

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): October 22, 2014



MSA SAFETY INCORPORATED
(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction
of incorporation)

1-15579
(Commission File Number)

46-4914539
(IRS Employer
Identification Number)

**1000 Cranberry Woods Drive
Cranberry Township, Pennsylvania**
(Address of principal executive offices)

16066-5207
(Zip Code)

Registrant's telephone number, including area code: 724-776-8600

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

On October 22, 2014, the Company issued a press release announcing its financial results for the quarter ended September 30, 2014. A copy of the press release is furnished herewith as Exhibit 99.1 to this report.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

| | |
|------|--|
| 99.1 | MSA Safety Incorporated Press Release dated October 22, 2014, announcing financial results for the quarter ended September 30, 2014. |
|------|--|

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MSA SAFETY INCORPORATED

(Registrant)

By /s/ Stacy P. McMahan
 Stacy P. McMahan
 Senior Vice President of Finance and Chief Financial Officer

Date: October 23, 2014

EXHIBIT INDEX

| Exhibit No. | Description |
|-------------|--|
| 99.1 | MSA Safety Incorporated Press Release dated October 22, 2014, announcing financial results for the quarter ended September 30, 2014. |



FOR IMMEDIATE RELEASE

FROM: MSA Safety Incorporated
Ticker: MSA (NYSE)
Media Relations Contact: Mark Deasy (724) 741 - 8570
Investor Relations Contact: Ken Krause (724) 741 - 8534

MSA Announces Third Quarter Results *Strength in core products drives revenue growth*

PITTSBURGH, October 22, 2014 - Global safety equipment manufacturer MSA Safety Incorporated (NYSE: MSA) today reported results for the third quarter of 2014.

Quarterly Highlights

- Revenue was \$275 million, up 4 percent from the third quarter of 2013. Income from continuing operations was \$19 million or \$0.50 per basic share. Excluding after tax restructuring and foreign exchange losses, adjusted earnings were \$21 million, or \$0.57 per basic share, increasing 2 percent.
- The company is making progress towards certification of its new G1 self-contained breathing apparatus (SCBA) and expects regulatory approval and shipping to begin in the fourth quarter.
- Excluding sales of SCBA, quarterly local currency revenue from core product lines increased 13 percent.
- Products developed within the last five years drove 36 percent of quarterly core product revenue compared to 22 percent in the same period a year ago.
- Gross profit margin was 45.0 percent of sales, up 140 basis points from a year ago.

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Comments from Management

"Our third quarter results reflected solid growth from the core, despite headwinds associated with delays in securing approval of our new SCBA platform. In particular, strength in our gas detection product lines, ongoing product margin expansion and the pending approval of the G1 SCBA provides encouragement as we head into the final quarter of the year," said William M. Lambert, MSA President and CEO.

Sales of core products represented 74 percent of total revenue in the quarter and excluding sales of SCBA, quarterly revenue from core product lines increased 13 percent. "Particularly noteworthy were sales of gas detection products, which grew 17 percent during the quarter on strong demand for portable gas detection instruments and shipments of large orders of fixed gas and flame detection systems," he said. Mr. Lambert also noted that although the company continues to see challenging conditions in certain emerging markets, core product sales across all emerging markets increased 13 percent in the quarter.

"Although we expect business conditions to remain challenged across several of our emerging markets, this quarter showed excellent progress toward clearing our SCBA certification hurdles and reflects meaningful progress against our strategy, highlighting our ongoing focus on increasing shareholder value," Mr. Lambert said. "As we approach the end of our centennial year in business and begin writing the next chapter in MSA's story, we will remain focused on enhancing shareholder value by staying true to our passion for innovation, our commitment to achieving operational excellence, and our desire to create the best customer experience in the safety industry," Mr. Lambert concluded.

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MSA Safety Incorporated
Condensed Consolidated Statement of Income (Unaudited)
(In thousands, except earnings per share)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|----------------|------------------------------------|----------------|
| | 2014 | 2013 | 2014 | 2013 |
| Net sales | \$ 275,159 | \$ 264,884 | \$ 822,697 | \$ 820,629 |
| Other income, net | 585 | 638 | 986 | 1,015 |
| | <u>275,744</u> | <u>265,522</u> | <u>823,683</u> | <u>821,644</u> |
| Cost of products sold | 151,436 | 149,458 | 447,489 | 453,835 |
| Selling, general and administrative | 77,301 | 71,390 | 245,377 | 232,097 |
| Research and development | 13,420 | 12,298 | 36,604 | 34,280 |
| Restructuring and other charges | 3,640 | 1,515 | 6,397 | 3,942 |
| Interest expense | 2,493 | 2,741 | 7,617 | 8,151 |
| Currency exchange (gains) losses, net | 315 | 1,836 | 358 | 4,148 |
| | <u>248,605</u> | <u>239,238</u> | <u>743,842</u> | <u>736,453</u> |
| Income before income taxes | 27,139 | 26,284 | 79,841 | 85,191 |
| Provision for income taxes | 8,699 | 7,750 | 26,056 | 24,675 |
| Income from continuing operations | <u>18,440</u> | <u>18,534</u> | <u>53,785</u> | <u>60,516</u> |
| Income from discontinued operations | 765 | 643 | 1,832 | 2,447 |
| Net income | <u>19,205</u> | <u>19,177</u> | <u>55,617</u> | <u>62,963</u> |
| Net (income) loss attributable to noncontrolling interests | 100 | 324 | 202 | (127) |
| Net income attributable to MSA Safety Incorporated | <u>19,305</u> | <u>19,501</u> | <u>55,819</u> | <u>62,836</u> |
| Income from continuing operations | 18,674 | 18,987 | 54,328 | 60,929 |
| Income from discontinued operations | 631 | 514 | 1,491 | 1,907 |
| Net income attributable to MSA Safety Incorporated | <u>19,305</u> | <u>19,501</u> | <u>55,819</u> | <u>62,836</u> |
| Earnings Per Share Attributable to MSA Safety Incorporated | | | | |
| Basic | | | | |
| Income from continuing operations | \$0.50 | \$0.51 | \$1.45 | \$1.64 |
| Income from discontinued operations | <u>\$0.02</u> | <u>\$0.01</u> | <u>\$0.04</u> | <u>\$0.05</u> |
| Net income | <u>\$0.52</u> | <u>\$0.52</u> | <u>\$1.49</u> | <u>\$1.69</u> |
| Diluted | | | | |
| Income from continuing operations | \$0.49 | \$0.51 | \$1.43 | \$1.61 |
| Income from discontinued operations | <u>\$0.02</u> | <u>\$0.01</u> | <u>\$0.04</u> | <u>\$0.05</u> |
| Net income | <u>\$0.51</u> | <u>\$0.52</u> | <u>\$1.47</u> | <u>\$1.66</u> |
| Basic shares outstanding | 37,187 | 36,915 | 37,111 | 36,845 |
| Diluted shares outstanding | 37,784 | 37,507 | 37,708 | 37,438 |

(more)

MSA Safety Incorporated
Condensed Consolidated Balance Sheet (Unaudited)
(In thousands)

| | <u>September 30, 2014</u> | <u>December 31, 2013</u> |
|---|---------------------------|--------------------------|
| Current assets | | |
| Cash and cash equivalents | \$ 97,355 | \$ 96,265 |
| Trade receivables, net | 200,634 | 200,364 |
| Inventories | 145,217 | 136,837 |
| Other current assets | 58,110 | 67,500 |
| Total current assets | <u>501,316</u> | <u>500,966</u> |
| Property, net | 152,377 | 152,755 |
| Prepaid pension cost | 130,414 | 121,054 |
| Goodwill | 255,049 | 260,134 |
| Other noncurrent assets | 221,149 | 199,361 |
| Total | <u><u>1,260,305</u></u> | <u><u>1,234,270</u></u> |
| Current liabilities | | |
| Notes payable and current portion of long-term debt | \$ 6,671 | \$ 7,500 |
| Accounts payable | 67,253 | 66,902 |
| Other current liabilities | 120,406 | 117,162 |
| Total current liabilities | <u>194,330</u> | <u>191,564</u> |
| Long-term debt | 270,667 | 260,667 |
| Pensions and other employee benefits | 146,344 | 152,084 |
| Deferred tax liabilities | 48,365 | 49,621 |
| Other noncurrent liabilities | 10,941 | 7,987 |
| Equity | <u>589,658</u> | <u>572,347</u> |
| Total | <u><u>1,260,305</u></u> | <u><u>1,234,270</u></u> |

(more)

MSA Safety Incorporated
Condensed Consolidated Statement of Cash Flows (Unaudited)
(In thousands)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|-------------------------------|-------------------------------------|----------------------|------------------------------------|----------------------|
| | 2014 | 2013 | 2014 | 2013 |
| Net income | \$ 19,205 | \$ 19,177 | \$ 55,617 | \$ 62,963 |
| Depreciation and amortization | 7,196 | 7,615 | 22,311 | 23,392 |
| Change in working capital | 15,003 | 10,212 | (5,842) | (18,291) |
| Other operating | (5,912) | 5,925 | (21,284) | (3,358) |
| Cash from operations | <u>35,492</u> | <u>42,929</u> | <u>50,802</u> | <u>64,706</u> |
| Capital expenditures | (9,705) | (9,258) | (24,233) | (26,214) |
| Property disposals | — | 1,247 | — | 1,333 |
| Cash from investing | <u>(9,705)</u> | <u>(8,011)</u> | <u>(24,233)</u> | <u>(24,881)</u> |
| Change in debt | (11,012) | (10,921) | 9,171 | 10,284 |
| Cash dividends paid | (11,542) | (11,161) | (34,043) | (32,694) |
| Other financing | 1,938 | 489 | 4,013 | (1,181) |
| Cash from financing | <u>(20,616)</u> | <u>(21,593)</u> | <u>(20,859)</u> | <u>(23,591)</u> |
| Exchange rate changes | <u>(3,999)</u> | <u>272</u> | <u>(4,620)</u> | <u>(2,942)</u> |
| Increase in cash | <u><u>1,172</u></u> | <u><u>13,597</u></u> | <u><u>1,090</u></u> | <u><u>13,292</u></u> |

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MSA Safety Incorporated
Segment Information (Unaudited)
(In thousands)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|-----------------------------------|-------------------------------------|----------------|------------------------------------|-----------------|
| | 2014 | 2013 | 2014 | 2013 |
| Net sales | | | | |
| North America | \$ 131,844 | \$ 130,919 | \$ 400,147 | \$ 402,539 |
| Europe | 75,785 | 66,360 | 229,606 | 207,480 |
| International | 67,530 | 67,605 | 192,944 | 210,610 |
| Total | <u>275,159</u> | <u>264,884</u> | <u>822,697</u> | <u>820,629</u> |
| Net income (loss) | | | | |
| North America | \$ 18,018 | \$ 17,001 | \$ 49,658 | \$ 46,638 |
| Europe | 2,587 | 3,141 | 13,027 | 11,734 |
| International | 2,821 | 5,004 | 9,040 | 20,570 |
| Reconciling Items | <u>(4,752)</u> | <u>(6,159)</u> | <u>(17,397)</u> | <u>(18,013)</u> |
| Income from continuing operations | 18,674 | 18,987 | 54,328 | 60,929 |
| Discontinued operations | <u>631</u> | <u>514</u> | <u>1,491</u> | <u>1,907</u> |
| Total | <u>19,305</u> | <u>19,501</u> | <u>55,819</u> | <u>62,836</u> |

MSA's sales are allocated to each country based primarily on the destination of the end-customer. Effective January 1, 2014, the General Monitors business has been fully integrated into MSA. As such, sales made by General Monitors companies now follow a similar allocation methodology by which sales are allocated to each country based on the destination of the end-customer and the value added to that order. In prior years, sales made by General Monitors companies were reported as domestic sales based on the country from which the product was shipped. The 2013 results presented above have been restated to reflect this change in allocation methodology.

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MSA Safety Incorporated
 Supplemental Segment Information (Unaudited)
 Local Currency Revenue Growth

| | Three Months Ended September 30, 2014 | | | |
|-------------------------------|---------------------------------------|---------------|--------|---------------|
| | Consolidated | North America | Europe | International |
| Fixed Gas and Flame Detection | 20 % | 12 % | 34 % | 19 % |
| Portable Gas Detection | 13 % | 4 % | 20 % | 30 % |
| Fall Protection | 8 % | 8 % | 2 % | 8 % |
| Head Protection | 3 % | 13 % | (6)% | (10)% |
| Breathing Apparatus | (12)% | (26)% | 23 % | (23)% |
| Core Sales | 6 % | — % | 25 % | 1 % |
| Non-Core Sales | 1 % | 2 % | (5)% | 7 % |
| Net Sales | 5 % | 1 % | 14 % | 3 % |

| | Nine Months Ended September 30, 2014 | | | |
|-------------------------------|--------------------------------------|---------------|--------|---------------|
| | Consolidated | North America | Europe | International |
| Fixed Gas and Flame Detection | 4 % | 2 % | 17 % | (12)% |
| Portable Gas Detection | 9 % | 10 % | 1 % | 17 % |
| Fall Protection | 1 % | (4)% | 29 % | 12 % |
| Head Protection | 5 % | 11 % | 1 % | (4)% |
| Breathing Apparatus | (12)% | (21)% | 3 % | (15)% |
| Core Sales | 1 % | (1)% | 8 % | (4)% |
| Non-Core Sales | 3 % | 2 % | 7 % | 1 % |
| Net Sales | 1 % | — % | 8 % | (2)% |

(more)

MSA Safety Incorporated
 Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures
 Adjusted Earnings / Earnings per Share (Unaudited)
 (In thousands, except per share amounts)

| | Three Months Ended September 30, | | % Change | Nine Months Ended September 30, | | % Change |
|--|-------------------------------------|-----------|-------------|------------------------------------|-----------|-------------|
| | 2014 | 2013 | | 2014 | 2013 | |
| Net income attributable to MSA Safety Incorporated | \$ 19,305 | \$ 19,501 | (1.0)% | \$ 55,819 | \$ 62,836 | (11.2)% |
| Less: Income from discontinued operations | 631 | 514 | | 1,491 | 1,907 | |
| Income from continuing operations | 18,674 | 18,987 | (1.6)% | 54,328 | 60,929 | (10.8)% |
| Foreign currency loss | 315 | 1,836 | | 358 | 4,148 | |
| Restructuring charges | 3,640 | 1,515 | | 6,397 | 3,942 | |
| Asset sale (gain) | — | (600) | | — | (600) | |
| Income tax (expense) | (1,268) | (812) | | (2,202) | (2,172) | |
| Adjusted earnings | 21,361 | 20,926 | 2.1% | 58,881 | 66,247 | (11.1)% |
| Adjusted earnings per basic share | \$ 0.57 | \$ 0.56 | 1.8% | \$ 1.58 | \$ 1.78 | (11.2)% |

Management believes that adjusted earnings and adjusted earnings per share are useful measures for investors when analyzing 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. Management does not use these non-GAAP financial measures for any purpose other than the reasons stated above.

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About MSA:

Established in 1914, MSA Safety Incorporated is the global leader in the development, manufacture and supply of safety products that protect people and facility infrastructures. Many MSA products integrate a combination of electronics, mechanical systems and advanced materials to protect users against hazardous or life-threatening situations. The company's comprehensive line of products is used by workers around the world in a broad range of markets, including the oil, gas and petrochemical industry, the fire service, the construction industry, mining, and the military. The company's core products include self-contained breathing apparatus, fixed gas and flame detection systems, portable gas detection instruments, head protection products and fall protection devices. With 2013 revenues of \$1.1 billion, MSA employs approximately 5,300 people worldwide. The company is headquartered north of Pittsburgh in Cranberry Township, Pa., and has manufacturing operations in the United States, Europe, Asia and Latin America. With more than 40 international locations, MSA realizes approximately half of its revenue from outside North America. For more information, visit MSA's website at www.MSAafety.com.

Cautionary Statement Regarding Forward-Looking Statements:

Except for historical information, certain matters discussed in this press release may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include but are not limited to all projections and anticipated levels of future performance and timing of new product approvals and related shipments. Forward looking statements involve risks, uncertainties and other factors that may cause our actual results to differ materially from those discussed herein. Any number of factors could cause actual results to differ materially from projections or forward looking statements, including without limitation global economic conditions, spending patterns of government agencies, competitive pressures, product liability claims, the success of new product introductions, currency exchange rate fluctuations and the risks of doing business in foreign countries. A full listing of these risks, uncertainties and other factors are detailed from time-to-time in our filings with the United States Securities and Exchange Commission ("SEC"), including our most recent Form 10-K filed on February 24, 2014. You are strongly urged to review all such filings for a more detailed discussion of such risks and uncertainties. MSA's SEC filings are readily obtainable at no charge at www.sec.gov, as well as on its own investor relations website at <http://investors.msasafety.com>. MSA undertakes no duty to publicly update any forward looking statements contained herein, except as required by law.

Non-GAAP Financial Measures

This earnings release includes certain non-GAAP financial measures. These financial measures include adjusted earnings and adjusted earnings per basic share. 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 Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures in the financial tables section above.

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