

# Q3 2019 RESULTS

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Our third quarter performance is the continuation of a growth story driven by listening closely to customer needs, developing innovative products, and driving operational excellence through the MSA Operating System. The results generated by our industrial and gas detection products this quarter were especially encouraging. We were able to achieve eight percent revenue growth in the quarter despite a delay in the approval of SCBA in the U.S. for all manufacturers. The NPD pipeline from R&D investments is driving strong results, and the MSA team is executing at a high level.

-Nish Vartanian, MSA President and CEO

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NET SALES

**\$351M**

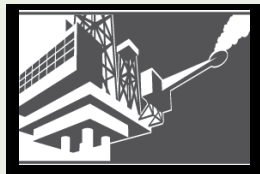


+6% AS REPORTED  
+8% CONSTANT  
CURRENCY

Q3 REVENUE GROWTH (YEAR OVER YEAR)

**+ 17%**

constant currency



GAS DETECTION

**+ 13%**

constant currency



INDUSTRIAL CORE  
PERSONAL PROTECTIVE  
EQUIPMENT

**- 1%**

constant currency



FIREFIGHTER SAFETY

DELAY IN APPROVAL OF SCBA IN US FOR ALL  
MANUFACTURERS

## Q3 FINANCIAL HIGHLIGHTS

SALES VITALITY

**>35%**

% OF SALES FROM PRODUCTS  
DEVELOPED AND LAUNCHED IN THE  
PAST FIVE YEARS



GROSS PROFIT

**+ 40 BPS**

YEAR OVER YEAR GROWTH



ADJUSTED OPERATING MARGIN <sup>1</sup>

**18.0%**

+80 BPS VS. A YEAR AGO



ADJUSTED EPS <sup>2</sup>

**\$1.15**

RELATIVELY FLAT VS A YEAR AGO  
ON A HIGHER TAX RATE



<sup>1</sup> Q3 GAAP operating margin is 17.0%, compared to 12.1% a year ago.

<sup>2</sup> Q3 GAAP earnings were \$42 million or \$1.08 per diluted share, compared to \$34 million or \$0.86 per diluted share a year ago.

## RECENT COMPANY HIGHLIGHTS



**+8%**

EMERGING MARKET REVENUE GROWTH



**~ \$35M**

REPATRIATED FROM MSA EUROPE

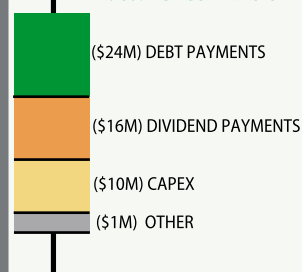


TOP WORKPLACE AWARD RECIPIENT

MSA SAFETY'S 6TH RECOGNITION BY  
PITTSBURGH POST-GAZETTE FOR TOP  
WORKPLACE IN WESTERN PENNSYLVANIA

## Q3 CAPITAL ALLOCATION

**\$51M OPERATING CASH FLOW**  
**96% FCF CONVERSION**



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It was great to see eight percent revenue growth, an incremental operating margin profile of more than 30%, and improvements in free cash flow conversion in the quarter. While cash repatriation and other adjustments had an impact on our tax rate, our long term expectations of growing earnings at a multiple of sales is still very much intact.

-Ken Krause, MSA SVP and CFO

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THIS DOCUMENT INCLUDES NON-GAAP FINANCIAL MEASURES.  
FOR FULL FINANCIAL DATA AND NON-GAAP RECONCILIATIONS,  
REFER TO MSA'S Q3 2019 EARNINGS PRESS RELEASE DATED OCTOBER 23, 2019,  
AVAILABLE AT [HTTP://INVESTORS.MSASAFETY.COM/QUARTERLY-RESULTS](http://investors.msasafety.com/quarterly-results)