



# MSA Safety

## Investor Presentation

May 2022

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.

In this presentation certain non-GAAP financial measures may be used. Please see our Investor Relations website at [investors.msasafety.com](https://investors.msasafety.com) for a reconciliation to the appropriate GAAP measure.





# MSA Safety Overview

## 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

## Key Metrics<sup>(1)</sup>

**\$1.4B**  
Net Sales

**43.8%**  
Gross Margin

**17.4%**  
Adj. Operating  
Margin

**>100%**  
Free Cash Flow  
Conversion

**4.1%**  
R&D Spend  
*(% net sales)*

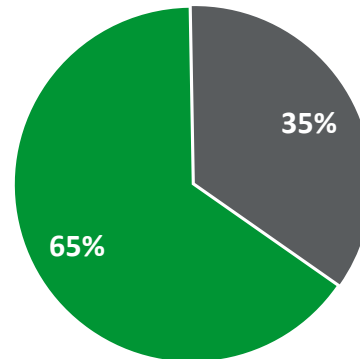
**~4,800**  
Employees

**1914**  
Year Founded

**~\$5B**  
Market Cap  
Ticker - MSA

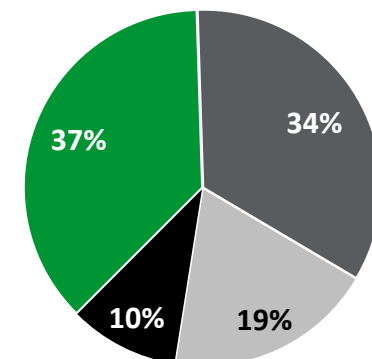


## Net Sales by Segment



■ Americas Segment ■ International Segment

## Net Sales by Product Category<sup>(2)</sup>



■ Firefighter Safety ■ Gas Detection ■ Industrial PPE ■ Other

(1) Key metrics for latest 12-month period ended March 31, 2022

(2) Gas detection includes fixed gas and flame detection and portable gas detection. Industrial PPE includes industrial head protection and fall protection.

**Leading global safety technology company with a proven track record of value creation**

# Leading Positions in Attractive Markets

## Firefighter Safety

1



Self Contained Breathing Apparatus (SCBA) and Connected Firefighter

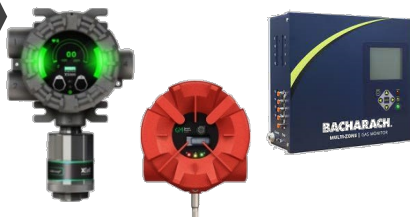
1



Firefighter Protective Apparel and Helmets

## Gas Detection

1



Fixed Gas and Flame Detection Systems (FGFD)

2



Portable Gas Detection

## Industrial PPE

1



Industrial Head Protection

3



Fall Protection

## MSA Business Model

- Leadership position across core products
- Premium brand enabled by engineering excellence and significant IP
- Highly regulated market and alignment with global trends
- Strong balance sheet and balanced capital allocation priorities

## Product Characteristics

- Mission critical applications, not discretionary
- Highly engineered and differentiated
- Compete on technology features, comfort, delivery, brand equity and total cost of ownership

## Diversified Markets

- ~\$9B total addressable market
- Diversified end market exposure: firefighter safety, energy, construction, utilities, general industrial, military and mining
- Niche markets – room to grow within current markets and expand addressable market through innovation and M&A

# denotes estimated market position

Leading market positions across a diversified portfolio; consistently at the forefront of safety innovation

# Exposure to Key Global Trends

## Increasing Safety Regulations

Global development and increased enforcement of safety standards

## Global ESG Focus

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

## Safety has an Attractive ROI for Customers

\$1 invested in injury prevention returns of at least \$3<sup>1</sup>

## High Cost of Non-Compliance

OSHA fine in 2022 for repeat violations increased 6% from 2021<sup>2</sup>

## Firefighter Health and Wellness

Industry is moving toward a second set of turnout gear and physiological monitoring<sup>4</sup>

## Technology Driving Efficiency in Firefighter Fleet Management

Automated asset management provides cost of ownership benefits by reducing the burden of manually intensive processes associated with equipment tracking and inspection

## 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<sup>3</sup>

## Growth of the Connected Worker Solutions Market

A 2021 Polaris research report projects the market for connected safety will be ~\$24B by 2029<sup>5</sup>

## Future of Industrial Worksites

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<sup>5</sup>

## Productivity Solutions

Connected worker implementation has been shown to reduce operational spend by 8% while improving safety outcomes<sup>6</sup>



Source: 1. Occupational Safety Group; 2. OSHA; 3. EHS Today; 4. Fire Apparatus Magazine; 5. OHS Online; 6. Visual Capitalist

**Alignment with global trends positions MSA to grow faster than GDP through economic cycles**

# Disciplined Execution Driving Value

## Core Growth Rate of MSD

*Innovative products and technologies,  
and strategic pricing*



**~35%**

### Sales Vitality

% of Sales from Products  
Developed and Launched  
in the Past Five Years

## Strategic Acquisitions

*\$1.1B in operating cash flow over past five years*

*\$600M+ invested in M&A to enhance market  
position and drive growth*



## Operational Excellence

*Focus on driving 30% - 40% incremental  
margins through productivity programs  
and cost discipline*

## Strong Balance Sheet

*Investment grade metrics and balanced  
capital allocation*

**1.5x**

Net Debt to  
Adj. EBITDA  
at 3/31/22

**50+**

Consecutive Years  
of Dividend Increases



## Q1 2022 Highlights

**\$331M**

Net Sales

+9% yoy constant currency growth

**\$54M**

Adj. Operating Income

16.3% margin | +90 bps yoy

**\$1.10**

Adj. EPS

+16% yoy

Focus on growth, operational excellence and balanced capital allocation to drive above-market shareholder returns



# Our ESG Strategy Delivers Value for All Stakeholders

## ESG Pillars

### Our People

Foster a safe, diverse and inclusive workplace that encourages personal and professional growth, global collaboration, innovation and better business outcomes.

### Our Communities

Engage with our surrounding communities through charitable giving and volunteer work to enhance safety and improve lives around the world.

### Our Environment

Conduct our business in a manner that is environmentally sustainable and ensures protection of our natural resources.

### Our Integrity

Maintain an unwavering commitment to our foundational core value of Integrity.

## ESG Highlights

- ✓ **Best-in-class internal safety metrics** compared to industry benchmark
- ✓ **34%** of MSA executive leaders are diverse
- ✓ **\$1.2M in charitable giving** to more than 80 organizations in 2020
- ✓ Donated more than **140K disposable masks** to medical institutions around the world in 2020
- ✓ Participant in the **Carbon Disclosure Project**
- ✓ Recognized with several top **workplace awards**



# Bacharach: Helping Customers Address Climate Risk

## Helping Customers Detect and Reduce Refrigerant Emissions



60%

*of new HFCs are used to fill leaking equipment*

~80%

*of HFC emissions are from HVAC-R applications*

~10

*air conditioners will be sold globally every second for the next 30 years*

- ✓ Hydrofluorocarbons (“HFCs”) are a group of industrial chemicals primarily used for cooling and refrigeration applications
- ✓ HFCs are a potent greenhouse gas - key focus of ongoing climate regulation including the American Innovation and Manufacturing Act
- ✓ Bacharach detection technology is aligned with climate risk and regulation trends – helping our customers reduce leaks, emissions and achieve their ESG goals

### Key Markets Served



Food Retail



Cold Storage



Commercial A/C



Automotive



Industrial

Acquired  
**July 2021**

Capital Deployed  
**\$337M**

Annual Revenue  
**~\$70M**



**Bacharach is focused on emission detection and reduction, aligning well with climate risk megatrends**



# Why Invest in MSA?



- Mission-driven culture and unwavering commitment to worker safety
- Superior innovation supports leading positions in attractive markets
- Extensive portfolio diversification and heightened focus on safety across our end markets
- Diverse growth and margin expansion opportunities across our portfolio; our success is not reliant on any single product line, market or productivity program
- Track record of strategic acquisitions enhancing our competitive profile
- Strong balance sheet enables balanced capital allocation that prioritizes growth investments and returning capital to shareholders

**Committed to driving superior returns for shareholders**