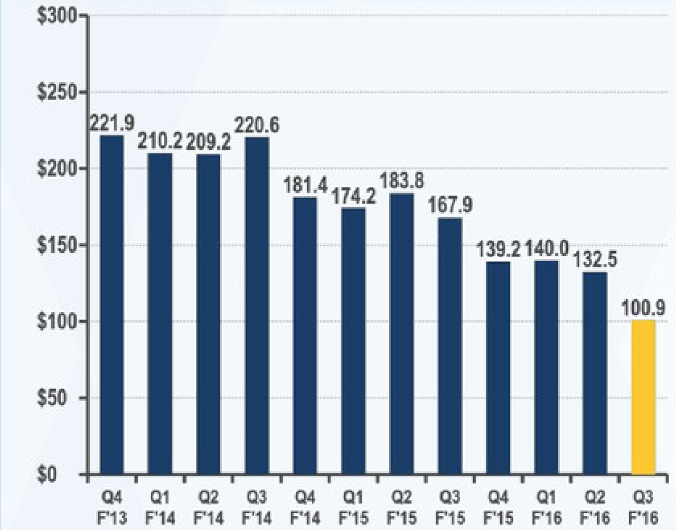
- Cash flow from operating activities up nearly 40% to $40.3M in Q3 of F'16 compared to $28.8M in Q3 of F'15.
- Free cash flow* of $36.8M in Q3 of F'16 compares to $23.1 in Q3 of F'15.
- Returned $10.2M to our shareholders in the form of dividends in Q3 of F'16.
- Repaid $13.3M in debt in Q3 of F'16 compared to repayments of $7.3M in Q3 of F'15.
- Reduced net debt by over $30M.

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

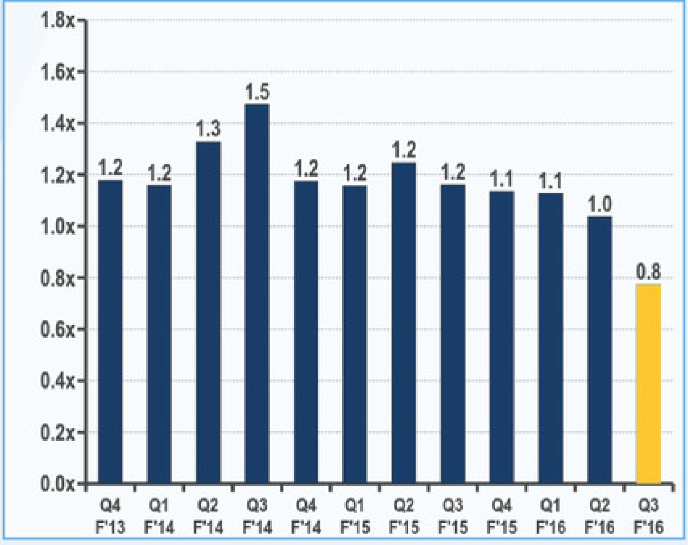
BRADY

Net Debt & EBITDA

NET DEBT (millions of USD)



NET DEBT / TTM EBITDA*



STRONG BALANCE SHEET:

- April 30, 2016 Cash = $141.6M, Debt = $242.5M (net debt = $100.9M), and TTM EBITDA = $130.3M.
- Net Debt/EBITDA* = 0.8 to 1.
- Net debt declined by $67M from April 30, 2015 to April 30, 2016.
- Balance sheet continues to provide flexibility for future cash uses.

* EBITDA is a non-GAAP measure. See appendix for the reconciliation of net income to EBITDA.

BRADY

F'16 Guidance

F'16 Diluted EPS **$1.37 to $1.45**

Guidance Assumptions:

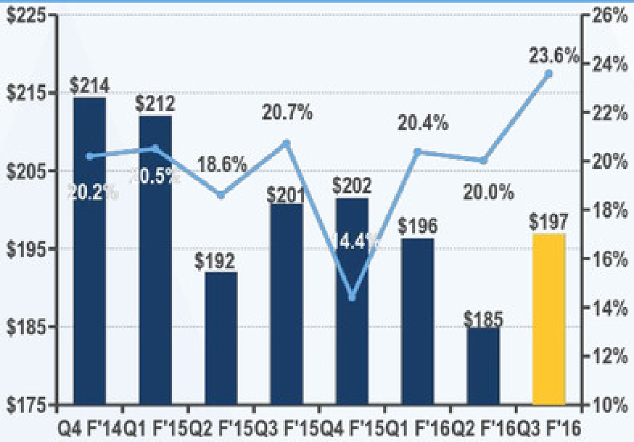
- Low single digit organic sales declines, which is reflective of economic challenges in certain industrial markets and geographies.
- Exchange rates consistent with those as of April 30, 2016.
- Full-year depreciation and amortization expense of approximately $33M.
- Full-year tax rate in the upper 20% range.
- Full-year capital expenditures of approximately $13M.

Identification Solutions

Q3 F'16 vs. Q3 F'15 PERFORMANCE (millions of USD)

	Q3 F'16	Q3 F'15	Change
Sales	$ 197.0	$ 200.8	- 1.9%
Segment Profit	46.4	41.6	+ 11.6%
Segment Profit %	23.6%	20.7%	+ 2.9 pts

SALES & SEGMENT PROFIT % (millions of USD)



Q3 F'16 SUMMARY:

- Revenues down (1.9%):
  - Organic = -(0.8%)
  - Fx = -(1.1)%
- Organic sales growth in Europe-based business.
- Organic sales down in the Americas and Asia.
- Segment profit as a percent of sales increased as a result of operational improvements in recently consolidated facilities and the management of operating expenses.

OUTLOOK:

- Expect low-single digit organic sales declines for Q4 of F'16.
- Expect segment profit to be slightly above 20% of sales in F'16.

Workplace Safety

Q3 F'16 vs. Q3 F'15 PERFORMANCE (millions of USD)

	Q3 F'16	Q3 F'15	Change
Sales	$ 89.9	$ 89.4	+ 0.5%
Segment Profit	13.8	12.3	+ 12.2%
Segment Profit %	15.3%	13.7%	+ 1.6 pts

SALES & SEGMENT PROFIT % (millions of USD)

Q3 F'16 SUMMARY:

- Revenues increased 0.5%:
  - Organic = + 1.2%
  - Fx = -(0.7)%
- Continued increase in revenues in Europe, partially offset by low-single digit declines in the U.S. and Australia.
- Digital sales are improving as we are starting to see the payback from investments this year.
- Segment profit of 15.3% is an improvement compared to the prior year of 13.7% due to efficiencies in catalog advertising and other selling expenses.

OUTLOOK:

- Expect low-single digit organic sales declines for Q4 of F'16.
- Expect segment profit to continue to be in the mid-to-upper teens as a % of sales in F'16.

Investor Relations

Brady Contact:

Ann Thornton
Investor Relations
414-438-6887

Ann_Thornton@bradycorp.com

See our web site at
www.bradycorp.com

Appendix

Comparable Income Statements

COMPARABLE INCOME STATEMENTS

(millions of USD)

	Three Months Ended April 30,		
	2016	2015	Change
Sales	$ 286.8	$ 290.2	$ (3.4)
Gross Margin	145.4	141.0	4.4
% of Sales	*50.7%*	*48.6%*	
Research and Development	(8.9)	(8.9)	-
Selling, General and Admin.	(105.8)	(103.0)	(2.8)
% of Sales	*(36.9%)*	*(35.5%)*	*1.4 pts*
Restructuring Charges	-	(4.8)	4.8
Operating Income	30.7	24.3	6.4
Interest and Other	(1.1)	(2.1)	1.0
Income Taxes	(8.6)	(5.0)	(3.6)
Earnings from Continuing Operations	$ 21.0	$ 17.2	$ 3.8
% of Sales	*7.3%*	*5.9%*	*1.4 pts*
Earnings from Continuing Operations per Class A Nonvoting Common Share	$ 0.42	$ 0.33	$ 0.09
Net Earnings from Continuing Operations, Excluding Certain Items (Non-GAAP measure)*	$ 21.0	$ 17.6	$ 3.4
% of Sales	*7.3%*	*6.1%*	*1.3 pts*
Net Earnings from Continuing Operations Per Class A Diluted Nonvoting Share, Excluding Certain Items (Non-GAAP measure)*	$ 0.42	$ 0.34	$ 0.08

BRADY

Debt Structure

('000s of USD)

	Interest Rate		April 30, 2016 Balance	July 31, 2015 Balance
Revolver Borrowings:				
USD-denominated	1.28%	Variable	$ 135,000	$ 102,000
China Borrowings:				
USD & CNY-denominated notes payable	4.09%	Variable	6,230	10,411
Private Placements:				
USD-denominated 2006 Series	5.30%	Fixed	-	26,143
USD-denominated 2007 Series	5.33%	Fixed	16,319	32,743
EUR-denominated 2010 Series (7-yr.)	3.71%	Fixed	34,053	32,960
EUR-denominated 2010 Series (10-yr.)	4.24%	Fixed	50,938	49,442
TOTAL DEBT			**$ 242,540**	**$ 253,699**

BRADY

EBITDA Reconciliation – Total Company

EBITDA - Total Company

('000s of USD)

Brady is presenting EBITDA because it is used by many of our investors and lenders, and is presented as a convenience to them. EBITDA represents net earnings before interest expense, income taxes, depreciation, amortization and impairment charges. EBITDA is not a calculation based on generally accepted accounting principles ("GAAP"). The amounts included in the EBITDA calculation, however, are derived from amounts included in the Consolidated Statements of Earnings data. EBITDA should not be considered as an alternative to net earnings or operating income as an indicator of the Company's operating performance, or as an alternative to net cash provided by operating activities as a measure of liquidity. The EBITDA measure presented may not always be comparable to similarly titled measures reported by other companies due to differences in the components of the calculation.

	Fiscal 2016				
	Q1	Q2	Q3	Q4	Total
EBITDA from Continuing Operations:					
Earnings from continuing operations	$ 18,703	$ 15,290	$ 20,981		$ 54,974
Interest expense	2,151	2,130	1,838		6,119
Income taxes	8,489	5,177	8,686		22,352
Depreciation and amortization	8,889	8,613	7,394		24,896
EBITDA from Continuing Operations (non-GAAP measure)	$ 38,232	$ 31,210	$ 38,899		$ 108,341

	Fiscal 2015				
	Q1	Q2	Q3	Q4	Total
EBITDA from Continuing Operations:					
Earnings (loss) from continuing operations	$ 15,499	$ 11,584	$ 17,213	$ (39,394)	$ 4,902
Interest expense	2,891	3,000	2,503	2,762	11,156
Income taxes	8,906	2,438	5,003	3,746	20,093
Depreciation and amortization	10,123	9,943	11,415	7,977	39,458
Impairment charges	—	—	—	46,867	46,867
EBITDA from Continuing Operations (non-GAAP measure)	$ 37,419	$ 26,965	$ 36,134	$ 21,958	$ 122,476

Non-GAAP Reconciliations

Reconciliations of Non-GAAP Net Earnings from Continuing Operations

('000s of USD)

Brady is presenting the Non-GAAP measures "Net Earnings from Continuing Operations Excluding Certain Items" and "Net Earnings from Continuing Operations Per Diluted Class A Nonvoting Common Share Excluding Certain Items." These are not calculations based upon GAAP. The amounts included in these Non-GAAP measures 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 sustainable results. We believe these measures provide an important perspective of underlying business trends and results and provide more comparable measures from year to year. The tables below provide reconciliations of Net Earnings from Continuing Operations to Net Earnings from Continuing Operations Excluding Certain Items, and Net Earnings from Continuing Operations Per Diluted Class A Nonvoting Common Share to Net Earnings from Continuing Operations Per Diluted Class A Nonvoting Common Share Excluding Certain Items.

	Three Months Ended April 30,		Nine Months Ended April 30,	
	2016	2015	2016	2015
Net Earnings from Continuing Operations (GAAP measure)	$ 20,981	$ 17,213	$ 54,974	$ 44,296
Restructuring charges	-	3,198	-	9,585
Postretirement benefit plan curtailment gain	-	(2,792)	-	(2,792)
Net Earnings from Continuing Operations Excluding Certain Items (non-GAAP measure)	$ 20,981	$ 17,619	$ 54,974	$ 51,089

	Three Months Ended April 30,		Nine Months Ended April 30,	
	2016	2015	2016	2015
Net Earnings from Continuing Operations Per Diluted Class A Nonvoting Common Share (GAAP measure)	$ 0.42	$ 0.33	$ 1.08	$ 0.86
Restructuring charges	-	0.06	-	0.19
Postretirement benefit plan curtailment gain	-	(0.05)	-	(0.05)
Net Earnings from Continuing Operations Per Diluted Class A Nonvoting Common Share Excluding Certain Items (non-GAAP measure)	$ 0.42	$ 0.34	$ 1.08	$ 0.99