Brady Corporation
F’16 Q4 Financial Results

September 9, 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.

Q4 F’16 Financial Summary

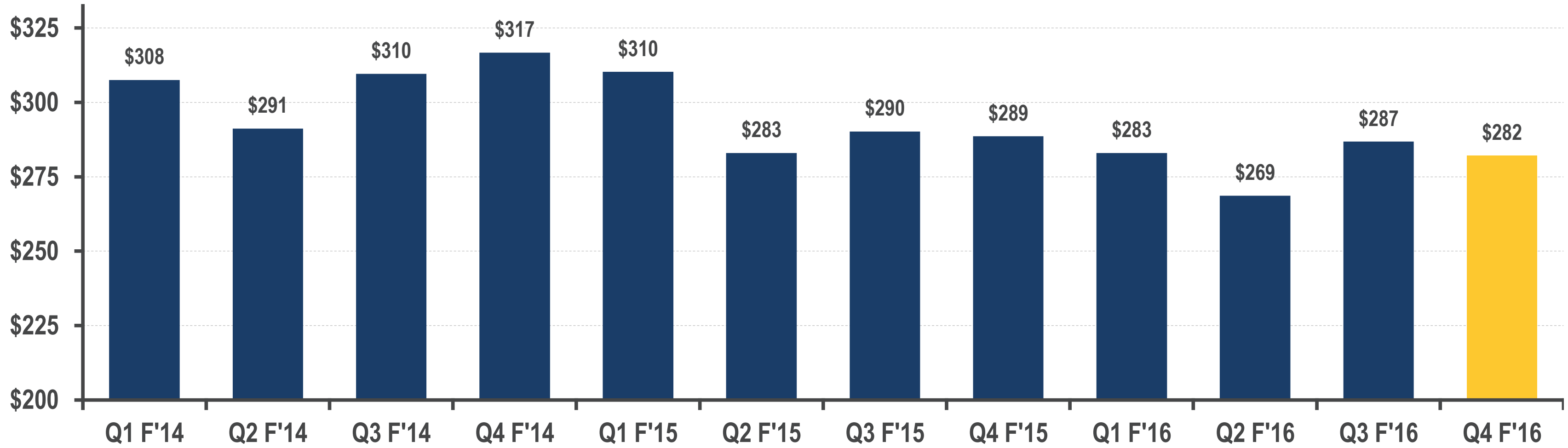
- **Sales down 2.3% to $282.1M in Q4 of F’16 vs. $288.6M in Q4 of F’15.**
  - Organic sales decreased 0.9%. Foreign currency translation reduced sales by 1.4%.
- **Gross profit margin of 50.0% in Q4 of F’16 compared with 44.7% in Q4 of F’15.**
- **SG&A expense of $98.4M (34.9% of sales) in Q4 of F’16 compared with $102.9M (35.7% of sales) in Q4 of F’15.**
- **Net earnings of $25.1M in Q4 of F’16 compared with a GAAP loss from continuing operations of $(39.4M) and non-GAAP earnings* of $14.4M in Q4 of F’15.**
- **Net earnings per Class A Diluted Nonvoting Share of $0.49 in Q4 of F’16, compared to a Net loss from continuing operations per Class A Diluted Nonvoting Share of $(0.77) in Q4 of F’15 and non-GAAP Earnings per Share* of $0.28 in Q4 of F’15.**
- **Net cash provided by operating activities of $40.4M in Q4 of F’16 compared with $40.6M in Q4 of F’15.**

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

Sales Overview

SALES

(millions of USD)



	Q1 F'14	Q2 F'14	Q3 F'14	Q4 F'14	Q1 F'15	Q2 F'15	Q3 F'15	Q4 F'15	Q1 F'16	Q2 F'16	Q3 F'16	Q4 F'16
Organic Sales Growth	(2.1%)	(1.1%)	2.5%	1.1%	2.4%	1.4%	1.7%	(1.2%)	(2.2%)	0.4%	(0.1%)	(0.9%)

Q4 F'16 SALES:

- (0.9%) organic sales decline:
  - ID Solutions – Organic sales decline of (0.2%).
  - Workplace Safety – Organic sales decline of (2.7%).
- (1.4%) decrease due to currency translation.

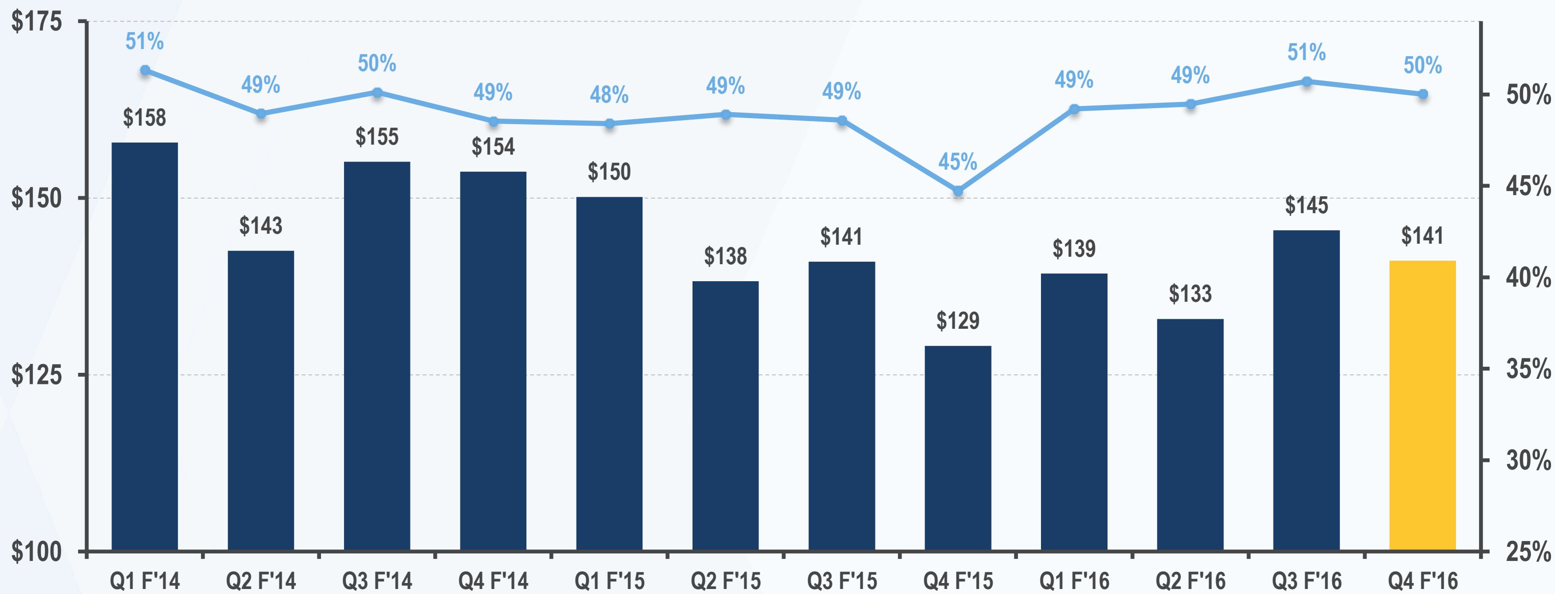
Q4 F'16 SALES COMMENTARY:

- Our European businesses in both IDS and WPS performed well, with continued organic sales growth in Q4 and for the full year ended July 31, 2016.
- Challenges persist in the Americas and Australia where organic sales declined vs. Q4 of F'15.
- Foreign currency translation headwinds persist.

Gross Profit Margin

GROSS PROFIT & GPM%

(millions of USD)



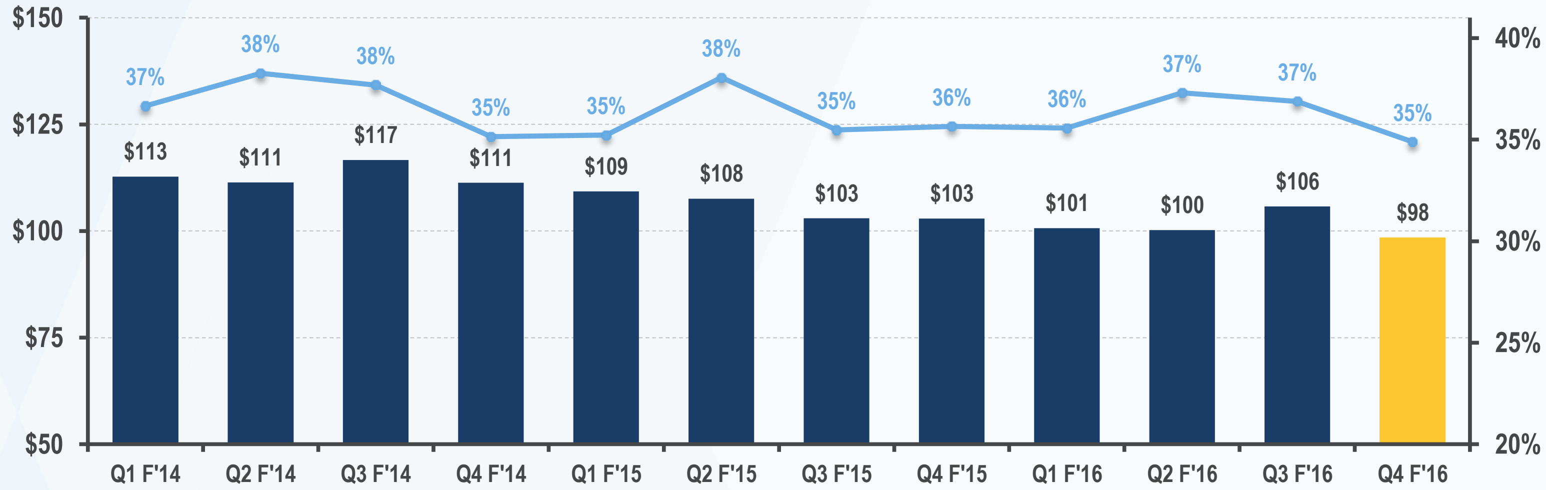
GROSS PROFIT MARGIN COMMENTARY:

- GPM of 50.0% in Q4 of F’16 compared with 44.7% in Q4 of F’15 and 50.7% in Q3 of F’16.
- GPM in Q4 of F’15 was impacted by facility consolidation-related costs and other non-routine charges.
- On-going operational improvements are positively impacting profitability.

SG&A Expense

SG&A and SG&A% of SALES

(millions of USD)



SG&A EXPENSE:

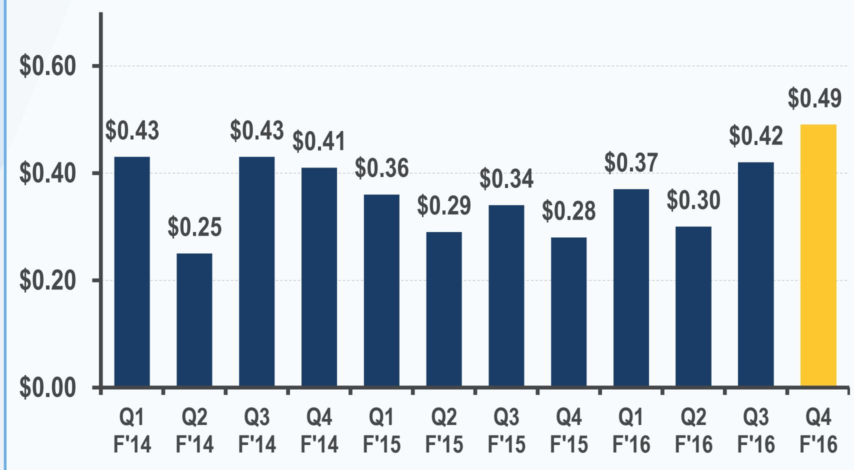
- SG&A expense was down $4.5M to $98.4M in Q4 of F’16 compared to $102.9M in Q4 of F’15.
- Approximately half of the decline in SG&A expense was caused by the strengthening of the U.S. dollar against other major currencies and the remaining half was due to efficiency gains.

Net Earnings & EPS

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*



Q4 F’16 – NET EARNINGS:

- Q4 F’16 net earnings were $25.1M compared to Non-GAAP net earnings* of $14.4M in Q4 of F’15.
- Increase in earnings driven by improved gross profit margins, efficiencies in operating expenses, and a lower tax rate.

Q4 F’16 – EPS

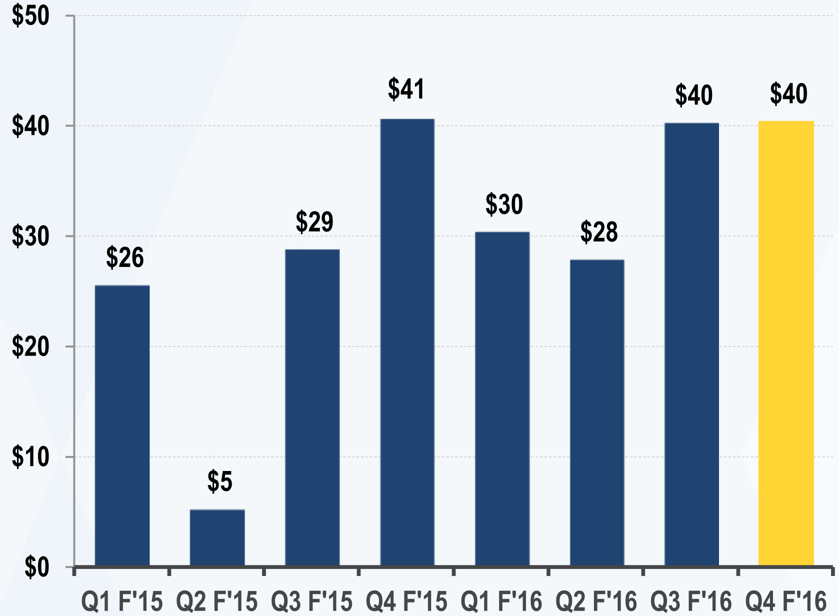
- Q4 F’16 Diluted EPS was $0.49 compared to GAAP EPS of $(0.77) and Non-GAAP EPS* of $0.28 in Q4 of F’15.
- The income tax rate was 21.5% during the quarter ended July 31, 2016. If the income tax rate approximated our historical corporate average of 28%, EPS would have been reduced by $0.04.

* 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 Jul. 31, 2016	3 Mos. Ended Jul. 31, 2015
Cash Balance - Beginning of Period	**$ 141.6**	**$ 100.5**
Cash Flow from Operating Activities	40.4	40.6
Capital Expenditures	(9.7)	(3.1)
Dividends	(10.2)	(10.3)
Debt Repayments - Net	(24.3)	(13.6)
Effect of Exchange Rate on Cash	(0.5)	(4.4)
Other	3.9	4.8
Cash Balance - End of Period	**$ 141.2**	**$ 114.5**

CASH FLOWS IN Q4 OF F'16:

- Cash flow from operating activities was $40.4M in Q4 of F'16 compared to $40.6M in Q4 of F'15.
- Free cash flow* was $30.8M in Q4 of F'16 compared to $37.5 in Q4 of F'15.
- Returned $10.2M to our shareholders in the form of dividends in Q4 of F'16.
- Repaid $24.3M in debt in Q4 of F'16 compared to repayments of $13.6M in Q4 of F'15.

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

Net Debt & EBITDA

NET DEBT

(millions of USD)

NET DEBT / TTM EBITDA*

STRONG BALANCE SHEET:

- July 31, 2016 Cash = $141.2M, Debt = $216.9M (net debt = $75.7M), and TTM EBITDA = $149.6M.
- Net Debt/EBITDA* = 0.5 to 1.
- Net debt declined by $63.5M from July 31, 2015 to July 31, 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’17 Guidance

F’17 Diluted EPS	**$1.55 to $1.70**

Guidance Assumptions:

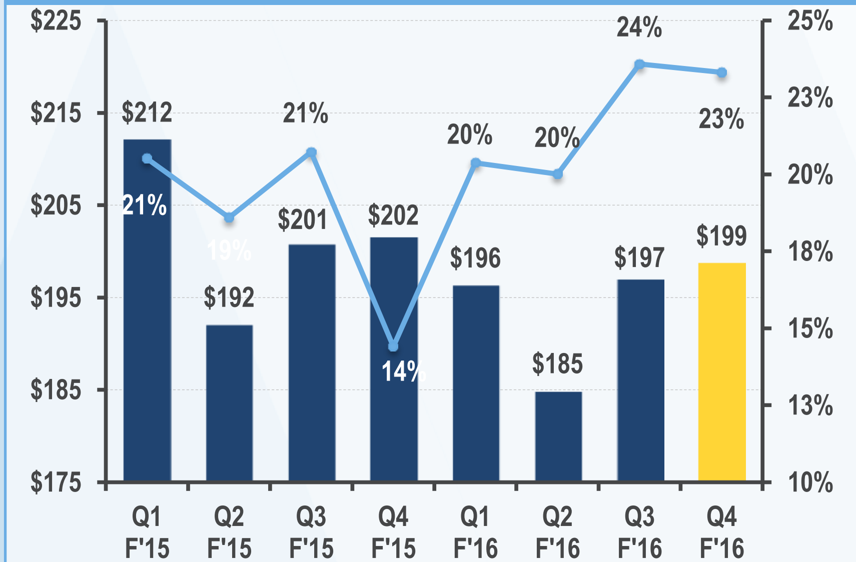
- Low single digit organic sales declines to slight organic growth.
- Foreign currency exchange rates consistent with those as of July 31, 2016.
- Full-year depreciation and amortization expense of approximately $30M.
- Full-year income tax rate of 27% to 29%.
- Full-year capital expenditures of approximately $25M.

Identification Solutions

Q4 F'16 vs. Q4 F'15 PERFORMANCE (millions of USD)

	Q4 F'16	Q4 F'15	Change
Sales	$ 198.7	$ 201.6	- 1.4%
Segment Profit	46.3	29.0	+ 59.5%
Segment Profit %	23.3%	14.4%	+ 8.9 pts

SALES & SEGMENT PROFIT % (millions of USD)



Q4 F'16 SUMMARY:

- Revenues down (1.4%):
  - Organic = -(0.2%)
  - Fx = -(1.2)%
- Organic sales growth in Europe-based business.
- Organic sales decline in the Americas.
- Segment profit as a percent of sales increased as a result of ongoing operational improvements and the management of operating expenses.
- Non-routine charges of $7.4M recognized in Q4 of F'15 significantly reduced segment profit.
- There were no non-routine charges in Q4 of F'16.

OUTLOOK:

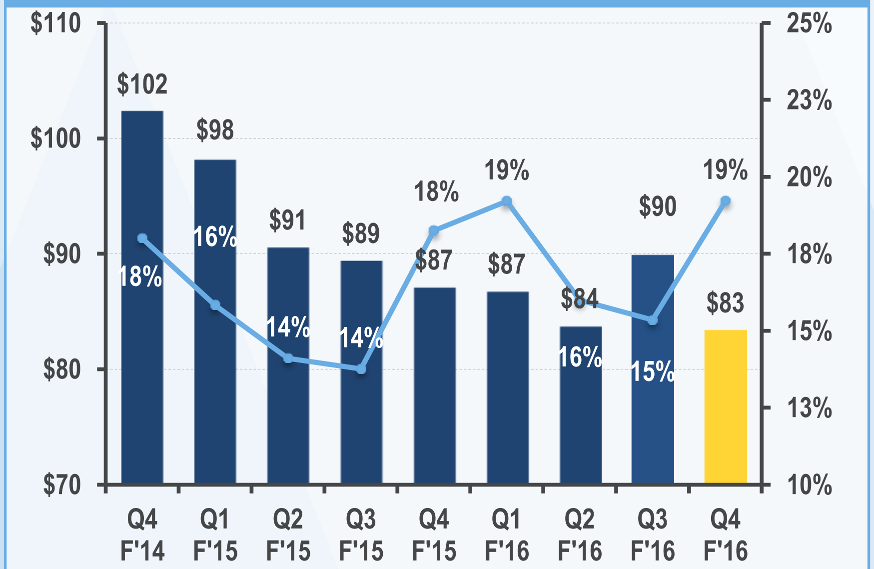
- Expect low-single digit organic sales declines to slight organic growth in F'17.
- Expect segment profit to be in the low 20% of sales range in F'17.

Workplace Safety

Q4 F'16 vs. Q4 F'15 PERFORMANCE (millions of USD)

	Q4 F'16	Q4 F'15	Change
Sales	$ 83.4	$ 87.1	- 4.3%
Segment Profit	16.0	15.9	+ 0.8%
Segment Profit %	19.2%	18.2%	+ 1.0 pts

SALES & SEGMENT PROFIT % (millions of USD)



Q4 F'16 SUMMARY:

- Revenues decreased 4.3%:
  - Organic = - (2.7)%
  - Fx = -(1.6)%
- Continued increase in revenues in Europe offset by a mid-single digit decline in the U.S. and a high-single digit decline in Australia.
- Digital sales are improving as we are starting to see the payback from investments this year.
- Segment profit of 19.2% is an improvement compared to the prior year of 18.2% due to efficiencies in catalog advertising and other selling expenses.

OUTLOOK:

- Expect low-single digit organic sales declines to slight organic growth in F'17.
- Expect segment profit to continue to be in the upper teens as a % of sales in F'17.

Future Financial Performance

F'16	Expectation Exiting F'18
Organic Sales Growth: Below GDP Organic Growth	**Organic Sales Growth**: GDP+
GPM: 49.9%	**GPM**: 51% - 52%
SG&A: 36.1% of sales	**SG&A**: 33.5% - 34.5%
EPS: $1.58/share	**EPS**: $2.00/share

Organic Revenue Drivers:

- Unrivaled customer service.
- Renewed R&D focus.
- Integrated solutions and technologies creating smarter products.
- E-business / Digital.
- Ability to achieve financial targets is contingent upon our ability to increase organic sales to at least GDP.

Gross Margin Drivers:

- Minimize inefficiencies in our manufacturing facilities.
- Product rationalization and business simplification.
- Expected on-going pricing challenges.
- Significant strides were made in improving gross margins in F'16.

SG&A Drivers:

- Decentralized operating philosophy, with standardized processes.
- Simplified and streamlined organization.
- Cost structure alignment of under-performing businesses.
- Savings to come slower than gross profit margin improvements.

EPS Drivers:

- Double-digit net earnings CAGR.
- Superior cash flow with disciplined and patient cash deployment expected to enhance shareholder value through dividends and share buybacks.

BRADY

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 July 31,		
	2016	2015	Change
Sales	**$ 282.1**	**$ 288.6**	**$ (6.5)**
Gross Margin	**141.1**	**129.1**	**12.0**
% of Sales	*50.0%*	*44.7%*	
Research and Development	(9.3)	(9.2)	(0.1)
Selling, General and Admin.	(98.4)	(103.0)	4.6
% of Sales	*(34.9%)*	*(35.7%)*	*(0.8) pts*
Impairment Charges	-	(46.9)	46.9
Restructuring Charges	-	(2.8)	2.8
Operating Income	**33.4**	**(32.8)**	**66.2**
Interest and Other	(1.4)	(2.9)	1.5
Income Taxes	(6.9)	(3.7)	(3.2)
Earnings from Continuing Operations	**$ 25.1**	**$ (39.4)**	**$ 64.5**
% of Sales	*8.9%*	*(13.7%)*	*22.5 pts*
Earnings from Continuing Operations per Class A Nonvoting Common Share	**$ 0.49**	**$ (0.77)**	**$ 1.26**
Net Earnings from Continuing Operations, Excluding Certain Items (Non-GAAP measure)*	**$ 25.1**	**$ 14.4**	**$ 10.7**
% of Sales	*8.9%*	*5.0%*	*3.9 pts*
Net Earnings from Continuing Operations Per Class A Diluted Nonvoting Share, Excluding Certain Items (Non-GAAP measure)*	**$ 0.49**	**$ 0.28**	**$ 0.21**

Debt Structure

('000s of USD)

	Interest Rate		July 31, 2016 Balance		July 31, 2015 Balance	
Revolver Borrowings:						
USD-denominated	1.31%	Variable	$	112,000	$	102,000
China Borrowings:						
USD & CNY-denominated notes payable	4.00%	Variable		4,928		10,411
Private Placements:						
USD-denominated 2006 Series	5.30%	Fixed		-		26,143
USD-denominated 2007 Series	5.33%	Fixed		16,334		32,743
EUR-denominated 2010 Series (7-yr.)	3.71%	Fixed		33,510		32,960
EUR-denominated 2010 Series (10-yr.)	4.24%	Fixed		50,138		49,442
TOTAL DEBT			**$**	**216,910**	**$**	**253,699**

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	$ 25,136	$ 80,110
Interest expense	2,151	2,130	1,838	1,705	7,824
Income taxes	8,489	5,177	8,686	6,883	29,235
Depreciation and amortization	8,889	8,613	7,394	7,536	32,432
EBITDA from Continuing Operations (non-GAAP measure)	$ 38,232	$ 31,210	$ 38,899	$ 41,260	$ 149,601

	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 July 31,		Twelve months ended July 31,	
	2016	2015	2016	2015
Net Earnings (Loss) from Continuing Operations (GAAP measure)	$ 25,136	$ (39,394)	$ 80,110	$ 4,902
Restructuring charges	-	2,158	-	11,743
Impairment charges	-	46,867	-	46,867
Other non-routine charges	-	4,757	-	4,757
Postretirement benefit plan curtailment gain	-	-	-	(2,792)
Net Earnings from Continuing Operations Excluding Certain Items (non-GAAP measure)	$ 25,136	$ 14,388	$ 80,110	$ 65,477

	Three months ended July 31,		Twelve months ended July 31,	
	2016	2015	2016	2015
Net Earnings (Loss) from Continuing Operations Per Diluted Class A Nonvoting Common Share (GAAP measure)	$ 0.49	$ (0.77)	$ 1.58	$ 0.10
Restructuring charges	-	0.04	-	0.23
Impairment charges	-	0.91	-	0.91
Other non-routine charges	-	0.09	-	0.09
Postretirement benefit plan curtailment gain	-	-	-	(0.05)
Net Earnings from Continuing Operations Per Diluted Class A Nonvoting Common Share Excluding Certain Items (non-GAAP measure)	$ 0.49	$ 0.28	$ 1.58	$ 1.27