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

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## FORM 8-K

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### CURRENT REPORT

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

**Date of Report (Date of earliest event reported): September 4, 2024**

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

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**Commission File Number 1-14959**

| | |
|---|---|
| **Wisconsin** | **39-0178960** |
| **(State or other jurisdiction of incorporation or organization)** | **(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)**

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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 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 September 6, 2024, Brady Corporation (the "Company") issued a press release announcing its fiscal 2024 fourth 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 September 6, 2024, the Company hosted a conference call related to its fiscal 2024 fourth quarter financial results. A copy of the slides referenced in the conference call, which is also posted on the Company's website, is being furnished to the Securities and Exchange Commission as Exhibit 99.3 attached hereto and is incorporated herein by reference.

Item 8.01 OTHER EVENTS

*Increase in Annual Dividend*

On September 4, 2024, the Company's Board of Directors approved an increase in the annual cash dividend on its Class A Common Stock from $0.94 to $0.96 per share. A quarterly dividend in the amount of $0.24 per share will be paid on October 31, 2024 to shareholders of record as of the close of business on October 10, 2024. A copy of the press release regarding the dividend is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

*Share Repurchase Authorization*

On September 4, 2024, the Company's Board of Directors authorized an increase in the Company's share repurchase program, authorizing the repurchase of an additional $100.0 million of the Company's Class A Nonvoting Common Stock. The program may be implemented by purchasing shares in the open market or in privately negotiated transactions, with repurchased shares delivered to treasury and available for use in connection with the Company's stock-based plans and for other corporate purposes. The share repurchase program was described in a press release issued by the Company in connection with its fiscal 2024 fourth quarter financial results, which is attached hereto as Exhibit 99.1 and is incorporated by reference.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

| EXHIBIT NUMBER | DESCRIPTION |
|---|---|
| 99.1 | Press Release of Brady Corporation, dated September 6, 2024, relating to fourth quarter fiscal 2024 financial results. |
| 99.2 | Press Release of Brady Corporation, dated September 5, 2024, relating to increase in annual dividend. |
| 99.3 | Informational slides provided by Brady Corporation, dated September 6, 2024, relating to fourth quarter fiscal 2024 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: September 6, 2024

/s/ ANN E. THORNTON

Ann E. Thornton

Chief Financial Officer, Chief Accounting Officer and Treasurer

**EXHIBIT 99.1**

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

**Brady Corporation Reports Record EPS in its Fiscal 2024 Fourth Quarter, Expands its Share Buyback Program and Announces its Fiscal 2025 EPS Guidance**

- Diluted EPS increased 15.0 percent to a record high of $1.15 in the fourth quarter of fiscal 2024 compared to $1.00 in the same quarter of the prior year. Diluted EPS Excluding Certain Items* increased 14.4 percent to a record high of $1.19 in the fourth quarter of fiscal 2024 compared to $1.04 in the same quarter of the prior year.
- Gross profit margin increased to 51.6 percent in the fourth quarter of fiscal 2024 compared to 50.8 percent in the same quarter of the prior year.
- Net cash provided by operating activities increased to a record high of $255.1 million in fiscal 2024 compared to $209.1 million in fiscal 2023.
- On September 4, 2024, Brady's Board of Directors authorized an additional $100 million of shares for repurchase, which based on current share prices equates to approximately 1.5 million shares and approximately 3.0 percent of total outstanding shares.
- Diluted EPS guidance for the year ending July 31, 2025 was announced at a range of $4.15 to $4.45 on a GAAP basis, and a range of $4.40 to $4.70 on a non-GAAP basis.

MILWAUKEE (September 6, 2024) -- Brady Corporation (NYSE: BRC) ("Brady" or "Company"), a world leader in identification solutions, today reported its financial results for its fiscal 2024 fourth quarter ended July 31, 2024.

**Quarter Ended July 31, 2024 Financial Results:**

Sales for the quarter ended July 31, 2024 decreased 0.7 percent, which consisted of organic sales growth of 1.6 percent, a decrease of 0.8 percent from foreign currency translation and a decrease of 1.5 percent from divestitures. Sales for the quarter ended July 31, 2024 were $343.4 million compared to $345.9 million in the same quarter last year. By region, sales increased 0.4 percent in the Americas & Asia and decreased 3.0 percent in Europe & Australia, which consisted of organic sales growth of 3.4 percent in the Americas & Asia and an organic sales decline of 1.8 percent in Europe & Australia.

Income before income taxes increased 6.9 percent to $68.2 million for the quarter ended July 31, 2024, compared to $63.8 million in the same quarter last year. Income Before Income Taxes Excluding Certain Items* for the quarter ended July 31, 2024, which was adjusted for amortization expense of $2.3 million, was $70.5 million, an increase of 6.6 percent.

Net income for the quarter ended July 31, 2024 was $55.5 million compared to $49.4 million in the same quarter last year. Earnings per diluted Class A Nonvoting Common Share were $1.15 in the fourth quarter of fiscal 2024, compared to $1.00 in the same quarter last year. Net Income Excluding Certain Items* for the quarter ended July 31, 2024 was $57.3 million and Diluted EPS Excluding Certain Items* for the quarter ended July 31, 2024 was

$1.19. Net Income Excluding Certain Items* for the quarter ended July 31, 2023 was $51.2 million and Diluted EPS Excluding Certain Items* for the quarter ended July 31, 2023 was $1.04.

**Year Ended July 31, 2024 Financial Results:**

Sales for the year ended July 31, 2024 increased 0.7 percent, which consisted of organic sales growth of 2.6 percent, an increase of 0.2 percent from foreign currency translation and a decrease of 2.1 percent from divestitures. Sales for the year ended July 31, 2024 were $1.34 billion compared to $1.33 billion in the prior year. By region, sales decreased 0.3 percent in the Americas & Asia and increased 2.7 percent in Europe & Australia, which consisted of organic sales growth of 3.1 percent in the Americas & Asia and organic sales growth of 1.6 percent in Europe & Australia.

Income before income taxes increased 9.8 percent to $247.8 million for the year ended July 31, 2024, compared to $225.7 million for the year ended July 31, 2023. Income Before Income Taxes Excluding Certain Items* for the year ended July 31, 2024, which was adjusted for amortization expense of $9.4 million, was $257.3 million, an increase of 10.1 percent compared to the year ended July 31, 2023.

Net income for the year ended July 31, 2024 was $197.2 million compared to $174.9 million for the year ended July 31, 2023. Earnings per diluted Class A Nonvoting Common Share were $4.07 for the year ended July 31, 2024 compared to $3.51 in the same period last year. Net Income Excluding Certain Items* for the year ended July 31, 2024 was $204.5 million and Diluted EPS Excluding Certain Items* for the year ended July 31, 2024 was $4.22. Net Income Excluding Certain Items* for the year ended July 31, 2023 was $181.5 million, and Diluted EPS Excluding Certain Items* for the year ended July 31, 2023 was $3.64.

**Commentary:**

"This quarter, we once again reported record-high EPS, marking Brady's best earnings year ever. For the full year ended July 31, 2024, our GAAP EPS was $4.07, representing a 16.0 percent increase over the previous year's record," said Brady's President and CEO, Russell R. Shaller. "Both regions continue to perform well, with growth in organic sales and operating income. I'm excited about the innovative new products we have slated for launch in fiscal 2025. We also look forward to expanding our product offerings with the addition of direct part marking and laser engraving solutions, following our acquisition of Gravotech, which closed on August 1, 2024."

"In addition to our record EPS this quarter and this fiscal year, we also used our strong balance sheet and cash generation to return funds to our shareholders through share buybacks and increased dividends. This year, we repurchased a total of 1.3 million shares for $72.2 million, and returned another $45.1 million to our shareholders in the form of dividends," said Brady's Chief Financial Officer, Ann Thornton. "Our strong balance sheet provides us with opportunities to continue to invest in both organic growth and strategic acquisitions to increase shareholder value."

**Share Buyback Program:**

On September 4, 2024, Brady's Board of Directors authorized an additional $100 million of Class A Nonvoting Common Stock for repurchase under the Company's share buyback program. The share buyback program may be implemented from time to time in the open market or in privately negotiated transactions and has no expiration date.

**Fiscal 2025 Guidance:**

The Company expects GAAP earnings per diluted Class A Nonvoting Common Share to range from $4.15 to $4.45, which would be an increase of 2.0 percent to 9.3 percent over GAAP earnings per diluted Class A Nonvoting Common Share of $4.07 for the year ended July 31, 2024.

The Company also expects Diluted EPS Excluding Certain Items* to range from $4.40 to $4.70 for the year ending July 31, 2024, which would be an increase of 4.3 percent to 11.4 percent over Diluted EPS Excluding Certain Items* of $4.22 for the year ended July 31, 2024. Adjusted from this Diluted EPS Excluding Certain Items* guidance is amortization expense estimated at $0.25 per share for the year ending July 31, 2025.

Included in fiscal 2025 guidance are a full-year income tax rate of approximately 20 percent and depreciation and amortization expense ranging from $38 million to $40 million. Capital expenditures are expected to approximate $35 million. Fiscal 2025 guidance is based upon foreign currency exchange rates as of July 31, 2024 and assumes continued economic growth.

A webcast regarding Brady's fiscal 2024 fourth 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, 2024, employed approximately 5,700 people in its worldwide businesses. Brady's fiscal 2024 sales were approximately $1.34 billion. Brady stock trades on the New York Stock Exchange under the symbol BRC. More information is available on the Internet at www.bradyid.com.

* Income Before Income Taxes Excluding Certain Items, Net Income Excluding Certain Items, and Diluted EPS Excluding Certain Items are non-GAAP measures. See appendix for more information on these measures, including reconciliations to the most directly comparable GAAP measures.

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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," "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 raw materials and labor as well as material shortages and supply chain disruptions; 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; 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, 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.

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

| | Three months ended July 31, | | Year ended July 31, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Net sales | $ 343,402 | $ 345,929 | $ 1,341,393 | $ 1,331,863 |
| Cost of goods sold | 166,347 | 170,049 | 653,509 | 674,588 |
| Gross margin | 177,055 | 175,880 | 687,884 | 657,275 |
| Operating expenses: | | | | |
| Research and development | 17,533 | 16,340 | 67,748 | 61,365 |
| Selling, general and administrative | 93,307 | 97,495 | 376,722 | 370,697 |
| Total operating expenses | 110,840 | 113,835 | 444,470 | 432,062 |
| Operating income | 66,215 | 62,045 | 243,414 | 225,213 |
| Other income (expense): | | | | |
| Investment and other income | 2,835 | 2,426 | 7,553 | 4,022 |
| Interest expense | (842) | (653) | (3,126) | (3,539) |
| Income before income taxes | 68,208 | 63,818 | 247,841 | 225,696 |
| Income tax expense | 12,752 | 14,440 | 50,626 | 50,839 |
| Net income | $ 55,456 | $ 49,378 | $ 197,215 | $ 174,857 |
| Net income per Class A Nonvoting Common Share: | | | | |
| Basic | $ 1.17 | $ 1.01 | $ 4.10 | $ 3.53 |
| Diluted | $ 1.15 | $ 1.00 | $ 4.07 | $ 3.51 |
| Net income per Class B Voting Common Share: | | | | |
| Basic | $ 1.17 | $ 1.01 | $ 4.08 | $ 3.51 |
| Diluted | $ 1.15 | $ 1.00 | $ 4.05 | $ 3.49 |
| Weighted average common shares outstanding: | | | | |
| Basic | 47,595 | 49,099 | 48,119 | 49,591 |
| Diluted | 48,063 | 49,377 | 48,496 | 49,869 |

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

| | July 31, 2024 | July 31, 2023 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 250,118 | $ 151,532 |
| Accounts receivable, net of allowance for credit losses of $6,749 and $8,467, respectively | 185,486 | 184,420 |
| Inventories | 152,729 | 177,078 |
| Prepaid expenses and other current assets | 11,382 | 11,790 |
| Total current assets | 599,715 | 524,820 |
| Property, plant and equipment—net | 195,758 | 142,149 |
| Goodwill | 589,611 | 592,646 |
| Other intangible assets | 51,839 | 62,096 |
| Deferred income taxes | 15,596 | 15,716 |
| Operating lease assets | 38,504 | 29,688 |
| Other assets | 24,546 | 22,142 |
| Total | $ 1,515,569 | $ 1,389,257 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Accounts payable | $ 84,691 | $ 79,855 |
| Accrued compensation and benefits | 77,954 | 71,470 |
| Taxes, other than income taxes | 14,061 | 13,575 |
| Accrued income taxes | 7,424 | 12,582 |
| Current operating lease liabilities | 13,382 | 14,726 |
| Other current liabilities | 67,170 | 65,828 |
| Total current liabilities | 264,682 | 258,036 |
| Long-term debt | 90,935 | 49,716 |
| Long-term operating lease liabilities | 25,342 | 16,217 |
| Other liabilities | 67,952 | 74,369 |
| Total liabilities | 448,911 | 398,338 |
| Stockholders' equity: | | |
| Common stock: | | |
| Class A nonvoting common stock—Issued 51,261,487 shares, and outstanding 44,042,462 and 45,008,724 shares, respectively (aggregate liquidation preference of $42,716) | 513 | 513 |
| Class B voting common stock—Issued and outstanding, 3,538,628 shares | 35 | 35 |
| Additional paid-in capital | 353,654 | 351,771 |
| Retained earnings | 1,174,025 | 1,021,870 |
| Treasury stock—7,219,025 and 6,252,763 shares, respectively of Class A nonvoting common stock, at cost | (351,947) | (290,209) |
| Accumulated other comprehensive loss | (109,622) | (93,061) |
| Total stockholders' equity | 1,066,658 | 990,919 |
| Total | $ 1,515,569 | $ 1,389,257 |

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

| | Year ended July 31, | |
|---|---|---|
| | 2024 | 2023 |
| Operating activities: | | |
| Net income | $ 197,215 | $ 174,857 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 29,873 | 32,370 |
| Stock-based compensation expense | 7,361 | 7,508 |
| Gain on sale of business | — | (3,770) |
| Deferred income taxes | (9,399) | (12,472) |
| Other | 1,401 | (308) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (6,581) | 2,380 |
| Inventories | 21,697 | 14,972 |
| Prepaid expenses and other assets | (743) | (1,023) |
| Accounts payable and accrued liabilities | 19,198 | (9,459) |
| Income taxes | (4,948) | 4,094 |
| Net cash provided by operating activities | 255,074 | 209,149 |
| Investing activities: | | |
| Purchases of property, plant and equipment | (79,892) | (19,226) |
| Sale of business | — | 8,000 |
| Other | (1,155) | 12 |
| Net cash used in investing activities | (81,047) | (11,214) |
| Financing activities: | | |
| Payment of dividends | (45,060) | (45,404) |
| Proceeds from exercise of stock options | 8,186 | 4,091 |
| Payments for employee taxes withheld from stock-based awards | (2,797) | (2,041) |
| Purchase of treasury stock | (72,225) | (74,996) |
| Proceeds from borrowing on credit facilities | 175,103 | 127,660 |
| Repayment of borrowing on credit facilities | (133,884) | (172,944) |
| Other | 149 | 66 |
| Net cash used in financing activities | (70,528) | (163,568) |
| Effect of exchange rate changes on cash and cash equivalents | (4,913) | 3,096 |
| Net increase in cash and cash equivalents | 98,586 | 37,463 |
| Cash and cash equivalents, beginning of period | 151,532 | 114,069 |
| Cash and cash equivalents, end of period | $ 250,118 | $ 151,532 |
| Supplemental disclosures: | | |
| Cash paid during the period for: | | |
| Interest | $ 2,930 | $ 3,408 |
| Income taxes | 62,073 | 58,829 |

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

| | Three months ended July 31, 2024 | Three months ended July 31, 2023 | Year ended July 31, 2024 | Year ended July 31, 2023 |
|---|---|---|---|---|
| **NET SALES** | | | | |
| Americas & Asia | $ 228,493 | $ 227,482 | $ 886,528 | $ 888,857 |
| Europe & Australia | 114,909 | 118,447 | 454,865 | 443,006 |
| Total | $ 343,402 | $ 345,929 | $ 1,341,393 | $ 1,331,863 |
| **SALES INFORMATION** | | | | |
| ***Americas & Asia*** | | | | |
| Organic | 3.4 % | 5.6 % | 3.1 % | 4.4 % |
| Currency | (0.8)% | (0.2)% | (0.2)% | (0.9)% |
| Divestiture | (2.2)% | (1.0)% | (3.2)% | (0.3)% |
| Total | 0.4 % | 4.4 % | (0.3)% | 3.2 % |
| ***Europe & Australia*** | | | | |
| Organic | (1.8)% | 9.5 % | 1.6 % | 7.6 % |
| Currency | (1.2)% | 2.0 % | 1.1 % | (7.1)% |
| Total | (3.0)% | 11.5 % | 2.7 % | 0.5 % |
| ***Total Company*** | | | | |
| Organic | 1.6 % | 6.9 % | 2.6 % | 5.5 % |
| Currency | (0.8)% | 0.6 % | 0.2 % | (3.0)% |
| Divestiture | (1.5)% | (0.7)% | (2.1)% | (0.2)% |
| Total | (0.7)% | 6.8 % | 0.7 % | 2.3 % |
| **SEGMENT PROFIT** | | | | |
| Americas & Asia | $ 53,353 | $ 49,992 | $ 196,842 | $ 180,503 |
| Europe & Australia | 19,277 | 18,426 | 70,612 | 65,742 |
| Total | $ 72,630 | $ 68,418 | $ 267,454 | $ 246,245 |
| **SEGMENT PROFIT AS A PERCENT OF NET SALES** | | | | |
| Americas & Asia | 23.3 % | 22.0 % | 22.2 % | 20.3 % |
| Europe & Australia | 16.8 % | 15.6 % | 15.5 % | 14.8 % |
| Total | 21.2 % | 19.8 % | 19.9 % | 18.5 % |

| | Three months ended July 31, 2024 | Three months ended July 31, 2023 | Year ended July 31, 2024 | Year ended July 31, 2023 |
|---|---|---|---|---|
| Total segment profit | $ 72,630 | $ 68,418 | $ 267,454 | $ 246,245 |
| Unallocated amounts: | | | | |
| Administrative costs | (6,415) | (6,373) | (24,040) | (24,802) |
| Gain on sale of business | — | — | — | 3,770 |
| Investment and other income | 2,835 | 2,426 | 7,553 | 4,022 |
| Interest expense | (842) | (653) | (3,126) | (3,539) |
| Income before income taxes | $ 68,208 | $ 63,818 | $ 247,841 | $ 225,696 |

**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.

**Income Before Income Taxes Excluding Certain Items:**
Brady is presenting the non-GAAP measure, "Income 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 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 and losses of unconsolidated affiliate to the non-GAAP measure of Income Before Income Taxes Excluding Certain Items:

| | Three months ended July 31, | | Year ended July 31, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Income before income taxes (GAAP measure)** | $ 68,208 | $ 63,818 | $ 247,841 | $ 225,696 |
| Amortization expense | 2,337 | 2,389 | 9,421 | 11,739 |
| Gain on sale of business | — | — | — | (3,770) |
| **Income Before Income Taxes Excluding Certain Items (non-GAAP measure)** | **$ 70,545** | **$ 66,207** | **$ 257,262** | **$ 233,665** |

**Income Tax Expense Excluding Certain Items:**
Brady is presenting the non-GAAP measure, "Income Tax Expense 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 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 Income Tax Expense Excluding Certain Items:

| | Three months ended July 31, | | Year ended July 31, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Income tax expense (GAAP measure)** | $ 12,752 | $ 14,440 | $ 50,626 | $ 50,839 |
| Amortization expense | 540 | 553 | 2,182 | 2,756 |
| Gain on sale of business | — | — | — | (1,431) |
| **Income Tax Expense Excluding Certain Items (non-GAAP measure)** | **$ 13,292** | **$ 14,993** | **$ 52,808** | **$ 52,164** |

**Net Income Excluding Certain Items:**
Brady is presenting the non-GAAP measure, "Net Income 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 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 Net Income Excluding Certain Items:

| | Three months ended July 31, | | Year ended July 31, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Net income (GAAP measure)** | $ 55,456 | $ 49,378 | $ 197,215 | $ 174,857 |
| Amortization expense | 1,797 | 1,836 | 7,239 | 8,983 |
| Gain on sale of business | — | — | — | (2,339) |
| **Net Income Excluding Certain Items (non-GAAP measure)** | **$ 57,253** | **$ 51,214** | **$ 204,454** | **$ 181,501** |

**Diluted EPS Excluding Certain Items:**

Brady is presenting the non-GAAP measure, "Diluted EPS 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. 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 Diluted EPS Excluding Certain Items:

| | Three months ended July 31, | | Year ended July 31, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Net income per Class A Nonvoting Common Share (GAAP measure)** | $ 1.15 | $ 1.00 | $ 4.07 | $ 3.51 |
| Amortization expense | 0.04 | 0.04 | 0.15 | 0.18 |
| Gain on sale of business | — | — | — | (0.05) |
| **Diluted EPS Excluding Certain Items (non-GAAP measure)** | **$ 1.19** | **$ 1.04** | **$ 4.22** | **$ 3.64** |

**Diluted EPS Excluding Certain Items Guidance:**

| | Fiscal 2025 Expectations | |
|---|---|---|
| | Low | High |
| **Earnings per Class A Nonvoting Common Share (GAAP measure)** | $ 4.15 | $ 4.45 |
| Amortization expense | 0.25 | 0.25 |
| **Diluted EPS Excluding Certain Items (non-GAAP measure)** | **$ 4.40** | **$ 4.70** |

**EXHIBIT 99.2**

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

**Brady Corporation increases its dividend to shareholders for the 39th consecutive year**

MILWAUKEE (September 5, 2024) -- On September 4, 2024, Brady Corporation's (NYSE: BRC) Board of Directors approved an increase in the annual dividend to shareholders of the Company's Class A Common Stock from $0.94 per share to $0.96 per share. A quarterly dividend to shareholders of the Company's Class A Common Stock of $0.24 per share will be paid on October 31, 2024, to shareholders of record at the close of business on October 10, 2024. This dividend represents the 39th consecutive annual increase in dividends.

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, 2023, employed approximately 5,600 people in its worldwide businesses. Brady's fiscal 2023 sales were approximately $1.33 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.

###

# Brady Corporation

## F’24 Q4 Financial Results

September 6, 2024

# 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 raw materials and labor as well as raw material shortages and supply chain disruptions; 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.

## Q4 F'24 Highlights

| | |
|---|---|
| **Improved GPM** | ► GPM of 51.6% compared to 50.8% in Q4 of F'23.<br>► Healthy gross profit margins indicative of Brady's high value-add. |
| **Record GAAP & Non-GAAP EPS** | ► GAAP EPS of $1.15 was up 15.0% over Q4 of last year.<br>► Diluted EPS Excluding Certain Items* increased 14.4% to $1.19 in Q4 of F'24 compared to $1.04 in Q4 of F'23. |
| **Regional Results** | ► Americas & Asia segment profit increased 6.7%.<br>► Europe & Australia segment profit increased 4.6%. |

## Full-Year F'24 Highlights

| | |
|---|---|
| **Record GAAP & Non-GAAP EPS** | ► GAAP EPS was up 16.0% in F'24 to an all-time high of $4.07.<br>► Diluted EPS Excluding Certain Items* was up 15.9% to an all-time high of $4.22. |
| **Returned $117.3M to our Shareholders** | ► Purchased 1.3M shares in F'24 (approx. 3% of diluted shares).<br>► Paid dividends of $45.1M and announced our 39th consecutive year of dividend increases. |
| **F'25 EPS Guidance** | ► F'25 GAAP EPS guidance of $4.15 - $4.45 (increase of 2.0% to 9.3% over F'24).<br>► F'25 Diluted EPS Excluding Certain Items* guidance of $4.40 - $4.70 (increase of 4.3% to 11.4% over F'24). |

* Diluted EPS Excluding Certain Items is a non-GAAP measure. See appendix.

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# Sales Overview

**SALES** (millions of USD)


| | Q1 F'21 | Q2 F'21 | Q3 F'21 | Q4 F'21 | Q1 F'22 | Q2 F'22 | Q3 F'22 | Q4 F'22 | Q1 F'23 | Q2 F'23 | Q3 F'23 | Q4 F'23 | Q1 F'24 | Q2 F'24 | Q3 F'24 | Q4 F'24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Organic Growth (Decline) | (4.9%) | (6.3%) | 6.5% | 12.6% | 7.0% | 13.1% | 9.0% | 9.0% | 6.9% | 6.3% | 1.9% | 6.9% | 2.7% | 1.6% | 4.5% | 1.6% |

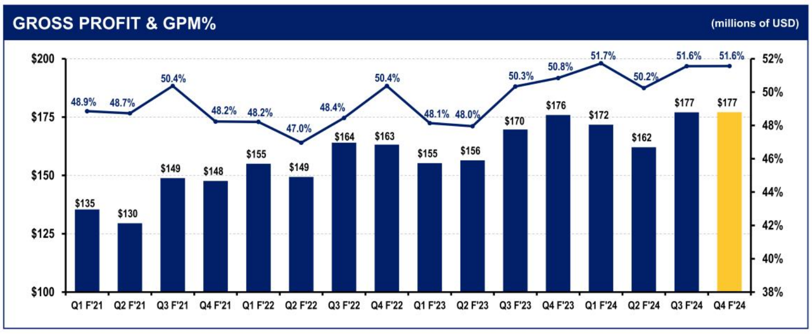
### Q4 F'24 SALES:

- Total sales decreased 0.7%.
- Organic sales increased 1.6%.
  - Americas & Asia – Organic sales increased 3.4%.
  - Europe & Australia – Organic sales decreased 1.8%.
- Foreign currency translation decreased sales 0.8%.
- Divestitures decreased sales 1.5%.

### Q4 F'24 SALES COMMENTARY:

- Organic sales were up 2.3% in the Americas with growth in all major product lines.
- Asia organic sales were up 12.3% with growth in all countries offsetting a decline in organic sales in China.
- Organic sales were down 2.1% in Europe primarily due to a decline in product identification.
- Australia organic sales were up 0.4%.

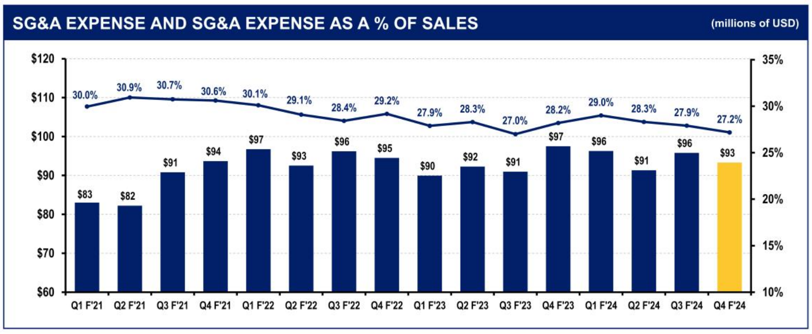
# Gross Profit Margin




**Q4 F’24 – GROSS PROFIT MARGIN:**

- Gross profit margin of 51.6% compared to 50.8% in Q4 of F’23.
- Organic sales growth from higher gross profit margin products and reduced input costs resulted in increased gross profit margin in Q4 of F’24.
- Inflation continues, but we are experiencing a reduced rate of inflation in most geographies.

# SG&A Expense




**Q4 F'24 – SG&A EXPENSE:**

- SG&A expense was 27.2% of sales compared to 28.2% of sales in the same quarter last year. Excluding non-GAAP* items from both periods, SG&A expense was 26.5% of sales compared to 27.5% of sales in the same quarter last year.
- Inflation continues in certain geographies. We continue to focus on executing sustainable efficiency gains in order to offset cost increases, while making the necessary investments to drive future sales growth.

* See appendix for non-GAAP measures.

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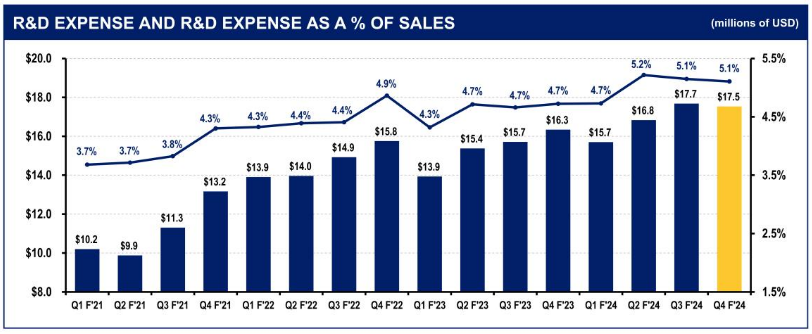
# R&D Expense




**Q4 F'24 – R&D EXPENSE:**

- We remain committed to our investments in R&D in order to drive consistent, long-term sales growth.
- We are focused on ensuring that our R&D spend is both efficient and effective.

# Income Before Income Taxes

**INCOME BEFORE INCOME TAXES (GAAP)** (millions of USD)


**Q4 F'24 – INCOME BEFORE INCOME TAXES:**

- GAAP Income before income taxes was up 6.9% to $68.2M in Q4 of F'24 compared to $63.8M in Q4 of F'23.
- GAAP Income before income taxes as a percentage of sales improved 150 basis points to 19.9% in Q4 of F'24 compared to 18.4% in Q4 of F'23.
- Excluding non-GAAP* items from both periods, income before income taxes was up 6.6% to $70.5M in Q4 of F'24 compared to $66.2M in Q4 of F'23.

* Income Before Income Taxes Excluding Certain Items is a non-GAAP measure. See appendix.

# Net Income & Diluted EPS

**NET INCOME (GAAP)** (millions of USD)


**DILUTED EPS (GAAP)**


**Q4 F’24 – NET INCOME & DILUTED EPS:**

- GAAP Net Income was $55.5M in Q4 of F’24 compared to $49.4M in Q4 of F’23 (an increase of 12.3%).
  - Net Income Excluding Certain Items* was $57.3M in Q4 of F’24 compared to $51.2M in Q4 of F’23 (an increase of 11.8%).
- GAAP Diluted EPS was $1.15 in Q4 of F’24 compared to $1.00 in Q4 of F’23 (an increase of 15.0%).
  - Diluted EPS Excluding Certain Items* was $1.19 in Q4 of F’24 compared to $1.04 in Q4 of F’23 (an increase of 14.4%).

* Net Income Excluding Certain Items and Diluted EPS Excluding Certain Items are non-GAAP measures. See appendix.

# Cash Generation

**CASH FLOW FROM OPERATING ACTIVITIES** (millions of USD)


| (millions of USD) | 3 Mos. Ended Jul. 31, 2024 | 3 Mos. Ended Jul. 31, 2023 | 12 Mos. Ended Jul. 31, 2024 | 12 Mos. Ended Jul. 31, 2023 |
|---|---|---|---|---|
| **Cash Balance - Beginning of Period** | **$ 160.5** | **$ 135.0** | **$ 151.5** | **$ 114.1** |
| Cash Flow from Operating Activities | 84.0 | 79.3 | 255.1 | 209.1 |
| Capital Expenditures | (10.7) | (6.3) | (79.9) | (19.2) |
| Dividends | (11.2) | (11.2) | (45.1) | (45.4) |
| Share Repurchases | - | (45.2) | (72.2) | (75.0) |
| Proceeds from Sale of Business | - | - | - | 8.0 |
| Debt Borrowings / (Repayments) | 27.2 | (1.1) | 41.2 | (45.3) |
| Effect of Exchange Rates on Cash | (2.1) | 1.1 | (4.9) | 3.1 |
| Other | 2.4 | 0.0 | 4.4 | 2.1 |
| **Cash Balance - End of Period** | **$ 250.1** | **$ 151.5** | **$ 250.1** | **$ 151.5** |

**CASH FLOWS IN Q4 OF F'24:**

**Overview:**

- Cash flow from operating activities was $84.0M in Q4 of F'24 vs. $79.3M in Q4 of F'23. F'24 cash flow from operating activities was up 22.0% to $255.1M from $209.1M in F'23.
- Free cash flow* was $73.2M in Q4 of F'24 compared to $73.0M in Q4 of F'23.

**Returning Funds to our Shareholders:**

In F'24, we returned a total of $117.3M to our shareholders in the form of dividends and share buybacks.

- **Dividends** – Increased our annual dividend for the 39th consecutive year.
- **Share Buybacks** – Repurchased 1.3M shares in F'24 for $72.2M (average price of $56.16/share).

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

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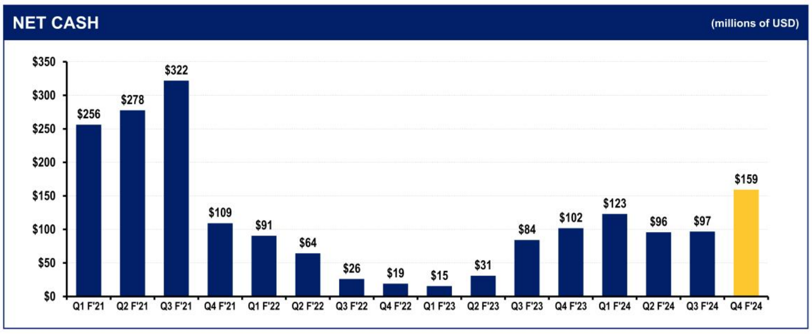
# Net Cash






**STRONG BALANCE SHEET:**

- July 31, 2024 cash = $250.1M.
- July 31, 2024 debt = $90.9M.
- Balance sheet provides flexibility for future organic and inorganic investments.

# F'24 Financial Summary

| *(millions of USD)* | Year Ended July 31, 2024 | 2023 | Change |
|---|---|---|---|
| **Sales** | **$ 1,341.4** | **$ 1,331.9** | **0.7%** |
| *Organic Sales Growth* | *2.6%* | *5.5%* | |
| **Gross Margin** | **687.9** | **657.3** | **4.7%** |
| *% of Sales* | *51.3%* | *49.4%* | |
| Research and Development | (67.7) | (61.4) | **10.4%** |
| Selling, General and Administrative | (376.7) | (370.7) | **1.6%** |
| *% of Sales* | *(28.1%)* | *(27.8%)* | |
| **Operating Income** | **243.4** | **225.2** | **8.1%** |
| Other Income (Expense) | 4.4 | 0.5 | |
| **Income Before Income Taxes** | **$ 247.8** | **$ 225.7** | **9.8%** |
| **Net Income** | **$ 197.2** | **$ 174.9** | **12.8%** |
| **Diluted EPS** | **$ 4.07** | **$ 3.51** | **16.0%** |
| **Non-GAAP Measures:** | | | |
| Net Income Excluding Certain Items* | $ 204.5 | $ 181.5 | 12.6% |
| Diluted EPS Excluding Certain Items* | $ 4.22 | $ 3.64 | 15.9% |

| | | |
|---|---|---|
| **Net Cash Position** | **$ 159.2** | **$ 101.8** |

* Net Income Excluding Certain Items and Diluted EPS Excluding Certain Items are non-GAAP measures. See appendix.

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# F’25 Diluted EPS Guidance



| | |
|---|---|
| **GAAP Diluted EPS** | **$4.15 to $4.45** (+2.0% to +9.3%) |
| **F’25 Diluted EPS, Excluding Certain Items*** | **$4.40 to $4.70** (+4.3% to +11.4%) |

**Guidance Assumptions:**

- Organic sales growth in the low-single digit percentages.
- The only difference between GAAP Diluted EPS and Diluted EPS, Excluding Certain Items* guidance is the impact of amortization expense of approximately $0.25 per share.
- Full-year income tax rate of approximately 20%.
- Foreign currency exchange rates as of July 31, 2024.
- Depreciation and amortization expense of $38M to $40M.
- Capital expenditures of approximately $35M.

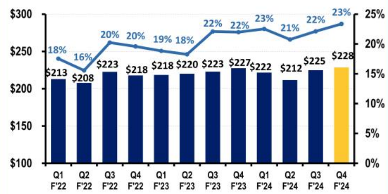
* Diluted EPS Excluding Certain Items is a non-GAAP measure. See appendix.

# Americas & Asia

## Q4 F'24 vs. Q4 F'23
(millions of USD)

| | Q4 F'24 | Q4 F'23 | Change |
|---|---|---|---|
| Sales | $ 228.5 | $ 227.5 | 0.4% |
| Segment Profit | 53.4 | 50.0 | + 6.7% |
| Segment Profit % | 23.3% | 22.0% | + 130 bps |

## SALES & SEGMENT PROFIT %
(millions of USD)




| | Q1 F'22 | Q2 F'22 | Q3 F'22 | Q4 F'22 | Q1 F'23 | Q2 F'23 | Q3 F'23 | Q4 F'23 | Q1 F'24 | Q2 F'24 | Q3 F'24 | Q4 F'24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Organic | 9.3% | 13.9% | 9.2% | 9.1% | 4.0% | 6.9% | 1.2% | 5.6% | 3.3% | 1.2% | 4.5% | 3.4% |
| For. Curr. | 0.9% | - | (0.1%) | (1.0%) | (1.4%) | (1.0%) | (0.8%) | (0.2%) | - | 0.1% | (0.1%) | (0.8%) |
| Acq. & Div. | 8.3% | 8.1% | 8.6% | 2.8% | - | - | (0.3%) | (1.0%) | (1.9%) | (5.1%) | (3.5%) | (2.2%) |

## Q4 F'24 SUMMARY:

- Revenues increased 0.4% in Q4 of F'24:
  - Organic growth = + 3.4%.
  - Fx decrease = (0.8%).
  - Divestiture = (2.2%).
- Organic sales grew 2.3% in the Americas, with organic growth in product ID, wire ID and safety and facility ID product lines, partially offset by declines in people ID and healthcare ID product lines.
- Organic sales grew 12.3% in Asia; growth throughout the region more than offset an organic sales decline in China.
- Growth in segment profit due to organic sales growth in higher gross margin product lines, which was partially offset by additional investment in sales and research & development resources.

## OUTLOOK:

- Organic sales growth in the low-single digit percentages in F'25.
- Continued growth in segment profit.

# Europe & Australia

## Q4 F'24 vs. Q4 F'23 (millions of USD)

| | Q4 F'24 | Q4 F'23 | Change |
|---|---|---|---|
| Sales | $ 114.9 | $ 118.4 | (3.0%) |
| Segment Profit | 19.3 | 18.4 | + 4.6% |
| Segment Profit % | 16.8% | 15.6% | + 120 bps |

## SALES & SEGMENT PROFIT % (millions of USD)


| | Q1 F'22 | Q2 F'22 | Q3 F'22 | Q4 F'22 | Q1 F'23 | Q2 F'23 | Q3 F'23 | Q4 F'23 | Q1 F'24 | Q2 F'24 | Q3 F'24 | Q4 F'24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Organic | 2.6% | 11.7% | 8.5% | 8.8% | 12.8% | 5.2% | 3.4% | 9.5% | 1.4% | 2.5% | 4.4% | (1.8%) |
| For. Curr. | 0.6% | (5.8%) | (8.2%) | (13.9%) | (17.0%) | (8.9%) | (4.8%) | 2.0% | 4.6% | 2.0% | (0.6%) | (1.2%) |
| Acquisitions | 8.2% | 9.6% | 8.7% | 1.8% | - | - | - | - | - | - | - | - |

## Q4 F'24 SUMMARY:

- Revenues decreased 3.0% in Q4 of F'24:
  - Organic decline = (1.8%).
  - Fx decrease = (1.2%).
- Organic sales declined 2.1% in Europe, primarily due to declines in the product ID and safety and facility ID product lines.
- Organic sales grew 0.4% in Australia primarily due to growth in the wire ID and product ID product lines, partially offset by declines in the safety and facility ID and people ID product lines.
- Segment profit increased primarily due to improved gross profit margins resulting from product mix and reductions in freight expenses.

## OUTLOOK:

- Organic sales growth in the low-single digit percentages in F'25.
- Continued growth in segment profit.

# 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.

**Income Before Income Taxes Excluding Certain Items:**
Brady is presenting the non-GAAP measure, "Income 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 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 Income Before Income Taxes Excluding Certain Items:

| | Three months ended July 31, | | Year ended July 31, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Income before income taxes (GAAP measure)** | $ 68,208 | $ 63,818 | $ 247,841 | $ 225,696 |
| Amortization expense | 2,337 | 2,389 | 9,421 | 11,739 |
| Gain on sale of business | - | - | - | (3,770) |
| **Income Before Income Taxes Excluding Certain Items (non-GAAP measure)** | **$ 70,545** | **$ 66,207** | **$ 257,262** | **$ 233,665** |

**Income Tax Expense Excluding Certain Items:**
Brady is presenting the non-GAAP measure, "Income Tax Expense 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 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 Income Tax Expense Excluding Certain Items:

| | Three months ended July 31, | | Year ended July 31, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Income tax expense (GAAP measure)** | $ 12,752 | $ 14,440 | $ 50,626 | $ 50,839 |
| Amortization expense | 540 | 553 | 2,182 | 2,756 |
| Gain on sale of business | - | - | - | (1,431) |
| **Income Tax Expense Excluding Certain Items (non-GAAP measure)** | **$ 13,292** | **$ 14,993** | **$ 52,808** | **$ 52,164** |

# 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.

**Net Income Excluding Certain Items:**
Brady is presenting the non-GAAP measure, "Net Income 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 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 Net Income Excluding Certain Items:

| | Three months ended July 31, | | Year ended July 31, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Net income (GAAP measure)** | $ 55,456 | $ 49,378 | $ 197,215 | $ 174,857 |
| Amortization expense | 1,797 | 1,836 | 7,239 | 8,983 |
| Gain on sale of business | - | - | - | (2,339) |
| **Net Income Excluding Certain Items (non-GAAP measure)** | **$ 57,253** | **$ 51,214** | **$ 204,454** | **$ 181,501** |

**Diluted EPS Excluding Certain Items:**
Brady is presenting the non-GAAP measure, "Diluted EPS 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. 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 Diluted EPS Excluding Certain Items (Note that certain amounts will not foot due to rounding):

| | Three months ended July 31, | | Year ended July 31, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Net income per Class A Nonvoting Common Share (GAAP measure)** | $ 1.15 | $ 1.00 | $ 4.07 | $ 3.51 |
| Amortization expense | 0.04 | 0.04 | 0.15 | 0.18 |
| Gain on sale of business | - | - | - | (0.05) |
| **Diluted EPS Excluding Certain Items (non-GAAP measure)** | **$ 1.19** | **$ 1.04** | **$ 4.22** | **$ 3.64** |

| **Diluted EPS Excluding Certain Items Guidance:** | Fiscal 2025 Expectations | |
|---|---|---|
| | Low | High |
| **Earnings per diluted Class A Common Share (GAAP measure)** | $ 4.15 | $ 4.45 |
| Amortization expense | 0.25 | 0.25 |
| **Diluted EPS Excluding Certain Items (non-GAAP measure)** | **$ 4.40** | **$ 4.70** |