

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, 2018									
	Breathing Apparatus	Firefighter Helmets and Protective Apparel <sup>(a)</sup>	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%	(1)%	10%	2%	(4)%	11%	4%	10%	5%
Plus: Currency translation effects	2%	1 %	3%	2%	3 %	4%	2%	4%	2%
Constant currency sales change	11%	— %	13%	4%	(1)%	15%	6%	14%	7%
Less: Acquisitions	—%	— %	—%	—%	— %	—%	—%	—%	—%
Organic constant currency change	11%	— %	13%	4%	(1)%	15%	6%	14%	7%

Twelve Months Ended December 31, 2018									
	Breathing Apparatus	Firefighter Helmets and Protective Apparel <sup>(a)</sup>	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	11%	64 %	10%	10%	6 %	11 %	15%	5%	13%
Plus: Currency translation effects	—%	— %	2%	—%	(1)%	(1)%	—%	—%	—%
Constant currency sales change	11%	64 %	12%	10%	5 %	10 %	15%	5%	13%
Less: Acquisitions	—%	69 %	—%	—%	— %	— %	7%	—%	5%
Organic constant currency change	11%	(5)%	12%	10%	5 %	10 %	8%	5%	8%

(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 December 31, 2018

	Breathing Apparatus	Firefighter Helmets and Protective Apparel <sup>(a)</sup>	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	5%	4%	6%	7%	13 %	2%	6%	—%	6%
Plus: Currency translation effects	1%	—%	3%	1%	(1)%	3%	1%	3%	1%
Constant currency sales change	6%	4%	9%	8%	12 %	5%	7%	3%	7%
Less: Acquisitions	—%	—%	—%	—%	— %	—%	—%	—%	—%
Organic constant currency change	6%	4%	9%	8%	12 %	5%	7%	3%	7%

Twelve Months Ended December 31, 2018

	Breathing Apparatus	Firefighter Helmets and Protective Apparel <sup>(a)</sup>	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	8%	96 %	8%	11%	10%	13%	19%	(3)%	16%
Plus: Currency translation effects	—%	1 %	3%	1%	—%	—%	1%	2 %	1%
Constant currency sales change	8%	97 %	11%	12%	10%	13%	20%	(1)%	17%
Less: Acquisitions	—%	99 %	—%	—%	—%	—%	10%	— %	9%
Organic constant currency change	8%	(2)%	11%	12%	10%	13%	10%	— %	8%

(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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International Segment

Three Months Ended December 31, 2018

	Breathing Apparatus	Firefighter Helmets and Protective Apparel <sup>(a)</sup>	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	15%	(15)%	24%	(6)%	(16)%	23%	—%	21%	3%
Plus: Currency translation effects	4%	3 %	5%	4 %	4 %	6%	4%	5%	4%
Constant currency sales change	19%	(12)%	29%	(2)%	(12)%	29%	4%	26%	7%
Less: Acquisitions	—%	— %	—%	— %	— %	—%	—%	—%	—%
Organic constant currency change	19%	(12)%	29%	(2)%	(12)%	29%	4%	26%	7%

Twelve Months Ended December 31, 2018

	Breathing Apparatus	Firefighter Helmets and Protective Apparel <sup>(a)</sup>	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	18 %	(2)%	15%	8 %	2 %	8 %	8 %	16 %	10 %
Plus: Currency translation effects	(2)%	(4)%	—%	(2)%	(2)%	(1)%	(2)%	(2)%	(2)%
Constant currency sales change	16 %	(6)%	15%	6 %	— %	7 %	6 %	14 %	8 %
Less: Acquisitions	— %	1 %	—%	— %	— %	— %	— %	— %	1 %
Organic constant currency change	16 %	(7)%	15%	6 %	— %	7 %	6 %	14 %	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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Consolidated

Three Months Ended December 31, 2018						
	Firefighter Safety <sup>(a)</sup>	Gas Detection	Industrial Core PPE	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	6%	(2)%	11%	4%	10%	5%
Plus: Currency translation effects	1%	3 %	3%	2%	4%	2%
Constant currency sales change	7%	1 %	14%	6%	14%	7%
Less: Acquisitions	—%	— %	—%	—%	—%	—%
Organic constant currency change	7%	1 %	14%	6%	14%	7%

Twelve Months Ended December 31, 2018						
	Firefighter Safety <sup>(a)</sup>	Gas Detection	Industrial Core PPE	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	25%	7%	10%	15%	5%	13%
Plus: Currency translation effects	—%	—%	1%	—%	—%	—%
Constant currency sales change	25%	7%	11%	15%	5%	13%
Less: Acquisitions	16%	—%	—%	7%	—%	5%
Organic constant currency change	8%	7%	11%	8%	5%	8%

(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.

MSA Safety Incorporated  
Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures  
Segment Information (Unaudited)  
(In thousands)

	Americas	International	Corporate	Consolidated
Three Months Ended December 31, 2018				
Sales to external customers	\$ 220,475	\$ 141,309	—	\$ 361,784
Operating income				42,244
Operating margin %				11.7%
Restructuring and other charges				3,024
Currency exchange (gains), net				(241)
Other operating expense				19,858
Strategic transaction costs				213
Adjusted operating income (loss)	55,383	17,906	(8,191)	\$ 65,098
Adjusted operating margin %	25.1%	12.7%		18.0%
Twelve Months Ended December 31, 2018				
Sales to external customers	\$ 854,287	\$ 503,817	—	\$ 1,358,104
Operating income				173,479
Operating margin %				12.8%
Restructuring and other charges				13,247
Currency exchange losses, net				2,330
Other operating expense				45,327
Strategic transaction costs				421
Adjusted operating income (loss)	206,839	59,866	(31,901)	\$ 234,804
Adjusted operating margin %	24.2%	11.9%		17.3%
	Americas	International	Corporate	Consolidated
Three Months Ended December 31, 2017				
Sales to external customers	\$ 208,421	\$ 137,719	—	\$ 346,140
Operating loss				(32,419)
Operating margin %				(9.4)%
Restructuring charges				712
Currency exchange losses, net				1,133
Other operating expense				93,476
Strategic transaction costs				860
Adjusted operating income (loss)	50,502	20,245	(6,985)	\$ 63,762
Adjusted operating margin %	24.2%	14.7%		18.4 %
Twelve Months Ended December 31, 2017				
Sales to external customers	\$ 736,847	\$ 459,962	—	\$ 1,196,809
Operating income				39,577
Operating margin %				3.3 %
Restructuring charges				17,632
Currency exchange losses, net				5,127
Other operating expense				126,432
Strategic transaction costs				4,225
Adjusted operating income (loss)	175,589	50,391	(32,987)	\$ 192,993
Adjusted operating margin %	23.8%	11.0%		16.1 %

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 segment 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 December 31,		Twelve Months Ended December 31,	
	2018	2017	2018	2017
GAAP reported effective tax rate	35.1 %	9.7 %	22.9 %	9.5 %
Tax impact of Other Operating Expense	(5.2)%	46.7 %	(0.2)%	22.9 %
Tax charges associated with U.S. Tax Reform	(7.6)%	(34.5)%	(1.2)%	(12.7)%
Tax benefit associated with ASU 2016-09: <i>Improvements to employee share-based payment accounting</i>	0.4 %	2.5 %	1.2 %	5.3 %
Tax (charges) benefits associated with restructuring activities	(3.1)%	0.1 %	(0.9)%	1.6 %
Adjusted effective tax rate	<u>19.6 %</u>	<u>24.5 %</u>	<u>21.8 %</u>	<u>26.6 %</u>

Management believes that adjusted effective tax rate is a useful measure for investors. The adjusted effective tax rate excludes tax benefits and charges 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 December 31,			Twelve Months Ended December 31,		
	2018	2017	% Change	2018	2017	% Change
Net income (loss) attributable to MSA Safety Incorporated	24,883	(32,984)	(175)%	124,150	26,027	377%
Tax charges associated with U.S. Tax Reform	4,475	19,817		2,518	19,817	
Tax (benefit) associated with ASU 2016-09: <i>Improvements to employee share-based payment accounting</i>	(225)	(1,413)		(2,531)	(8,323)	
Tax charges (benefits) associated with restructuring activities	1,794	(30)		1,794	(2,504)	
Subtotal	<u>30,927</u>	<u>(14,610)</u>	(312)%	<u>125,931</u>	<u>35,017</u>	260%
Other operating expense	19,858	93,476		45,327	126,432	
Restructuring charges	3,024	712		13,247	17,632	
Strategic Transaction Costs	213	860		421	4,225	
Asset related losses and other, net	68	492		1,978	678	
Currency exchange (gains) losses, net	(241)	1,133		2,330	5,127	
Income tax expense on adjustments	(4,155)	(31,443)		(13,800)	(47,810)	
Adjusted earnings	<u>\$ 49,694</u>	<u>\$ 50,620</u>	(2)%	<u>\$ 175,434</u>	<u>\$ 141,301</u>	24%
Adjusted earnings per diluted share	<u>\$ 1.27</u>	<u>\$ 1.31</u>	(3)%	<u>\$ 4.50</u>	<u>\$ 3.65</u>	23%

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  
Debt to adjusted EBITDA / Net debt to adjusted EBITDA (Unaudited)  
(In thousands)

	Twelve Months Ended December 31,		% Change
	2018	2017	
Net income attributable to MSA Safety Incorporated	\$ 124,150	\$ 26,027	377%
Provision for income taxes	37,220	2,819	
Interest expense	18,881	15,360	
Depreciation and amortization	37,852	37,877	
Restructuring charges	13,247	17,632	
Currency exchange losses, net	2,330	5,127	
Other operating expense	45,327	126,432	
Strategic transaction costs	421	4,225	
Loss on extinguishment of debt	1,494	—	
Other income, net	(9,231)	(5,558)	
Adjusted EBITDA	<u>\$ 271,691</u>	<u>\$ 229,941</u>	18%
Total end-of-period debt	361,374	474,512	
Debt to adjusted EBITDA	<u>1.3</u>	<u>2.1</u>	
Total end-of-period debt	361,374	474,512	
Total end-of-period cash and cash equivalents	<u>140,095</u>	<u>134,244</u>	
Net debt	<u>\$ 221,279</u>	<u>\$ 340,268</u>	
Net debt to adjusted EBITDA	<u>0.8</u>	<u>1.5</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, other operating expense, 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. Net debt to adjusted EBITDA is a non-GAAP measure defined as total long term debt and debt maturing within one year, minus cash and cash equivalents divided by adjusted EBITDA, as reconciled above. These ratios are 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, except percentages)

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2018	2017	% Change	2018	2017	% Change
Cash flow from operating activities	\$ 80,617	\$ 41,090	96%	\$ 266,814	\$ 230,336	16%
Capital expenditures	<u>(18,267)</u>	<u>(11,995)</u>		<u>(36,887)</u>	<u>(23,725)</u>	
Free cash flow	<u>\$ 62,350</u>	<u>\$ 29,095</u>	114%	<u>\$ 229,927</u>	<u>\$ 206,611</u>	11%
Net income attributable to MSA Safety Incorporated	\$ 24,883	\$ (32,984)		\$ 124,150	\$ 26,027	
Free cash flow conversion	251%	(88)%		185%	794%	

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.