

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 March 31, 2018									
	Breathing Apparatus	Firefighter Helmets and Protective Apparel ^(a)	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	9 %	209 %	13 %	16 %	20 %	17 %	27 %	— %	23 %
Plus: Currency translation effects	(4)%	(12)%	(2)%	(4)%	(6)%	(6)%	(4)%	(5)%	(5)%
Constant currency sales change	5 %	197 %	11 %	12 %	14 %	11 %	23 %	(5)%	18 %
Less: Acquisitions	— %	198 %	— %	— %	— %	— %	13 %	— %	11 %
Organic constant currency change	5 %	(1)%	11 %	12 %	14 %	11 %	10 %	(5)%	7 %

(a) Firefighter helmets and protective apparel includes the impact of the Globe acquisition, completed on July 31, 2017.

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.

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Americas Segment

Three Months Ended March 31, 2018									
	Breathing Apparatus	Firefighter Helmets and Protective Apparel ^(a)	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	1%	470 %	12%	15%	16%	26 %	30%	(4)%	26 %
Plus: Currency translation effects	—%	(1)%	—%	—%	—%	(2)%	—%	— %	(1)%
Constant currency sales change	1%	469 %	12%	15%	16%	24 %	30%	(4)%	25 %
Less: Acquisitions	—%	476 %	—%	—%	—%	— %	20%	— %	17 %
Organic constant currency change	1%	(7)%	12%	15%	16%	24 %	10%	(4)%	8 %

(a) Firefighter helmets and protective apparel includes the impact of the Globe acquisition, completed on July 31, 2017.

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International Segment

Three Months Ended March 31, 2018

	Breathing Apparatus	Firefighter Helmets and Protective Apparel	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	29 %	17 %	16 %	17 %	25 %	8 %	21 %	5 %	18 %
Plus: Currency translation effects	(14)%	(13)%	(9)%	(11)%	(12)%	(9)%	(12)%	(11)%	(12)%
Constant currency sales change	15 %	4 %	7 %	6 %	13 %	(1)%	9 %	(6)%	6 %
Less: Acquisitions	— %	— %	— %	— %	— %	— %	— %	— %	— %
Organic constant currency change	15 %	4 %	7 %	6 %	13 %	(1)%	9 %	(6)%	6 %

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 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 March 31, 2018					
	Firefighter Safety ^(a)	Industrial Core PPE	Gas Detection	Core Sales	Non- Core Sales	Net Sales
GAAP reported sales change	44 %	15 %	18 %	27 %	— %	23 %
Plus: Currency translation effects	(5)%	(4)%	(5)%	(4)%	(5)%	(5)%
Constant currency sales change	39 %	11 %	13 %	23 %	(5)%	18 %
Less: Acquisitions	35 %	— %	— %	13 %	— %	11 %
Organic constant currency change	4 %	11 %	13 %	10 %	(5)%	7 %

(a) Firefighter safety includes the impact of the Globe acquisition, completed on July 31, 2017.

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.

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Europe Region

Three Months Ended March 31, 2018

	Breathing Apparatus	Firefighter Helmets and Protective Apparel	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	30 %	19 %	26 %	12 %	25 %	24 %	23 %	11 %	21 %
Plus: Currency translation effects	(17)%	(15)%	(14)%	(14)%	(15)%	(13)%	(15)%	(14)%	(15)%
Constant currency sales change	13 %	4 %	12 %	(2)%	10 %	11 %	8 %	(3)%	6 %
Less: Acquisitions	— %	— %	— %	— %	— %	— %	— %	— %	— %
Organic constant currency change	13 %	4 %	12 %	(2)%	10 %	11 %	8 %	(3)%	6 %

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
 Organic constant currency SG&A expense (Unaudited)
 (In thousands)

	Three Months Ended March 31,		% Change
	2018	2017	
GAAP reported SG&A expense	\$ 80,250	\$ 76,786	5%
Plus: currency translation effects	—	1,784	
Constant currency SG&A expense	80,250	78,570	2%
Less: Acquisitions and strategic transaction costs	2,795	1,337	
Organic constant currency SG&A expense	\$ 77,455	\$ 77,233	0%

Management believes that organic constant currency SG&A expense is a useful metric 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. There can be no assurances that MSA's definition of organic constant currency SG&A expense is consistent with that of other companies. As such, management believes that it is appropriate to consider SG&A expense 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
Adjusted operating income (Unaudited)
Adjusted operating margin (Unaudited)
(In thousands)

	<u>Americas</u>	<u>International</u>	<u>Corporate</u>	<u>Consolidated</u>
Three Months Ended March 31, 2018				
Sales to external customers	\$ 209,129	\$ 116,765	—	\$ 325,894
Operating income				44,435
Operating margin %				13.6%
Restructuring charges				5,274
Currency exchange losses, net				2,008
Other operating expense				2,824
Strategic transaction costs				94
Adjusted operating income (loss)	50,086	12,778	(8,229)	\$ 54,635
Adjusted operating margin %	23.9%	10.9%		16.8%
	<u>Americas</u>	<u>International</u>	<u>Corporate</u>	<u>Consolidated</u>
Three Months Ended March 31, 2017				
Sales to external customers	\$ 166,568	\$ 99,197	—	\$ 265,765
Operating income				18,619
Operating margin %				7.0%
Restructuring charges				12,739
Currency exchange losses, net				580
Other operating expense				—
Strategic transaction costs				1,337
Adjusted operating income (loss)	36,151	7,796	(10,672)	\$ 33,275
Adjusted operating margin %	21.7%	7.9%		12.5%

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 charges, currency exchange gains/losses, other operating expense and strategic transaction costs. Adjusted operating margin is defined as adjusted operating income (loss) divided by 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 effective tax rate (Unaudited)

	Three Months Ended March 31,	
	2018	2017
GAAP reported effective tax rate	22.6 %	10.9 %
Less: Tax benefit associated with ASU 2016-09: <i>Improvements to employee share-based payment accounting</i>	(2.2)%	(16.9)%
Adjusted effective tax rate	<u>24.8 %</u>	<u>27.8 %</u>

Management believes that its adjusted effective tax rate is a useful measure for investors. The adjusted effective tax rate excludes tax benefits associated with ASU 2016-09 improvements to employee share-based payment accounting. This tax benefit reflects items that 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
Adjusted earnings (Unaudited)
Adjusted earnings per diluted share (Unaudited)
(In thousands, except per share amounts)

	Three Months Ended March 31,		% Change
	2018	2017	
Net income attributable to MSA Safety Incorporated	\$ 32,371	\$ 14,413	125%
Tax benefit associated with ASU 2016-09: <i>Improvements to employee share-based payment accounting</i>	(914)	(2,782)	
Subtotal	31,457	11,631	170%
Restructuring charges	5,274	12,739	
Currency exchange losses, net	2,008	580	
Other operating expense	2,824	—	
Strategic transaction costs	94	1,337	
Asset related losses and other, net	17	64	
Income tax expense on adjustments	(2,534)	(4,088)	
Adjusted earnings	\$ 39,140	\$ 22,263	76%
Adjusted earnings per diluted share	\$ 1.01	\$ 0.58	74%

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
Adjusted EBITDA (Unaudited)
Adjusted EBITDA margin (Unaudited)
(In thousands)

	Three Months Ended March 31,		% Change
	2018	2017	
Net income attributable to MSA Safety Incorporated	\$ 32,371	\$ 14,413	125%
Provision for income taxes	9,505	1,796	
Interest expense	4,781	3,591	
Depreciation and amortization	9,671	8,752	
Restructuring charges	5,274	12,739	
Currency exchange losses, net	2,008	580	
Other operating expense	2,824	—	
Strategic transaction costs	94	1,337	
Other (income), net	(2,340)	(1,458)	
Adjusted EBITDA	\$ 64,188	\$ 41,750	54%
Net sales	\$ 325,894	\$ 265,765	
Adjusted EBITDA margin	19.7%	15.7%	

Adjusted EBITDA is a non-GAAP financial measure. MSA defines this measure as net income attributable to the Company, excluding taxes, interest, depreciation and amortization, restructuring charges, currency exchange gains/losses, other operating expense, strategic transaction costs, and other income. Management believes this information is useful for investors to analyze ongoing profitability trends of the Company. MSA defines adjusted EBITDA margin as adjusted EBITDA divided by net sales. Adjusted EBITDA and adjusted EBITDA margin, 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. These non-GAAP measures should be considered in addition to GAAP measures such as net income.

MSA Safety Incorporated
 Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures
 Debt to adjusted EBITDA (Unaudited)
 Net debt to adjusted EBITDA (Unaudited)
 (In thousands)

	Twelve Months Ended March 31,
	<u>2018</u>
Net income attributable to MSA Safety Incorporated	\$ 43,985
Provision for income taxes	10,527
Interest expense	16,550
Depreciation and amortization	38,796
Restructuring charges	10,167
Currency exchange losses, net	6,554
Other operating expense	129,256
Strategic transaction costs	2,982
Other (income), net	(6,440)
Adjusted EBITDA	<u>\$ 252,377</u>
Total end-of-period debt	468,206
Debt to adjusted EBITDA	<u>1.9</u>
Total end-of-period debt	468,206
Total end-of-period cash and cash equivalents	<u>124,883</u>
Net debt	<u>\$ 343,323</u>
Net debt to adjusted EBITDA	<u>1.4</u>

Adjusted EBITDA is a non-GAAP financial measure. MSA defines this measure as net income attributable to the Company, excluding interest, taxes, depreciation and amortization, restructuring charges, self-insured legal settlements and defense costs, currency exchange gains/losses, strategic transaction costs and other income. Management believes this information is useful for investors to analyze profitability trends of the Company. Adjusted 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. Adjusted EBITDA should be considered in addition to GAAP measures such as net income.

Debt to adjusted EBITDA ratio is a non-GAAP measure defined as total long term debt and debt maturing within one year divided by adjusted EBITDA, as reconciled above. This ratio is frequently used by investors and credit agencies and management believes this measures provides relevant and useful information.

MSA Safety Incorporated
 Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures
 Free cash flow (Unaudited)
 (In thousands)

	Three Months Ended March 31,	
	2018	2017
Cash flow from operating activities	\$ 17,353	\$ 96,390
Capital expenditures	(3,241)	(1,442)
Free cash flow	<u>\$ 14,112</u>	<u>\$ 94,948</u>
Net income attributable to MSA Safety Incorporated	\$ 32,371	\$ 14,413
Free cash flow conversion	44%	659%

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. 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.