

MSA Safety Incorporated
Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures
Local Currency Revenue Growth (Unaudited)

	Three Months Ended December 31, 2015			
	Consolidated	North America	Europe	International
Local currency revenue growth, excluding Latchways	4 %	10 %	— %	(4)%
Latchways acquisition	4 %	1 %	9 %	2 %
Local currency revenue growth	<u>8 %</u>	<u>11 %</u>	<u>9 %</u>	<u>(2)%</u>
FX translation	(7)%	(1)%	(12)%	(13)%
GAAP reported revenue growth	<u>1 %</u>	<u>10 %</u>	<u>(3)%</u>	<u>(15)%</u>
	Twelve Months Ended December 31, 2015			
	Consolidated	North America	Europe	International
Local currency revenue growth, excluding Latchways	7 %	12 %	4 %	(2)%
Latchways acquisition	1 %	— %	3 %	1 %
Local currency revenue growth	<u>8 %</u>	<u>12 %</u>	<u>7 %</u>	<u>(1)%</u>
FX translation	(8)%	(1)%	(16)%	(13)%
GAAP reported revenue growth	<u>— %</u>	<u>11 %</u>	<u>(9)%</u>	<u>(14)%</u>

Management believes that local currency revenue growth is a useful metric for investors, as foreign currency translation can have a material impact on revenue growth trends. Local currency revenue growth highlights ongoing business performance excluding the impact of fluctuating foreign currencies, which is outside of management's control. There can be no assurances that MSA's definition of local currency revenue growth is consistent with that of other companies. As such, management believes that it is appropriate to consider both revenue growth determined on a GAAP basis as well as local currency revenue growth.

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Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures
Adjusted Operating Margin (Unaudited)
(In thousands, except percentages)

	Three Months Ended December 31, 2015			Twelve Months Ended December 31, 2015		
	As Reported	Adjustments*	Non-GAAP	As Reported	Adjustments*	Non-GAAP
Net sales	\$ 313,318	\$ —	\$ 313,318	\$1,130,783	\$ —	\$1,130,783
Cost of products sold	179,308	(1,713)	177,595	629,680	(1,713)	627,967
Selling, general and administrative	83,587	(6,755)	76,832	315,270	(7,462)	307,808
Research and development	12,200	—	12,200	48,630	—	48,630
Operating income	38,223	6,755	46,691	137,203	7,462	146,378
Operating margin	<u>12.2%</u>		<u>14.9%</u>	<u>12.1%</u>		<u>12.9%</u>

**Adjustment to cost of sales reflects amortization of purchase accounting adjustments related to the Latchways acquisition. Adjustment to selling, general and administrative expense reflects non-recurring transaction and integration costs.*

Management believes that adjusted operating margin is useful for investors, as it reflects operating margin from ongoing operations. Amortization of purchase accounting adjustments is a non-cash expense associated with the Latchways acquisition. Transaction and integration costs are non-recurring and not representative of MSA's normalized profitability trends. There can be no assurances that MSA's definition of adjusted operating margin is consistent with that of other companies. As such, management believes that it is appropriate to consider both operating margin determined on a GAAP basis as well as adjusted operating margin.

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Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures
Adjusted Earnings / Earnings per Share (Unaudited)
(In thousands, except per share amounts)

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2015	2014	% Change	2015	2014	% Change
Income from continuing operations attributable to MSA Safety Inc.	\$ 20,840	\$ 33,119	(37.1)%	\$ 69,590	\$ 87,447	(20.4)%
Nonrecurring tax charges associated with European reorganization	—	—		7,605	—	
Non-deductible transaction costs	2,172	—		2,879	—	
Subtotal	23,012	33,119		80,074	87,447	
Restructuring and other charges	7,560	2,118		12,258	8,515	
Deductible transaction costs	4,583	—		4,583	—	
Asset related loss (gain), net	1,098	(1,731)		1,636	(2,116)	
Self-insured legal settlements and defense costs	(69)	1,607		982	3,893	
Currency exchange (gains) losses, net	(1,132)	1,151		2,204	1,509	
Income tax expense on adjustments	(3,492)	(997)		(6,792)	(3,812)	
Adjusted earnings	31,560	35,267	(10.5)%	94,945	95,436	(0.5)%
Adjusted earnings per diluted share	\$ 0.84	\$ 0.93	(9.7)%	\$ 2.52	\$ 2.53	(0.4)%

Management believes that adjusted earnings and adjusted earnings per share are useful measures for investors when analyzing ongoing operating trends. There can be no assurances that additional special items will not occur in future periods, nor that MSA's definition of adjusted earnings is consistent with that of other companies. As such, management believes that it is appropriate to consider both net income determined on a GAAP basis as well as adjusted earnings.

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 Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures
 Free Cash Flow (Unaudited)
 (In thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2015	2014	2015	2014
Cash from operations	\$ 45,424	\$ 56,229	\$ 55,254	\$ 107,031
Capital expenditures	(11,093)	(9,350)	(36,241)	(33,583)
Free cash flow	<u>\$ 34,331</u>	<u>\$ 46,879</u>	<u>\$ 19,013</u>	<u>\$ 73,448</u>

Management believes that free cash flow is a meaningful measure for investors. Management reviews cash from operations after deducting capital expenditures because these expenditures are necessary to promote growth of MSA's business and are likely to produce cash from operations in future periods. It is important to note that free cash flow does not reflect the residual cash balance of the company for discretionary spending since other items, including debt and dividend payments, are deducted from free cash flow before arriving at the company's ending cash balance.

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 Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures
 Debt to EBITDA / Net Debt to EBITDA (Unaudited)
 (In thousands)

	Twelve Months Ended December 31, 2015
Net income attributable to MSA Safety Incorporated	70,807
Provision for income taxes	44,407
Interest expense	10,854
Depreciation and amortization	31,684
Other non-cash expenses	19,557
Non-cash restructuring expenses	5,300
Costs related to acquisition	7,462
EBITDA	190,071
Total end-of-period debt	466,627
Debt to EBITDA	2.46
Total end-of-period debt	466,627
Total end-of-period cash and cash equivalents	105,925
Net debt	360,702
Net Debt to EBITDA	1.90

EBITDA is a non-GAAP financial measure. MSA defines this measure as net income attributable to the Company, excluding interest, taxes, depreciation and amortization, non-cash charges including pension expense and stock-based compensation, non-cash restructuring charges and costs related to the acquisition of Latchways. Management believes this information is useful for investors to analyze profitability trends of the Company. EBITDA, as defined herein, may not be comparable to similarly titled measures reported by other companies. Furthermore, this performance measure does not take into account certain significant items that directly affect net income. EBITDA should be considered in addition to GAAP measures such as net income.

Debt to EBITDA ratio is a non-GAAP measure defined as total long term debt and debt maturing within one year divided by EBITDA, as reconciled above. Net Debt to EBITDA removes cash and cash equivalents from the Company's debt balance. These ratios are frequently used by investors and credit agencies and management believes these measures provide relevant and useful information.