

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, 2016

	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	(17)%	(18)%	3%	(3)%	4%	23 %	(5)%	(9)%	(6)%
Plus: Currency translation effects	1 %	1 %	1%	2 %	—%	12 %	2 %	1 %	2 %
Constant currency sales change	(16)%	(17)%	4%	(1)%	4%	35 %	(3)%	(8)%	(4)%
Less: Acquisitions	— %	— %	—%	— %	4%	38 %	4 %	— %	3 %
Organic constant currency change	(16)%	(17)%	4%	(1)%	—%	(3)%	(7)%	(8)%	(7)%

Twelve Months Ended December 31, 2016

	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	—%	(6)%	(5)%	—%	(1)%	81 %	4%	(7)%	2 %
Plus: Currency translation effects	1%	1 %	4 %	3%	1 %	7 %	2%	3 %	2 %
Constant currency sales change	1%	(5)%	(1)%	3%	— %	88 %	6%	(4)%	4 %
Less: Acquisitions	—%	— %	— %	—%	1 %	95 %	6%	— %	5 %
Organic constant currency change	1%	(5)%	(1)%	3%	(1)%	(7)%	—%	(4)%	(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.

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
Constant currency revenue growth (Unaudited)
Organic constant currency revenue growth (Unaudited)
Americas Segment

Three Months Ended December 31, 2016

	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	(24)%	(12)%	4%	(2)%	(9)%	28 %	(10)%	(4)%	(9)%
Plus: Currency translation effects	1 %	— %	1%	3 %	— %	3 %	1 %	2 %	1 %
Constant currency sales change	(23)%	(12)%	5%	1 %	(9)%	31 %	(9)%	(2)%	(8)%
Less: Acquisitions	— %	— %	—%	— %	— %	36 %	3 %	— %	2 %
Organic constant currency change	(23)%	(12)%	5%	1 %	(9)%	(5)%	(12)%	(2)%	(10)%

Twelve Months Ended December 31, 2016

	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	(4)%	5%	(5)%	—%	(7)%	12 %	(3)%	(7)%	(4)%
Plus: Currency translation effects	— %	1%	3 %	3%	1 %	4 %	2 %	3 %	2 %
Constant currency sales change	(4)%	6%	(2)%	3%	(6)%	16 %	(1)%	(4)%	(2)%
Less: Acquisitions	— %	—%	— %	—%	— %	24 %	2 %	— %	1 %
Organic constant currency change	(4)%	6%	(2)%	3%	(6)%	(8)%	(3)%	(4)%	(3)%

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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)
International Segment

Three Months Ended December 31, 2016

	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	(2)%	(21)%	—%	(6)%	17%	18%	4%	(13)%	— %
Plus: Currency translation effects	1 %	1 %	3%	2 %	1%	20%	4%	— %	4 %
Constant currency sales change	(1)%	(20)%	3%	(4)%	18%	38%	8%	(13)%	4 %
Less: Acquisitions	— %	— %	—%	— %	8%	20%	7%	— %	6 %
Organic constant currency change	(1)%	(20)%	3%	(4)%	10%	18%	1%	(13)%	(2)%

Twelve Months Ended December 31, 2016

	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	10%	(12)%	(4)%	1%	7%	280%	16%	(6)%	11%
Plus: Currency translation effects	2%	1 %	4 %	3%	2%	16%	3%	2 %	2%
Constant currency sales change	12%	(11)%	— %	4%	9%	296%	19%	(4)%	13%
Less: Acquisitions	—%	— %	— %	—%	3%	292%	14%	— %	10%
Organic constant currency change	12%	(11)%	— %	4%	6%	4%	5%	(4)%	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.

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
 Constant currency revenue growth (Unaudited)

Latchways

	<u>Three Months Ended December 31, 2016</u>		<u>Twelve Months Ended December 31, 2016</u>
GAAP reported sales change	26%	GAAP reported sales change	13%
Plus: Currency translation effects	<u>18%</u>	Plus: Currency translation effects	<u>11%</u>
Constant currency sales change	<u><u>44%</u></u>	Constant currency sales change	<u><u>24%</u></u>

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 this non-GAAP financial measure.

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 December 31,			Twelve Months Ended December 31,		
	2016	2015	% Change	2016	2015	% Change
GAAP reported SG&A expense	\$ 78,288	\$ 83,587	(6)%	\$ 306,144	\$ 315,270	(3)%
Plus: Currency translation effects		(1,384)			(6,906)	
Constant currency SG&A expense	\$ 78,288	\$ 82,203	(5)%	\$ 306,144	\$ 308,364	(1)%
Less: Acquisitions	4,245	3,232		15,101	3,232	
Less: Strategic transaction costs	1,710	6,755		2,531	7,462	
Organic constant currency SG&A expense	<u>\$ 72,333</u>	<u>\$ 72,216</u>	— %	<u>\$ 288,512</u>	<u>\$ 297,670</u>	(3)%

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 program announced in 2015. 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)

	<u>Consolidated</u>
Three Months Ended December 31, 2016	
Sales to external customers	\$ 296,031
Operating income	47,544
Operating margin %	16.1%
Restructuring charges	1,997
Currency exchange (gains), net	<u>(1,732)</u>
Adjusted operating income	\$ 47,809
Adjusted operating margin %	16.2%

Twelve Months Ended December 31, 2016	
Sales to external customers	\$ 1,149,530
Operating income	164,192
Operating margin %	14.3%
Restructuring charges	5,694
Currency exchange losses, net	<u>766</u>
Adjusted operating income	\$ 170,652
Adjusted operating margin %	14.8%

	<u>Consolidated</u>
Three Months Ended December 31, 2015	
Sales to external customers	\$ 313,318
Operating income	31,795
Operating margin %	10.1%
Restructuring charges	7,560
Currency exchange (gains), net	<u>(1,132)</u>
Adjusted operating income	\$ 38,223
Adjusted operating margin %	12.2%

Twelve Months Ended December 31, 2015	
Sales to external customers	\$ 1,130,783
Operating income	122,741
Operating margin %	10.9%
Restructuring charges	12,258
Currency exchange losses, net	<u>2,204</u>
Adjusted operating income	\$ 137,203
Adjusted operating margin %	12.1%

Adjusted operating income 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 and adjusted operating margin are useful metrics for investors. Adjusted operating income is defined as operating income excluding restructuring and currency exchange gains / losses. Adjusted operating margin is defined as adjusted operating income divided by net sales. Adjusted operating income and adjusted operating margin are not recognized terms under GAAP, and the Company's definition of adjusted operating income 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 financial measures.

MSA Safety Incorporated

Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures

Effective tax rate excluding tax charges associated with European reorganization (Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
GAAP reported effective tax rate	43.0%	29.0%	38.1%	40.0%
Less: Tax charges associated with European reorganization	6.5%	—%	4.3%	6.9%
Effective tax rate excluding tax charges associated with European reorganization	<u>36.5%</u>	<u>29.0%</u>	<u>33.8%</u>	<u>33.1%</u>

Management believes that its effective tax rate excluding tax charges associated with the European reorganization is a useful measure for investors, as these tax charges reflect a discrete item associated with a strategic program and 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

Latchways net income excluding integration costs and amortization associated with purchase accounting (Unaudited)

Latchways net income per diluted share excluding integration costs and amortization associated with purchase accounting (Unaudited)

(In thousands, except per share amounts)

	<u>Twelve Months Ended December 31, 2016</u>
Latchways net income	\$ 4,405
Integration costs	548
Amortization associated with purchase accounting	4,942
Income tax expense on adjustment	<u>(1,071)</u>
Latchways net income excluding integration costs and amortization associated with purchase accounting	<u>8,824</u>
Latchways net income per diluted share excluding integration costs and amortization associated with purchase accounting	<u>\$ 0.23</u>

Management believes that Latchways net income excluding integration costs and amortization associated with purchase accounting is a useful measure for investors, as management uses this measure to internally assess the performance and profitability of Latchways. 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 Latchways net income 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,		% Change	Twelve Months Ended December 31,		% Change
	2016	2015		2016	2015	
Income from continuing operations attributable to MSA Safety Incorporated	\$ 25,216	\$ 20,840	21%	\$ 92,691	\$ 69,590	33%
Tax charges associated with European reorganization	2,873	—		6,473	7,605	
Non-deductible strategic transaction costs	—	2,172		—	2,879	
Subtotal	28,089	23,012	22%	99,164	80,074	24%
Restructuring charges	1,997	7,560		5,694	12,258	
Strategic transaction costs	1,710	4,583		2,531	4,583	
Senscient operating loss	788	—		788	—	
Asset related losses (gains), net	59	1,098		(756)	1,636	
Self-insured legal settlements and defense costs	26	(69)		341	982	
Currency exchange (gains) losses, net	(1,732)	(1,132)		766	2,204	
Income tax expense on adjustments	(1,038)	(3,492)		(3,161)	(6,792)	
Adjusted earnings	29,899	31,560	(5)%	105,367	94,945	11%
Adjusted earnings per diluted share	\$ 0.78	\$ 0.84	(7)%	\$ 2.77	\$ 2.52	10%

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 December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
Cash from operating activities	\$ 103,457	\$ 45,424	\$ 134,894	\$ 55,254
Capital expenditures	(9,377)	(11,093)	(25,523)	(36,241)
Free cash flow	<u>\$ 94,080</u>	<u>\$ 34,331</u>	<u>\$ 109,371</u>	<u>\$ 19,013</u>
Net income attributable to MSA Safety Incorporated	\$ 24,916	\$ 20,851	\$ 91,936	\$ 70,807
Free cash flow conversion	378%	165%	119%	27%

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.

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 December 31, 2016
Net income attributable to MSA Safety Incorporated	91,936
Provision for income taxes	57,804
Interest expense	16,411
Depreciation and amortization	35,273
Other non-cash expenses	15,543
Non-cash restructuring expenses	(4,100)
Strategic transaction costs	2,531
EBITDA	215,398
Total end-of-period debt	390,502
Debt to EBITDA	1.8
Total end-of-period debt	390,502
Total end-of-period cash and cash equivalents	113,759
Net debt	276,743
Net debt to EBITDA	1.3

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 and strategic transaction costs. 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.

MSA Safety Incorporated
Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures
Constant currency five year revenue CAGR (Unaudited)
Organic constant currency five year revenue CAGR (Unaudited)
Consolidated
2011 - 2016

	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 five-year CAGR	8%	3%	—%	2%	3%	19%	5%	(12)%	1%
Plus: Currency translation effects	3%	3%	4%	3%	1%	3%	3%	5%	3%
Constant currency sales five-year CAGR	11%	6%	4%	5%	4%	22%	8%	(7)%	4%
Less: Acquisitions	—%	—%	—%	—%	—%	20%	2%	—%	1%
Organic constant currency five-year CAGR	11%	6%	4%	5%	4%	2%	6%	(7)%	3%

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