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OVERVIEW:

Company Summary

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PRESENTATION

Operator

Good day and welcome to the MSA Safety first quarter 2026 earnings conference call. (Operator Instructions) Please note this event is being recorded.

I would now like to turn the conference over to Larry De Maria. Please go ahead.

Larry De Maria - MSA Safety Inc - Executive Director, Investor Relations

Thank you. Good morning, and welcome to MSA Safety's first quarter 2026 earnings conference call.

This is Larry De Maria, Executive Director of Investor Relations. I'm joined by Steve Blanco, President and CEO; Julie Beck, Senior Vice President and CFO; and Gustavo Lopez, Vice President, Product Strategy and Development. During today's call, we will discuss MSA's first quarter 2026 financial results and provide an update on our full year 2026 outlook.

Before we begin, I'd like to remind everyone that the 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.

We have included certain non-GAAP financial measures as part of our discussion this morning. These 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.

Moving on to today's agenda. Steve will first provide an update on the business. Julie will then review our first quarter 2026 financial performance and 2026 outlook. Steve will then provide closing remarks. He will then open the call for your questions.

With that, I'll turn the call over to Steve Blanco. Steve?

Steve Blanco - MSA Safety Inc - President, Chief Executive Officer

Thanks, Larry. And good morning, everyone. Again, we appreciate your continued interest in MSA safety.

I'd like to start with a brief comment on the conflict in the Middle East, which I'll discuss in more detail in a few minutes. While the situation remains volatile, our top priority is the health and safety of our associates in the region. We have an outstanding team, and I'm pleased to report that our employees are safe, and we remain close to our customers to ensure their safety needs. We'll continue to prioritize our team's safety while serving our customers and managing the inherent business risks.

I'm on slide 6. The team achieved a solid start to the year as we continue to execute and deliver on the commitments outlined in our Accelerate strategy. Our first quarter results included consolidated reported sales growth of 10% with a 3% organic increase and adjusted earnings per share of \$1.99, up 18% from last year.

Organic sales performance in the quarter was driven by high single digit performance in the Americas, which was partially offset by a decline in the International segment. Geographically, we saw strong growth in North and Latin America and weakness across our European and Middle Eastern markets. Our results reflect the resilience of our diversified business despite the lower growth environment in Europe and the potential impact due to the Middle East conflict.

Looking at sales by product category, organic sales in detection were consistent with the prior year as double digit growth in portable gas detection was offset by double digit declines in fixed monitoring solutions in International. This decline reflects the impact of softer European and Middle Eastern markets. The M&C TechGroup acquisition contributed \$15 million to the quarter.

Organic sales in fire service increased 3% year over year, driven by strength in the Americas. As we expected, SCBA [Self-Contained Breathing Apparatus] (added by company after the call) sales partially benefited from AFG [Assistance to Firefighter Grants] (added by company after the call) funding related to the U.S. government shutdown in late 2025.

Organic sales of industrial PPE were up 7% on continued momentum in fall protection and growth in industrial head protection, reflecting healthy performance in our short-cycle businesses and nice momentum in our new H2 Hard Hat. In International, growth in protective ballistic helmets provided additional tailwinds.

Organic orders were also healthy and in line with normal seasonality, and book-to-bill was above one. We're pleased to see the reopening of the Department of Homeland Security, which should further enable fire departments to access the AFG grants that were approved in 2025. Strength was notable in our industrial PPE business supporting broad-based strength across our short-cycle businesses.

Moving to slide 7. We continue to execute our Accelerate strategy to drive value for our stakeholders and serve our mission. We're encouraged by the solid start to the year, especially given the challenging operating environment in certain areas of the world. The business demonstrated resilience through top-line growth and margin expansion, with America's strength outpacing International results. We also achieved positive price-cost in the first quarter.

I'd now like to provide some context on the impact of the conflict in the Middle East. While we've not seen any meaningful business cancellations, in the short term, it's been affecting customer order and delivery patterns in the region. While the Middle East is a long-term growth market for MSA, for reference, sales represent about mid-single digit percentages for our overall business.

Now let's pivot to discuss a few strategic highlights from the start of 2026. We continue to innovate and bring industry-leading products and solutions to market. We began shipping our newly launched ALTAIR io 6 Portable Gas Detector, which joins the io 4 for expanding our MSA+ connected ecosystem. The io 6 is a long-term growth opportunity for the business. We continued to see strong demand for both traditional and connected portable offerings.

We also announced the launch of the Bacharach X30 and X50 Refrigerant Monitoring Solutions. These fixed gas detectors were designed to help customers comply with regulations around refrigerant gas monitoring and leak detection. The launch of these new solutions expand upon our end-to-end refrigerant management and monitoring offerings in the HVAC-R market.

From a financial perspective, we announced a new \$500 million share repurchase authorization in February, which we began to execute on in the first quarter. This authorization reflects our commitment to our discipline and balanced capital allocation strategy.

Finally, I recently attended the Fire Department Instructors Conference (FDIC) in Indianapolis, where it was my pleasure to interact with our customers, channel partners, and the MSA Fire Service team. It was inspiring to showcase MSA's extensive solutions for the fire service and our commitment to continued innovation through the Connected Firefighter Platform of the Future.

Along with our Globe Apparel business and Cairns Protective Helmets, we once again demonstrated the strength of our market-leading, head-to-toe fire service solutions. Industry feedback was excellent.

Moving to slide 8. I'm pleased to share that we've signed a definitive agreement to acquire Autronica Fire and Security in a transaction valued at \$555 million. We expect the deal to close in the third quarter. Autronica is a leader in fire and gas detection systems and is highly complementary to our existing fixed detection portfolio. The acquisition is well-aligned with MSA's mission and Accelerate strategy, including our financial and strategic M&A objectives. With a history of mid-single digit plus sales growth, the company generated 2025 sales of approximately \$160 million and adjusted EBITDA margins of about 20%. Through numerous synergy opportunities, we expect to increase adjusted EBITDA margin to meet or exceed the corporate average over the next several years.

From a balance sheet perspective, the transaction implies pro-forma net leverage of approximately two times at close, well within our target range. We expect to finance the acquisition through a combination of cash on hand and our Revolving Credit Facility, and we remain well positioned to invest in our business and de-lever post-close, while maintaining a healthy M&A pipeline.

Strategically, this business is a great fit with our existing fixed detection platform. It is accretive to growth and enhances MSA's ability to participate earlier in project design to deliver more integrated fixed gas and flame detection solutions. It also expands our addressable market by \$3 billion and is similar to our existing detection business from a customer, technology, distribution, and regulatory perspective.

Moving to slide 9. Autronica is a leader in mission-critical gas and flame detection technologies used across diverse end markets, including critical infrastructure, energy, and marine. Headquartered in Trondheim, Norway, the company was founded in 1957 and is known for its technology leadership and growth mindset, deep customer intimacy, and a large installed base, underpinned by a mission of safety. These attributes align closely with MSA's culture and our strategy.

Autronica serves markets around the world with a strong footprint across the Nordic countries and the rest of Europe, with other businesses across the globe. And it complements and strengthens our global footprint with its world-class brands and, like M&C, we expect to enable growth in markets where MSA is stronger, most notably in the Americas, by leveraging distribution and relationships. I look forward to welcoming the Autronica team to the MSA family upon closing the deal sometime in the third quarter.

With that, I'd like to turn the call over to Julie to walk us through the financial results for the first quarter in more detail and our 2026 outlook.

Julie Beck - MSA Safety Inc - Senior Vice President, Chief Financial Officer & Treasurer

Thank you, Steve. And good morning, everyone. We appreciate you joining the call this morning.

Starting on slide 11 with the quarterly financial highlights. First quarter sales were \$464 million, an increase of 10% on a reported basis over the prior year. Sales were up 3% on an organic basis, while currency translation was a 4% tailwind and M&C added 3% to overall growth. The foreign exchange benefit was primarily related to the Euro, Mexican peso, and Brazilian real.

As expected, GAAP gross margins improved, rising to 47.4%, an increase of 50 basis points sequentially and 150 basis points over the prior year. Year-over-year gross margin reflects strong operational performance from our team, including strategic pricing, productivity, as well as positive mix, and favorable transactional foreign exchange, which offset pressures from tariffs and inflation. On an adjusted basis, gross margin increased 170 basis points year over year to 48.1%.

GAAP operating margin was 20.1%, a 160-basis-point increase driven by the gross margin expansion. Adjusted operating margin was 21.8%, up 100 basis points over last year, with an adjusted incremental operating margin of 32%, within our annual target range.

We continue to invest in our innovative safety products and solutions with R&D expenses of \$16 million in the quarter. SG&A increased from the prior year due to the addition of M&C as well as foreign exchange. Quarterly GAAP net income increased 20% to \$71 million from the prior year, while diluted earnings per share increased 21% to \$1.83. Revenue growth and margin expansion were primary drivers of earnings per share growth, with incremental benefits from foreign exchange, M&C, share repurchases and a lower year over year effective tax rate. On an adjusted basis, diluted earnings per share were \$1.99, up 18% from last year.

Now I'd like to review our segment performance. In our Americas segment, sales increased 11% year over year on a reported basis; 7% of that was organic. We delivered broad-based organic growth across our product categories with high single digit contributions from fire service and detection, along with mid-single digit performance in industrial PPE. M&C contributed two points to total growth and currency translation added a 2% tailwind.

The adjusted operating margin was 30.2%, a 340-basis-point increase compared to the previous year. The margin improvement was primarily due to strong execution from the team, including strategic pricing, productivity, favorable transactional foreign exchange, and positive mix.

In our International segment, sales increased by 8% year over year on a reported basis, with an 8% contribution from M&C and a 7% tailwind from foreign exchange. Organic sales declined 7% on a double digit contraction in detection and fire service, partially offset by double digit growth in industrial PPE.

Organic growth headwinds, especially in detection, were primarily attributable to softer economic conditions in Europe and headwinds associated with the Middle East conflict. Fire service was temporarily unfavorably impacted by order timing. Growth in industrial PPE was primarily due to strength in fall protection and protective ballistic helmets.

Adjusted operating margin was 10.5%, 410-basis-points below last year. Margin contraction was mainly due to inflation, tariff pressures, and lower volumes, partially offset by strategic pricing and favorable transactional foreign exchange.

Now turning to slide 12. We generated free cash flow of \$65 million, which was 91% of earnings, marking a 28% increase in free cash flow generation compared to a year ago. Free cash flow was strong relative to normal first quarter seasonality, driven primarily by the year over year increase in net income.

Returning capital to our shareholders is an important part of our disciplined capital allocation. We returned \$71 million to shareholders via \$50 million of share repurchases, fully offsetting expected dilution for the year, and \$21 million of dividends. Capital expenditures returned to a more normalized level of \$11 million.

In addition to repurchasing shares, we also announced the authorization of a new \$500 million share repurchase program in February, our largest ever. The program replaces the previous \$200 million program authorized in 2024. There is no set termination date, and \$475 million remains under the new program as of quarter end, with half of our repurchases in the first quarter under the prior authorization. Yesterday, we also announced our 56th consecutive annual dividend increase. We ended the quarter with net leverage of 0.9 times and a weighted average interest rate of 3.8%, both consistent with fourth quarter levels. Our strong balance sheet and ample liquidity of \$1.2 billion at quarter end continue to provide significant strategic capital allocation optionality within the framework of our Accelerate strategy.

As Steve discussed with the acquisition of Autronica, we are actively deploying capital as part of our M&A strategy. We expect our pro-forma weighted average interest rate post-acquisition to be approximately 4.5%.

We expect the \$555 million acquisition to add approximately one turn of net leverage and be accretive to adjusted earnings per share in year one. Following the transaction, we expect net leverage to be approximately two times.

With Autronica, our 2025 pro-forma detection revenues increased to approximately 45% of our total sales mix. The acquisition adds scale to our European business and is accretive to our International adjusted EBITDA margin. We expect to begin realizing the benefits of the synergies in the second half of the first year of ownership, with a full run rate value to be realized over the next three years.

Let's turn to our 2026 outlook on slide 13. Our outlook does not reflect any impact from the Autronica acquisition. Given the solid start to the year and the overall health of our business, we are reaffirming our mid-single digit organic sales growth outlook for 2026.

Broadly speaking, our full year assumptions remain unchanged from the outlook we provided in February. However, we do recognize, and are proactively managing, the potential challenges posed by the volatile tariff, geopolitical, and macroeconomic landscape. While we are encouraged by the re-opening of the Department of Homeland Security, we are mindful that AFG grants previously awarded to our fire service customers were suspended during the shutdown and may face continued short-term delays as DHS re-opens.

That being said, our outlook assumes continued strength in our Americas segment and an improvement in our International results from the first quarter. Our outlook is supported by a mid-single digit year over year order increase, and a double digit backlog increase sequentially in our International segment. For modeling purposes, below the line items also remain unchanged from our previous outlook.

In conclusion, although the macro and geopolitical environment backdrop remains fluid and continues to shape a dynamic operating environment, we executed well to begin the year and remain laser-focused on delivering our traditional growth algorithm, including mid-single digit organic sales growth in 2026, consistent with our Accelerate strategy.

With that, I'd like to pass it back to Steve.

Steve Bianco - MSA Safety Inc - President, Chief Executive Officer

Thank you, Julie. I'm on slide 15. To close, I'm proud of our team's execution to begin the year and thank all of our associates for their continued commitment to serving our customers.

With that, I'll turn the call back over to the operator for Q&A.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Tomo Sano, J.P. Morgan.

Tomohiko Sano - JPMorgan Chase & Co - Analyst

Could you talk about the guidance regarding the mid-single digit organic growth for the remainder of the year? Do you expect strong momentum in the Americas to continue, or will the recovery in International be necessary to achieve your full year guidance, please?

Steve Blanco - MSA Safety Inc - President, Chief Executive Officer

Yeah. Thanks for the question. I think you'll see both of those businesses perform. If you think of International, as Julie said in the prepared remarks, the fire service piece was really planned, given tender timing. The major market activity in the pipeline comes in the second half of the year.

Certainly, the detection, with what's going on in the Middle East and Europe was challenged. But even that, you look at the Middle East, our incoming business is higher through April this year than last year. It's just a matter of us getting that invoiced. So, we expect that to turn. By and large, we're expecting a nice recovery in the International markets while we continue to see Americas performance. So, I think it's going to be broad-based across the business and the incoming supports that to date.

Tomohiko Sano - JPMorgan Chase & Co - Analyst

Thank you. And then just one follow-up on the acquisition of Autronica. How do you assess the cultural fit between MSA and Autronica? And what measures are you taking to ensure successful integrations, both operationally and culturally, please?

Steve Blanco - MSA Safety Inc - President, Chief Executive Officer

Yeah. Thanks for the question. So, that's critically important to us. If we look back even last year, as we got close to some opportunities, culture was so important to us. It's not just about looking at the business growth. It's really about how do we fit for the long-term because this is a long-term, we like to use the term new member of the family, and how they integrate culturally is just as important as how the business looks. We feel really good. The team was just super stoked about what we saw, the leadership, and their engagement and their focus on safety, Tomo. It's really nice.

I would also add, if you think about how we look at the synergies here, and we look at the forward multiple, we're looking at that, that's cost only. But most of our upside, which we haven't modeled in that, frankly, is what we see in the revenue side. So long-term, we expect this business to grow, help MSA grow, and we expect it to be a nice fit.

And if you look back as you talk about our success or confidence, I guess, in effective execution, we've done a really nice job with M&C, which obviously we've done nice on some acquisitions previous to that. But I think the Business System [MBS] (added by company after the call) really comes alive with these acquisitions. And we saw that with M&C. We'll see that with Autronica.

Operator

Quinn Fredrickson, Baird.

Quinn Fredrickson - Baird - Analyst

Just on fire service. Any way to quantify how much recapture the deferred fourth quarter sales you saw this quarter? Just wondering how much of that \$20 million recapture opportunity remains. And then perhaps any color you can give us on the near-term outlook as well, since you mentioned some order timing influences from the DHS shutdown?

Steve Blanco - MSA Safety Inc - President, Chief Executive Officer

Yeah, sure. Again, thanks for the question. If we look at fire, it was solid. We only realized roughly a third of the AFG-related delayed orders coming through. So, that implies a little over two-thirds are left. And that expected timing, we had hoped the first half. We expected some in the second quarter. But certainly, with the Government shutdown, that has put some pressure on them getting access to their grants.

Probably plays out in late second quarter into the third quarter at this point. I think that two-thirds play out in those two quarters. That's how we're seeing it right now.

Quinn Fredrickson - Baird - Analyst

Julie, one for you. I think you mentioned being positive price-cost in the quarter. Just any way to quantify, and then for the year overall, do you now anticipate being price cost positive?

Julie Beck - MSA Safety Inc - Senior Vice President, Chief Financial Officer & Treasurer

We're on track. We talked about sequential margin improvement, which we saw, and we continue to expect margins to improve. We re-affirm our 30% incrementals and think it's going to be a nice year for us.

Operator

Steve Volkmann, Jefferies.

James Ko - Jefferies - Analyst

This is James on for Steve. I wanted to touch on the acquisition. You talked about there is a potential for revenue synergy, which is not baked in. Can you kind of just talk about the mechanism there? And on the cost synergy, what's the kind of timing of realization after close?

Steve Blanco - MSA Safety Inc - President, Chief Executive Officer

I'll let Julie jump into the cost. I mean, it's a multi-year plan. But when you think of the acquisition broadly, it really helps us. It expands our capability to participate earlier in [project] designs. You think about the engineering design work that goes on very early, fire detection is integral. That's key in our view.

It's a business that's highly engineered, and they really are in a highly regulated business. Not dissimilar to us, but they have a solution for complex applications with their product portfolio. So, I think for us, it's the ability to participate in markets where we're strong and they're not, so we can take those solution sets and expand that into those markets. That's part of that addressable market we talked about.

If you think about it, a couple markets, we have real strength. One, the Americas, where they don't. I mean, they just don't have that coverage there. They want to, and we're going to help them do that. In the Middle East, which they're starting to grow in. You know, we're very strong in those. That's representative of over two-thirds of that addressable market growth we talked about.

So, you take their solution set, you combine that with ours, you now have the full suite that our end customers really look for, and we can get earlier access when they're really designing out, based on the regulatory requirements, they're designing out that platform for fire and gas detection. We think that's going to be a real big win here.

Julie Beck - MSA Safety Inc - Senior Vice President, Chief Financial Officer & Treasurer

And just to follow up on the cost synergies, we see those starting maybe in the second half of the first year of ownership, and we expect to fully realize them all in about three years. They consist of various things. Typical operational and supply chain items, maybe a little bit of back office, but it's those types of things, and we're just really excited about the potential and margin expansions going forward.

James Ko - *Jefferies - Analyst*

Great. Thanks for the color there. I guess I wanted to touch on the International detection here again. I mean, organic sales came in weaker, you talked about, the weakness in Middle East and Europe. So, what's embedded in guidance? When do you think those will normalize? And what gives you confidence that they will normalize going forward?

And I think also there was one time, large detection orders in Latin America that gave a tough comp. Can you also size that for us so that we can think about the impact by each component?

Steve Blanco - *MSA Safety Inc - President, Chief Executive Officer*

Yeah. Certainly. So last year, we did have, you know, we had a couple of points of what would have been 2026 growth, which we executed in 2025 based on the customer funding availability, and so they pulled that forward. It is, certainly, a tough comp there because that gave us, I think, 12% growth overall.

But when you look at 2026, as we are in now, we still expect nice growth overall. The first quarter with what's happened with the conflict and really some of the related pausing that we saw in Europe, certainly, put a bit of a crimp for the quarter. But as I noted, we're seeing some nice incoming, and the pipeline is really strong.

What's happened is you've seen a delay and slowdown in project business. So, the project awards have really slowed. So, that's affected certainly the Middle East, but also Europe. And even though Asia Pacific performed well in the first quarter, their detection business was affected, to some degree, because of those projects.

What I would say the Middle East adds to uncertainty, certainly, and we know that. And most importantly, I would note that for our employees and customers that are there, our thoughts and prayers are with them. But our expectation is if we get past this by midyear, we have pretty good line of sight for the year and confidence with where we're at.

Julie Beck - *MSA Safety Inc - Senior Vice President, Chief Financial Officer & Treasurer*

And just to add, just a point of clarification. The large order that Steve was referring to is in the Americas segment, not in the International segment.

Operator

(Operator Instructions) Brian Brophy, Stifel.

Brian Brophy - *Stifel Nicolaus & Company Inc - Analyst*

Just following up on the Middle East discussion. I guess we've heard anecdotally about some damaged equipment over there in need of replacement. Are you guys having conversations with customers on this topic at this point? And how should we be thinking about this potentially translating into a tailwind for your business at some point in the future?

Steve Blanco - MSA Safety Inc - President, Chief Executive Officer

Yeah, thanks for the question. Well, I think broadly speaking, it has been difficult for our end customers to operate on a normal condition with what you talked about, and certainly that damage is part of it and just the normal operation. We've seen the day-to-day business and replacement component business in the Middle East really slow down in the first quarter, which is indicative of what you just talked about.

We are certainly staying close to the customers and ensuring that we are ready and able to support them as they come back up to speed. Obviously, they're already trying to figure out how to do that. And that's part of what we hope to see some of that. That might be some tailwinds in the second half of the year as we try to support that. And we'll be prepared for that. At this stage, that's an added piece to the business. But at this stage, I would say it would be upside.

Brian Brophy - Stifel Nicolaus & Company Inc - Analyst

Yeah, that's helpful. And then just wanted to ask about gross margins. Obviously, some nice improvement from the first quarter a year ago. I guess I'm curious how much of the benefit was transactional FX related? Was this really more just the price-cost tailwind? And just any updated thoughts on how you're thinking about gross margins this year.

Julie Beck - MSA Safety Inc - Senior Vice President, Chief Financial Officer & Treasurer

Thanks for the question. Yeah, I would say that the gross margin expansion, really a bulk of it comes from price-cost, but we also saw some nice productivity and some nice initiatives from our ops folks contributing as well. And the FX piece is a smaller portion of the total pie. It really was operational primarily.

Steve Blanco - MSA Safety Inc - President, Chief Executive Officer

Yeah, Brian, if you remember, what we talked about last year is that we were going to manage these inputs and combine our productivity with the appropriate strategic pricing to help manage our customers' needs and impacts with the value, and that's exactly what the team's done. So, getting those efficiencies and productivity flow through, along with the pricing actions, have resulted in what we had expected and certainly, where we're at.

Julie Beck - MSA Safety Inc - Senior Vice President, Chief Financial Officer & Treasurer

Yeah, we're on track for those 30% incrementals and gross margins in that 47% to 48% range for the year. Just to follow up.

Operator

Jeff Van Sinderen, B. Riley FBR

Jeff Van Sinderen - B. Riley Securities Holdings Inc - Analyst

Congratulations on the Autronica acquisition. It sounds great and understand it's a multi-year plan. Just wanted to clarify, should we anticipate that it would be dilutive to consolidated EBITDA margins in the first few quarters, or how should we think about that?

Julie Beck - MSA Safety Inc - Senior Vice President, Chief Financial Officer & Treasurer

Yeah, slightly. Yes. Their margins are, we disclosed it, approximately 20% EBITDA margins, slightly under. They will improve over time and we'll have gross margin expansion there as well.

Jeff Van Sinderen - *B. Riley Securities Holdings Inc - Analyst*

Okay. And then just thinking about that, do you think we're looking at, I realize there's a lot of inputs there, but you think we're looking at something that's like a few hundred basis points or because there's a pretty sizable gap between the 20% and where you guys are running. I'm just wondering sort of order of magnitude we should anticipate.

Julie Beck - *MSA Safety Inc - Senior Vice President, Chief Financial Officer & Treasurer*

Yeah, not terribly much. You know, one point or something like that, you know, 50-basis-points to one point. Not a huge impact.

Jeff Van Sinderen - *B. Riley Securities Holdings Inc - Analyst*

Okay, that's helpful. Terrific. And then just looking at the supply chain, I know there's disruption, there's certain supply chain things that are a challenge for some folks. Just wondering, kind of considering the geopolitical backdrop and so forth and where there are some constraints out there, are you guys seeing any of that, anything that's challenging that you're watching for supply chain?

Steve Blanco - *MSA Safety Inc - President, Chief Executive Officer*

We certainly are. And I would say that that's likely to continue. We've actually, in some of our inventory positions, we've added on an electronic basis to protect ourselves. I don't think we've had any normalization of supply chains since COVID.

But we have seen some. We haven't seen it to have a material impact on the business. I mean, we've had costs that we're watching and managing from a logistics perspective, especially with what's going on in the Middle East, which may necessitate some pricing actions. But we're watching that closely.

Julie Beck - *MSA Safety Inc - Senior Vice President, Chief Financial Officer & Treasurer*

Yeah. The other thing that, you know, we would have an impact on is resins, just to add to that we're watching those as well.

Operator

Showing no further questions, this will conclude our question and answer session. I would like to turn the conference back over to Larry De Maria for any closing remarks.

Larry De Maria - *MSA Safety Inc - Executive Director, Investor Relations*

Thank you. We appreciate you joining the call this morning and for your continued interest in MSA Safety. 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 on our continued progress again next quarter.

Operator

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

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