

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

Consolidated

Three Months Ended June 30, 2017

	Breathing Apparatus	Fire and Rescue Helmets	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)%	(4)%	15%	(8)%	10%	11%	—%	(12)%	(2)%
Plus: Currency translation effects	— %	1 %	—%	— %	1%	5%	—%	— %	— %
Constant currency sales change	(12)%	(3)%	15%	(8)%	11%	16%	—%	(12)%	(2)%

Six Months Ended June 30, 2017

	Breathing Apparatus	Fire and Rescue Helmets	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)%	(1)%	17 %	1%	—%	(1)%	(2)%	(11)%	(4)%
Plus: Currency translation effects	— %	2 %	(1)%	—%	1%	5 %	1 %	(1)%	1 %
Constant currency sales change	(12)%	1 %	16 %	1%	1%	4 %	(1)%	(12)%	(3)%

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 these non-GAAP financial measures.

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Americas Segment

Three Months Ended June 30, 2017

	Breathing Apparatus	Fire and Rescue Helmets	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	(16)%	(5)%	15 %	4 %	2%	31%	—%	(9)%	(1)%
Plus: Currency translation effects	— %	— %	(1)%	(1)%	—%	1%	—%	— %	(1)%
Constant currency sales change	(16)%	(5)%	14 %	3 %	2%	32%	—%	(9)%	(2)%

Six Months Ended June 30, 2017

	Breathing Apparatus	Fire and Rescue Helmets	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)%	(5)%	16 %	11 %	(5)%	22%	—%	(6)%	(1)%
Plus: Currency translation effects	— %	— %	(2)%	(1)%	1 %	1%	—%	(1)%	— %
Constant currency sales change	(12)%	(5)%	14 %	10 %	(4)%	23%	—%	(7)%	(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.

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International Segment

Three Months Ended June 30, 2017

	Breathing Apparatus	Fire and Rescue Helmets	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	(5)%	(4)%	16%	(25)%	20%	(8)%	(1)%	(16)%	(4)%
Plus: Currency translation effects	1 %	2 %	1%	1 %	1%	9 %	2 %	— %	2 %
Constant currency sales change	(4)%	(2)%	17%	(24)%	21%	1 %	1 %	(16)%	(2)%

Six Months Ended June 30, 2017

	Breathing Apparatus	Fire and Rescue Helmets	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)%	3%	20%	(14)%	6%	(19)%	(5)%	(17)%	(8)%
Plus: Currency translation effects	1 %	2%	1%	1 %	2%	8 %	3 %	1 %	3 %
Constant currency sales change	(11)%	5%	21%	(13)%	8%	(11)%	(2)%	(16)%	(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 or 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  
Constant currency selling, general and administrative (SG&A) expense (Unaudited)  
Organic constant currency SG&A expense (Unaudited)  
(In thousands)

	Three months ended June 30,			Six months ended June 30,		
	2017	2016	% Change	2017	2016	% Change
GAAP reported SG&A expense	\$ 73,943	\$ 75,716	(2)%	\$ 149,926	\$ 154,911	(3)%
Plus: Currency translation effects	—	(537)		—	(1,093)	
Constant currency SG&A expense	\$ 73,943	\$ 75,179	(2)%	\$ 149,926	\$ 153,818	(3)%
Less: Acquisitions and strategic transaction costs	2,116	—		4,025	511	
Organic constant currency SG&A expense	<u>\$ 71,827</u>	<u>\$ 75,179</u>	(4)%	<u>\$ 145,901</u>	<u>\$ 153,307</u>	(5)%

Management believes that constant currency SG&A expense and organic constant currency SG&A expense are useful metrics 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. MSA's definition of this metric may not be comparable to metrics used by other companies. As such, management believes that it is appropriate to consider SG&A expense 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 Operating Income (Unaudited)  
Adjusted Operating Margin (Unaudited)  
(In thousands)

	Americas	International	Corporate	Consolidated
Three months ended June 30, 2017				
Sales to external customers	\$ 174,960	\$ 113,815	—	\$ 288,775
Operating income				14,301
Operating margin %				5.0%
Restructuring charges				967
Currency exchange losses, net				2,851
Other operating expense				29,610
Adjusted operating income (loss)	45,528	10,970	(8,769)	\$ 47,729
Adjusted operating margin %	26.0%	9.6%		16.5%
Six Months Ended June 30, 2017				
Sales to external customers	\$ 341,528	\$ 213,012	—	\$ 554,540
Operating income				33,723
Operating margin %				6.1%
Restructuring charges				13,706
Currency exchange losses, net				3,431
Other operating expense				29,610
Adjusted operating income (loss)	83,634	17,614	(20,778)	\$ 80,470
Adjusted operating margin %	24.5%	8.3%		14.5%
Three months ended June 30, 2016				
Sales to external customers	\$ 177,623	\$ 118,375	—	\$ 295,998
Operating income				47,899
Operating margin %				16.2%
Restructuring charges				1,338
Currency exchange (gains), net				(242)
Other operating expense				—
Adjusted operating income (loss)	44,671	12,741	(8,417)	\$ 48,995
Adjusted operating margin %	25.1%	10.8%		16.6%
Six Months Ended June 30, 2016				
Sales to external customers	\$ 344,965	\$ 230,301	—	\$ 575,266
Operating income				76,626
Operating margin %				13.3%
Restructuring charges				1,808
Currency exchange losses, net				1,708
Other operating expense				—
Adjusted operating income (loss)	76,016	21,148	(17,022)	\$ 80,142
Adjusted operating margin %	22.0%	9.2%		13.9%

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 earnings (Unaudited)  
Adjusted earnings per diluted share (Unaudited)  
(In thousands, except per share amounts)

	Three Months Ended June 30,		%	Six Months Ended June 30,		%
	2017	2016		2017	2016	
Income from continuing operations attributable to MSA Safety Inc.	\$ 12,532	\$ 29,306	(57)%	\$ 26,945	\$ 41,989	(36)%
Tax (benefit) associated with ASU 2016-09: <i>Improvements to employee share-based payment accounting</i>	(4,030)	—		(6,812)	—	
Tax charges associated with European reorganization	—	—		—	3,600	
Subtotal	8,502	29,306	(71)%	20,133	45,589	(56)%
Self-insured legal settlements and defense costs <sup>(a)</sup>	29,653	275		29,685	295	
Currency exchange losses (gains), net	2,851	(242)		3,431	1,708	
Strategic transaction costs	1,642	—		2,979	511	
Restructuring charges	967	1,338		13,706	1,808	
Asset related losses (gains), net	137	(216)		169	(559)	
Income tax expense on adjustments	(10,681)	(390)		(14,769)	(1,295)	
Adjusted earnings	33,071	30,071	10%	55,334	48,057	15%
Adjusted earnings per diluted share	\$ 0.85	\$ 0.79	8%	\$ 1.43	\$ 1.27	13%

(a) Represents a charge related to product liability settlements reached in August 2017 and estimated indemnity for all other asserted cumulative trauma product liability claims. See further description under *Cumulative Trauma Product Liability Charge* section of MSA's Q2 2017 Press Release narrative.

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  
Free cash flow (Unaudited)  
(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Cash from operating activities	\$ 49,892	\$ 23,528	\$146,282	\$ 12,522
Capital expenditures	(4,685)	(4,776)	(6,127)	(10,595)
Free cash flow	<u>\$ 45,207</u>	<u>\$ 18,752</u>	<u>\$140,155</u>	<u>\$ 1,927</u>
Net income attributable to MSA Safety Incorporated	\$ 12,532	\$ 31,083	\$ 26,945	\$ 42,834
Free cash flow conversion	361%	60%	520%	4%

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 Safety. 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 EBITDA / Net debt to EBITDA (Unaudited)  
(In thousands)

	Twelve Months Ended June 30, 2017
Net income attributable to MSA Safety Incorporated	77,824
Provision for income taxes	31,161
Interest expense	14,913
Depreciation and amortization	35,277
Other non-cash expenses	16,967
Non-cash restructuring expenses	10,609
Strategic transaction costs	4,999
Other operating expense <sup>(a)</sup>	29,610
EBITDA	221,360
Total end-of-period debt	269,506
Debt to EBITDA	1.2
Total end-of-period debt	269,506
Total end-of-period cash and cash equivalents	115,361
Net debt	154,145
Net debt to EBITDA	0.7

EBITDA is a non-GAAP financial measure. MSA defines this measure as net income attributable to the Company, excluding interest, taxes, depreciation and amortization, non-cash charges including pension expense and stock-based compensation, non-cash restructuring charges, strategic transaction costs and other operating expense. Management believes this information is useful for investors to analyze profitability trends of the Company. 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. EBITDA should be considered in addition to GAAP measures such as net income.

Debt to EBITDA ratio is a non-GAAP measure defined as total long term debt and debt maturing within one year divided by EBITDA, as reconciled above. Net Debt to 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.

(a) Represents a charge related to product liability settlements reached in August 2017 and estimated indemnity for all other asserted cumulative trauma product liability claims. See further description under *Cumulative Trauma Product Liability Charge* section of MSA's Q2 2017 Press Release narrative.