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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the MSA Second Quarter Earnings Call. (Operator Instructions)

It is now my pleasure to introduce your host, Elyse Lorenzato, Director of Investor Relations. Elyse, please begin.

Elyse Lorenzato - *MSA Safety Incorporated - Director of IR*

Thank you, Kelly. Good morning, everyone, and welcome to MSA's second quarter earnings call for 2018. With me here today are Nish Vartanian, President and CEO and Ken Krause, Senior Vice President, CFO and Treasurer. Our second quarter press release was issued last night, and is available on our website at www.msasafety.com.

Before we begin, I'd like to remind everyone that the matters discussed on this call, excluding historical information are 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 risks, uncertainties and other factors that may cause our actual results to differ materially from those discussed here. These risks, uncertainties and other factors are detailed in our filings with the Securities and Exchange Commission, including our most recent Form 10-K filed in February of this year. MSA undertakes no duty to publicly update any forward-looking statements made on this call, except as required by law.

We've included certain non-GAAP financial measures as part of our discussion this morning. Reconciliations to the most directly comparable GAAP measures are available on our Investor Relations website at investors.msasafety.com.

With that, I will turn the call over to our President and CEO, Nish Vartanian.

Nishan J. Vartanian - *MSA Safety Incorporated - President, CEO & Director*

Thank you, Elyse. Good morning, everyone. Thank you for joining us and your continued interest in MSA. As you saw in our press release that was issued last night, second quarter revenue increased by 18% on a reported basis, or 5% on an organic constant currency basis. We leveraged that revenue growth into $41 million of adjusted earnings, or $1.07 of EPS, reflecting an increase of 25% from a year ago. There were a number of bright spots in the quarter that I'd like to highlight today.

First, we were pleased to see sustained increased demand across our end markets, which was the key driver of mid-single digit organic revenue growth for the third consecutive quarter. I should also note that our business overall is supported by a strong backlog heading into the second half of the year. To give you a better sense of this, this morning I'll review our quarterly core product performance and provide you with some insight into key trends we're seeing in our end markets, as well as some of the exciting new products that are contributing to our results. I'll provide an update on our efforts to improve profitability in our international segment. We're seeing good progress there in the early days, but we're excited about what's happening in that area. I'm pleased to report that we successfully resolved the insurance litigation that the team has been working through for nearly a decade. Ken will talk more about that in his commentary. Great work by our legal team on that front.

After my commentary. I'll turn it over to Ken for a financial review, then we'll be glad to take your questions.

So let's start with a look at our core product business. Our core product revenue increased 19% in constant currency or 6% on an organic basis. It was good to see the growth and sustained levels of momentum across our fires and industrial end markets in the quarter. The U.S. fire service replacement cycle continues, and higher oil prices and increased industrial production are providing support for our industrial and energy markets. In firefighter safety-related products demand remained strong throughout the quarter, and we continue to see solid results from the Globe acquisition.

We're coming up on a year of ownership of that asset, and we're very pleased with our performance. Globe was accretive to MSA's GAAP earnings by $0.29 in the first 11 months of ownership. In addition, to the earnings accretion, we hurdled our cost of capital in the first year of ownership of that acquisition. Looking at our SCBA business, we realized 5% growth in the quarter and a 200 basis point improvement in gross margin as we continued to outfit the G1 platform with industry-leading features, like our revolutionary integrated thermal imaging camera or iTIC. In fact, nearly 1/3 of all G1 units sold in 2018, include an iTIC. That compares to 20% in 2017. So we're definitely seeing more widespread adoption of that life-saving technology.

Looking forward, we are very well positioned to deliver solid results in SCBA. We're entering the second half with a backlog that continues to run significantly higher than this time a year ago, because we continue to see healthy order activity. For example, overall incoming SCBA orders were up mid-single digit for the quarter, and earlier this month, we secured a $5 million competitive conversion order to provide G1 SCBA to Memphis Fire Department. All of those units will be outfitted with the iTIC that I mentioned a moment ago, and we expect to ship that order in the second half.

Shifting gears to the gas detection products sold into industrial and oil and gas related end markets, we saw strong performance in the quarter. Portable gas detection increased 11% on a global basis and was supported by stronger conditions in industrial markets, notably energy and increased turnaround activity at refineries. In fixed gas and flame detection space or FGFD, incremental revenue from our new X5000 and S5000 gas monitors was the key driver of growth for the quarter with nicely accretive margins. As you may recall from Investor Day, this new gas detection platform includes best-in-class sensors that are built to last longer than competitive technology with enhanced performance and improved reliability. So far, customer feedback on these systems has been tremendously positive and we're getting industry recognition for this market leading technology as well.

In May, our ULTIMA X5000 gas monitor won a 2018 New Equipment Digest Innovation Award, which celebrates the year's most disruptive innovations in industrial technology, tools, and equipment. With best-in-class features and market-leading sensing technology, combined with strengthening conditions in the energy market, we are clearly starting to see some good momentum in FGFD.

Looking closer at head protection, we saw sales increase 12% across these end markets in the quarter. Notably, our incoming orders in hard hats this quarter were the highest level we've ever experienced, which we believe is a proxy of global economic strength. Healthy industrial and construction market trends continue driving growth and we continue to differentiate the MSA brand with comfort and our Logo Express capabilities.

Our fall protection revenue was flat in the quarter on unfavorable shipment timing in international. However, from an incoming order perspective, we're seeing sustained momentum in the U.S. and very good traction in international markets. As an example, we secured 2 large orders in the quarter valued at more than $1 million each. These were for Latchways products to a power transmission customer in Australia and to provide our new V-Series harnesses and Latchways Self-Retracting Lanyards to an aviation company in Latin America.

Before I hand the call over to Ken for his financial review, I wanted to switch gears from product lines to geographic reporting segments. If you've been following the MSA story, you know that improving our profitability in our International segment is a key strategic priority for 2018 and beyond. We see this as an area of our opportunity. Bob Leenen and his leadership team are highly focused on executing a number of initiatives to make progress towards our goals.

In the quarter, our International segment had revenue growth of 9% as reported, or 4% in constant currency. Bob's team also achieved operating margin expansion of 210 basis points. In fact, the quarterly incremental margin in International was 35%, a significant improvement from the run rate we've seen historically. Looking specifically at how the European region contributed, it really comes down to the progress we're making on our go-to-market strategy, as well as solid cost control. Europe revenue increased 8% in the quarter in constant currency, which was driven by higher shipments to large existing channel partners, as well as realizing incremental revenue from new channel partners. It's good to see that we've leveraged this revenue growth into strong double-digit EBIT growth in Europe. We are still in the early phases of this transformation process, but our European team is making meaningful progress with not only our channels optimization strategy, but also our efforts to upscale our sales organization and drive effective deployment of the MSA operating system throughout the business.

I should also note that the base business and demand continues to be very healthy in our Americas segment. As you may have seen in our press release last night, we incurred $3 million of unfavorable quarter-specific expenses. Ken will talk more about that in a moment, but I want to point out that these expenses were incurred at the Americas segment, which impacted the segment operating margin by about 120 basis points in the quarter. End market conditions and the resulting outlook continue to be positive for the Americas heading into the second half.

With that, I'll turn the call over to Ken for the financial review. Ken?

Kenneth D. Krause - *MSA Safety Incorporated - Senior VP, CFO & Treasurer*

Thanks, Nish and good morning everyone. Before I begin the P&L review, I'd like to start with a few financial highlights. We continued to see good organic growth in the quarter. Year-to-date, we've seen organic growth of 6% and 5% in the quarter, while quarterly incoming orders increased 8% from a year ago. As a result, we are entering the second half with a backlog that is consistent with the first quarter, trending up about 10% from year-end and running substantially higher than this time a year ago.

Operating margin of 17.1% increased 30 basis points from a year ago. We continue to make good progress in improving the efficiency of our business with another quarter of margin expansion. GAAP earnings were $33 million and adjusted earnings were $41 million or $1.07 per share -- per diluted share, increasing 25% from a year ago. Free cash flow conversion was well above 100% in the second quarter, up from only about 40% in the first quarter. Working capital as a percentage of sales decreased 240 basis points from Q1, and helped drive the improvements in cash flow.

And just yesterday, we reached the settlement on the portion of our insurance receivable that was in litigation. For those on the call that are not as familiar with this area of our business, let me briefly recap the composition of the receivable. Our insurance receivable totaled about $125 million at the end of the second quarter and the team has done a great job reducing that balance significantly over the past 18 months to 24 months. Approximately $50 million of that $125 million insurance receivable balance reflects coverage-in-place agreements or negotiated installment payments. In other words, that $50 million portion of the insurance receivable is not disputed or part of the litigation that we've been pursuing for many years now. The settlement that we've reached recently with our last major carrier ensures collection of the portion of the insurance receivable that was disputed and subject to litigation, and we expect to receive that cash in the third quarter. All told, from this and past negotiated settlements, we have secured payment streams from insurance-related assets totaling approximately $80 million that will be received in the third quarter.

Now I'd like to take some time to walk you through our quarterly financial results. Total revenue increased 16% in the quarter in constant currency terms. Solid performance in nearly every core product line drove 6% organic growth in core product sales. Gross profit was down 70 basis points in the quarter, which includes 150 basis points of dilution from Globe product mix. We saw nice improvement in organic product margins and favorable impacts from pricing on new products, which was partially offset by inflation in material costs and about $1 million of quarter-specific expenses related to customer experience. As we mentioned on the April Investor's call, we tightened up special pricing request globally and we are implementing price increases in the business to mitigate the inflationary impact we're seeing from some of our suppliers. We were successful in offsetting that impact this quarter, which drove solid expansion in organic product margins.

SG&A expense was $82 million in the quarter or 24.2% of sales compared to $74 million or 25.7% of sales a year ago. Excluding the increase in SG&A related to the Globe acquisition, which did not occur until Q3 of last year, SG&A increased $6 million. In addition to investing in programs focused on driving revenue growth, we incurred a higher-than-normal level of bad debt expense associated with a customer bankruptcy and healthcare costs related to unfavorable claims experienced during the quarter. While we plan to continue to invest in customer-facing areas to capture market share during this cycle, we continue to evaluate additional cost reduction and productivity improvement programs for our business.

GAAP operating income was $47 million and GAAP operating margins were 13.8% in the quarter. Excluding foreign exchange, restructuring, strategic transaction costs and product liability expense, adjusted operating margin was 17.1%, improving 30 basis points from a year ago. For the year-to-date period, operating margin was approaching 17% and improved over 200 basis points versus the first half of 2017. These quarter-specific charges notably related to bad debt expense, unfavorable claims experience, and customer experience, impacted consolidated adjusted operating margins by about 80 basis points in the quarter.

Quarterly adjusted EBITDA increased 17% to $67 million or just under 20% of sales. On a trailing 12-month basis, adjusted EBITDA is $262 million or 20% of sales, increasing more than 25% from a year ago on a 16% increase in revenue. Our GAAP effective tax rate was 22.8% for the quarter, which includes about $1 million of windfall benefit from stock compensation. On an adjusted normalized basis, our ETR was 25.1% in the quarter and is trending at 24.9% year-to-date. We continue to plan for our full-year ETR to be between 23% and 24%. Tax reform has also provided us with the flexibility to repatriate foreign cash. In the second quarter, we repatriated $40 million from our foreign affiliates, bringing the total to approximately $55 million that we had repatriated in the first half. We are on track to reach our cash repatriation goal of $75 million to $100 million for the full year, which is consistent with the target that we communicated earlier in the year.

GAAP net income was $33 million in the quarter compared to $13 million a year ago. Quarterly adjusted earnings increased 25% to $41 million or $1.07 per share compared to $0.85 per share a year ago. The earnings expansion was driven by organic core product growth, good gross margin performance in our core business, accretive acquisitions, and the benefits of U.S. tax reform. Free cash flow was $42 million in the quarter compared to $45 million a year ago. Free cash flow conversion was well over 100% in the quarter on improved working capital. And as you may remember, we had about $10 million of net inflows from insurance receivables in the second quarter of 2017, compared to net outflows of about $20 million in the current quarter related to payments on the structured settlements that we reached in August of last year.

It's really good to see the healthy level of free cash flow. As I mentioned, during the quarter, we generated free cash flow of $42 million. We paid down $33 million of debt and paid $15 million in dividends, which reflects the 9% increase that we announced in May. While cash repatriation allows us to tap into our offshore cash more efficiently, our business continues to generate strong cash flow and this improvement in cash flow has enabled us to continue to delever and positions us well to capitalize on additional growth opportunities.

Debt-to-EBITDA is 1.6x at the end of the second quarter compared to 2x at year-end. We remain committed to strategically using the balance sheet to drive value by levering up and making accretive acquisitions, and then quickly delevering just like we did most recently with the Globe acquisition. As Nish mentioned, that formula has been successful and it's encouraging to see the Globe asset hurdling our cost of capital in only 1 year.

In closing, I'm pleased with the working capital management and resulting improvements we saw in cash flow in the quarter, the sustained strong growth trajectory we are seeing in our business, the improvements in incremental margins in our International segment, and the progress we've made on securing collection of our insurance assets. The order book continued to maintain momentum in the quarter and our elevated backlog position -- positions us well to continue to recognize healthy levels of organic growth in the second half.

With that, I'll turn the call back over to Nish for some concluding commentary. Nish?

Nishan J. Vartanian - *MSA Safety Incorporated - President, CEO & Director*

Thank you, Ken. I'm pleased with the strong demand we're seeing in our key end markets, including energy, fire service, construction and general industrial applications, and encouraged by the resulting 8% organic growth and incoming orders for the second quarter. We're entering the second half of 2018 with a robust backlog that's well above historical levels for this time of year. We remain confident in our ability to achieve mid-single digit organic constant currency revenue growth for 2018. While our Growth-in-Focus initiative continues to be front and center, heading into the second half, we're also focused on our cost structure to preserve the strong profitability profile we've developed. As always, our focus is on executing our strategy and staying true to our mission, so we can continue to protect our customers at work and for our shareholders to drive profitable growth in 2018 and beyond.

Thank you for your attention this morning. At this time we will be happy to take any questions you may have. Please remember that MSA does not give guidance and that precludes most discussion related to our expectations for future sales and earnings.

Having said that, we will now open up the call for your questions.

QUESTIONS AND ANSWERS

Operator

Thank you. (Operator Instruction). Our first question we have -- first question is from Richard Eastman and he is with Baird.

Richard Charles Eastman - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Nish, could you go back over -- if you wouldn't mind, the fixed gas and flame business for the -- on a consolidated basis, we had revenue up 3%. International looked a bit soft, you've referenced a better order number. Could you just kind of give the fixed gas and flame kind of order number in the quarter, and maybe just kind of speak to how that business or a piece of the business performed in the quarter?

Nishan J. Vartanian - *MSA Safety Incorporated - President, CEO & Director*

Yes, Rick. So we had some real good strength in the Americas segment. We're really starting to see the markets bounce back in the Americas. We've had really good traction with the X and S5000 products in the Americas. International is a little different story. We have some really good traction in Europe and in China. The Middle East is a little bit soft for us right now. And that's really a matter of timing. Last year, the Middle East had a really strong second quarter and we were shipping into some major projects, there were some large orders that came through, and the timing of those projects we just haven't seen those orders materialize to this point in 2018. So you know it's part of the cycle of the business in that part of the world. So we expect that to come along, but we do know customers testing the X and S5000 in that part of the world, are really pleased with the performance to-date. So we expect that to come around.

Kenneth D. Krause - *MSA Safety Incorporated - Senior VP, CFO & Treasurer*

Yes, Rick. Just adding a little bit of texture there. I mean we saw some good performance in fixed. The order pace there was up high single, low double-digit range in the quarter. So we're seeing some good performance coming through in there and that's part of the build in backlog that we see. There's a few businesses, obviously, that build backlog, that's one of those businesses.

Richard Charles Eastman - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Okay. And then Ken, could you just elaborate on 2 things. One is, on the gross margin, could you just go back through your commentary there? I mean, gross margin was down 100 basis points. You'd mentioned Globe, I believe, was [60 basis points] of that dilution.

Kenneth D. Krause - *MSA Safety Incorporated - Senior VP, CFO & Treasurer*

Let me go back to that, Rick. Gross profit was down about 70 basis points in the quarter. Now, if we look at Globe, Globe we all know from past quarters, is diluted to the gross margin profile. It was diluted by about 150 basis points in the quarter. So our organic gross margins were up about

80 basis points. We saw a really good performance across the core portfolio. If you look at SCBA, we saw good performance there; our fixed gas and flame detection saw a good performance. We saw appreciation or improvement in substantially or just about all of our core businesses in the quarter. So we're seeing some good performance coming through in the gross margin line in the quarter.

Richard Charles Eastman - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Okay and then just lastly, I was going to ask you the same thing. This unfavorable quarterly expense number is so -- about -- I guess about $3 million in the quarter. I presume that all hits at the SG&A line. And my question would be, what is customer experience? And then you mentioned a bad debt and then healthcare costs, is that kind of collectively what's in that $3 million?

Kenneth D. Krause - *MSA Safety Incorporated - Senior VP, CFO & Treasurer*

Yes, that's right. Rick. And so there's $3 million that we called out in the quarter that were abnormal for us versus our prior periods. Two of that is SG&A, and $1 million of that is up in the gross profit line. So we thought it was important for us to just identify that for the group. You're right, it was bad debt expense, it was healthcare claims and then there was a portion that related to some things we did with customers in order to enhance the experience, and really helps us leverage our some of our relationships and really results in some of that performance we see on the gross margin line. We continue to see nice gross margin in the business and part of that is driven by some of the things you have to do from time-to-time with customers.

Richard Charles Eastman - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

So we should -- again, we should see those numbers back out sequentially?

Kenneth D. Krause - *MSA Safety Incorporated - Senior VP, CFO & Treasurer*

Yes. That's what we're hoping. I mean we certainly called it out. Our plan is to hopefully see that debate here as we move forward.

Operator

And our next question we have is from Stanley Elliott from Stifel.

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

What's happening in the International -- so quick question on the international margins. Fantastic performance. I would have thought with -- you know it looks like some of the mix or some of your higher margin mix of businesses were maybe down a little bit on the International business, maybe not contribute as much and you mentioned the [FGFDs]. Can you help us with what is driving that 210 basis points of margin? Is it new products, I don't know. I can't remember if the XI is being sold there, but really any color on the performance that we're seeing thus far?

Bob Willem Leenen - *MSA Safety Incorporated - VP & President of MSA International*

It's really throughout the whole P&L, so it's the combination of the revenue growth that we're seeing, which we didn't see last year; combination of the cost savings, many of which were made last year where we were seeing the full-year effect; price increase benefiting the margins; the volume is helping us with favorable variances in the factories, and when you put it all together, that's what's helping us to drive the operating margins up.

Kenneth D. Krause - *MSA Safety Incorporated - Senior VP, CFO & Treasurer*

Yes, just to add on to that Stanley, it's Ken. In Europe, specifically which has gotten a lot of attention for us here of late, we saw really good performance come through that European segment. We saw -- and what we saw there was about 8% local currency organic growth, but we were able to leverage that into strong double-digit returns on the operating income line. Bob's right, it's really throughout the P&L. But one thing that we've talked about with investors quite frequently has been our move in the channels, and what we saw in some of that in the quarter was some strong performance with what we call, A channel partners or top channel partners, and so we saw good growth coming through in that business, which helps yield some of the stronger profitability profile that we have in our business.

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

Perfect. And then could you talk a little bit about the M&A environment? With the cash settlement coming back in with the repatriation, it's changed your thought process on the size of deals you're looking at. Any sort of context about that environment would be great.

Kenneth D. Krause - *MSA Safety Incorporated - Senior VP, CFO & Treasurer*

Yes, we are certainly very active. We are very active in screening candidates and potential candidates for our business. And so we are very active. I think what you'll see is a continued execution of our playbook. We acquired Globe last year for about $200 million. Prior to that, we acquired Latchways, and then of course, going clear back to 2010 with General Monitors. And so I think you'll continue to see us look at our core markets and core product areas, but also our core markets very much like we did with the Globe acquisition when we maybe stepped outside of some of our core product areas, but we went after and acquired a very strategic asset, which has provided very strong returns for our shareholders.

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

And you looking at kind of the $3 million call-out on the expense side in the Q1, is there any reason to think that we don't get back to kind of your normal sorts of historical incremental margins going forward within the Americas business?

Kenneth D. Krause - *MSA Safety Incorporated - Senior VP, CFO & Treasurer*

Yes, that certainly is something we're looking at and something we're planning for as we think about the future. We're trying to take the action necessary to bring that margin profile back. We were very happy to see -- it was great to see the progress in International, because that's the area where we've been devoting a significant amount of our attention. We feel that we certainly can get the Americas business back on track to the margin profile that we saw in prior quarters, but we certainly -- it was great to see the performance in the International segment.

Operator

And our next question we have is from Edward Marshall from Sidoti.

Edward James Marshall - *Sidoti & Company, LLC - Research Analyst*

So you talked about it in your prepared remarks, Ken. But I was curious about inflation. Maybe you can talk about some of the pressures you're seeing there from percentage perspective. It sounds like you offset it with price in Q2, what's the outlook for the remainder of the year?

Kenneth D. Krause - *MSA Safety Incorporated - Senior VP, CFO & Treasurer*

Yes, we are seeing some inflation. We're seeing inflation in some of our product cost, and we had done a very nice job neutralizing that with price increases and also tightening up a bit on special pricing and some special quotes that come in. So we're saying -- after watching it very closely, and we continue to feel confident that we'll be able to offset that through the balance of the year and probably into next year with some pricing in the marketplace. Stay tuned, but we've been pretty effective to-date on that.

Edward James Marshall - *Sidoti & Company, LLC - Research Analyst*

On the International margin, which looks very good, is it -- can you talk about whether it's -- how much of that is actually the restructuring that's flowing through? Does mix have something to play with it, is it something else that might actually be playing in as well? Just trying to talk about how much less is on the restructuring side versus kind of what was achieved in the quarter mix.

Kenneth D. Krause - *MSA Safety Incorporated - Senior VP, CFO & Treasurer*

You know Ed -- it's Ken. I think substantial improvement was driven from the restructuring. When we look at where we got the most significant returns, it was certainly the higher, or higher-than-normal sales growth that we've seen coming through, is a result of our restructuring of our channels, of our sales force, and our go-to-market strategy. And so I think without that, we wouldn't be seeing these sorts of returns that we're seeing here so quickly that Bob has been able to get through in the business. And so, from a pure product mix perspective, if you look at the mix, it's actually not as favorable as it was going back to last year in the second quarter when we had a higher degree or higher portion of fixed gas flowing through our business. So that weakness in fixed gas is actually a bit of a headwind to us on the mix line. But despite having that, we saw good performance, good improvements, and notably as I said, that European business continues to improve nicely, in addition to some of the business and some of the improvements we're seeing in China, which we haven't talked about either, but we are seeing some good performance there as well.

Edward James Marshall - *Sidoti & Company, LLC - Research Analyst*

And then finally, when I look at the $8 million charge that was stripped out of the GAAP EPS last year, it was a liability for the trauma. Is that the bulk of what the $8 million is this year, or -- it seems to have calmed down for a little bit, I'm just curious why it might spike back up again?

Kenneth D. Krause - *MSA Safety Incorporated - Senior VP, CFO & Treasurer*

Yes that $8 million, a bulk of that $8 million is a change in estimate. And so when we booked the insurance receivable asset a year or so ago, associated with our structured settlement that we're paying on now, we estimated a portion of those claims to be covered by insurance, which as we went through and finalized the settlement activity in the second quarter here and continued to work on servicing that liability, we've determined that a portion of those are actually self-insured. And so, we -- once we gained that additional information in the second quarter, we reclassified that from insurance recovery to expense in our P&L, so that's flowing through there. The remainder of the amount that flows through there is just legal expenses associated with settling claims, which were not included as part of the liability estimate a year ago. So -- but the change in estimate associated with the insurance asset is the bulk of the impact there.

Elyse Lorenzato - *MSA Safety Incorporated - Director of IR*

Seeing that we have no more questions, that will conclude today's call. If you missed a portion of the conference call, an audio replay and a transcript will be available on our Investor Relations website for the next 90 days. On behalf of our entire team here, I want to thank you again for joining us this morning, and we look forward to talking with you again soon.
