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MSA.N - Q1 2024 MSA Safety Inc Earnings Call

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OVERVIEW:

Company Summary

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PRESENTATION

Operator

Good day, and welcome to the MSA Safety First Quarter 2024 Earnings Conference Call. (Operator Instructions) Please note this event is being recorded.

I would now like to turn the conference over to Chris Hepler. Please go ahead.

Chris Hepler - MSA Safety Incorporated - Executive Director of Corporate Development

Thank you. Good morning, and welcome to MSA's First Quarter 2024 Earnings Conference Call. This is Chris Hepler, Executive Director of Corporate Development.

I'm joined by Nish Vartanian, Chairman and CEO; Steve Blanco, President and COO; Lee McChesney, Senior Vice President and CFO; and Stephanie Sciuillo, President of our Americas segment. Larry De Maria, who we recently announced as Executive Director of Investor Relations, is also with us this morning. During today's call, we will discuss MSA's first quarter financial results and provide an update on our full year 2024 outlook.

On Slide two, I'd like to remind everyone that matters discussed during this call may include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, all projections and anticipated levels of future performance.

Forward-looking statements involve a number of risks, uncertainties and other factors that may cause our actual results to differ materially from those discussed today. These risks, uncertainties and other factors are detailed in our SEC filings. MSA Safety undertakes no duty to publicly update any forward-looking statements made on this call, except as required by law.

Turning to Slide 3. We have included certain non-GAAP financial measures as part of our discussion this morning. The non-GAAP reconciliations are available in the appendix of today's presentation. The presentation and press release are available on our Investor Relations website at investors.msasafety.com.

I'd now like to turn the call over to Nish Vartanian. Nish?

Nishan J. Vartanian - *MSA Safety Incorporated - Chairman & CEO*

Thanks, Chris, and good morning, everyone. As you're aware, on February 22, we announced a CEO succession plan. On May 10, I'll be turning over the CEO role to my colleague, Steve Blanco. I'm thrilled the Board has selected Steve to the role following a rigorous multiyear succession planning process.

Many of you know Steve already. But for those of you who don't, Steve is an outstanding leader with deep expertise in MSA's business and our industry. He's passionate about MSA's mission and values. And he puts the customer at the center of everything we do. Steve and I have worked closely together since he joined the Company in 2012. He's been an invaluable partner over this time. And together, we have significantly improved the performance of MSA.

As we enter the 110th year of our great company, MSA has never been in a better position. With this foundation of strength and resilience, I have the utmost confidence in Steve's ability to lead MSA and continue the momentum we've achieved together to drive value for all stakeholders in the years ahead.

With that, let me turn it over to Steve to take you through the quarter. Steve?

Steven C. Blanco - *MSA Safety Incorporated - President, COO & Director*

Thank you, Nish, and good morning, everyone. First, I want to thank Nish and our Board of Directors for their trust and confidence in me to lead MSA Safety and our more than 5,000 associates around the world. The work done over the past several years executing our strategy has helped transform MSA into a higher growth, higher margin and more efficient company.

As Nish said, our company has never been stronger or positioned better for the future. As we move forward, we will continue to leverage our scale, brand and customer-centric innovation to drive profitable growth. Our leadership team and I are devoted to serving our customers in support of our singular mission of safety.

On behalf of my fellow MSA associates, I want to thank Nish for his significant contributions, leadership and dedicated years of service. He's always demonstrated a passion for our mission, our associates and our customers. Nish has been instrumental in transforming MSA into the company it is today. I'm energized to build on this momentum as we enter the next phase of profitable growth. And I look forward to sharing more details with you at our upcoming Investor Day on May 22nd.

As you'll see on Slide four, MSA is a purpose-driven growth company with a unique mission, that men and women may work in safety and that they, their families and their communities may live in health throughout the world. This mission has remained the same throughout MSA's 110-year history. As the safety company, we are committed to advancing our mission and helping our customers address their safety needs. Safety continues to be an attractive market with long-term growth tailwinds. Our customers around the world remain focused on enhancing their safety programs. And we strive to be their partner of choice.

Innovation and customer-centricity are at the heart of everything we do. We have a proven process that brings to life unique solutions that help solve our customers' toughest safety challenges. As a result, we have established strong positions around the world in Firefighter Safety, Detection and Industrial PPE products and solutions.

We will continue to deliver market-leading innovation complemented by inorganic growth, as you've seen in the past from us, to help us better serve our customers. And our team will leverage the MSA Business System to continually drive enhanced performance in all we do.

Now let's look at our Q1 performance on Slide five. We're off to a solid start this year, sustaining the positive momentum from our record 2023. The team executed well and delivered sales growth of four percent and earnings growth of 18 percent. Backlog in the quarter continues to be slightly elevated, specifically in detection and industrial PPE due to certain supply chain challenges. The operating environment remains dynamic and the team did a good job of navigating these challenges to continue delivering solutions to our customers.

Moving on to our product categories. Sales in Firefighter Safety were strong, up double digits in the quarter. We saw strength across our head-to-toe firefighter solutions and delivered on the remaining SCBA units for the initial U.S. Air Force order we received last year.

The fire service market continues to be resilient and the environment for funding around the world is healthy. We recently attended the Fire Department International Conference in Indianapolis and it was a pleasure to engage with our customers, channel partners and our MSA fire service team.

We just launched an exciting new product, the Cairns 1836 Fire Helmet, which incorporates customer feedback regarding comfort, weight, ergonomics and cleanability. It was great to see the enthusiastic response to this helmet as well as our broad range of firefighter products and solutions.

Our sales in Detection and Industrial PPE were down mid-single digits in the quarter. Although order activity was healthy, our conversion was slow due to supply chain issues, which were more pronounced in our shorter-cycle products, including portable gas detection and fall protection. We finished the quarter with higher backlog in both Detection and Industrial PPE. While the supply chain continues to be volatile, we're working closely with our suppliers and remain confident in our path forward.

We continue to build out our Detection portfolio with innovative new products. In fixed gas and flame detection, we recently launched the FL5000, which has the latest advanced infrared sensors and leverages computer learnings to enhance performance and responsiveness. This is an exciting addition to our flame detection lineup. In portable gas detection, we continue to see accelerating momentum with our io4 ALTAIR Gas Detector, which is now available in over 60 countries.

As I wrap up, I want to highlight the resiliency of our business, which continues to benefit from the broad diversity of our products, geographies and markets. With attractive industry fundamentals, our proven innovation process and leading positions in our markets, I'm excited by our future. I believe we have the best team in the industry. And with our mindset around continuous improvement and our commitment to MBS, we are well positioned to create value over the long-term for our stakeholders.

Before wrapping up, I want to thank all of our MSA associates who work diligently every single day to deliver on our mission and serve our customers. With that, I'll now turn the call over to Lee to review our first quarter results and outlook. Lee?

Lee B. McChesney - MSA Safety Incorporated - Senior VP, CFO & Treasurer

Thank you, Steve, and good morning, everyone. We appreciate you joining the call today. I will now review our performance in the first quarter and provide an update on our full year outlook.

Let's get started on Slide six with quarterly results. Sales were \$413 million, an increase of four percent over the prior year with balanced contributions from volume and price. Currency translation added one point to overall growth. Across our product categories, Firefighter Safety was a strong contributor to growth, up double digits and was partially offset by declines in Detection and Industrial PPE.

And from a regional perspective, sales in our more developed markets, including North America and EMEA, saw solid year-over-year growth while sales in Latin America and APAC were softer, resulting from a contract renewal timing with a customer in Latin America and a slower recovery in China.

Orders were healthy in the quarter. Our order pace accelerated each month in the first quarter. And so far in April, orders are up high single digits over the prior year and our commercial pipeline is encouraging across our product categories and the majority of our regions. In the quarter, our book-to-bill was 1x. Backlog grew sequentially, specifically in Detection and Industrial PPE categories, due to supply chain issues. We expect backlog to normalize by the end of the year.

Now moving on to margins. Our margin performance continues to be very robust. And our team's commitment to MBS is clear from our results. Gross profit margin in the quarter was 47.3 percent, up 180 basis points over the prior year. Operating margin on a GAAP basis was 19.4 percent

in the quarter. Adjusted operating margin was 21.3 percent, up 190 basis points over the prior year. And incremental operating margin was 71 percent. Margin expansion was largely driven by volume leverage, productivity and price/cost management.

GAAP net income was \$58 million or \$1.47 per diluted share. On an adjusted basis, diluted earnings per share were \$1.61, up 18 percent over the prior year. The increase was primarily due to higher operating profit and lower nonoperating expenses.

Now moving on to our segment performance. In our Americas segment, sales increased five percent year-over-year with double-digit growth in Firefighter Safety, partially offset by Declines in detection and Industrial PPE. Adjusted operating margin was 29.2% percent, up 360 basis points compared to the prior year period. Margin expansion was largely driven by volume leverage, productivity and pricing.

In our International segment, growth was flat year-over-year. Our EMEA region delivered mid-single-digit growth, which was offset by declines in our APAC region, where we continue to see slower market conditions in China. Currency translation was a one percent benefit in the quarter. Adjusted operating margin was 11.5 percent, a decline of 190 basis points year-over-year. And margin was impacted by unfavorable geographic mix and inflationary pressures.

Now turning to Slide seven. Free cash flow in the quarter was \$40 million, representing a conversion rate of 62 percent of adjusted earnings. Free cash flow conversion was impacted by normal working capital seasonality and tax and compensation payments. Our robust financial position and strong free cash flow generation provides us optionality to reinvest in our business and enhance our portfolio going forward while continuing to return excess capital to our shareholders.

We invested \$11 million in CapEx, including investments in our Morocco and Mexico facilities to improve efficiencies. We also repaid \$5 million of debt and returned \$18 million in dividends to shareholders. Net debt at the end of the quarter was \$448 million and cash was \$148 million. Our net leverage ratio at quarter end was 1x. Adjusted EBITDA for the trailing 12 months ended March 31 was \$461 million or 25.6 percent of net sales.

Now I'd like to move on to our full year outlook on Slide eight. While we're off to a solid start in 2024, we continue to take a very balanced approach as we look to the remainder of the year. The resilient and improving order trends throughout the quarter and a strong commercial pipeline support our full year outlook.

We continue to carry some excess backlog and expect normalization will now occur by the end of the year. Broad diversification across products, geographic regions, end markets, along with the attractive underlying market trends in the safety industry, gives us the confidence in executing on our growth commitment this year. Tempering our view is the challenging operating environment in certain regions and industrial end markets.

As I look forward to full year 2024, we reiterate our sales outlook of mid-single-digit growth, which compounds on top of the 17 percent growth we delivered in 2023. We remain well positioned and are steadfastly focused on delivering our financial commitments and creating sustainable value for our shareholders. On that note, we are energized to host our Investor Day in New York via webcast on May 22, where we will provide an in-depth review of our business, strategy and financial objectives.

As I wrap up today, my final prepared remarks are for Nish. Congratulations to you as you conclude your management career at MSA. You've made a tremendous impact on our Company, customers and associates. Thank you. I appreciate your guidance, support and partnership over the past two years. I wish you all the best in your retirement and look forward to our ongoing partnership with you serving on our Board of Directors.

I will now turn the call back to Nish for his concluding remarks.

Nishan J. Vartanian - MSA Safety Incorporated - Chairman & CEO

Thank you, Lee. Let's advance to Slide nine. After 39 years at MSA and six years in the CEO role, my retirement comes after a very detailed succession planning process with our Board. MSA continues to demonstrate excellent performance and has a strong foundation in place with our talent, innovation and scale to continue advancing our mission and delivering strong results. I look forward to still being part of the MSA team as I continue to serve as a member of the company's Board of Directors.

I'm tremendously thankful for the support of our associates, our Board and the investment community during my tenure as CEO. It has been an absolute privilege leading MSA, serving our customers and developing MSA's next generation of leaders. I'm incredibly proud of our progress on accelerating innovation, growth and margin performance. This has resulted in significant value creation for our stakeholders. And today, MSA is a high-performing, purpose-driven growth company.

I had the pleasure of working alongside Steve and this leadership team. And I'm confident in their ability to continue the strong momentum that we've achieved together. I know MSA will be in excellent hands with Steve at the helm.

And with that, I'll now turn the call back to the operator for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) The first question is from Stanley Elliott with Stifel.

Stanley Elliott - *Stifel, Nicolaus & Company, Incorporated, Research Division - VP & Analyst*

Congratulations on the nice start to the year. Could you guys help us maybe a little bit with the cadence? I mean, the mid-single digits seem very doable. Is there something kind of segment-wise you could point us to, kind of given how strong the fire piece was and maybe some of the supply chain issues you saw in some of the other businesses?

Nishan J. Vartanian - *MSA Safety Incorporated - Chairman & CEO*

Steve, why don't you take that?

Steven C. Blanco - *MSA Safety Incorporated - President, COO & Director*

Yes. So, if you look at it, I guess, I'd start with Q1. And we were pleased overall, as we said in the prepared remarks, with how the quarter went. I think what's really nice for us is we looked month-over-month, it continued to get better from a demand perspective. And we know that the industrial markets are a little bit mixed so that wasn't a surprise to us.

And it probably will remain that way on the short-cycle business. We don't have as much visibility there. But where we do have visibility, which is the Detection business and Fire Service, we feel really good. The fundamentals are good and the pipeline is very solid. So that gives us some really good confidence as we look throughout the remainder of the year.

Stanley Elliott - *Stifel, Nicolaus & Company, Incorporated, Research Division - VP & Analyst*

And in terms of kind of International margins, certainly making a lot of nice progress here, did take a bit of a step down. It sounds like it might have been mix. But just curious kind of if that was the case, should we still think about this business as a mid-teen EBIT business? Or any color there, I guess, would be great.

Nishan J. Vartanian - *MSA Safety Incorporated - Chairman & CEO*

Lee, why don't you take that?

Lee B. McChesney - *MSA Safety Incorporated - Senior VP, CFO & Treasurer*

Yes. Stanley, I was expecting that question, so happy you asked. So growth is definitely a bit mixed, as Steve and I highlighted. You have a situation where International growth is doing pretty well in Europe and Middle East. But you do have a bit of a headwind in Asia, particularly with China. So that's what we've experienced the last couple of quarters. But as we look forward, we still think some of those trends will continue. But you do have a little bit a comp difference as well, so we do think International will move into a bit more mid-single-digit growth like we've talked about for the year.

Margins for the quarter were pressured because of some of those supply chain issues. We kind of grew in the lower margin portion of it so that definitely affected it. And there was a little bit of inflationary pressures as well. So, as we look forward, I mean, International hasn't changed because of what happened in the first quarter here and coming out of the fourth quarter. We still think this is a mid-single-digit growth business. We've talked about we've progressed with margins. I think you're going to see that step up from what you just saw in the first quarter. That naturally happens just because of the change in dollars running through the quarter.

And then we have put a price increase in place. There's good productivity in mind there. So, it's more of the same. I mean, I'll link it back to what Steve said. Our outlook for the year hasn't changed. We had to manage a little of these supply chain things that hurt us later in the first quarter, caused a little bit of pain in the beginning of the second quarter here. But in the end, our outlook for the year is the same, just maybe a little bit of a subtle change between the first half and second half.

Stanley Elliott - *Stifel, Nicolaus & Company, Incorporated, Research Division - VP & Analyst*

Perfect, guys. And Nish, congratulations on your retirement and best wishes to you, and I look forward to seeing everybody here in a couple of weeks.

Nishan J. Vartanian - *MSA Safety Incorporated - Chairman & CEO*

Thanks, Stanley.

Operator

The next question is from Rob Mason with Baird.

Robert W. Mason - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

I want to relay my congratulations to you, Nish, as well. It's a great run. And congratulations, Steve, also.

Steven C. Blanco - *MSA Safety Incorporated - President, COO & Director*

Thanks, Rob.

Robert W. Mason - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Just maybe to go back to the order pace, you said it picked up sequentially as you went through the quarter. I think at the last update, we were talking about mid-single-digit growth in orders at that point. Is that basically where the order rate shook out for the quarter? Or I'm just curious maybe what the comparisons look like just on that front.

Nishan J. Vartanian - *MSA Safety Incorporated - Chairman & CEO*

Go ahead, Steve.

Steven C. Blanco - *MSA Safety Incorporated - President, COO & Director*

Yes, I think we started off a little softer than that, Rob, in the first part of the quarter and then that accelerated throughout the quarter. So, we ended up in a pretty good space overall. Mainly if we looked at the business, I'd even parse it down regionally, the Americas business accelerated a little faster than International.

But the pipeline that International has and where the team is at and what they expect to start showing up into this quarter and next quarter will come out even more clearly. So, it looks pretty good and April has turned out really nice. So, just what we kind of expected to have happened has kind of played out.

Lee B. McChesney - *MSA Safety Incorporated - Senior VP, CFO & Treasurer*

I would just probably say the book-to-bill is a solid one. As we always say, don't overreact to any quarter, right? I think we'll see something similar like that play out in the second quarter. Fourth quarter was a negative book-to-bill because that's what normally happens in the fourth quarter.

But to Steve's point, orders have been in a good place. We've seen almost every week over the last now two, three months to be in the mid-single-digit, if not higher, zone. We do run into some large comps as we go through the year. So, for example, March of last year, we had a price increase announced for April and we also booked a large L.A. win.

So, we just navigate that daily business and then obviously have some of these comps that we've said all year will be our challenge. So, if you look at the first quarter, four percent growth, 20 percent growth in the first quarter last year, I'll take that two year stack any day, Rob.

Robert W. Mason - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Sure, sure. And then just could you put a little more color around the supply chain challenges? I mean, is it still kind of the same things we've talked about in the past? Is it more components and chips related in the Detection business or just a little feel for what you actually are dealing with at this point?

Steven C. Blanco - *MSA Safety Incorporated - President, COO & Director*

Yes, Rob. First, I'd say the supply chain is significantly better than over the past years that we've talked about. So, it's not the same level of challenge. This year was a little bit more around timing and the impact of that on the quarter and kind of rolling into the second quarter, as Lee referenced. And it's twofold. We had a couple of challenges in fall protection and Detection overall. We also, earlier in the quarter, had problems with one of our sub-suppliers for transportation, trying to get things through the route around the world and get through the Suez Canal. So that kind of backed them up and with the domino effects, it took them a little while to get that cleaned up, which is now fine. So, I mean, if you look at it, broadly speaking, similar to other industrials, the supply chain is a ton better. It's more consistent. But as with others, we do have challenges every quarter. This time, it just happened to manifest itself in a way that showed up with our sales that we expected to pull through some of more of that backlog in Detection and Industrial PPE. So, nothing though that alarms us or concerns us like the previous chip issues that you referenced from the past years.

Robert W. Mason - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Sure. And then just last for me, you talked about good visibility in the Fire Safety business. You concluded the first tranche, I guess, on the U.S. Air Force order. Is there the expectation that there will be more to ship on Air Force this year built into the mid-single-digit guide? And then maybe just a little bit of color also on the International front, I know last quarter, Steve, you seem to be optimistic on International fire as well.

Steven C. Blanco - *MSA Safety Incorporated - President, COO & Director*

Right, Rob. So, we're very pleased that we did finish that first tranche, the \$35 million contract. We finished shipping that in the first quarter to our customer. And we are expecting the second part or second tranche of that for that order to come in later this year. So, we're working with the customer on what that timing might be.

Internationally, Yes, I am optimistic. That team is very optimistic. We feel like we're competing very well with our customers across the international markets. There's some nice large orders that are coming up soon. It's not dissimilar to the United States or Canada or LAR.

Everywhere in the world, one thing with Fire, as you know, Rob, it's a little lumpy. So, when the orders come in, can vary somewhat. But the pipeline is really, really solid. So the International team, I think they're all over it. And I'm expecting to see that business continue to do well.

Operator

The next question is from Ross Sparenblek with William Blair.

Ross Sparenblek - *William Blair & Company L.L.C., Research Division - Associate*

Just wanted to start on company-level gross margins, solid execution in the quarter. Are we right to assume that margins found a new base here in the high 40s, just given the productivity efforts have been put in place? And then can you also maybe help us frame some of the moving pieces this year as you think about price/cost mix? Just trying to get a sense of the cadence of incrementals.

Nishan J. Vartanian - *MSA Safety Incorporated - Chairman & CEO*

Why don't you get that, Lee?

Lee B. McChesney - *MSA Safety Incorporated - Senior VP, CFO & Treasurer*

Yes, sure. So good question, Ross. So yes, we were certainly delighted with the progress in margins in the first quarter. We said when we issued our outlook for the year, we gave the commentary about 47 percent to 48 percent gross margin, sustaining those levels. So certainly, the first quarter, which is typically a little bit lower because of lower sales, to be where we're at says we're certainly on a good pace.

Still, our mindset, 47 percent to 48 percent, it will step up with higher sales in the next several quarters. Kind of the way it usually works out, the second and fourth will be the best, the third gets a little bit affected by the European holidays and things like that. So, it's a good pace.

Now what's behind that is really all elements of MBS, so things like NPD that we highlighted in our prepared remarks. Certainly, we're going after productivity on a sustained basis that we've talked about for the last several years. We really have a robust deck, again a real nice catalyst in the first quarter alone. We expect that to continue.

And then price and inflation will kind of balance themselves out. We still have inflation. We just don't have the levels of inflation before. It's moderated as has our price as well. So, we're trying to keep those in balance and then let all the other elements of MBS kind of come through to either to protect margins or particularly give us an opportunity to expand them over time.

But that's our mindset for this year. And that should put us in a good place. It all ties back to, I'll use this opportunity to say that, our outlook for the year is the same as in February, mid-single-digit growth, 30 percent to 40 percent incrementals and then free cash flow, 90 percent to 100 percent. Nothing has changed. Everything, frankly, is just confirmed coming out of the first quarter.

Ross Sparenblek - *William Blair & Company L.L.C., Research Division - Associate*

That's helpful. And then maybe just putting a finer point on the new products, can you give us a sense of what early demand trends have been for the 1836 and then also any other launches on the horizon that we should just remain cognizant of?

Nishan J. Vartanian - *MSA Safety Incorporated - Chairman & CEO*

Yes, Steve?

Steven C. Blanco - *MSA Safety Incorporated - President, COO & Director*

So Ross, you're talking about the 1836, tremendous response. That's a new helmet in a market that we spent a lot of time with Voice of Customer with that market and quite a long time making sure we develop something that hit the mark. And this one seems to really have hit the mark. It's coming out of the gate very strongly and it's hitting some key competitive needs that, that market has about comfort and balance as well as the weight of that helmet. So, we're really excited by how the customers responded so far.

Ross Sparenblek - *William Blair & Company L.L.C., Research Division - Associate*

And then I mean, just anything else that we should keep note of for the rest of 2024?

Steven C. Blanco - *MSA Safety Incorporated - President, COO & Director*

Yes, good question, Ross. We referenced the FL5000, which is an ultraviolet infrared flame detector that we launched. It replaces our FL4000. This is another one that we think is going to be a big game-changer in the market. It's got a lot of really cool features on it, much improved performance, reducing false alarms for our customers.

It's performance-certified for 22 flammable fuel sources, which is a really big deal. And I would also share, we talked about this on past calls, but this is a really great type of technology for hydrogen. So, we look at this product as a nice lead-in across all the energy markets, including renewable.

Ross Sparenblek - *William Blair & Company L.L.C., Research Division - Associate*

That's great. Alright. Well, I just want to say congratulations, Nish, on the retirement. And Steve, we're looking forward to working with you. I know you guys' Investor Day is in a couple of weeks here. But maybe, Steve, if you could give us an early read on how you're thinking about the business, any areas of opportunity or low-hanging items that you think could be addressed early on?

Steven C. Blanco - *MSA Safety Incorporated - President, COO & Director*

Yes. Thanks, Ross. And first, I've got big shoes to fill. They're, I think, size 38, what Nish is wearing. But I joined the company 12 years ago because of us being purpose-driven. And like all of our associates, I'm passionate about our mission. And it really is about how we serve that mission through our customers, they'll remain and have been the center of everything we do. So, what we said in our prepared remarks around leveraging our scale and our brand are front and center for me personally and the leadership team.

What I think is exciting, as we'll talk more about at Investor Day, and that's we spend a lot of time really evaluating our strategy, looking at what we've done well and what we think we can improve on. So, the team is really excited to share that at Investor Day and talk about where we envision the future to be and how we're going to execute that strategy with our Business System. So that would be kind of my early opener to make sure that people are there for Investor Day.

Ross Sparenblek - *William Blair & Company L.L.C., Research Division - Associate*

Yes, absolutely, really looking forward to it. Congrats again, guys.

Steven C. Blanco - *MSA Safety Incorporated - President, COO & Director*

Thank you.

Operator

This concludes our question-and-answer session. I would like to turn the conference back over to Chris Hepler for any closing remarks.

Chris Hepler - *MSA Safety Incorporated - Executive Director of Corporate Development*

Thank you, Debbie. We appreciate you joining the call this morning and for your continued interest in MSA Safety. To learn more about our purpose-driven culture, unique innovation engine and differentiated strategy, please join our Investor Day webcast on May 22.

And if you missed a portion of today's call, an audio replay will be made available later today on our Investor Relations website and will be available for the next 90 days. We look forward to updating you again on our continued progress next quarter. Thank you.

Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.

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