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**MSA Safety**  
**Baird 2020 Global Industrial Conference**  
**November 11, 2020**

# Safe Harbor



Except for historical information, certain matters discussed in this document may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, all projections and anticipated levels of future performance. These forward looking statements involve risks, uncertainties and other factors that may cause our actual results to differ materially from those discussed herein. Actual results can be affected by any number of factors, many of which are outside of management's control. The factors that could cause such differences include but are not limited to economic conditions, spending patterns of government agencies, competitive pressures, product liability claims, the success of new product introductions, currency exchange rate fluctuations, the impact of acquisitions and related integration activities and the risks of doing business in foreign countries. These risks, uncertainties and other factors are detailed in our filings with the United States Securities and Exchange Commission ("SEC") including our most recent Form 10-K. MSA undertakes no duty to publicly update any forward looking statements contained herein, except as required by law.

This document includes certain non-GAAP financial measures. The presentation of these financial measures does not comply with U.S. generally accepted accounting principles ("GAAP"). For an explanation of these measures, together with a reconciliation to the most directly comparable GAAP financial measure, see the appendix.



# MSA Safety Overview (NYSE: MSA)



## Our Mission

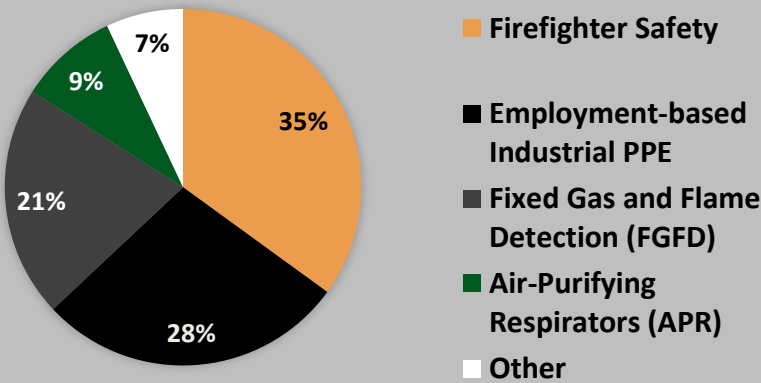
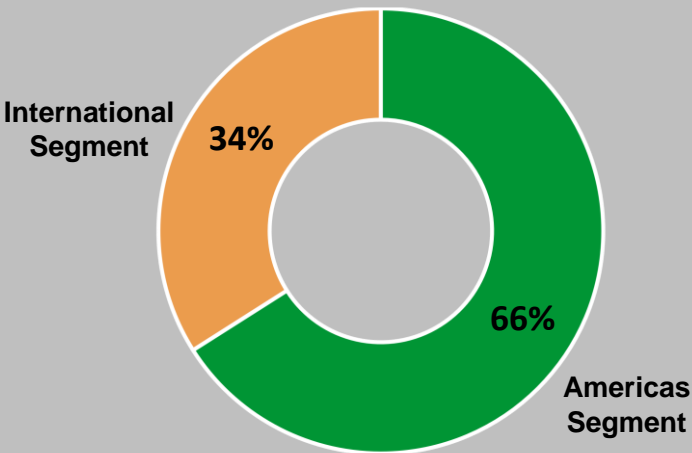
That men and women may work in safety and that they, their families, and their communities may live in health throughout the world.

Revenue \$1.3B

Employees ~5,000

Market Cap ~\$5B

Revenue by Geography and Product Category  
(Nine Months Ended September 30, 2020)



## Shareholder Returns

Price performance for the 5 years ended November 6, 2020



MSA Safety is a leading global safety equipment provider with a proven track record of value creation



# Leading Positions in Attractive Markets



## Product Characteristics

- Mission critical applications, not discretionary
- Highly engineered and differentiated, leading platforms
- Compete on technology features, comfort, delivery, brand equity and total cost of ownership

## MSA Business Model

- Market leadership – premium price and brand positioning enabled by engineering excellence
- Strong balance sheet and balanced capital allocation priorities
- Defensible market positions with significant IP in a highly regulated market

## Diversified Markets

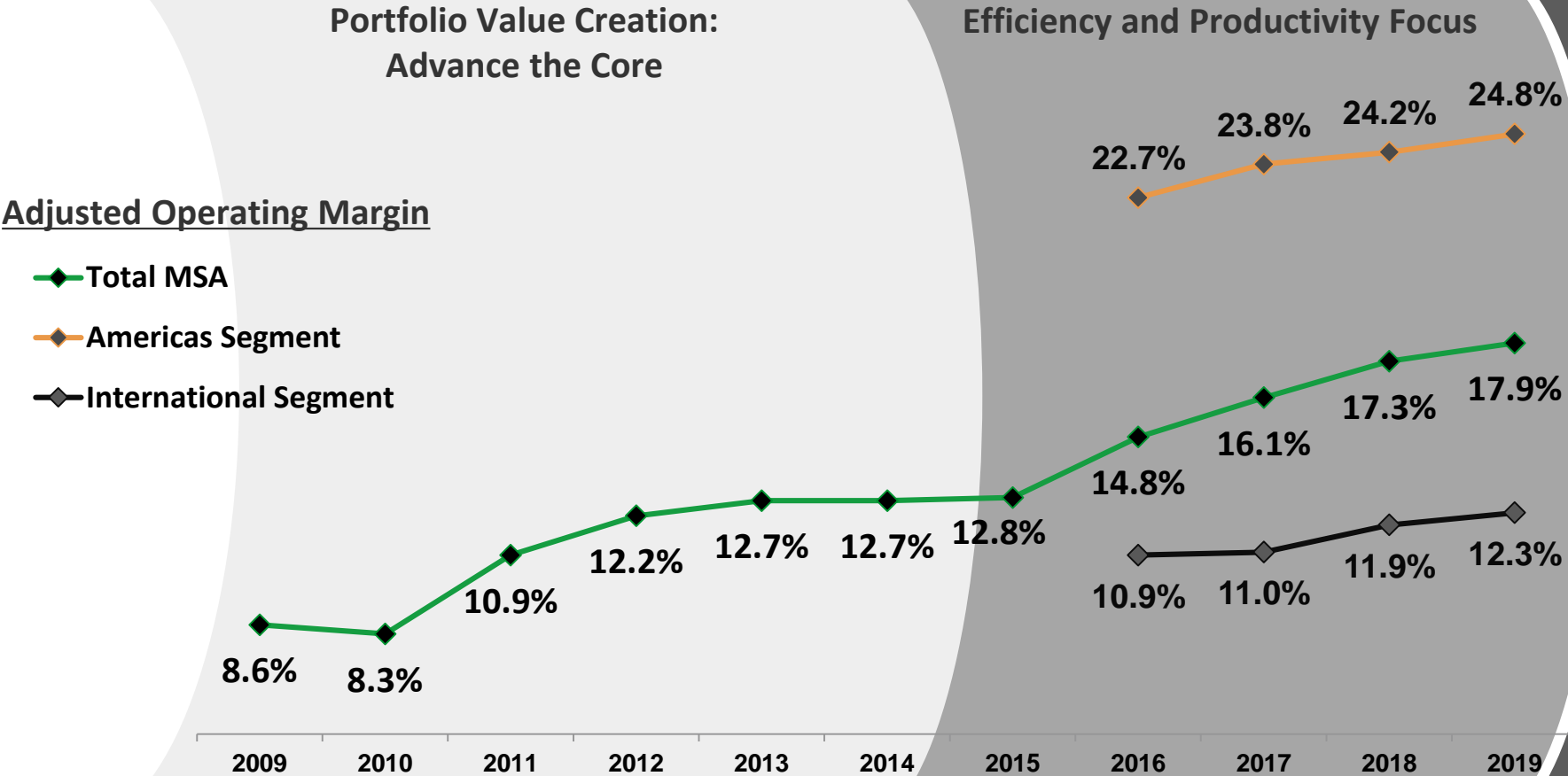
- Highly diversified end market exposure: firefighter safety, energy, construction, utilities, general industrial, military, and mining
- Secular safety trends support growth in excess of GDP
- Niche markets – room to grow within current markets and expand addressable market through innovation and M&A

\*Source: Frost & Sullivan Research and Internal Estimates

**Leading market positions across a diversified portfolio; consistently at the forefront of safety innovation**

# Strong Incremental Margin Provides Runway for Sustained Profitability Improvements

## Significant Margin Progress Across MSA’s Reporting Segments



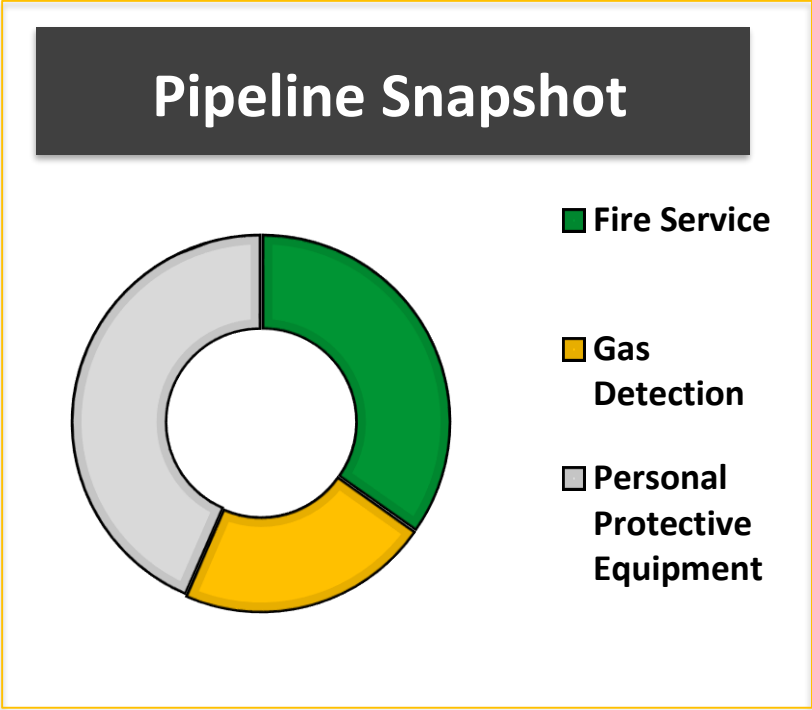
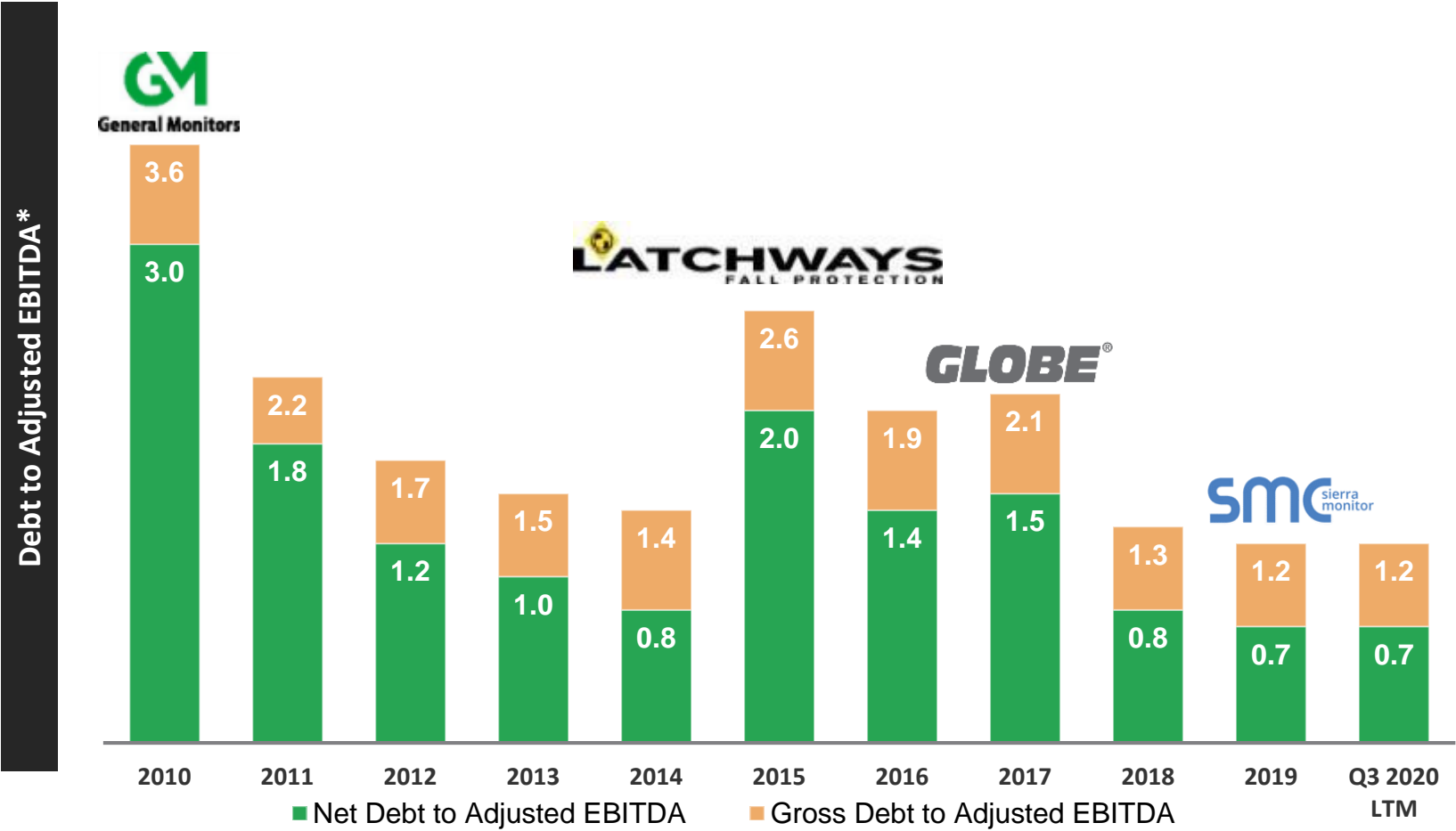
### Drivers of historical financial transformation:

- Superior Innovation
- Operational Improvements and Productivity Focus
- Strategic and Disciplined Acquisitions

Adjusted operating margin is a non-GAAP measure. See reconciliations in appendix.

**Consistently improving margins through commercial excellence and strategic programs; Expect global restructuring programs executed throughout 2020 to collectively deliver \$10-15M of cost savings in 2021**

# Balance Sheet is Well Positioned for Inorganic Investment



\*Debt to adjusted EBITDA is a non-GAAP measure. See reconciliations in appendix.

Full pipeline of quality opportunities in current product areas and logical extensions that align with our safety mission; History of leveraging up for accretive acquisitions while maintaining investment grade balance sheet

# Despite Near-Term Uncertainty, the Long-Term Growth Algorithm is Intact

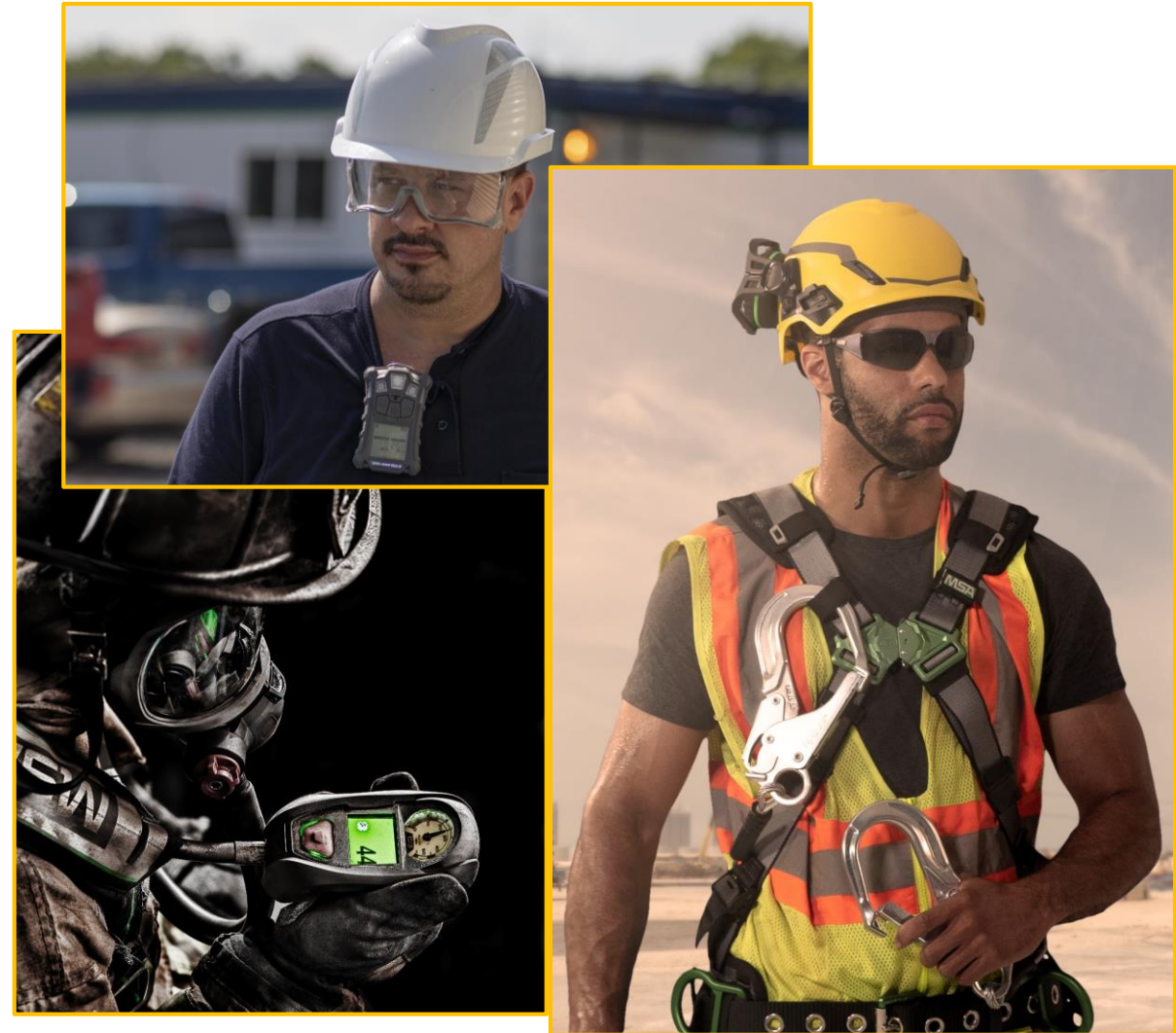
Secular trend of safety is more prominent today than it's ever been

Continue to invest in new product development; full pipeline of innovative safety solutions to support and expand our leading market positions

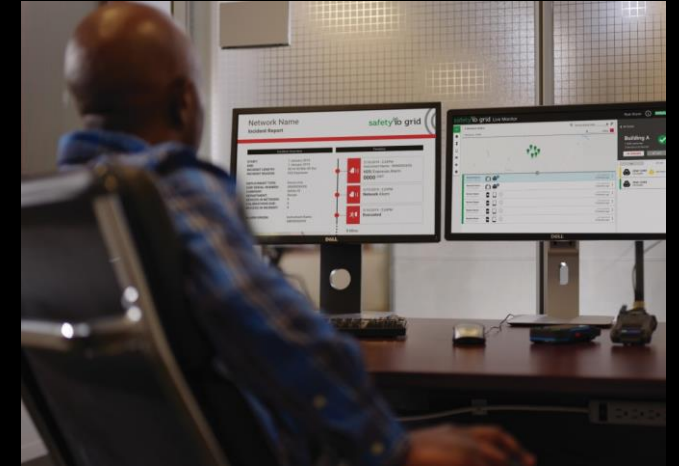
Strong track record of completing strategic acquisitions; balance sheet is well positioned to invest

Executing global productivity programs to maintain and improve margin profile

Culture as a differentiator; continue to focus on attracting, developing and retaining the brightest talent



Committed to driving superior returns for shareholders



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# Reconciliation of Non-GAAP Financial Measures

## Adjusted Operating Income/ Adjusted Operating Margin

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sales to external customers	\$ 865,718	\$ 922,552	\$ 1,112,814	\$ 1,110,043	\$ 1,112,058	\$ 1,133,885	\$ 1,130,783	\$ 1,149,530	\$ 1,196,809	\$ 1,358,104	\$ 1,401,981
Operating income	63,798	56,302	109,733	129,811	130,985	134,281	122,741	160,702	39,577	173,479	186,230
Operating margin %	7.4 %	6.1 %	9.9 %	11.7 %	11.8 %	11.8 %	10.9 %	14.0 %	3.3 %	12.8 %	13.3 %
Restructuring charges	11,378	14,121	8,559	2,787	5,344	8,515	12,258	5,694	17,632	13,247	13,846
Currency exchange (gains) losses, net	(1,078)	(377)	3,051	3,192	5,452	1,509	2,204	766	5,127	2,330	19,814
Product liability expense	—	—	—	—	—	—	—	—	126,432	45,327	26,619
Strategic transaction costs	—	6,500	—	—	—	—	7,462	2,531	4,225	421	4,400
Adjusted operating income	<u>74,098</u>	<u>76,546</u>	<u>121,343</u>	<u>135,790</u>	<u>141,781</u>	<u>144,305</u>	<u>144,665</u>	<u>169,693</u>	<u>192,993</u>	<u>234,804</u>	<u>250,909</u>
Adjusted operating margin %	8.6 %	8.3 %	10.9 %	12.2 %	12.7 %	12.7 %	12.8 %	14.8 %	16.1 %	17.3 %	17.9 %

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.

# Reconciliation of Non-GAAP Financial Measures

## Adjusted Operating Margin (Americas and International segments) 2016-2017

	Americas	International
Twelve Months Ended December 31, 2016		
Sales to external customers	\$ 678,433	\$ 471,097
Operating income		
Operating margin %		
Restructuring charges		
Currency exchange losses, net		
Product liability expense		
Strategic transaction costs		
Adjusted operating income (loss)	154,298	51,490
Adjusted operating margin %	22.7%	10.9%
Twelve Months Ended December 31, 2017		
Sales to external customers	\$ 736,847	\$ 459,962
Operating income		
Operating margin %		
Restructuring charges		
Currency exchange losses, net		
Product liability expense		
Strategic transaction costs		
Adjusted operating income (loss)	175,589	50,391
Adjusted operating margin %	23.8%	11.0%

The Americas segment is comprised of our operations in North America and Latin America geographies. The International segment is comprised of our operations in all geographies outside of the Americas. 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.

# Reconciliation of Non-GAAP Financial Measures

## Adjusted Operating Margin (Americas and International segments) 2018-2019

	Americas	International
Twelve Months Ended December 31, 2018		
Sales to external customers	\$ 854,287	\$ 503,817
Operating income		
Operating margin %		
Restructuring charges		
Currency exchange losses, net		
Product liability expense		
Strategic transaction costs		
Adjusted operating income (loss)	206,839	59,866
Adjusted operating margin %	24.2%	11.9%
Twelve Months Ended December 31, 2019		
Sales to external customers	\$ 915,118	\$ 486,863
Operating income		
Operating margin %		
Restructuring charges		
Currency exchange losses, net		
Product liability expense		
Strategic transaction costs		
Adjusted operating income (loss)	226,596	59,910
Adjusted operating margin %	24.8%	12.3%

The Americas segment is comprised of our operations in North America and Latin America geographies. The International segment is comprised of our operations in all geographies outside of the Americas. 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.



# Reconciliation of Non-GAAP Financial Measures



## *Debt to adjusted EBITDA / Net debt to adjusted EBITDA*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Q3 2020 LTM
Adjusted EBITDA	\$ 105,403	\$ 154,458	\$ 167,107	\$ 173,415	\$ 175,522	\$ 179,520	\$ 203,550	\$ 229,941	\$ 271,691	\$ 287,720	\$ 280,335
Total end-of-period debt	377,257	342,309	279,156	267,334	251,667	466,626	390,502	474,512	361,374	348,394	341,694
Debt to adjusted EBITDA	<u>3.6</u>	<u>2.2</u>	<u>1.7</u>	<u>1.5</u>	<u>1.4</u>	<u>2.6</u>	<u>1.9</u>	<u>2.1</u>	<u>1.3</u>	<u>1.2</u>	<u>1.2</u>
Total cash and cash equivalents	59,760	59,938	82,718	96,265	105,998	105,925	113,759	134,244	140,095	152,195	132,830
Net debt	\$ 317,497	\$ 282,371	\$ 196,438	\$ 171,069	\$ 145,669	\$ 360,701	\$ 276,743	\$ 340,268	\$ 221,279	\$ 196,199	\$ 208,864
Net debt to adjusted EBITDA	<u>3.0</u>	<u>1.8</u>	<u>1.2</u>	<u>1.0</u>	<u>0.8</u>	<u>2.0</u>	<u>1.4</u>	<u>1.5</u>	<u>0.8</u>	<u>0.7</u>	<u>0.7</u>

Management believes that Debt to Adjusted EBITDA and Net Debt to Adjusted EBITDA are useful measures for investors, as management uses these measures to internally assess the company's liquidity and balance sheet strength. There can be no assurances that that MSA's definition of Debt to Adjusted EBITDA and Net Debt to Adjusted EBITDA is consistent with that of other companies.