



Fourth Quarter and Full Year 2024 Earnings Presentation

February 13, 2025



Cautionary Statements Regarding Forward-looking Statements

This presentation may contain (and verbal statements made by MSA[®] Safety Incorporated (“MSA Safety”) may contain) “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance and involve various assumptions, known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks and other factors include, but are not limited to, statements in this presentation regarding our expectations of future results, performance or financial condition we express or imply in any forward-looking statements. In some cases, you can identify forward-looking statements by words such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “objectives,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or other comparable words. Actual results, performance or outcomes may differ materially from those expressed or implied by these forward-looking statements and may not align with historical performance and events due to a number of factors, including those discussed in the sections of our annual report on Form 10-K entitled “Cautionary Statement Regarding Forward-Looking Statements” and “Risk Factors,” and those discussed in our Form 10-Q quarterly reports filed after such annual report. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements, and caution should be exercised against placing undue reliance upon such statements, which are based only on information currently available to us and speak only as of the date hereof. We are under no duty to update publicly any of the forward-looking statements after the date of this presentation, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Financials

To supplement our Consolidated Financial Statements presented in accordance with generally accepted accounting principles (“GAAP”), we use, and this presentation includes, certain non-GAAP financial measures. These financial measures include organic sales change, adjusted operating income, adjusted operating margin, adjusted EBITDA, adjusted EBITDA margin, adjusted earnings, adjusted earnings per diluted share, R&D investment, net debt, debt to adjusted EBITDA, net debt to adjusted EBITDA, free cash flow, free cash flow conversion and return on capital employed. These metrics are consistent with how management evaluates segment results and makes strategic decisions about the business. Additionally, these non-GAAP financial measures provide information useful to investors in understanding our operating performance and trends, and to facilitate comparisons with the performance of our peers. Management also uses these measures internally to assess and better understand our underlying business performance and trends related to core business activities. The non-GAAP financial measures and key performance indicators we use, and computational methods with respect thereto, may differ from the non-GAAP financial measures and key performance indicators, and computational methods, that our peers use to assess their performance and trends.

The presentation of these non-GAAP financial measures does not comply with U.S. GAAP. These non-GAAP financial measures should be viewed as supplemental in nature, and not as a substitute for, or superior to, our reported results prepared in accordance with GAAP. When non-GAAP financial measures are disclosed, the Securities and Exchange Commission’s Regulation G requires: (i) the presentation of the most directly comparable financial measure calculated and presented in accordance with GAAP and (ii) a reconciliation of the differences between the non-GAAP financial measure presented and the most directly comparable financial measure calculated and presented in accordance with GAAP. For an explanation of these measures, together with a reconciliation to the most directly comparable GAAP financial measure, see the appendix of this presentation.

Purpose-Led Company Driven by Our Mission of Safety

Protecting the World's Workers and Workplaces with Our Innovative Products and Solutions

MISSION

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

VISION

To be the world's leading provider of safety solutions that protect workers when life is on the line

We pursue this vision with an unsurpassed commitment to integrity, customer service, and product innovation that creates exceptional value for all MSA stakeholders

VALUES

Embracing change and encouraging innovation in a culture of safety



40+

Million Workers Protected⁽¹⁾



[Latest Impact Report^{\(2\)}](#)

(1) As of December 31, 2023. "Workers Protected" is an estimate based on internal data, third-party and internal market research, product expert opinions, and certain assumptions, and is subject to change.

(2) 2023 MSA Impact Report published on July 23, 2024.

4Q and Full Year 2024 Business Update

10% Full-Year EPS Growth on 2% Organic Sales Growth Amid Dynamic Operating Environment

FOURTH QUARTER

- Delivered resilient operating results against backdrop of dynamic environment, enabled by MSA Business System (MBS):
 - Net sales of \$500MM (+1% reported, +2% organic YoY); Adj. EPS \$2.25, +9% YoY
 - Resilient margin performance at gross and operating levels
 - Healthy YoY order pace continued
 - Realized sequential backlog decrease primarily attributable to seasonal customer deliveries and U.S. Air Force
- Announced award of \$33MM Breathing Apparatus contract from U.S. Coast Guard, delivered 2nd tranche of U.S. Air Force order

FULL YEAR

- Created strong foundation for 2025 execution of Accelerate strategy; delivered healthy financial performance:
 - Achieved net sales of \$1.8B (+1% reported, +2% organic YoY); Adj. EPS \$7.70, +10% YoY
 - Strong operating leverage enabled adjusted operating margin expansion and high single-digit earnings growth
 - Order book remains healthy
 - Balanced investment in organic growth with returns to shareholders, strengthened M&A pipeline
- Introduced innovative products across product categories; substantial growth in connected solutions



Net Sales



Adjusted Operating Income



Adjusted Operating Margin



Adjusted EPS



Free Cash Flow & Conversion⁽¹⁾



Net Sales



Adjusted Operating Income



Adjusted Operating Margin



Adjusted EPS



Free Cash Flow & Conversion⁽¹⁾

2024 Highlights Align with Accelerate Strategy

Strategic Actions Built Strong Foundation; Remain on Path to Delivering Long-Term Targets

CONTINUE TO BE THE LEADER IN PREMIUM SAFETY SOLUTIONS



- ✓ Launched Accelerate strategy at 2024 Investor Day with 2028 Financial Targets
- ✓ Introduced innovative products and solutions: Cairns® 1836 Fire Helmet, FL5000 MSIR Flame Detector and V-Gard H2™ Safety Helmet; completed work on next generation G1 SCBA
- ✓ Capitalized on secular tailwinds in safety industry with marquee commercial wins and further development of strong pipeline

IMPLEMENT TARGETED GROWTH ACCELERATORS



- ✓ Continued acceleration of customer solutions and recurring revenue through the MSA+ Connected Worker Platform
- ✓ Prioritized R&D investment to enable organic growth and further product differentiation
- ✓ Strengthened M&A pipeline with disciplined focus on bolt-on acquisitions that bolster core product categories and provide TAM expansion

APPLY MSA BUSINESS SYSTEM TO ENABLE EXCELLENCE



- ✓ Worked to optimize international manufacturing footprint by aligning with Centers of Excellence, improving customer experience
- ✓ Accelerated our operational excellence program, with strong focus on maximizing customer experience and operating margin enhancement
- ✓ Further deployment and utilization of the MSA Business System across the enterprise

ALLOCATE CAPITAL EFFECTIVELY



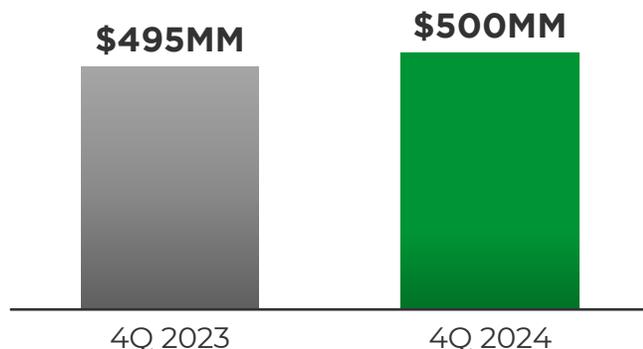
- ✓ Improved strong balance sheet and liquidity position, paid down debt and maintained flexibility to execute long-term strategic growth initiatives
- ✓ Delivered 54th consecutive annual dividend increase to shareholders
- ✓ Authorized \$200MM share repurchase program, enabling ability to offset dilution with share buybacks

ACCELERATE
Driving future growth

4Q 2024 Financial Summary

Low-Single Digit Sales Growth, Margin Expansion and High-Single Digit Earnings Growth

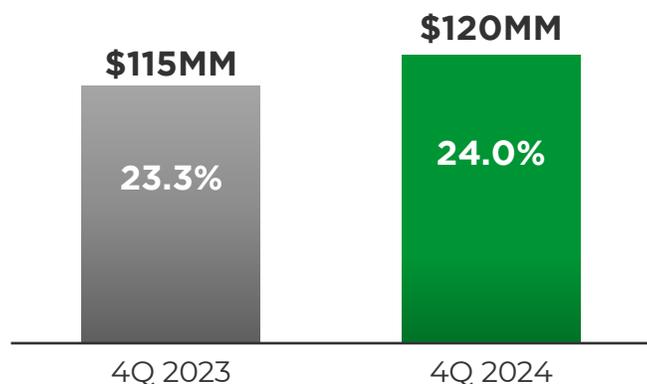
Net Sales



1% NET SALES GROWTH

- Net sales growth +2% organic, -1% currency
 - Americas: +1% reported
 - International: flat reported
- Positive contributions from price and volume partially offset by FX pressure
- Growth in Fire Service, partially offset by contractions in Detection and Industrial PP&E

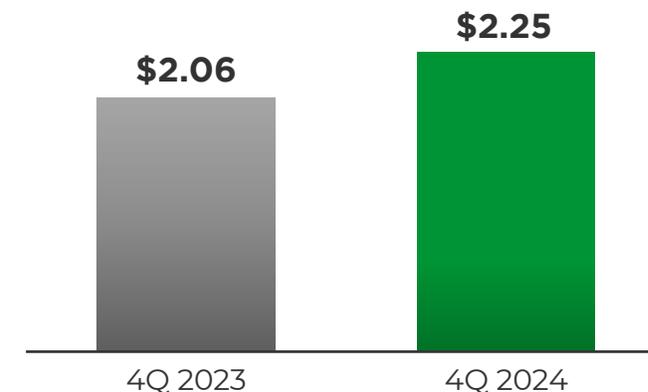
Adjusted Operating Income and Margin



24.0% ADJUSTED OPERATING MARGIN

- Adjusted operating margin supported by resilient gross margin performance, despite mix and inflation headwinds, and effective SG&A management
 - Americas: 30.7%
 - International: 17.6%
- Incremental operating margin of 113%
- Adjusted EBITDA margin of 26.9%, up 90 bps YoY

Adjusted EPS



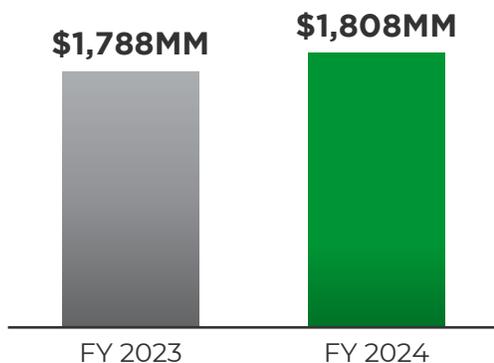
9% ADJUSTED EPS GROWTH

- Higher operating profit, supported by effective SG&A management
- Lower interest expense due to debt repayments and lower year-over-year adjusted tax rate

Full Year 2024 Financial Summary

Low-Single Digit Sales Growth, Margin Expansion and Double-Digit Earnings Growth

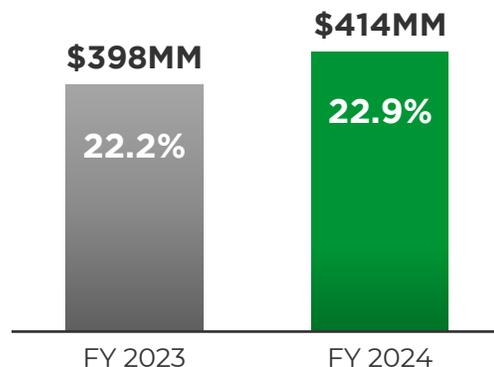
Net Sales



1% REPORTED NET SALES GROWTH

- Net sales growth: +2% organic, -1% currency
 - Americas: +1% reported
 - International: +2% reported
- Two-year net sales growth of +18% reported and organic
- Positive contribution from price partially offset by FX
- Growth in Fire Service and Detection partially offset by contraction in Industrial PP&E

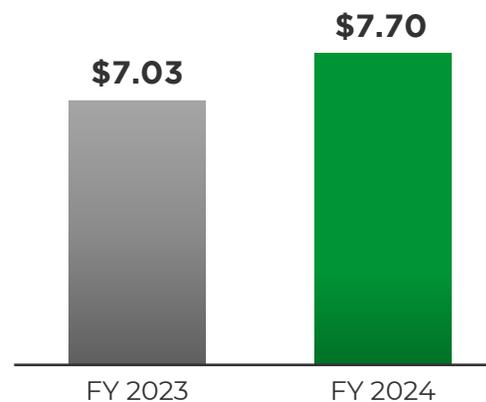
Adjusted Operating Income and Margin



22.9% ADJUSTED OPERATING MARGIN

- Adjusted operating margin supported by resilient gross margin performance, effective SG&A management and execution of our MBS principles
 - Americas: 30.5%
 - International: 15.1%
- 81% Incremental operating margin
- Adjusted EBITDA margin of 26.0%, +90 bps YoY

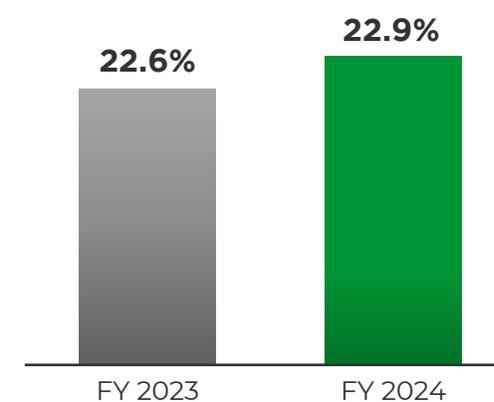
Adjusted EPS



10% ADJUSTED EPS GROWTH

- Higher operating profit, supported by effective SG&A management
- Lower interest expense due to debt repayments and lower year-over-year adjusted tax rate

Adjusted ROCE



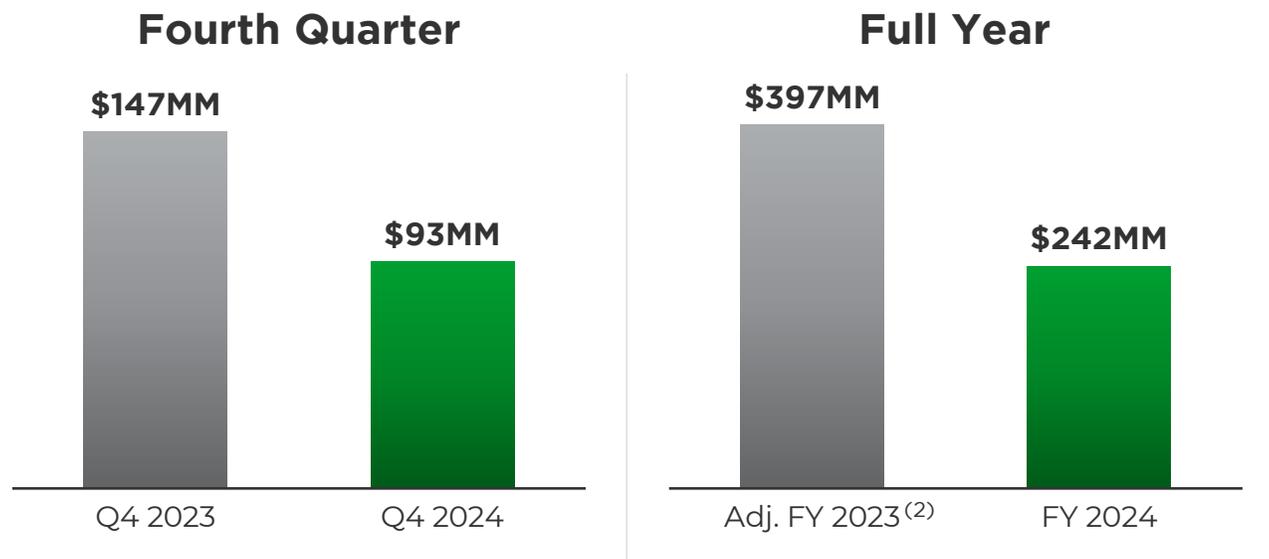
22.9% ADJUSTED RETURN ON CAPITAL EMPLOYED

- Continued track record of top-quartile adjusted ROCE
- Strong adjusted ROCE continues to be supported by free cash flow conversion and capital efficiency discipline

4Q and Full Year 2024 Free Cash Flow and Financial Leverage

Financial Profile Enables Continued Optionality to Execute Strategy

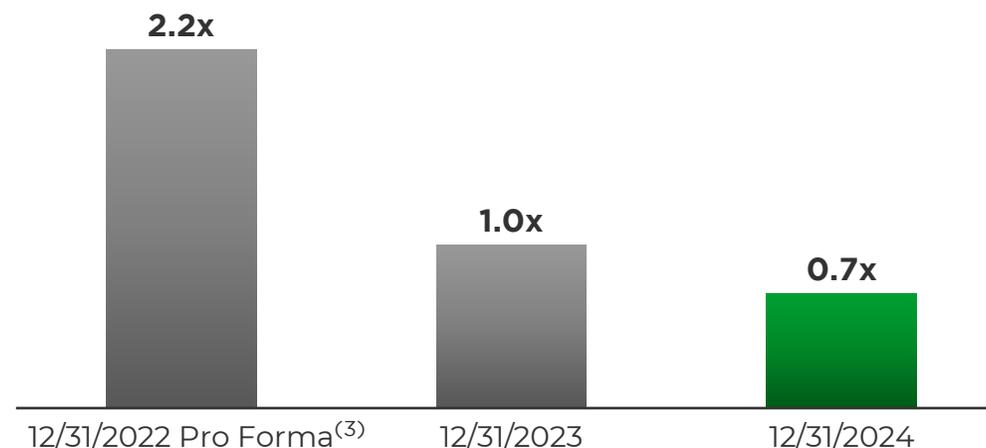
Free Cash Flow



DISCIPLINED CAPITAL ALLOCATION AND CASH FLOW GENERATION

- FCF conversion rate of 105%⁽¹⁾
- Capital expenditures of \$14MM
- \$20MM in dividends returned to shareholders; share repurchases totaled \$10MM
- FCF conversion rate of 80%
- Capital expenditures of \$54MM
- \$79MM in dividends returned to shareholders; share repurchases totaled \$30MM
- 70 bps working capital improvement

Net Leverage



ROBUST BALANCE SHEET WITH 0.7X NET LEVERAGE AND AMPLE LIQUIDITY

- Annual debt repayments totaled \$94MM
- \$343MM of net debt at year end; cash balance of \$165MM
- Profitable growth and improved working capital management support debt reduction and balanced capital allocation

Recent Financial Performance

Results Reflect Continued Resiliency Amid Dynamic Operating Environment

Key Financial Metrics

	Organic Sales Growth	Incremental Adjusted Operating Margin	Free Cash Flow Conversion ⁽¹⁾
2022	+10%	39%	52%
2023	+16%	41%	143% ⁽²⁾
2024	+2%	81%	80%
Average Annual Financial Targets Through 2028	MSD	30-40%	90-100%

“With the team’s confidence and our relentless focus on results, we’ve defined specific 2028 financial targets that includes mid-single digit organic revenue growth and continued positive operating margin expansion...”

Steve Blanco, MSA Safety President and CEO

2024 Investor Day

2025 Outlook

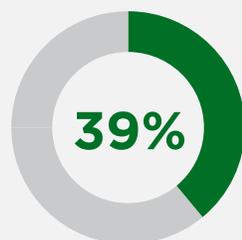
Low-Single Digit Organic Growth Outlook Reflects Healthy but Dynamic Operating Environment; Includes Non-Recurrence of 2024 Large U.S. Air Force Order, Normal Seasonal Patterns

% NET SALES⁽¹⁾

DIVERSE END MARKETS

FIRE SERVICE

- SCBA
- Helmets
- Protective apparel



- Government fire service
- Municipal fire service
- First responder

DETECTION

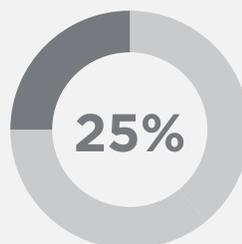
- Fixed gas and flame detection
- Refrigerant detection and identification
- Portable gas detection



- Energy and utilities
- HVAC-R
- Water and wastewater
- Food retail
- Industrial

INDUSTRIAL PPE AND OTHER

- Industrial head protection
- Fall protection
- APR and other PPE



- Energy and utilities
- Construction
- Manufacturing
- Industrial
- Healthcare and pharma

ADDITIONAL MODELING CONSIDERATIONS

- **Foreign Exchange Volatility**
- **Interest Expense:** \$24-\$27MM / **Tax Rate:** 24%-25%
- **Pension and Other Non-Operating Income:** Increase of ~\$4-\$5MM over 2024 levels

OPERATING ENVIRONMENT UPDATE

POSITIVES

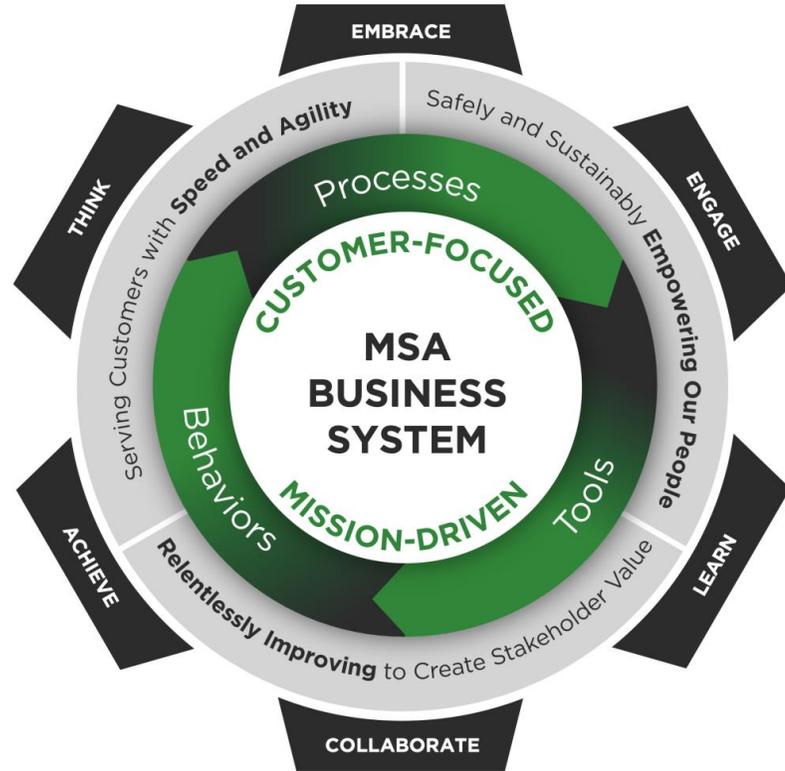
- + Diverse end market demand supportive of healthy order momentum entering 2025
- + Growing global demand for safety products and solutions
- + Generally stable funding and operating environment for fire service
- + Supportive market dynamics in Detection and continued adoption of connected worker technology
- + Infrastructure stimulus in key regions
- + Leveraging MSA Business System to support strong operating performance and margin expansion

CHALLENGES

- Non-recurrence of U.S. Air Force order and normalized backlog
- 2025 North American Fire Protection Association (NFPA) standard change
- Mixed industrial end market demand
- Macroeconomic and geopolitical uncertainty
- Foreign exchange headwinds to sales and earnings

2025 Strategic Priorities

Leveraging the MSA Business System to Advance Accelerate Strategy



2025 STRATEGIC PRIORITIES

CONTINUED SAFETY LEADERSHIP AND GROWTH FOCUS

Continue to lead and drive scale in the safety market with premium innovative solutions

- Leverage leading new product development process to expand our product and solution offerings in high-growth markets
- Further accelerate growth of MSA+ Connected Worker Platform

OPERATIONAL EXCELLENCE

Further enhance margins and balance sheet through driving scale and efficiency around customer centricity

- Drive productivity and supply chain resiliency across global manufacturing footprint
- Scale processes to improve delivery and customer satisfaction

CAPITAL ALLOCATION

Leverage strong financial profile to effectively deploy capital in alignment with our capital allocation strategy

- Balance capital deployment across organic growth, returns to shareholders and M&A
- Evaluate strong pipeline of bolt-on acquisition opportunities

ACCELERATE
Driving future growth

A Leader in Industrial Safety Technology

Focused on Delivering Profitable Growth and Value Creation Over the Long-Term



Solid execution in 2024 resulted in resilient profitability and a strong foundation for further **advancement of Accelerate strategy in 2025 and beyond**



Mission-driven culture and unwavering commitment to the safety of our customers and our employees



Reliable, diversified base business drives organic growth and margin expansion opportunities across economic cycles

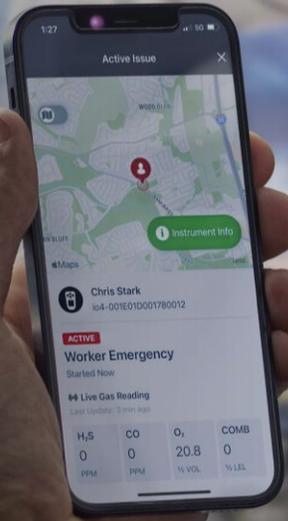


Reinvestment in innovation and technology, including strategic M&A, enables **leading positions in attractive end markets**



Strong balance sheet supports growth investments and increased return of capital to shareholders while deleveraging

Q&A



Live Gas Reading

H ₂ S	CO	O ₂	COMB
0	0	20.8	0
PPM	PPM	% VOL	% LEL

Appendix



MSA Safety (NYSE: MSA) Snapshot

\$1.8B Net Sales⁽¹⁾

4.4% R&D Investment^(1,2)

37% Product Vitality⁽³⁾

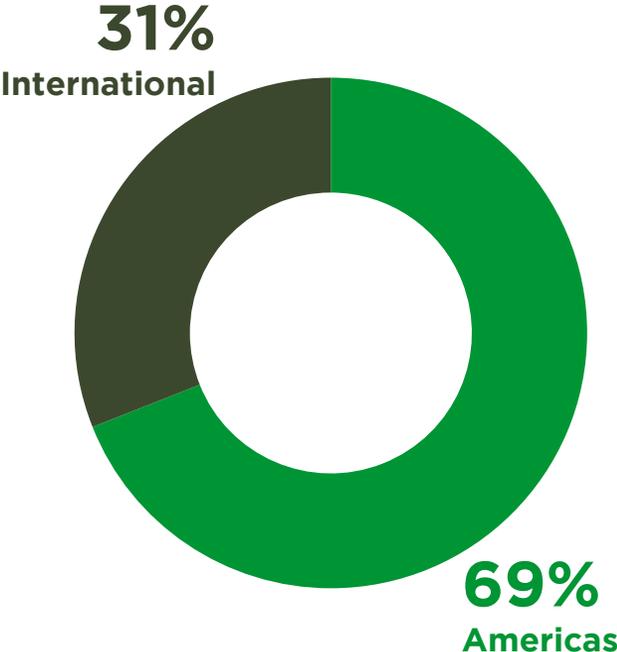
47.6% Gross Margin⁽¹⁾

22.9% Adj. Operating Margin⁽¹⁾

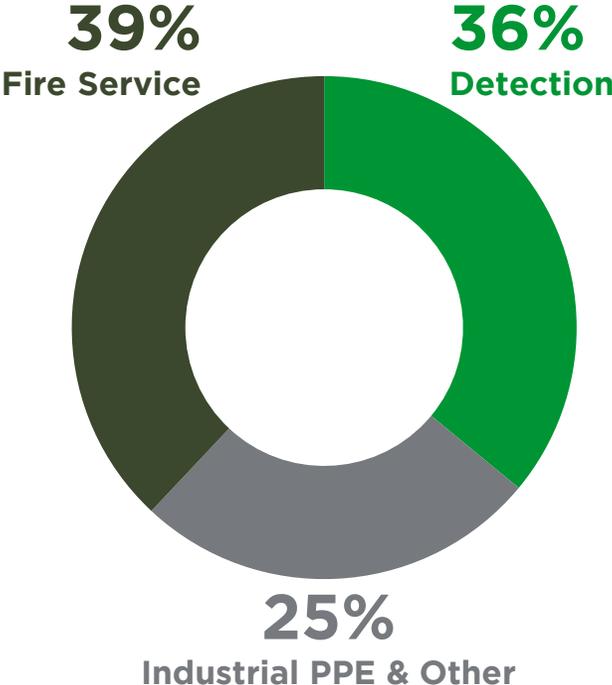
0.7x Net Leverage⁽¹⁾

54 Years Consecutive Dividend Increases

Net Sales by Segment⁽¹⁾



Net Sales by Product Category^(1,4)



MSA Safety | Diverse End Markets



Fire Service



Energy



Utilities



Construction



Food & Beverage



Industrial



Government



Water



Transportation



Mining



40+
Million Workers
Protected⁽¹⁾

PROTECTING WORKERS AROUND THE WORLD ACROSS WIDE VARIETY OF END MARKETS

(1) As of December 31, 2023. "Workers Protected" is an estimate based on internal data, third-party and internal market research, product expert opinions, and certain assumptions, and is subject to change.

MSA Safety | Product Categories and Markets

	DETECTION		FIRE SERVICE		INDUSTRIAL PPE AND OTHER	
PRODUCT CATEGORY	Fixed Gas & Flame Detection 	Portable Gas Detection 	SCBA & Connected Firefighter 	Protective Apparel & Helmets 	Industrial Head Protection 	Fall Protection 
GLOBAL TAM ⁽¹⁾	~\$4.0B		~\$2.5B		~\$3.5B⁴	
MARKET CAGR ^(1,2)	4% - 5%		2% - 3%		3% - 4%⁴	
MSA % OF NET SALES ⁽³⁾	36%		39%		25%	
EXPECTED MSA CAGR ⁽²⁾	5% - 7%		3% - 5%		2% - 4%	
SECULAR TRENDS	Focus on Regulatory & Compliance	Energy Transition & Decarbonization	Evolving Safety Standards	Resilient Funding for Firefighter Safety	Increased Focus on Proactive Prevention	Sustainability & ESG
	Global Infrastructure Spend	Digital Transformation	Adoption of Connected Solutions	Increasing Turnout Gear Demand	Nearshoring & Infrastructure Spend	Higher Standards in Emerging Economies

TARGETING 3% - 5% LONG-TERM ORGANIC REVENUE GROWTH⁽²⁾ + CAPITAL DEPLOYMENT OPTIONALITY

1) Internal estimates and third-party data. (2) 5-year period from 2023 – 2028. (3) Net sales for the year ended December 31, 2024. Fire Service includes Self-Contained Breathing Apparatus (SCBA) and Firefighter Helmets & Protective Apparel. Detection includes Fixed Gas & Flame Detection and Portable Gas Detection. Industrial PPE & Other includes Industrial Head Protection, Fall Protection, and Other PPE Sales. (4) Excluding "Other PPE", global TAM is ~\$2.5B and market CAGR is 4% - 5%.

MSA Safety | Our Accelerate Strategy

CONTINUE TO BE THE LEADER IN PREMIUM SAFETY SOLUTIONS



- Leverage scale, market leadership, and customer-centric innovation to drive above-market profitable growth
- Deliver excellence in customer experience and commercial execution
- Enhance diversification across end markets, geographies, and product portfolio to fortify resilient organic growth

IMPLEMENT TARGETED GROWTH ACCELERATORS



- Continue to evolve from hardware supplier to system solutions provider, improving customer safety outcomes and generating recurring revenue
- Lean into high-growth end markets and distinct safety megatrends around connectivity and productivity solutions
- Enhance portfolio through strategic acquisitions

APPLY MSA BUSINESS SYSTEM TO ENABLE EXCELLENCE



- Drive excellence in pricing, operations, resource allocation, and balance sheet efficiency
- Set foundation for digital automation
- Empower high-performance teams and leaders
- Win as a team with consistent tools, processes, and behaviors

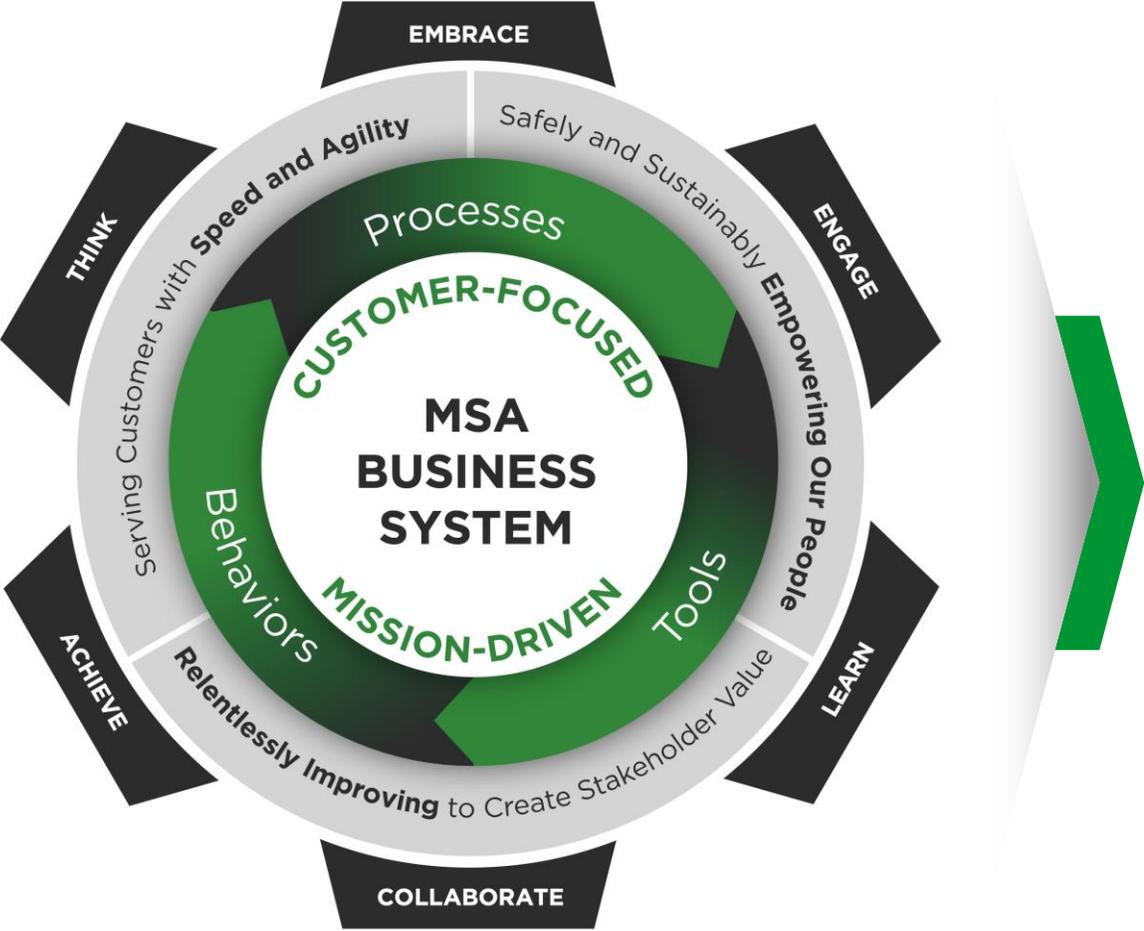
ALLOCATE CAPITAL EFFECTIVELY



- Leverage premier financial profile to deliver sustainable long-term growth
- Maintain disciplined approach with growth bias
- Return value to shareholders through an increasing dividend, share repurchases to offset dilution, and opportunistic reinvestment

ACCELERATE
Driving future growth

MSA Safety | Our Business System (MBS)



BEHAVIORS

The way we act and react to changes and challenges

- Relentless focus on improving our performance on new product development, SG&A, project management, and global business service

PROCESSES

How we work with others and apply tools

- Working Capital: SIOP⁽¹⁾ to forecast supply and demand and apply global best practices in transaction processing

TOOLS

Ways to identify and eliminate waste, standardize work, and problem solve

- Manufacturing Execution System (MES): gaining greater visibility and real-time data from our manufacturing plants through technology

FOUNDATION TO ACHIEVE SUPERIOR AND SUSTAINABLE RESULTS

(1) Sales, Inventory, and Operations Planning.

MSA Safety | 2028 Financial Targets

MISSION-DRIVEN REINVESTMENT

	Resilient Organic Revenue Growth	\$2.1B - \$2.3B	<ul style="list-style-type: none">• 3 - 5% organic revenue growth• Market growth, customer-centric innovation, and commercial excellence• Macro secular safety trends
	Operating Margin⁽¹⁾ Expansion	23.5% - 25.0%	<ul style="list-style-type: none">• Target 30 - 50 bps annually• MSA Business System evolution across global business• Continued focus on operating efficiency
	Continued EPS⁽¹⁾ Compounding	\$10.00 - \$11.00	<ul style="list-style-type: none">• Strategy evolution delivers new base of expansion• 30 - 40% incremental operating margins
	Capital Deployment Optionality	\$1.5B+⁽²⁾	<ul style="list-style-type: none">• Consistent organic growth investment• Sustained dividend + share repurchases• Accretive acquisitions from free cash flow generation and available debt capacity• Continue performance of 20%+ Adj. ROCE⁽³⁾

OUR STRATEGY FUELS PROVEN SHAREHOLDER VALUE CREATION

Reconciliation of Non-GAAP Financial Measures



Reconciliation of Non-GAAP Financial Measures

Organic Sales Change (Unaudited)

Consolidated

	Three Months Ended December 31, 2024			
	Fire Service ^(a)	Detection ^(b)	Industrial PPE and Other ^(c)	Net Sales
GAAP reported sales change	7%	(3%)	(4%)	1%
Currency translation effects	— %	1%	3%	1%
Organic sales change	7%	(2%)	(1%)	2%

	Twelve Months Ended December 31, 2024			
	Fire Service ^(a)	Detection ^(b)	Industrial PPE and Other ^(c)	Net Sales
GAAP reported sales change	4%	1%	(3%)	1%
Currency translation effects	— %	1%	1%	1%
Organic sales change	4%	2%	(2%)	2%

Americas

	Three Months Ended December 31, 2024			
	Fire Service ^(a)	Detection ^(b)	Industrial PPE and Other ^(c)	Net Sales
GAAP reported sales change	5%	(2%)	(3%)	1%
Currency translation effects	1%	1%	5%	2%
Organic sales change	6%	(1%)	2%	3%

	Twelve Months Ended December 31, 2024			
	Fire Service ^(a)	Detection ^(b)	Industrial PPE and Other ^(c)	Net Sales
GAAP reported sales change	1%	2%	(1%)	1%
Currency translation effects	— %	— %	2%	1%
Organic sales change	1%	2%	1%	2%

International

	Three Months Ended December 31, 2024			
	Fire Service ^(a)	Detection ^(b)	Industrial PPE and Other ^(c)	Net Sales
GAAP reported sales change	10%	(4%)	(6%)	— %
Currency translation effects	1%	— %	— %	— %
Organic sales change	11%	(4%)	(6%)	— %

	Twelve Months Ended December 31, 2024			
	Fire Service ^(a)	Detection ^(b)	Industrial PPE and Other ^(c)	Net Sales
GAAP reported sales change	12%	— %	(9%)	2%
Currency translation effects	— %	— %	— %	(1%)
Organic sales change	12%	— %	(9%)	1%

Twelve Months Ended December 31,

	2023	2022
	Net Sales	Net Sales
GAAP reported sales change	17%	9%
Currency translation effects	(1%)	3%
Less: Acquisitions	— %	(2%)
Organic sales change	16%	10%

- (a) Fire Service includes Breathing Apparatus and Firefighter Helmets and Protective Apparel.
(b) Detection includes Fixed Gas and Flame Detection and Portable Gas Detection.
(c) Industrial PPE and Other includes Industrial Head Protection, Fall Protection and Non-Core.

Management believes that organic sales change is a useful metric for investors, as foreign currency translation can have a material impact on revenue growth trends. Organic sales change 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 organic sales change is consistent with that of other companies. As such, management believes that it is appropriate to consider sales growth determined on a GAAP basis in addition to this non-GAAP financial measure.

Reconciliation of Non-GAAP Financial Measures

Adjusted Operating Income and Adjusted EBITDA (Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,			
	2024	2023	2024	2023	2022	2021
(In thousands)						
Adjusted EBITDA	\$ 134,642	\$ 128,753	\$ 469,431	\$ 449,243	\$ 337,497	\$ 285,994
Less:						
Depreciation and amortization	14,484	13,498	55,159	51,527	47,110	45,417
Adjusted operating income	120,158	115,255	414,272	397,716	290,387	240,577
Less:						
Restructuring charges	653	1,510	6,397	9,892	7,965	16,433
Currency exchange (gains) losses, net	(1,077)	8,298	3,638	17,079	10,255	216
Amortization of acquisition-related intangible assets	2,286	2,310	9,174	9,246	9,207	8,764
Transaction costs(a)	652	887	886	965	3,233	7,120
Net cost for product-related legal matter	-	-	5,000	-	-	-
Loss on divestiture of MSA LLC	-	-	-	129,211	-	-
Product liability expense	-	-	-	3	20,590	185,264
GAAP operating income	\$ 117,644	\$ 102,250	\$ 389,177	\$ 231,320	\$ 239,137	\$ 22,780
Less:						
Interest expense	7,333	9,584	36,889	46,733		
Other income, net	(6,503)	(6,614)	(22,718)	(22,101)		
Income before income taxes	116,814	99,280	375,006	206,688		
Provision for income taxes	28,868	22,870	90,039	148,105		
Net income	\$ 87,946	\$ 76,410	\$ 284,967	\$ 58,583		

(a) Transaction costs include advisory, legal, accounting, valuation, and other professional or consulting fees incurred during our evaluation of acquisitions and divestitures.

	Americas	International	Corporate	Consolidated
	Net Sales			
(In Thousands)				
Three Months Ended December 31, 2024	\$ 336,896	\$ 162,800	-	\$ 499,696
Twelve Months Ended December 31, 2024	\$ 1,246,641	\$ 561,499	-	\$ 1,808,140
	Adjusted Operating Income (loss)			
Three Months Ended December 31, 2024	\$ 103,563	\$ 28,627	\$ (12,032)	\$ 120,158
Twelve Months Ended December 31, 2024	\$ 380,086	\$ 84,571	\$ (50,385)	\$ 414,272

(a) Transaction costs include advisory, legal, accounting, valuation, and other professional or consulting fees incurred during acquisitions and divestitures. These costs are included in selling, general and administrative expense in the unaudited Condensed Consolidated Statements of Income.

Reconciliation of Non-GAAP Financial Measures

Adjusted Earnings and Adjusted Earnings per Diluted Share (Unaudited)

(In thousands, except per share amounts)	Three Months Ended December 31,			Twelve Months Ended September 31,		
	2024	2023	% Change	2024	2023	% Change
Net income attributable to MSA Safety Incorporated	\$ 87,946	\$ 76,410	15%	\$ 284,967	\$ 58,583	386%
Currency exchange losses, net	(1,077)	8,298		3,638	17,079	
Amortization of acquisition-related intangible assets	2,286	2,310		9,174	9,246	
Restructuring charges	653	1,510		6,397	9,892	
Asset related losses and other	(141)	844		819	173	
Net cost for product related legal matter	—	—		5,000	—	
Pension settlement	—	—		1,308	—	
Transaction costs ^(a)	652	887		886	965	
Loss on divestiture of MSA LLC	—	—		—	129,211	
Deferred tax asset write-off related to divestiture of MSA LLC	—	—		—	70,366	
Product liability expense	—	—		—	3	
Tax benefit associated with tax reform	(710)	(5,313)		—	(5,313)	
Income tax expense on adjustments	(567)	(3,409)		(7,689)	(12,657)	
Adjusted earnings	\$ 89,042	\$ 81,537	9%	\$ 304,500	\$ 277,548	10%
Adjusted earnings per diluted share	\$ 2.25	\$ 2.06	9%	\$ 7.70	\$ 7.03	10%

(a) Transaction costs include advisory, legal, accounting, valuation, and other professional or consulting fees incurred during acquisitions and divestitures. These costs are included in selling, general and administrative expense in the unaudited Condensed Consolidated Statements of Income.

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 (loss) income determined on a GAAP basis as well as adjusted earnings.

Reconciliation of Non-GAAP Financial Measures

Free Cash Flow (Unaudited)

(In thousands, except percentage amounts)

	Three Months Ended		Twelve Months Ended		
	December 31,		December 31,		
	2024	2023	2024	2023	2022
Cash flow from operating activities	\$ 107,909	\$ 158,914	\$ 296,428	\$ 92,857	\$ 157,455
Contribution for divestiture of MSA LLC	—	—	—	341,186	-
Product liability payments related to MSA LLC	—	—	—	5,250	-
Capital expenditures	(14,408)	(11,785)	(54,222)	(42,764)	(42,553)
Free cash flow	<u>\$ 93,501</u>	<u>\$ 147,129</u>	<u>\$ 242,206</u>	<u>\$ 396,529</u>	<u>\$ 114,902</u>
Adjusted earnings	89,042	81,537	304,500	277,548	222,508
Free cash flow conversion	105%	180%	80%	143%	52%

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 adjusted earnings. 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.

Reconciliation of Non-GAAP Financial Measures

Debt to Adjusted EBITDA and Net Debt to Adjusted EBITDA (Unaudited)

(In thousands)	Twelve Months Ended		Twelve Months Ended		Twelve Months Ended	
	December 31,		December 31,		December 31,	
	2024	2023	2023	2022	2022	2022
Operating income	\$ 389,177	\$ 231,320	\$ 239,137			
Depreciation and amortization	55,159	51,527	47,110			
Restructuring charges	6,397	9,892	7,965			
Currency exchange losses, net	3,638	17,079	10,255			
Amortization of acquisition-related intangible assets	9,174	9,246	—			
Net cost for product related legal matter	5,000	—	—			
Transaction costs ^(a)	886	965	12,440			
Loss on divestiture of MSA LLC		129,211	—			
Product liability expense		3	20,590			
Adjusted EBITDA	\$ 469,431	\$ 449,243	\$ 337,497			
Total end-of-period debt	508,013	601,692	572,832			
Debt to adjusted EBITDA	1.1	1.3	1.7			
Total end-of-period debt	\$ 508,013	\$ 601,692	\$ 572,832			
Total end-of-period cash and cash equivalents	164,560	146,442	162,902			
Net debt	\$ 343,453	\$ 455,250	\$ 409,930			
Net debt to adjusted EBITDA	0.7	1.0	1.2			
Pro-forma gross debt to adjusted EBITDA ^(b)			2.6			
Pro-forma net debt to adjusted EBITDA ^(b)			2.2			

(a) Transaction costs include advisory, legal, accounting, valuation, and other professional or consulting fees incurred during acquisitions and divestitures. These costs are included in Selling, general and administrative expense in the unaudited Condensed Consolidated Statements of Operations.

(b) Includes cash and cash equivalents and incremental borrowing associated with MSA LLC divestiture.

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.

Reconciliation of Non-GAAP Financial Measures

R&D Investment (Unaudited)

(In thousands)

	Twelve Months Ended December 31,	
	2024	2023
Research and development expense	\$ 66,526	\$ 67,988
Capitalized software development costs	12,993	12,060
Total R&D investment	\$ 79,519	\$ 80,048
Net sales	\$ 1,808,140	\$ 1,787,647
R&D investment (% net sales)	4.4%	4.5%

Management believes that total R&D investment is a meaningful measure for investors. Management includes capitalized software development costs when evaluating total research and development expenditures as it believes it better represents its overall spend. Management defines R&D investment as research and development expense plus capitalized software development cost. As such, management believes that it is appropriate to consider research and development expense determined on a GAAP basis as well as total R&D investment.



The Safety Company