

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

Consolidated

Three Months Ended September 30, 2019

	Breathing Apparatus	Firefighter Helmets and Protective Apparel	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	(11)%	19%	2%	12%	17%	24%	7%	(3)%	6%
Plus: Currency translation effects	1 %	2%	2%	2%	1%	3%	2%	2 %	2%
Constant currency sales change	(10)%	21%	4%	14%	18%	27%	9%	(1)%	8%

Nine Months Ended September 30, 2019

	Breathing Apparatus	Firefighter Helmets and Protective Apparel	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	(4)%	6%	1%	4%	9%	21%	4%	(6)%	3%
Plus: Currency translation effects	2 %	2%	2%	2%	3%	4%	3%	3 %	2%
Constant currency sales change	(2)%	8%	3%	6%	12%	25%	7%	(3)%	5%

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. There can be no assurances that MSA's definition of 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 this non-GAAP financial measure.

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

Americas Segment

Three Months Ended September 30, 2019

	Breathing Apparatus	Firefighter Helmets and Protective Apparel	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)%	15%	1%	13%	27%	40%	11%	22%	12%
Plus: Currency translation effects	— %	1%	1%	1%	—%	1%	—%	1%	1%
Constant currency sales change	(8)%	16%	2%	14%	27%	41%	11%	23%	13%

Nine Months Ended September 30, 2019

	Breathing Apparatus	Firefighter Helmets and Protective Apparel	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	1%	6%	—%	4%	16%	31%	7%	9%	7%
Plus: Currency translation effects	—%	—%	1%	1%	—%	1%	1%	1%	1%
Constant currency sales change	1%	6%	1%	5%	16%	32%	8%	10%	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. There can be no assurances that MSA's definition of 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 this non-GAAP financial measure.

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

International Segment

Three Months Ended September 30, 2019

	Breathing Apparatus	Firefighter Helmets and Protective Apparel	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	(17)%	43%	6%	10%	6%	2%	1%	(28)%	(4)%
Plus: Currency translation effects	3 %	6%	3%	3%	3%	5%	3%	3 %	3 %
Constant currency sales change	(14)%	49%	9%	13%	9%	7%	4%	(25)%	(1)%

Nine Months Ended September 30, 2019

	Breathing Apparatus	Firefighter Helmets and Protective Apparel	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	(12)%	8%	5%	3%	2%	8%	—%	(21)%	(4)%
Plus: Currency translation effects	5 %	7%	6%	6%	5%	6%	5%	4 %	5 %
Constant currency sales change	(7)%	15%	11%	9%	7%	14%	5%	(17)%	1 %

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. There can be no assurances that MSA's definition of 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 this non-GAAP financial measure.

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

Consolidated

Three Months Ended September 30, 2019						
	Firefighter Safety	Gas Detection	Industrial Core PPE	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	(2)%	15%	12%	7%	(3)%	6%
Plus: Currency translation effects	1 %	2%	1%	2%	2 %	2%
Constant currency sales change	(1)%	17%	13%	9%	(1)%	8%

Nine Months Ended September 30, 2019						
	Firefighter Safety	Gas Detection	Industrial Core PPE	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	—%	7%	9%	4%	(6)%	3%
Plus: Currency translation effects	2%	2%	3%	3%	3 %	2%
Constant currency sales change	2%	9%	12%	7%	(3)%	5%

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. There can be no assurances that MSA's definition of 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 this non-GAAP financial measure.

MSA Safety Incorporated
Segment Information (Unaudited)
(In thousands, except percentage amounts)

	Americas	International	Corporate	Consolidated
Three Months Ended September 30, 2019				
Sales to external customers	\$ 234,624	\$ 116,390	\$ —	\$ 351,014
Operating income				59,614
Operating margin %				17.0%
Restructuring charges				1,850
Currency exchange (gains), net				(913)
Product liability expense				1,730
Strategic transaction costs				952
Adjusted operating income (loss)	58,971	13,776	(9,514)	63,233
Adjusted operating margin %	25.1%	11.8%		18.0%
Depreciation and amortization				9,547
Adjusted EBITDA	65,342	16,854	(9,416)	72,780
Adjusted EBITDA %	27.8%	14.5%		20.7%
Three Months Ended September 30, 2018				
Sales to external customers	\$ 209,343	\$ 121,753	\$ —	\$ 331,096
Operating income				40,003
Operating margin %				12.1%
Restructuring charges				2,615
Currency exchange (gains), net				(252)
Product liability expense				14,627
Strategic transaction costs				56
Adjusted operating income (loss)	51,532	13,329	(7,812)	57,049
Adjusted operating margin %	24.6%	10.9%		17.2%
Depreciation and amortization				9,378
Adjusted EBITDA	57,573	16,559	(7,705)	66,427
Adjusted EBITDA %	27.5%	13.6%		20.1%

	Americas	International	Corporate	Consolidated
Nine Months Ended September 30, 2019				
Sales to external customers	\$ 679,699	\$ 347,027	\$ —	\$ 1,026,726
Operating income				146,252
Operating margin %				14.2%
Restructuring charges				11,203
Currency exchange losses, net				17,338
Product liability expense				8,155
Strategic transaction costs				2,937
Adjusted operating income (loss)	171,463	39,888	(25,466)	185,885
Adjusted operating margin %	25.2%	11.5%		18.1%
Depreciation and amortization				28,339
Adjusted EBITDA	190,084	49,313	(25,173)	214,224
Adjusted EBITDA %	28.0%	14.2%		20.9%
Nine Months Ended September 30, 2018				
Sales to external customers	\$ 633,812	\$ 362,508	\$ —	\$ 996,320
Operating income				131,235
Operating margin %				13.2%
Restructuring charges				10,223
Currency exchange losses, net				2,571
Product liability expense				25,469
Strategic transaction costs				208
Adjusted operating income (loss)	151,456	41,960	(23,710)	169,706
Adjusted operating margin %	23.9%	11.6%		17.0%
Depreciation and amortization				28,585
Adjusted EBITDA	169,691	52,001	(23,401)	198,291
Adjusted EBITDA %	26.8%	14.3%		19.9%

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), adjusted operating margin, adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) and adjusted EBITDA 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), adjusted operating margin, adjusted EBITDA and adjusted EBITDA margin are useful metrics for investors. Adjusted operating income (loss) is defined as operating income excluding restructuring charges, currency exchange gains / losses, product liability expense and strategic transaction costs and adjusted operating margin is defined as adjusted operating income (loss) divided by segment sales to external customers. Adjusted EBITDA is defined as adjusted operating income (loss) plus depreciation and amortization and adjusted EBITDA margin is defined as adjusted EBITDA divided by segment sales to external customers. Adjusted operating income (loss), adjusted operating margin, adjusted EBITDA and adjusted EBITDA 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), adjusted operating margin, adjusted EBITDA and adjusted EBITDA 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
Organic constant currency SG&A expense (Unaudited)
(In thousands)

	Three Months Ended September 30,		% Change	Nine Months Ended September 30,		% Change
	2019	2018		2019	2018	
GAAP reported SG&A expense	\$ 82,900	\$ 78,013	6%	\$245,337	\$240,226	2%
Plus: Currency translation effects	—	(1,276)		—	(5,488)	
Constant currency SG&A expense	\$ 82,900	\$ 76,737	8%	\$245,337	\$234,738	5%
Less: Acquisitions and strategic transaction costs	3,246	—		6,682	—	
Organic constant currency SG&A expense	<u>\$ 79,654</u>	<u>\$ 76,737</u>	4%	<u>\$238,655</u>	<u>\$234,738</u>	2%

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 effective tax rate (Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2019	2018	2019	2018
GAAP reported effective tax rate	26.9 %	11.0%	26.3 %	19.1%
Tax benefit associated with U.S. Tax Reform	— %	3.7%	— %	1.3%
Tax (expense) associated with the recognition of non-cash currency translation adjustments	(0.1)%	—%	(2.5)%	—%
Tax benefit associated with other operating expense	— %	3.7%	— %	0.9%
Tax benefit associated with ASU 2016-09: <i>Improvements to employee share-based payment accounting</i>	0.3 %	0.8%	1.5 %	1.6%
Adjusted effective tax rate	<u>27.1 %</u>	<u>19.2%</u>	<u>25.3 %</u>	<u>22.9%</u>

Management believes that adjusted effective tax rate is a useful measure for investors. The adjusted effective tax rate excludes tax benefits 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 September 30,		% Change	Nine Months Ended September 30,		% Change
	2019	2018		2019	2018	
Net income attributable to MSA Safety Incorporated	\$ 42,239	\$ 33,717	25%	\$105,278	\$ 99,267	6%
Tax (benefit) associated with U.S. Tax Reform	\$ —	\$ (1,956)		—	(1,956)	
Non-deductible non-cash charge related to the recognition of currency translation adjustments	—	—		15,359	—	
Tax benefit associated with ASU 2016-09: Improvements to employee share-based payment accounting	(187)	(430)		(2,180)	(2,306)	
Subtotal	<u>42,052</u>	<u>31,331</u>	34%	<u>118,457</u>	<u>95,005</u>	25%
Product liability expense	1,730	14,627		8,155	25,469	
Restructuring charges	1,850	2,615		11,203	10,223	
Strategic transaction costs	952	56		2,937	208	
Currency exchange (gains) losses, net	(913)	(252)		1,979	2,571	
Loss on extinguishment of debt	0	1,494		0	1,494	
Asset related losses (gains), net	38	(733)		271	415	
Income tax expense on adjustments	(878)	(4,024)		(5,912)	(9,645)	
Adjusted earnings	<u>\$ 44,831</u>	<u>\$ 45,114</u>	(1)%	<u>\$137,090</u>	<u>\$125,740</u>	9%
Adjusted earnings per diluted share	<u>\$ 1.15</u>	<u>\$ 1.16</u>	(1)%	<u>\$ 3.50</u>	<u>\$ 3.23</u>	8%

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
Debt to adjusted EBITDA / Net debt to adjusted EBITDA (Unaudited)
(In thousands)

	Twelve Months Ended September 30,	
	2019	
Net income attributable to MSA Safety Incorporated	\$	130,160
Provision for income taxes		51,527
Interest expense		15,516
Depreciation and amortization		37,606
Restructuring charges		14,227
Currency exchange losses, net		17,097
Product liability expense		28,013
Strategic transaction costs		3,150
Other income, net		(9,788)
Adjusted EBITDA	\$	287,508
Total end-of-period debt		372,073
Debt to adjusted EBITDA		<u>1.3</u>
Total end-of-period debt		372,073
Total end-of-period cash and cash equivalents		108,481
Net debt	\$	263,592
Net debt to adjusted EBITDA		<u>0.9</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, other operating expense, 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. Net debt to adjusted EBITDA is a non-GAAP measure defined as total long term debt and debt maturing within one year, minus cash and cash equivalents divided by adjusted EBITDA, as reconciled above. These ratios are 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 September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Cash flow from operating activities	\$50,705	\$120,815	\$88,250	\$186,197
Capital expenditures	(9,998)	(9,808)	(23,523)	(18,620)
Free cash flow	<u>\$40,707</u>	<u>\$111,007</u>	<u>\$64,727</u>	<u>\$167,577</u>
Net income attributable to MSA Safety Incorporated	\$42,239	\$33,717	\$105,278	\$99,267
Free cash flow conversion	96%	329%	61%	169%

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.