

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 December 31, 2017									
	Breathing Apparatus	Firefighter Helmets and Protective Apparel ^(b)	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	9 %	236 %	9 %	14 %	11 %	8 %	22 %	(10)%	17 %
Plus: Currency translation effects	(2)%	(7)%	(2)%	(2)%	(5)%	(4)%	(3)%	(3)%	(3)%
Constant currency sales change	7 %	229 %	7 %	12 %	6 %	4 %	19 %	(13)%	14 %
Less: Acquisitions	— %	207 %	— %	— %	(4)%	— %	10 %	— %	8 %
Organic constant currency change	7 %	22 %	7 %	12 %	10 %	4 %	9 %	(13)%	6 %

Twelve Months Ended December 31, 2017									
	Breathing Apparatus	Firefighter Helmets and Protective Apparel ^(b)	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)%	97 %	13 %	4%	4 %	2%	8 %	(12)%	4 %
Plus: Currency translation effects	— %	(1)%	(2)%	—%	(2)%	2%	(1)%	(2)%	(1)%
Constant currency sales change	(4)%	96 %	11 %	4%	2 %	4%	7 %	(14)%	3 %
Less: Acquisitions	— %	89 %	— %	—%	— %	—%	5 %	— %	4 %
Organic constant currency change	(4)%	7 %	11 %	4%	2 %	4%	2 %	(14)%	(1)%

(b) 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 December 31, 2017									
	Breathing Apparatus	Firefighter Helmets and Protective Apparel ^(b)	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	10%	581%	10 %	11%	4%	19 %	29 %	(5)%	24%
Plus: Currency translation effects	—%	2%	(1)%	—%	—%	(1)%	(1)%	(1)%	—%
Constant currency sales change	10%	583%	9 %	11%	4%	18 %	28 %	(6)%	24%
Less: Acquisitions	—%	559%	— %	—%	—%	— %	18 %	— %	16%
Organic constant currency change	10%	24%	9 %	11%	4%	18 %	10 %	(6)%	8%

Twelve Months Ended December 31, 2017									
	Breathing Apparatus	Firefighter Helmets and Protective Apparel ^(b)	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)%	219%	11 %	8%	(2)%	22%	11%	(7)%	9 %
Plus: Currency translation effects	— %	—%	(1)%	—%	— %	—%	—%	(1)%	(1)%
Constant currency sales change	(4)%	219%	10 %	8%	(2)%	22%	11%	(8)%	8 %
Less: Acquisitions	— %	213%	— %	—%	— %	—%	8%	— %	7 %
Organic constant currency change	(4)%	6%	10 %	8%	(2)%	22%	3%	(8)%	1 %

(b) 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 December 31, 2017									
	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	9 %	29 %	5 %	20 %	16 %	(3)%	13 %	(15)%	8 %
Plus: Currency translation effects	(7)%	(9)%	(3)%	(7)%	(7)%	(7)%	(7)%	(5)%	(7)%
Constant currency sales change	2 %	20 %	2 %	13 %	9 %	(10)%	6 %	(20)%	1 %
Less: Acquisitions	— %	— %	— %	— %	(6)%	— %	(2)%	— %	(2)%
Organic constant currency change	2 %	20 %	2 %	13 %	15 %	(10)%	8 %	(20)%	3 %

Twelve Months Ended December 31, 2017									
	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	(3)%	10 %	18 %	(2)%	9 %	(15)%	2 %	(18)%	(2)%
Plus: Currency translation effects	(2)%	(2)%	(1)%	(2)%	(2)%	3 %	(2)%	(2)%	(2)%
Constant currency sales change	(5)%	8 %	17 %	(4)%	7 %	(12)%	— %	(20)%	(4)%
Less: Acquisitions	— %	— %	— %	— %	1 %	— %	— %	— %	— %
Organic constant currency change	(5)%	8 %	17 %	(4)%	6 %	(12)%	— %	(20)%	(4)%

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 December 31,			Twelve Months Ended December 31,		
	2017	2016	% Change	2017	2016	% Change
GAAP reported SG&A expense	\$ 75,467	\$ 78,288	(4)%	\$ 297,801	\$ 306,144	(3)%
Plus: currency translation effects	—	2,334		—	2,279	
Constant currency SG&A expense	75,467	80,622	(6)%	297,801	308,423	(3)%
Less: Acquisitions and strategic transaction costs	2,957	3,173		9,783	3,994	
Organic constant currency SG&A expense	<u>72,510</u>	<u>77,449</u>	(6)%	<u>288,018</u>	<u>304,429</u>	(5)%

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)

	Americas	International	Corporate	Consolidated
Three Months Ended December 31, 2017				
Sales to external customers	\$ 208,421	\$ 137,719	—	\$ 346,140
Operating loss				(30,996)
Operating margin %				(9.0)%
Restructuring and other charges				712
Currency exchange losses, net				1,133
Other operating expense				93,476
Adjusted operating income (loss)	53,400	18,770	(7,845)	\$ 64,325
Adjusted operating margin %	25.6%	13.6%		18.6 %
Twelve Months Ended December 31, 2017				
Sales to external customers	\$ 736,847	\$ 459,962	—	\$ 1,196,809
Operating income				43,345
Operating margin %				3.6 %
Restructuring and other charges				17,632
Currency exchange losses, net				5,127
Other operating expense				126,432
Adjusted operating income (loss)	184,287	45,461	(37,212)	\$ 192,536
Adjusted operating margin %	25.0%	9.9%		16.1 %
Three Months Ended December 31, 2016				
Sales to external customers	\$ 168,109	\$ 127,922	—	\$ 296,031
Operating income				47,544
Operating margin %				16.1%
Restructuring charges				1,997
Currency exchange (gains), net				(1,732)
Other operating expense				—
Adjusted operating income (loss)	45,313	14,832	(12,336)	\$ 47,809
Adjusted operating margin %	27.0%	11.6%		16.2%
Twelve Months Ended December 31, 2016				
Sales to external customers	\$ 678,433	\$ 471,097	—	\$ 1,149,530
Operating income				164,192
Operating margin %				14.3%
Restructuring charges				5,694
Currency exchange losses, net				766
Other operating expense				—
Adjusted operating income (loss)	162,788	46,491	(38,627)	\$ 170,652
Adjusted operating margin %	24.0%	9.9%		14.8%

The Americas and International segments were established on January 1, 2016. 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, currency exchange gains (losses) and other operating expense. Adjusted operating margin is defined as adjusted operating income (loss) divided by segment 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)

	Twelve Months Ended December 31,
	<u>2017</u>
GAAP reported effective tax rate	9.5 %
Less: Tax benefit associated with other operating expense	(22.9)%
Less: Charges associated with U.S. Tax Reform	12.7 %
Less: Tax benefit associated with ASU 2016-09: <i>Improvements to employee share-based payment accounting</i>	(5.3)%
Less: Tax benefit associated with European reorganization	<u>(1.6)%</u>
Adjusted effective tax rate	<u><u>26.6 %</u></u>

Management believes that its adjusted effective tax rate is a useful measure for investors. The adjusted effective tax rate excludes tax charges associated with U.S. Tax Reform and tax benefits associated with other operating expense, ASU 2016-09 improvements to employee share-based payment accounting and the company's European reorganization. These tax charges/benefits reflect 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 December 31,			Twelve Months Ended December 31,		
	2017	2016	% Change	2017	2016	% Change
(Loss) income from continuing operations attributable to MSA Safety Inc.	\$ (32,984)	\$ 25,216	(231)%	\$ 26,027	\$ 92,691	(72)%
Tax charges associated with U.S. Tax Reform	19,817	—		19,817		
Tax (benefit) associated with ASU 2016-09: <i>Improvements to employee share-based payment accounting</i>	(1,413)	—		(8,323)	—	
Tax (benefits) charges associated with European reorganization	(30)	2,873		(2,504)	6,473	
Subtotal	(14,610)	28,089	(152)%	35,017	99,164	(65)%
Self-insured legal settlements and defense costs ^(a)	93,476	26		126,432	341	
Currency exchange losses (gains), net	1,133	(1,732)		5,127	766	
Strategic transaction costs	860	1,710		4,225	2,531	
Restructuring charges	712	1,997		17,632	5,694	
Asset related losses and other, net	492	847		678	32	
Income tax expense on adjustments	(31,443)	(1,038)		(47,810)	(3,161)	
Adjusted earnings	50,620	29,899	69%	141,301	105,367	34%
Adjusted earnings per diluted share	\$ 1.31	\$ 0.78	68%	\$ 3.65	\$ 2.77	32%

(a) Year to date amount is primarily associated with increasing the company's cumulative trauma product liability reserve for asserted and IBNR claims.

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

Globe earnings per diluted share excluding transaction costs and purchase accounting amortization
(Unaudited)

(In thousands, except per share amounts)

	Three Months Ended December 31, 2017		Twelve Months Ended December 31, 2017	
	Reconciliation of Earnings	Reconciliation of Earnings Per Diluted Share	Reconciliation of Earnings	Reconciliation of Earnings Per Diluted Share
Globe GAAP earnings	\$ 2,051	\$ 0.05	\$ 3,739	\$ 0.10
Transaction costs	731	\$ 0.02	1,778	\$ 0.05
Purchase accounting amortization	1,026	\$ 0.03	1,710	\$ 0.04
Income tax expense on adjustments	(615)	\$ (0.02)	(1,221)	\$ (0.03)
Globe earnings excluding transaction costs and purchase accounting amortization	<u>\$ 3,193</u>	<u>\$ 0.08</u>	<u>\$ 6,006</u>	<u>\$ 0.16</u>

Management believes that Globe earnings per diluted share excluding transaction costs and purchase accounting amortization is a useful measure for investors, as management uses this measure to assess the profitability of MSA's recent acquisition of firefighter turnout gear manufacturer Globe. There can be no assurances that MSA's metrics are consistent with that of other companies. As such, management believes that it is appropriate to consider both Globe net income determined on a GAAP basis as well as Globe earnings per diluted share excluding transaction costs and purchase accounting amortization.

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2017	2016	2017	2016
Cash flow from operating activities	\$ 41,090	\$ 103,457	\$ 230,336	\$ 134,894
Capital expenditures	(11,995)	(9,377)	(23,725)	(25,523)
Free cash flow	<u>\$ 29,095</u>	<u>\$ 94,080</u>	<u>\$ 206,611</u>	<u>\$ 109,371</u>
Net (loss) income attributable to MSA Safety Incorporated	\$ (32,984)	\$ 24,916	\$ 26,027	\$ 91,936
Free cash flow conversion	(88)%	378%	794%	119%

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 (loss) 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.

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 December 31, 2017
Income from continuing operations attributable to MSA Safety Inc.	26,027
Provision for income taxes	2,819
Interest expense	15,360
Depreciation and amortization	37,877
Restructuring charges	17,632
Strategic transaction costs	4,225
Other (income), net	(1,790)
Currency exchange losses, net	5,127
Self-insured legal settlements and defense costs ^(a)	126,432
Adjusted EBITDA	233,709
Total end-of-period debt	474,512
Debt to adjusted EBITDA	2.0
Total end-of-period debt	474,512
Total end-of-period cash and cash equivalents	134,244
Net debt	340,268
Net debt to adjusted EBITDA	1.5

(a) Year to date amount is primarily associated with increasing the company's cumulative trauma product liability reserve for asserted and IBNR claims.

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. Net debt to adjusted EBITDA removes cash and cash equivalents from the Company's debt balance. These ratios are frequently used by investors and credit agencies and management believes these measures provide relevant and useful information.

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

	Three Months Ended December 31,		% Change	Twelve Months Ended December 31,		% Change
	2017	2016		2017	2016	
(Loss) income from continuing operations attributable to MSA Safety Inc.	\$(32,984)	\$ 25,216	(231)%	\$ 26,027	\$ 92,691	(72)%
Provision for income taxes	(3,487)	18,936		2,819	57,804	
Interest expense	4,794	3,896		15,360	16,411	
Depreciation and amortization	10,212	8,622		37,877	35,273	
Restructuring charges	712	1,997		17,632	5,694	
Strategic transaction costs	860	1,710		4,225	2,531	
Other (income), net	271	(426)		(1,790)	(4,130)	
Currency exchange losses, net	1,133	(1,732)		5,127	766	
Self-insured legal settlements and defense costs ^(a)	93,476	26		126,432	341	
Adjusted EBITDA	<u>74,987</u>	<u>58,245</u>	29%	<u>233,709</u>	<u>207,381</u>	13%
Net Sales	346,140	296,031		1,196,809	1,149,530	
Adjusted EBITDA margin	21.7%	19.7%		19.5%	18.0%	

(a) Year to date amount is primarily associated with increasing the company's cumulative trauma product liability reserve for asserted and IBNR claims.

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 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.