

MSA Safety Incorporated  
Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures  
Constant currency revenue growth (Unaudited)  
Organic constant currency revenue growth (Unaudited)

Consolidated

Three Months Ended June 30, 2018									
	Breathing Apparatus	Firefighter Helmets and Protective Apparel <sup>(a)</sup>	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	7 %	232 %	10%	12 %	6 %	2 %	20 %	3 %	18 %
Plus: Currency translation effects	(2)%	(4)%	2%	(1)%	(3)%	(2)%	(1)%	(1)%	(2)%
Constant currency sales change	5 %	228 %	12%	11 %	3 %	— %	19 %	2 %	16 %
Less: Acquisitions	— %	229 %	—%	— %	— %	— %	13 %	— %	11 %
Organic constant currency change	5 %	(1)%	12%	11 %	3 %	— %	6 %	2 %	5 %

Six Months Ended June 30, 2018									
	Breathing Apparatus	Firefighter Helmets and Protective Apparel <sup>(a)</sup>	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	8 %	220 %	12%	14 %	12 %	9 %	24 %	1 %	20 %
Plus: Currency translation effects	(3)%	(8)%	—%	(2)%	(4)%	(3)%	(3)%	(3)%	(3)%
Constant currency sales change	5 %	212 %	12%	12 %	8 %	6 %	21 %	(2)%	17 %
Less: Acquisitions	— %	213 %	—%	— %	— %	— %	13 %	— %	11 %
Organic constant currency change	5 %	(1)%	12%	12 %	8 %	6 %	8 %	(2)%	6 %

(a) Firefighter helmets and protective apparel includes the impact of the Globe acquisition, completed on July 31, 2017.

Management believes that constant currency revenue growth is a useful metric for investors, as foreign currency translation can have a material impact on revenue growth trends. Constant currency revenue growth highlights ongoing business performance excluding the impact of fluctuating foreign currencies, which is outside of management's control. Organic constant currency revenue growth is defined as constant currency revenue growth excluding acquisitions. Management believes that organic constant currency revenue growth is a useful measure for investors to provide an understanding of MSA's standalone results. There can be no assurances that MSA's definition of constant currency revenue growth or organic constant currency revenue growth is consistent with that of other companies. As such, management believes that it is appropriate to consider revenue growth determined on a GAAP basis in addition to these non-GAAP financial measures.

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Americas Segment

Three Months Ended June 30, 2018									
	Breathing Apparatus	Firefighter Helmets and Protective Apparel <sup>(a)</sup>	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	3%	566%	10%	10%	8%	6%	28%	(7)%	23%
Plus: Currency translation effects	—%	2%	4%	2%	—%	—%	2%	2%	1%
Constant currency sales change	3%	568%	14%	12%	8%	6%	30%	(5)%	24%
Less: Acquisitions	—%	566%	—%	—%	—%	—%	22%	—%	18%
Organic constant currency change	3%	2%	14%	12%	8%	6%	8%	(5)%	6%

Six Months Ended June 30, 2018									
	Breathing Apparatus	Firefighter Helmets and Protective Apparel <sup>(a)</sup>	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	2%	516%	11%	13%	12%	15%	29%	(6)%	24%
Plus: Currency translation effects	—%	1%	2%	1%	—%	(1)%	1%	1%	1%
Constant currency sales change	2%	517%	13%	14%	12%	14%	30%	(5)%	25%
Less: Acquisitions	—%	519%	—%	—%	—%	—%	21%	—%	18%
Organic constant currency change	2%	(2)%	13%	14%	12%	14%	9%	(5)%	7%

(a) Firefighter helmets and protective apparel includes the impact of the Globe acquisition, completed on July 31, 2017.

Management believes that constant currency revenue growth is a useful metric for investors, as foreign currency translation can have a material impact on revenue growth trends. Constant currency revenue growth highlights ongoing business performance excluding the impact of fluctuating foreign currencies, which is outside of management's control. Organic constant currency revenue growth is defined as constant currency revenue growth excluding acquisitions. Management believes that organic constant currency revenue growth is a useful measure for investors to provide an understanding of MSA's standalone results. There can be no assurances that MSA's definition of constant currency revenue growth or organic constant currency revenue growth is consistent with that of other companies. As such, management believes that it is appropriate to consider revenue growth determined on a GAAP basis in addition to these non-GAAP financial measures.

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International Segment

Three Months Ended June 30, 2018									
	Breathing Apparatus	Firefighter Helmets and Protective Apparel <sup>(a)</sup>	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	14 %	6 %	9 %	15 %	3 %	(3)%	8 %	15 %	9 %
Plus: Currency translation effects	(6)%	(6)%	(4)%	(6)%	(5)%	(4)%	(6)%	(4)%	(5)%
Constant currency sales change	8 %	— %	5 %	9 %	(2)%	(7)%	2 %	11 %	4 %
Less: Acquisitions	— %	3 %	— %	— %	— %	— %	— %	— %	— %
Organic constant currency change	8 %	(3)%	5 %	9 %	(2)%	(7)%	2 %	11 %	4 %

Six Months Ended June 30, 2018									
	Breathing Apparatus	Firefighter Helmets and Protective Apparel <sup>(a)</sup>	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	21 %	12 %	12 %	16 %	13 %	3 %	14 %	10 %	13 %
Plus: Currency translation effects	(10)%	(10)%	(6)%	(9)%	(8)%	(7)%	(9)%	(8)%	(8)%
Constant currency sales change	11 %	2 %	6 %	7 %	5 %	(4)%	5 %	2 %	5 %
Less: Acquisitions	— %	2 %	— %	— %	— %	— %	— %	— %	— %
Organic constant currency change	11 %	— %	6 %	7 %	5 %	(4)%	5 %	2 %	5 %

(a) Firefighter helmets and protective apparel includes the impact of the Globe acquisition, completed on July 31, 2017.

Management believes that constant currency revenue growth is a useful metric for investors, as foreign currency translation can have a material impact on revenue growth trends. Constant currency revenue growth highlights ongoing business performance excluding the impact of fluctuating foreign currencies, which is outside of management's control. Organic constant currency revenue growth is defined as constant currency revenue growth excluding acquisitions. Management believes that organic constant currency revenue growth is a useful measure for investors to provide an understanding of MSA's standalone results. There can be no assurances that MSA's definition of constant currency revenue growth or organic constant currency revenue growth is consistent with that of other companies. As such, management believes that it is appropriate to consider revenue growth determined on a GAAP basis in addition to these non-GAAP financial measures.

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Europe Region

	Three Months Ended June 30, 2018
	Net Sales
GAAP reported sales change	13%
Plus: Currency translation effects	(5)%
Constant currency sales change	8%
Less: Acquisitions	—%
Organic constant currency change	8%

Management believes that constant currency revenue growth is a useful metric for investors, as foreign currency translation can have a material impact on revenue growth trends. Constant currency revenue growth highlights ongoing business performance excluding the impact of fluctuating foreign currencies, which is outside of management's control. Organic constant currency revenue growth is defined as constant currency revenue growth excluding acquisitions. Management believes that organic constant currency revenue growth is a useful measure for investors to provide an understanding of MSA's standalone results. There can be no assurances that MSA's definition of constant currency revenue growth or organic constant currency revenue growth is consistent with that of other companies. As such, management believes that it is appropriate to consider revenue growth determined on a GAAP basis in addition to these non-GAAP financial measures.

MSA Safety Incorporated  
Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures  
Organic constant currency SG&A expense (Unaudited)  
(In thousands)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	% Change	2018	2017	% Change
GAAP reported SG&A expense	\$ 81,962	\$ 74,104	11%	\$162,213	\$150,890	8%
Plus: currency translation effects	—	540		—	2,286	
Constant currency SG&A expense	81,962	74,644	10%	162,213	153,176	6%
Less: Acquisitions and strategic transaction costs	2,911	1,642		5,708	2,980	
Organic constant currency SG&A expense	<u>\$ 79,051</u>	<u>\$ 73,002</u>	8%	<u>\$156,505</u>	<u>\$150,196</u>	4%

Management believes that organic constant currency SG&A expense is a useful metric for investors to measure the effectiveness of the company's cost reduction programs. Constant currency SG&A expense highlights spending patterns excluding fluctuating foreign currencies. Organic constant currency SG&A expense highlights the impact of acquisitions and strategic transaction costs. These metrics provide investors with a greater level of clarity into spending levels on a year-over-year basis. There can be no assurances that MSA's definition of organic constant currency SG&A expense is consistent with that of other companies. As such, management believes that it is appropriate to consider SG&A expense determined on a GAAP basis in addition to this non-GAAP financial measure.

MSA Safety Incorporated  
Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures  
Adjusted operating income (Unaudited) / Adjusted operating margin (Unaudited)  
(In thousands)

	<u>Americas</u>	<u>International</u>	<u>Corporate</u>	<u>Consolidated</u>
Three months ended June 30, 2018				
Sales to external customers	\$ 215,339	\$ 123,992	\$ —	\$ 339,331
Operating income				46,797
Operating margin %				13.8%
Restructuring charges				2,335
Currency exchange losses, net				815
Other operating expense				8,018
Strategic transaction costs				58
Adjusted operating income (loss)	49,838	15,853	(7,668)	\$ 58,023
Adjusted operating margin %	23.1%	12.8%		17.1%
Three Months Ended June 30, 2017				
Sales to external customers	\$ 174,960	\$ 113,815	\$ —	\$ 288,775
Operating income				13,498
Operating margin %				4.7%
Restructuring charges				967
Currency exchange losses, net				2,851
Other operating expense				29,610
Strategic transaction costs				1,642
Adjusted operating income (loss)	43,573	12,122	(7,127)	\$ 48,568
Adjusted operating margin %	24.9%	10.7%		16.8%
	<u>Americas</u>	<u>International</u>	<u>Corporate</u>	<u>Consolidated</u>
Six Months Ended June 30, 2018				
Sales to external customers	\$ 424,468	\$ 240,757	\$ —	\$ 665,225
Operating income				91,232
Operating margin %				13.7%
Restructuring charges				7,609
Currency exchange losses, net				2,823
Other operating expense				10,842
Strategic transaction costs				152
Adjusted operating income (loss)	99,924	28,631	(15,897)	\$ 112,658
Adjusted operating margin %	23.5%	11.9%		16.9%
Six Months Ended June 30, 2017				
Sales to external customers	\$ 341,528	\$ 213,012	\$ —	\$ 554,540
Operating income				32,117
Operating margin %				5.8%
Restructuring charges				13,706
Currency exchange losses, net				3,431
Other operating expense				29,610
Strategic transaction costs				2,979
Adjusted operating income (loss)	79,724	19,918	(17,799)	\$ 81,843
Adjusted operating margin %	23.3%	9.4%		14.8%

The Americas segment is comprised of our operations in the U.S., Canada and Latin America. The International segment is comprised of our operations in all other parts of the world including Europe, Africa, the Middle East, India, China, South East Asia and Australia. Certain global expenses are allocated to each segment in a manner consistent with where the benefits from the expenses are derived.

Adjusted operating income (loss) and adjusted operating margin are the measures used by the chief operating decision maker to evaluate segment performance and allocate resources. As such, management believes that adjusted operating income (loss) and adjusted operating margin are useful metrics for investors. Adjusted operating income (loss) is defined as operating income excluding restructuring charges, currency exchange gains/losses, other operating expense and strategic transaction costs. Adjusted operating margin is defined as adjusted operating income (loss) divided by sales to external customers. Adjusted operating income (loss) and adjusted operating margin are not recognized terms under GAAP and therefore do not purport to be alternatives to operating income or operating margin as a measure of operating performance. The Company's definition of adjusted operating income (loss) and adjusted operating margin may not be comparable to similarly titled measures of other companies. As such, management believes that it is appropriate to consider operating income determined on a GAAP basis in addition to these non-GAAP measures.

MSA Safety Incorporated  
 Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures  
 Adjusted effective tax rate (Unaudited)

	Three Months Ended June 30,	
	<u>2018</u>	<u>2017</u>
GAAP reported effective tax rate	22.8 %	(7.7)%
Less: Tax benefit associated with ASU 2016-09: <i>Improvements to employee share-based payment accounting</i>	<u>(2.3)%</u>	<u>(34.4)%</u>
Adjusted effective tax rate	<u><u>25.1 %</u></u>	<u><u>26.7 %</u></u>

Management believes that its adjusted effective tax rate is a useful measure for investors. The adjusted effective tax rate excludes tax benefits associated with ASU 2016-09 improvements to employee share-based payment accounting. This tax benefit reflects items that are unrelated to the ongoing operations of the company. There can be no assurances that MSA's metric is consistent with metrics used by other companies. As such, management believes that it is appropriate to consider MSA's effective tax rate determined on a GAAP basis as well as this non-GAAP measure.



MSA Safety Incorporated  
Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures  
Adjusted earnings (Unaudited)  
Adjusted earnings per diluted share (Unaudited)  
(In thousands, except per share amounts)

	Three Months Ended June 30,		% Change	Six Months Ended June 30,		% Change
	2018	2017		2018	2017	
Net income attributable to MSA Safety Incorporated	\$ 33,179	\$ 12,532	165%	\$ 65,550	\$ 26,945	143%
Tax benefit associated with ASU 2016-09: <i>Improvements to employee share-based payment accounting</i>	(962)	(4,030)		(1,875)	(6,812)	
Subtotal	<u>32,217</u>	<u>8,502</u>	279%	<u>63,675</u>	<u>20,133</u>	216%
Restructuring charges	2,335	967		7,609	13,706	
Currency exchange losses, net	815	2,851		2,823	3,431	
Other operating expense	8,018	29,610		10,842	29,610	
Strategic transaction costs	58	1,642		152	2,979	
Asset related losses and other, net	1,131	180		1,148	244	
Income tax expense on adjustments	(3,102)	(10,681)		(5,621)	(14,769)	
Adjusted earnings	<u>\$ 41,472</u>	<u>\$ 33,071</u>	25%	<u>\$ 80,628</u>	<u>\$ 55,334</u>	46%
Adjusted earnings per diluted share	<u>\$ 1.07</u>	<u>\$ 0.85</u>	26%	<u>\$ 2.08</u>	<u>\$ 1.43</u>	45%

Management believes that adjusted earnings and adjusted earnings per diluted share are useful measures for investors, as management uses these measures to internally assess the company's performance and 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.

MSA Safety Incorporated  
Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures  
Adjusted EBITDA (Unaudited)  
Adjusted EBITDA margin (Unaudited)  
(In thousands)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	% Change	2018	2017	% Change
Net income attributable to MSA Safety Incorporated	\$ 33,179	\$ 12,532	165%	\$ 65,550	\$ 26,945	143%
Provision (benefit) for income	9,896	(902)		19,401	894	
Interest expense	5,181	3,014		9,962	6,605	
Depreciation and amortization	9,536	8,984		19,207	17,736	
Restructuring charges	2,335	967		7,609	13,706	
Currency exchange losses, net	815	2,851		2,823	3,431	
Other operating expense	8,018	29,610		10,842	29,610	
Strategic transaction costs	58	1,642		152	2,979	
Other income, net	(1,701)	(1,228)		(4,041)	(2,686)	
Adjusted EBITDA	<u>\$ 67,317</u>	<u>\$ 57,470</u>	17%	<u>\$131,505</u>	<u>\$ 99,220</u>	33%
Net sales	\$ 339,331	\$288,775		\$665,225	\$ 554,540	
Adjusted EBITDA margin	19.8%	19.9%		19.8%	17.9%	

Adjusted EBITDA is a non-GAAP financial measure. MSA defines this measure as net income attributable to the Company, excluding taxes, interest, depreciation and amortization, restructuring charges, currency exchange gains/losses, other operating expense, strategic transaction costs, and other income. Management believes this information is useful for investors to analyze ongoing profitability trends of the Company. MSA defines adjusted EBITDA margin as adjusted EBITDA divided by net sales. Adjusted EBITDA and adjusted EBITDA margin, 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. These non-GAAP measures should be considered in addition to GAAP measures such as net income.

MSA Safety Incorporated  
Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures  
Debt to adjusted EBITDA (Unaudited)  
Net debt to adjusted EBITDA (Unaudited)  
(In thousands)

	Twelve Months Ended June 30,
	<u>2018</u>
Net income attributable to MSA Safety Incorporated	\$ 64,632
Provision for income taxes	21,325
Interest expense	18,717
Depreciation and amortization	39,348
Restructuring charges	11,535
Currency exchange losses, net	4,518
Other operating expense	107,664
Strategic transaction costs	1,398
Other income, net	(6,914)
Adjusted EBITDA	<u>\$ 262,223</u>
Total end-of-period debt	430,607
Debt to adjusted EBITDA	<u>1.6</u>
Total end-of-period debt	430,607
Total end-of-period cash and cash equivalents	<u>116,650</u>
Net debt	<u>\$ 313,957</u>
Net debt to adjusted EBITDA	<u>1.2</u>

Adjusted EBITDA is a non-GAAP financial measure. MSA defines this measure as net income attributable to the Company, excluding interest, taxes, depreciation and amortization, restructuring charges, self-insured legal settlements and defense costs, currency exchange gains/losses, strategic transaction costs and other income. Management believes this information is useful for investors to analyze profitability trends of the Company. Adjusted 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. Adjusted EBITDA should be considered in addition to GAAP measures such as net income.

Debt to adjusted EBITDA ratio is a non-GAAP measure defined as total long term debt and debt maturing within one year divided by adjusted EBITDA, as reconciled above. This ratio is frequently used by investors and credit agencies and management believes this measures provides relevant and useful information.

MSA Safety Incorporated  
 Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures  
 Free cash flow (Unaudited)  
 (In thousands), except percentages

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Cash flow from operating activities	\$ 48,029	\$ 49,892	\$ 65,382	\$ 146,282
Capital expenditures	(5,571)	(4,685)	(8,812)	(6,127)
Free cash flow	<u>\$ 42,458</u>	<u>\$ 45,207</u>	<u>\$ 56,570</u>	<u>\$ 140,155</u>
Net income attributable to MSA Safety Incorporated	\$ 33,179	\$ 12,532	\$ 65,550	\$ 26,945
Free cash flow conversion	128%	361%	86%	520%

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. Management defines free cash flow conversion as free cash flow divided by net income attributable to MSA. There can be no assurances that MSA's definition of free cash flow is consistent with that of other companies. As such, management believes that it is appropriate to consider cash from operating activities determined on a GAAP basis as well as free cash flow.