

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 June 30, 2016

	Breathing Apparatus	Fire and Rescue Helmets	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Protection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	20%	6%	(8)%	11%	(11)%	96 %	9%	(17)%	3%
Plus: Currency translation effects	1%	—%	3 %	3%	— %	3 %	1%	2 %	2%
Constant currency sales change	21%	6%	(5)%	14%	(11)%	99 %	10%	(15)%	5%
Less: Acquisitions	—%	—%	— %	—%	— %	112 %	6%	— %	5%
Organic constant currency change	21%	6%	(5)%	14%	(11)%	(13)%	4%	(15)%	—%

Six Months Ended June 30, 2016

	Breathing Apparatus	Fire and Rescue Helmets	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Protection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	28%	3%	(11)%	(1)%	(8)%	118 %	10%	(11)%	6%
Plus: Currency translation effects	2%	2%	5 %	3 %	2 %	4 %	3%	4 %	3%
Constant currency sales change	30%	5%	(6)%	2 %	(6)%	122 %	13%	(7)%	9%
Less: Acquisitions	—%	—%	— %	— %	— %	131 %	7%	— %	6%
Organic constant currency change	30%	5%	(6)%	2 %	(6)%	(9)%	6%	(7)%	3%

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 is defined as constant currency revenue excluding Latchways revenue results. Management believes that organic constant currency revenue growth is a useful measure for investors to provide an understanding of MSA's standalone results excluding the acquisition.

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
Constant currency revenue growth (Unaudited)
Organic constant currency revenue growth (Unaudited)
Americas Segment

Three Months Ended June 30, 2016

	Breathing Apparatus	Fire and Rescue Helmets	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Protection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	17%	18%	(9)%	2%	(13)%	3 %	2%	(13)%	(1)%
Plus: Currency translation effects	1%	1%	3 %	3%	— %	3 %	2%	4 %	2 %
Constant currency sales change	18%	19%	(6)%	5%	(13)%	6 %	4%	(9)%	1 %
Less: Acquisitions	—%	—%	— %	—%	— %	22 %	2%	— %	1 %
Organic constant currency change	18%	19%	(6)%	5%	(13)%	(16)%	2%	(9)%	— %

Six Months Ended June 30, 2016

	Breathing Apparatus	Fire and Rescue Helmets	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Protection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	33%	18%	(13)%	(5)%	(11)%	5 %	5%	(11)%	2%
Plus: Currency translation effects	2%	2%	6 %	4 %	2 %	4 %	3%	4 %	3%
Constant currency sales change	35%	20%	(7)%	(1)%	(9)%	9 %	8%	(7)%	5%
Less: Acquisitions	—%	—%	— %	— %	— %	20 %	2%	— %	1%
Organic constant currency change	35%	20%	(7)%	(1)%	(9)%	(11)%	6%	(7)%	4%

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 is defined as constant currency revenue excluding Latchways revenue results. Management believes that organic constant currency revenue growth is a useful measure for investors to provide an understanding of MSA's standalone results excluding the acquisition.

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
Constant currency revenue growth (Unaudited)
Organic constant currency revenue growth (Unaudited)
International Segment

Three Months Ended June 30, 2016

	Breathing Apparatus	Fire and Rescue Helmets	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Protection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	25%	(1)%	(5)%	29%	(8)%	885%	22%	(22)%	10%
Plus: Currency translation effects	1%	— %	4 %	2%	— %	4%	1%	1 %	1%
Constant currency sales change	26%	(1)%	(1)%	31%	(8)%	889%	23%	(21)%	11%
Less: Acquisitions	—%	— %	— %	—%	— %	880%	14%	— %	10%
Organic constant currency change	26%	(1)%	(1)%	31%	(8)%	9%	9%	(21)%	1%

Six Months Ended June 30, 2016

	Breathing Apparatus	Fire and Rescue Helmets	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Protection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	17%	(6)%	(6)%	4%	(4)%	1,113%	20%	(10)%	12%
Plus: Currency translation effects	3%	2 %	5 %	3%	2 %	5%	2%	3 %	2%
Constant currency sales change	20%	(4)%	(1)%	7%	(2)%	1,118%	22%	(7)%	14%
Less: Acquisitions	—%	— %	— %	—%	— %	1,112%	16%	— %	12%
Organic constant currency change	20%	(4)%	(1)%	7%	(2)%	6%	6%	(7)%	2%

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 is defined as constant currency revenue excluding Latchways revenue results. Management believes that organic constant currency revenue growth is a useful measure for investors to provide an understanding of MSA's standalone results excluding the acquisition.

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
 Constant currency revenue growth (Unaudited)
 Emerging Markets / Middle East / Latchways

Emerging Markets

Three Months Ended
 June 30, 2016

GAAP reported sales change	(8)%
Plus: Currency translation effects	7 %
Constant currency sales change	<u>(1)%</u>

Middle East

Three Months Ended
 June 30, 2016

GAAP reported sales change	13%
Plus: Currency translation effects	—%
Constant currency sales change	<u>13%</u>

Latchways

Three Months Ended
 June 30, 2016

GAAP reported sales change	22%
Plus: Currency translation effects	7%
Constant currency sales change	<u>29%</u>

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)
Constant currency selling, general and administrative (SG&A) expense growth (Unaudited)

MSA Brazil

Constant currency revenue growth:

	<u>Six Months Ended June 30, 2016</u>
GAAP reported sales change	(22)%
Plus: Currency translation effects	19 %
Constant currency sales change	<u>(3)%</u>

Constant currency SG&A expense growth:

	<u>Six Months Ended June 30, 2016</u>
GAAP reported SG&A expense growth	(25)%
Plus: Currency translation effects	17 %
Constant currency SG&A expense growth	<u>(8)%</u>

MSA Safety Incorporated
 Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures
 Constant currency selling, general and administrative (SG&A) expense (Unaudited)
 Organic constant currency SG&A expense (Unaudited)
 (In thousands)

	Three Months Ended June 30,		% Change	Six Months Ended June 30,		% Change
	2016	2015		2016	2015	
GAAP reported SG&A expense	\$ 75,716	\$ 77,588	(2)%	\$ 154,911	\$ 158,956	(3)%
Plus: Currency translation effects	—	(1,481)		—	(4,471)	
Constant currency SG&A expense	\$ 75,716	\$ 76,107	(1)%	\$ 154,911	\$ 154,485	— %
Less: Acquisitions	3,523	—		8,127	—	
Organic constant currency SG&A expense	<u>\$ 72,193</u>	<u>\$ 76,107</u>	(5)%	<u>\$ 146,784</u>	<u>\$ 154,485</u>	(5)%

Management believes that constant currency SG&A expense and organic constant currency SG&A expense are useful metrics for investors to measure the effectiveness of the company's cost reduction program announced in 2015. Constant currency SG&A expense highlights spending patterns excluding fluctuating foreign currencies. Organic constant currency SG&A expense highlights the impact of the Latchways acquisition. These metrics provide investors with a greater level of clarity into spending levels on a year-over-year basis. MSA's definition of this metric may not be comparable to metrics used by other companies. As such, management believes that it is appropriate to consider SG&A expense 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 Operating Income (Unaudited)
Adjusted Operating Margin (Unaudited)

	<u>Consolidated</u>		<u>Consolidated</u>
Three Months Ended June 30, 2016		Three Months Ended June 30, 2015	
Net Sales	\$ 295,998	Net Sales	\$ 287,011
Adjusted operating income (loss)	48,995	Adjusted operating income (loss)	39,917
Adjusted operating margin %	16.6%	Adjusted operating margin %	13.9%
Restructuring and other charges	(1,338)	Restructuring and other charges	(227)
Currency exchange gains, net	242	Currency exchange (losses), net	(1,557)
Operating income	<u>47,899</u>	Operating income	<u>38,133</u>
Operating Margin	16.2%	Operating Margin	13.3%
Six Months Ended June 30, 2016		Six Months Ended June 30, 2015	
Net Sales	\$ 575,266	Net Sales	\$ 543,719
Adjusted operating income (loss)	80,142	Adjusted operating income (loss)	64,458
Adjusted operating margin %	13.9%	Adjusted operating margin %	11.9%
Restructuring and other charges	(1,808)	Restructuring and other charges	(958)
Currency exchange (losses), net	(1,708)	Currency exchange gains, net	991
Operating income	<u>76,626</u>	Operating income	<u>64,491</u>
Operating Margin	13.3%	Operating Margin	11.9%

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 income from continuing operations before taxes excluding restructuring charges, interest expense, currency exchange gains (losses), and other income (expense). Adjusted operating margin is defined as adjusted operating income divided by segment net sales. Adjusted operating income (loss) and adjusted operating margin are not recognized terms under GAAP, and 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 financial measures.

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 June 30,		% Change	Six Months Ended June 30,		% Change
	2016	2015		2016	2015	
Income from continuing operations attributable to MSA Safety Incorporated	29,306	23,722	24%	41,989	33,038	27%
Nonrecurring tax charges associated with European reorganization	—	—		3,600	7,605	
Subtotal	29,306	23,722	24%	45,589	40,643	12%
Restructuring and other charges	1,338	227		1,808	958	
Self-insured legal settlements and defense costs	275	256		295	342	
Latchways integration costs	—	—		511	—	
Asset related (gains) losses, net	(216)	332		(559)	332	
Currency exchange (gains) losses, net	(242)	1,557		1,708	(991)	
Income tax expense on adjustments	(390)	(820)		(1,295)	(214)	
Adjusted earnings	30,071	25,274	19%	48,057	41,070	17%
Adjusted earnings per diluted share	\$ 0.79	\$ 0.67	18%	\$ 1.27	\$ 1.09	17%

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
 Free Cash Flow (Unaudited)
 (In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash from operations	\$ 26,061	\$ 24,376	\$ 15,055	\$ 7,713
Capital expenditures	<u>(4,776)</u>	<u>(8,546)</u>	<u>(10,595)</u>	<u>(16,015)</u>
Free cash flow	<u>\$ 21,285</u>	<u>\$ 15,830</u>	<u>\$ 4,460</u>	<u>\$ (8,302)</u>

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.

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

	Trailing Twelve Months Ended June 30, 2016
Net income attributable to MSA Safety Incorporated	77,884
Provision for income taxes	44,210
Interest expense	13,982
Depreciation and amortization	33,752
Other non-cash expenses	17,085
Non-cash restructuring expenses	3,900
Costs related to acquisition	7,973
EBITDA	198,786
Total end-of-period debt	453,744
Debt to EBITDA	<u>2.3</u>
Total end-of-period debt	453,744
Total end-of-period cash and cash equivalents	<u>103,149</u>
Net debt	350,595
Net Debt to EBITDA	<u>1.8</u>

EBITDA is a non-GAAP financial measure. MSA defines this measure as net income attributable to the Company, excluding interest, taxes, depreciation and amortization, non-cash charges including pension expense and stock-based compensation, non-cash restructuring charges and costs related to the acquisition of Latchways. Management believes this information is useful for investors to analyze profitability trends of the Company. 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. EBITDA should be considered in addition to GAAP measures such as net income.

Debt to EBITDA ratio is a non-GAAP measure defined as total long term debt and debt maturing within one year divided by EBITDA, as reconciled above. Net Debt to EBITDA removes cash and cash equivalents from the Company's debt balance. These ratios are frequently used by investors and credit agencies and management believes these measures provide relevant and useful information.