



MSA Safety

Investor Presentation

September 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.



At MSA Safety, We Know What's At Stake



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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.

Advancing worker safety and delivering productivity solutions for more than 105 years

MSA Safety Overview (NYSE: MSA)



Revenue

\$1.4B

Employees

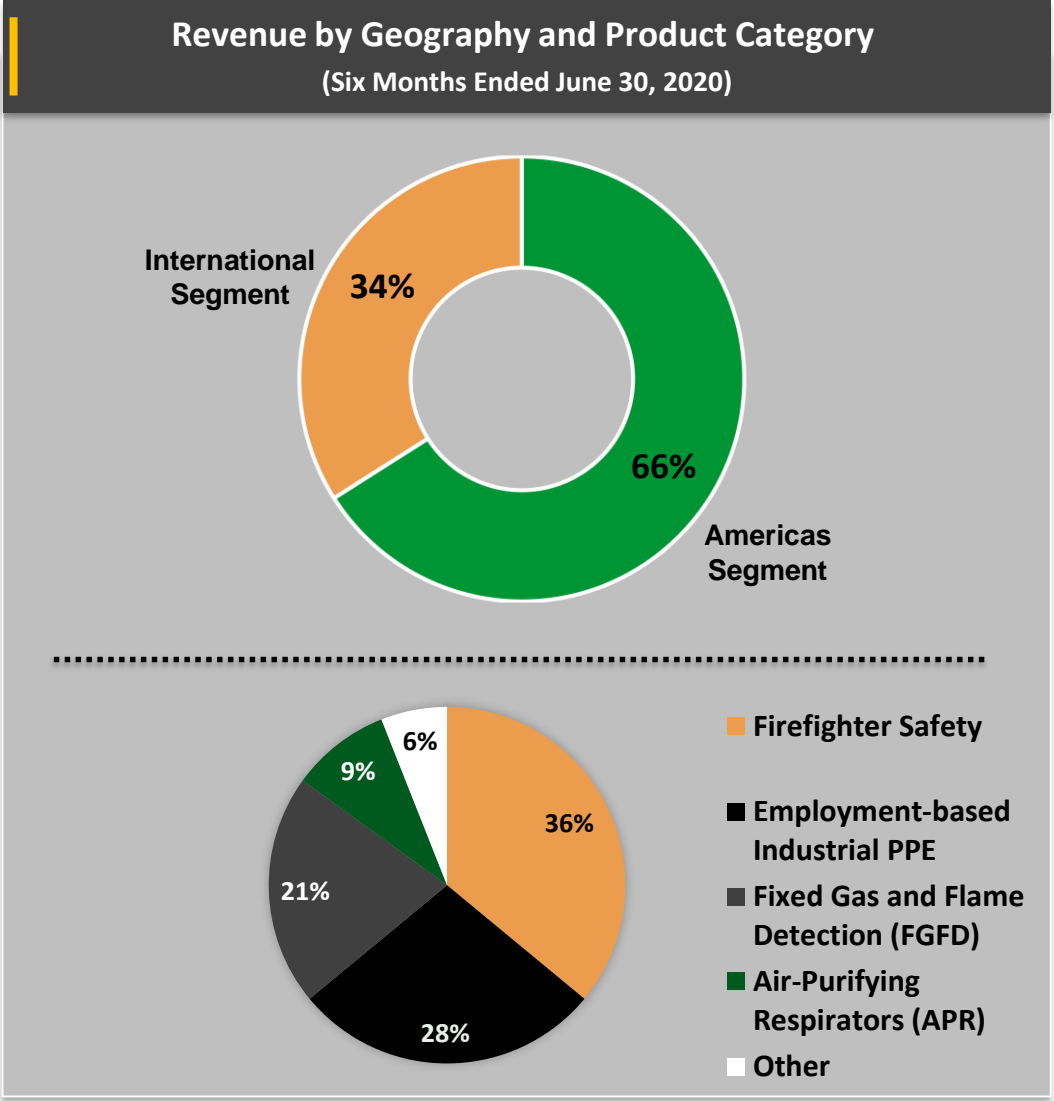
~5,000

Product Vitality Index

~35%

Market Cap

~\$5B



Secular Drivers in Safety: Exposure to Key Global Trends

Global development and increased **enforcement of safety standards**

Safety has an Attractive ROI for Customers

\$1 invested in injury prevention returns between \$2-6 ¹

High Cost of Non-Compliance

OSHA fine in 2019 for repeat violations increased 5% from 2018 ²

Firefighter health and wellness

Industry is moving toward a second set of turnout gear and physiological monitoring ³

Falls from Height are the Leading OSHA Violation...And Costly

9% of all disability claims are related to falls from height, costing employers more than \$5B per year ²

Public Health Concerns and Global PPE Shortages

COVID-19 pandemic driving unprecedented demand for respirator masks and other PPE across numerous industries

Emerging Markets

Outsized population and workforce growth; Western-based multinational companies implement consistent, advanced safety requirements across global facilities

Industrial IoT & Connected Worker

Estimated that more than 80% of industrial worksites are currently using or interested in implementing Industrial IoT devices. Applications include safety, quality, and other key processes. ⁴

Global ESG Movement

ESG investing and public demand for social responsibility is driving a heightened focus on worker safety and well-being



1. Safety and Health Magazine

2. EHS Today

3. Fire Apparatus Magazine

4. OHS Online

Secular safety trends position MSA to grow faster than GDP through various economic cycles

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
- Asset-light and strong cash flow
- Defensible market positions with significant IP in a highly regulated market – more than 600 different safety standards

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 centered around one mission: Safety

Consistently at the Forefront of Safety Innovation

~4%

R&D % of Sales
Q2 2020 YTD

~35%

Product Vitality Index
Q2 2020 YTD

~46%

Gross Profit
Q2 2020 YTD

Continuous Pipeline of Industry Leading Innovations



MSA Connected Firefighter:
Powered by LUNAR
Fighting a fire will never be the same



MSA M1 SCBA
Modular platform targeting the International market



ALTAIR io360
The future of area monitoring and effortlessly connected worksites



Ultima X/S 5000 Gas Monitors
FGFD platform that leverages XCell sensors to drive lower cost of ownership for customers



V-Series Fall Protection
New harnesses and mechanicals

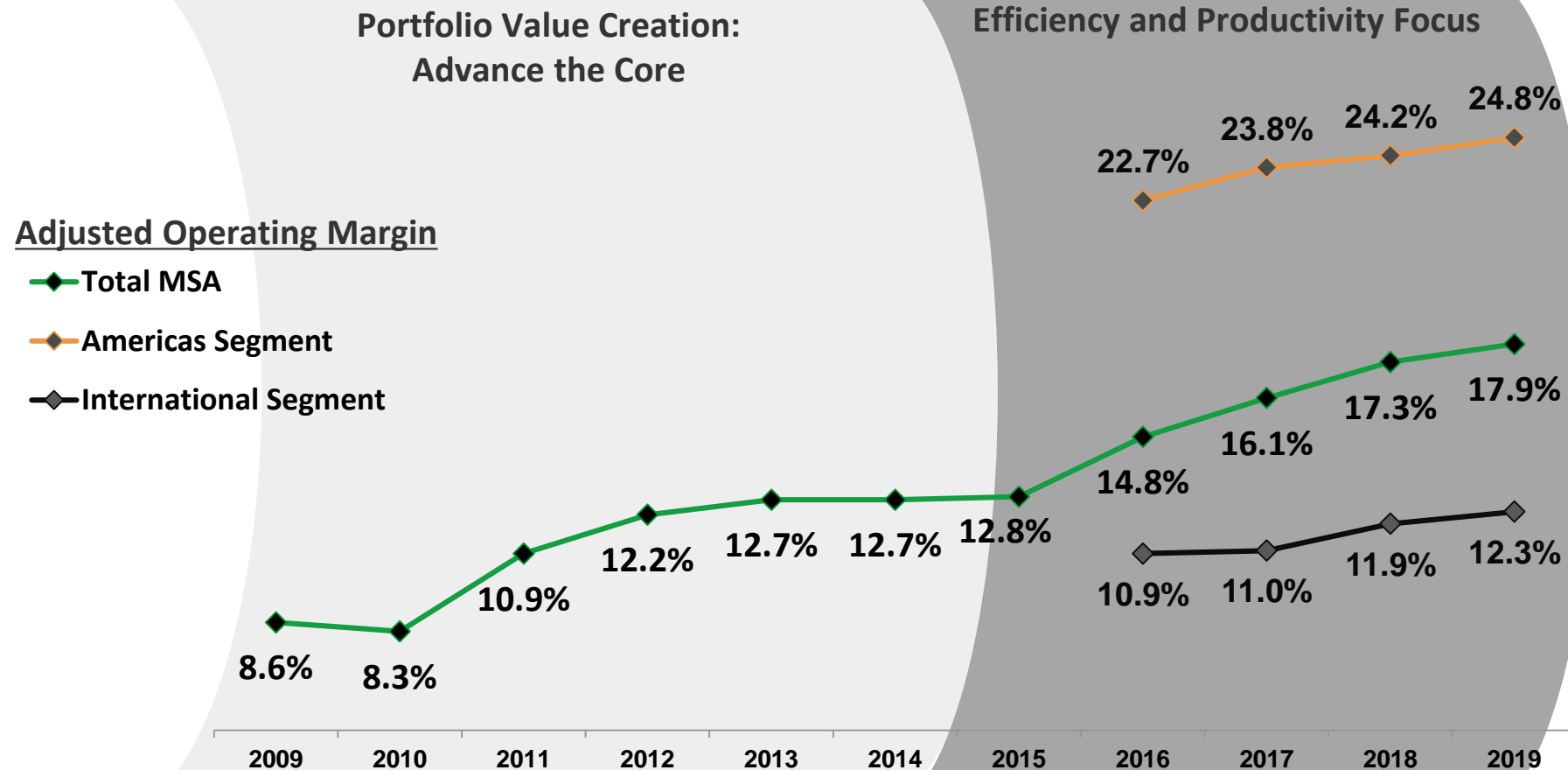


V-Gard H1 Safety Helmet
Next generation of head protection

R&D investments support a strong margin profile and enhance competitive position in niche markets

Strong Incremental Margin Provides Runway for Sustained Profitability Improvements

Significant Margin Progress Across MSA's Reporting Segments



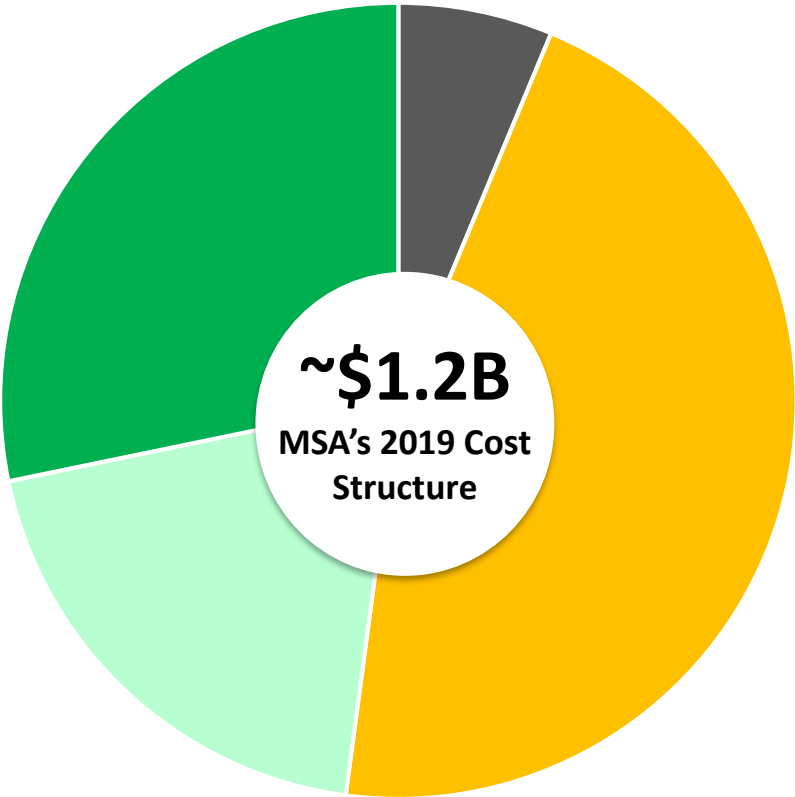
Three Key Focus Areas Have Driven Historical Financial Transformation:

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

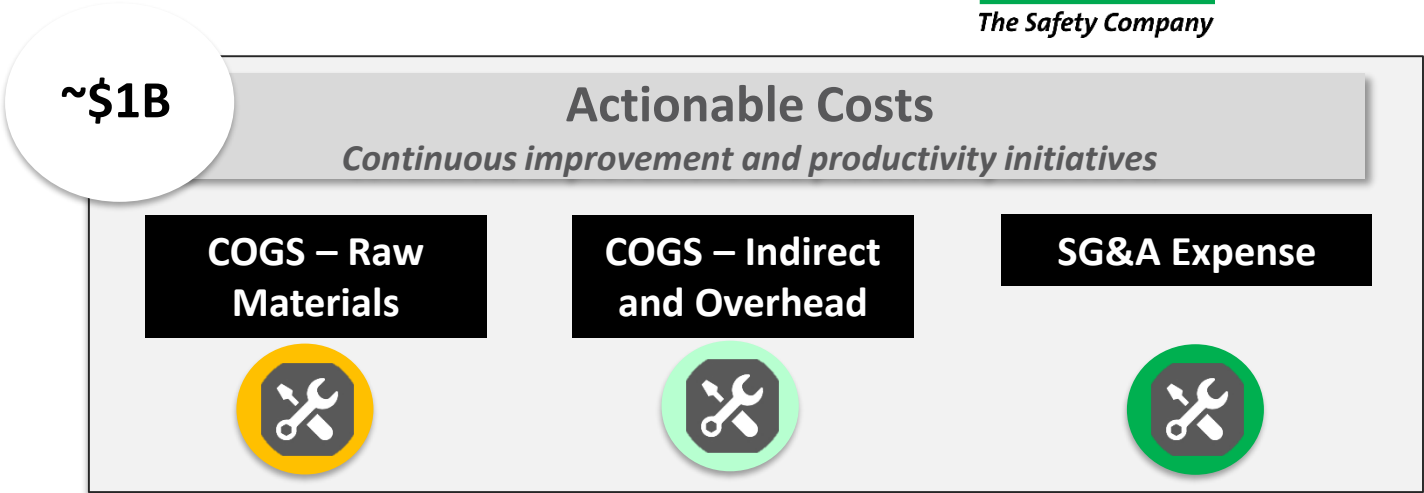
Adjusted operating margin is a non-GAAP measure. See reconciliations in appendix.

Consistently improving margins through commercial excellence and productivity programs

Cost Structure Overview



- R&D & Engineering Costs
- COGS - Raw Materials
- COGS - Indirect Costs and Overhead
- SG&A Expense



COGS excludes sustaining engineering costs for existing products of approx. \$15M



Executing restructuring programs in cost of sales and SG&A to improve the efficiency of our business model

Track Record of Disciplined Execution

Growth Investments Support Market Share Gains Across a Diversified Portfolio



R&D Investments Yield Market Leading Technology



smc sierra monitor

GLOBE

LATCHWAYS
FALL PROTECTION

Strengthening market positions
through strategic acquisitions

+7%

5 Year Revenue CAGR⁽¹⁾

⁽¹⁾Revenue growth stated in constant currency.
GAAP reported sales change is +4%.

Profitability Growing at Multiple of Revenue

40%

5 Year Cumulative Incremental
Adjusted Operating Margin

- Strategic pricing and new products
- Productivity initiatives and cost reduction programs yielding strong returns
- Accretive acquisitions

+15%

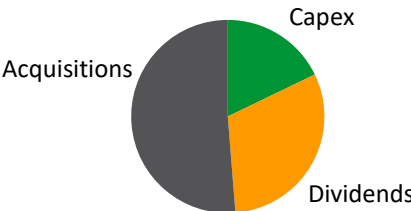
5 Year Adjusted Earnings CAGR

Committed to Balanced Capital Deployment – Investing in Growth and Returning Value to Shareholders

\$850M

5 Year Operating
Cash Flow

Historical Capital Deployment

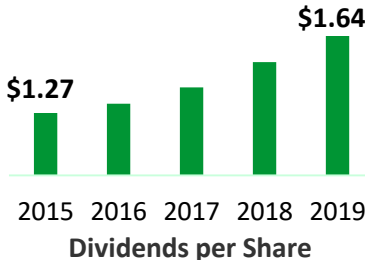


50+

Consecutive Years of
Dividend Increases

+4%

Increase in 2020

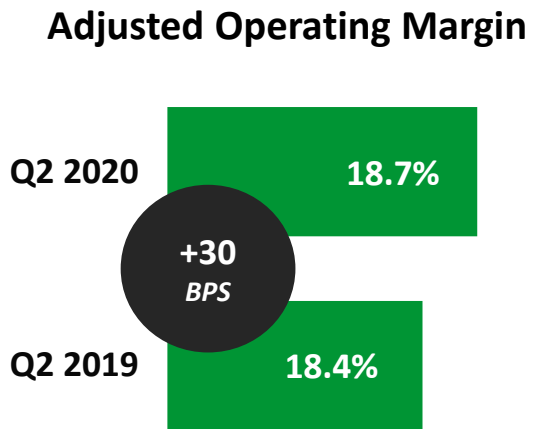
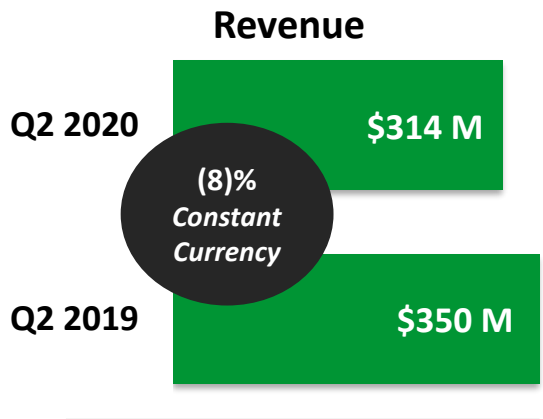


Adjusted operating margin and adjusted earnings are non-GAAP measures. See reconciliations in appendix.

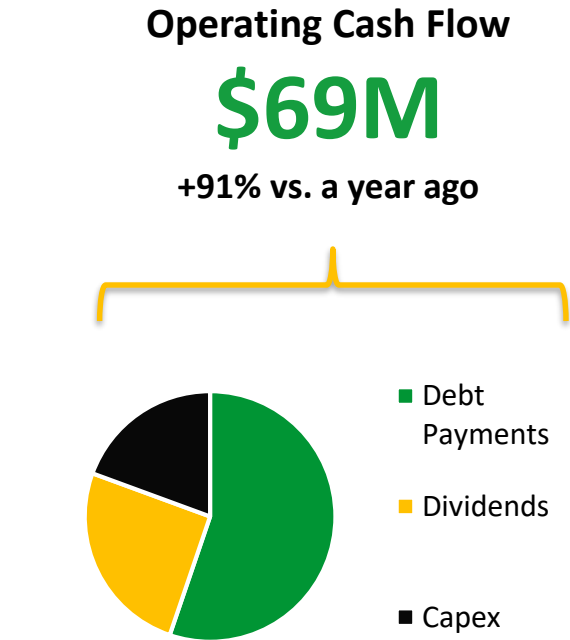
All 5 Year metrics refer to the year ended 12/31/2019

R&D investments, accretive acquisitions, cost reductions, and balanced capital deployment driving above-market shareholder returns

Q2 2020 Financial Highlights



Constant currency revenue and adjusted operating margin are non-GAAP measures. See reconciliations in appendix.



- Protecting the health and safety of our workforce is our top priority
- Diversified product portfolio; Maintaining share and strong price realization despite challenging conditions across industrial markets
- Discretionary cost controls and returns from previously executing restructuring programs are providing margin support in 2020; maintain controls through Q3
- Focused on executing cost reduction programs to position MSA for improved incrementals as we emerge from the pandemic; strong track record of success in this area
- Net leverage of 0.7x adjusted EBITDA at 6/30/20; no material upcoming debt maturities. Ample liquidity and flexibility to maintain a balanced capital allocation strategy.

Why Invest in MSA?



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Superior innovation supports leading positions in attractive markets and strong gross margin

Extensive portfolio **diversification** and heightened **focus on safety** across our end markets; history of growing in excess of GDP

Track record of **strategic acquisitions** that enhance MSA's competitive profile

Diverse **growth and margin expansion opportunities** across our portfolio; our success is not reliant on any single product line, market or productivity program

Strong balance sheet enables **balanced capital allocation** that prioritizes growth investments and retuning value to shareholders through a dividend; 50+ consecutive years of dividend increases

Committed to driving superior returns for shareholders

Appendix



Reconciliation of Non-GAAP Financial Measures

Constant Currency Revenue Growth: Q2 2020

Three Months Ended June 30, 2020						
	Firefighter Safety	Fixed Gas and Flame Detection	Industrial Core PPE	Core Sales	Non-Core Sales*	Net Sales
GAAP reported sales change	(6)%	(7)%	(29)%	(15)%	22 %	(10)%
Plus: Currency translation effects	1 %	1 %	4 %	2 %	5 %	2 %
Constant currency sales change	(5)%	(6)%	(25)%	(13)%	27 %	(8)%

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.

Reconciliation of Non-GAAP Financial Measures

Adjusted Operating Margin: Q2 2019 & Q2 2020

	Americas	International	Corporate	Consolidated
Three Months Ended June 30, 2019				
Sales to external customers	\$ 231,389	\$ 118,286	\$ —	\$ 349,675
Operating income				54,478
Operating margin %				15.6 %
Restructuring charges				3,522
Currency exchange losses, net				1,290
Product liability expense				3,529
Strategic transaction costs				1,529
Adjusted operating income (loss)	57,689	15,072	(8,413)	64,348
Adjusted operating margin %	24.9 %	12.7 %		18.4 %
Depreciation and amortization				9,466
Adjusted EBITDA	63,842	18,288	(8,316)	73,814
Adjusted EBITDA %	27.6 %	15.5 %		21.1 %
Three Months Ended June 30, 2020				
Sales to external customers	\$ 204,231	\$ 110,207	\$ —	\$ 314,438
Operating income				48,294
Operating margin %				15.4 %
Restructuring charges				8,865
Currency exchange losses, net				793
Product liability expense				851
Strategic transaction costs				64
Adjusted operating income (loss)	49,003	17,402	(7,538)	58,867
Adjusted operating margin %	24.0 %	15.8 %		18.7 %
Depreciation and amortization				9,786
Adjusted EBITDA	55,620	20,474	(7,441)	68,653
Adjusted EBITDA %	27.2 %	18.6 %		21.8 %

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 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 %

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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%

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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%

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Reconciliation of Non-GAAP Financial Measures



Adjusted Earnings

	Twelve Months Ended December 31,						CAGR
	2014	2015	2016	2017	2018	2019	
Net income attributable to MSA Safety Inc	\$ 87,447	\$ 69,590	\$ 92,691	\$ 26,027	\$ 124,150	\$ 136,440	9%
Tax charges associated with U.S. Tax Reform	—	—	—	19,817	2,518	—	
Non-deductible non-cash charge related to the recognition of currency translation adjustments	—	—	—	—	—	15,359	
Non-deductible transaction costs	—	2,879	—	—	—	—	
Tax (benefits) charges associated with European restructuring	—	7,605	6,473	(2,504)	1,794	584	
Tax benefit associated with ASU 2016-09	—	—	—	(8,323)	(2,531)	(2,278)	
Subtotal	87,447	80,074	99,164	35,017	125,931	150,105	
Product liability expense	3,893	982	341	126,432	45,327	26,619	
Restructuring charges	8,515	12,258	5,694	17,632	13,247	13,846	
Strategic transaction costs	—	4,583	2,531	4,225	421	4,400	
Currency exchange losses, net	1,509	2,204	766	5,127	2,330	4,455	
Loss on extinguishment of debt	—	—	—	—	1,494	—	
Asset related (gains) losses, net	(2,116)	1,636	32	678	484	371	
Income tax expense on adjustments	(3,812)	(6,792)	(3,161)	(47,810)	(13,800)	(11,826)	
Adjusted earnings	\$ 95,436	\$ 94,945	\$ 105,367	\$ 141,301	\$ 175,434	\$ 187,970	15%

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.