

## MSA Announces Second Quarter Results

Broad-based growth and continued focus on productivity drives quarterly earnings increase of 20 percent

PITTSBURGH, July 24, 2019 /PRNewswire/ -- Global safety equipment manufacturer MSA Safety Incorporated (NYSE: MSA) today reported results for the second quarter of 2019.

### Quarterly Highlights

- Revenue was \$350 million, increasing 3 percent from a year ago on a reported basis and 5 percent on a constant currency basis.
- GAAP operating income increased 16 percent to \$54 million or 15.6 percent of sales, compared to \$47 million or 13.8 percent of sales in the same period a year ago. Adjusted operating income increased 11 percent to \$64 million or 18.4 percent of sales, compared to \$58 million or 17.1 percent of sales in the same period a year ago, driven by gross margin expansion and operating expense leverage.
- GAAP earnings increased 20 percent to \$40 million or \$1.01 per diluted share, compared to \$33 million or \$0.85 per diluted share in the same period a year ago. Adjusted earnings increased 15 percent to \$48 million or \$1.22 per diluted share, compared to \$41 million or \$1.07 per diluted share in the same period a year ago.
- MSA deployed \$33 million of capital for the acquisition of California-based Sierra Monitor Corporation and funded a \$16 million dividend on common stock. The dividend reflects an 11 percent increase per share from the previous quarterly dividend, continuing the company's long history of raising its dividend annually for more than 50 consecutive years.

### Comments from Management

"The growth across substantially all of our core product areas and incremental margins that continue to exceed 40 percent were clear highlights in the quarter. This performance reflects both the favorable returns being generated by our new product development investments as well as our ongoing focus on improving productivity," said Nish Vartanian, MSA President and CEO. "Revenue increased five percent in the quarter, and our team was able to convert that increase into 15 percent adjusted earnings growth," he added. Mr. Vartanian noted that MSA's profitability improvements continue to be driven by an ongoing focus on delivering customer-driven innovation and efficiency improvement programs across MSA's global footprint.

MSA's sales vitality index - which measures the percentage of revenue from products introduced within the past five years - is approximately 35 percent. "Our fastest growing core products in the quarter were gas detection and fall protection. These are also the areas where we've seen the most meaningful improvements in sales vitality," Mr. Vartanian commented. In particular, he cited the company's new X5000 and S5000 Gas Monitors and the recently launched V-Series line of fall protection harnesses, all of which were key contributors to the company's second quarter performance.

"With a strong balance sheet and healthy backlog headed into the second half of 2019, we remain well positioned and committed to investing in the products, technology and talent we know are key to long-term value creation for all of the many stakeholders of MSA," Mr. Vartanian concluded.

### MSA Safety Incorporated

#### Condensed Consolidated Statement of Income (Unaudited)

(In thousands, except per share amounts)

|  | Three Months Ended<br>June 30, |            | Six Months Ended<br>June 30, |            |
|--|--------------------------------|------------|------------------------------|------------|
|  | 2019                           | 2018       | 2019                         | 2018       |
| Net sales  | \$ 349,675                     | \$ 339,331 | \$ 675,713                   | \$ 665,225 |
| Cost of products sold  | 188,591                        | 185,495    | 364,647                      | 364,050    |
| Gross profit   | 161,084                        | 153,836    | 311,066                      | 301,175    |
| <br>Selling, general and administrative  | 84,009                         | 81,962     | 162,437                      | 162,213    |
| Research and development   | 14,256                         | 13,909     | 27,962                       | 26,456     |
| Restructuring charges  | 3,522                          | 2,335      | 9,353                        | 7,609      |
| Currency exchange losses, net <sup>(a)</sup>   | 1,290                          | 815        | 18,251                       | 2,823      |
| Product liability expense  | 3,529                          | 8,018      | 6,425                        | 10,842     |
| Operating income   | 54,478                         | 46,797     | 86,638                       | 91,232     |
| <br>Interest expense   | 4,470                          | 5,181      | 6,830                        | 9,962      |
| Other income, net  | (3,342)                        | (1,701)    | (5,921)                      | (4,041)    |
| Total other expense, net   | 1,128                          | 3,480      | 909                          | 5,921      |
| <br>Income before income taxes   | 53,350                         | 43,317     | 85,729                       | 85,311     |
| Provision for income taxes   | 13,238                         | 9,896      | 22,241                       | 19,401     |
| Net income   | 40,112                         | 33,421     | 63,488                       | 65,910     |
| Net income attributable to noncontrolling<br>interests                                 | (306)                          | (242)      | (450)                        | (360)      |
| Net income attributable to MSA Safety<br>Incorporated                                  | \$ 39,806                      | \$ 33,179  | \$ 63,038                    | \$ 65,550  |
| <br>Earnings per share attributable to MSA Safety<br>Incorporated common shareholders: |                                |            |                              |            |
| Basic  | \$ 1.03                        | \$ 0.86    | \$ 1.63                      | \$ 1.71    |
| Diluted  | \$ 1.01                        | \$ 0.85    | \$ 1.61                      | \$ 1.69    |

|                            |        |        |        |        |
|----------------------------|--------|--------|--------|--------|
| Basic shares outstanding   | 38,663 | 38,327 | 38,602 | 38,272 |
| Diluted shares outstanding | 39,160 | 38,903 | 39,124 | 38,841 |

(a) Year-to-date currency exchange losses includes a \$15.4 million non-cash charge related to the recognition of currency translation adjustments associated with the closure of MSA's South Africa affiliates.

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

|  | June 30, 2019       | December 31, 2018   |
|--|---------------------|---------------------|
| <b>Assets</b>  |                     |                     |
| Cash and cash equivalents                                | \$ 111,511          | \$ 140,095          |
| Trade receivables, net                                   | 256,666             | 245,032             |
| Inventories  | 187,779             | 156,602             |
| Notes receivable, insurance companies                    | 3,616               | 3,555               |
| Other current assets                                     | 128,062             | 111,339             |
| <b>Total current assets</b>                              | <u>687,634</u>      | <u>656,623</u>      |
| Property, net  | 158,047             | 157,940             |
| Operating lease assets, net                              | 50,935              | —                   |
| Prepaid pension cost                                     | 64,987              | 57,568              |
| Goodwill   | 433,156             | 413,640             |
| Notes receivable, insurance companies, noncurrent        | 56,724              | 56,012              |
| Insurance receivable, noncurrent                         | 49,933              | 56,866              |
| Other noncurrent assets                                  | 212,440             | 209,363             |
| <b>Total assets</b>                                      | <u>\$ 1,713,856</u> | <u>\$ 1,608,012</u> |
| <b>Liabilities and shareholders' equity</b>              |                     |                     |
| Notes payable and current portion of long-term debt, net | \$ 20,127           | \$ 20,063           |
| Accounts payable   | 73,264              | 78,367              |
| Other current liabilities                                | 164,126             | 183,630             |
| <b>Total current liabilities</b>                         | <u>257,517</u>      | <u>282,060</u>      |
| Long-term debt, net                                      | 378,380             | 341,311             |
| Pensions and other employee benefits                     | 168,340             | 166,101             |
| Noncurrent operating lease liabilities                   | 40,710              | —                   |
| Deferred tax liabilities                                 | 10,986              | 7,164               |
| Product liability and other noncurrent liabilities       | 166,776             | 171,857             |
| <b>Total shareholders' equity</b>                        | <u>691,147</u>      | <u>639,519</u>      |
| <b>Total liabilities and shareholders' equity</b>        | <u>\$ 1,713,856</u> | <u>\$ 1,608,012</u> |

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

|  | Three Months Ended<br>June 30, |                 | Six Months Ended<br>June 30, |                 |
|--|--------------------------------|-----------------|------------------------------|-----------------|
|  | 2019                           | 2018            | 2019                         | 2018            |
| Net income   | \$ 40,112                      | \$ 33,421       | \$ 63,488                    | \$ 65,910       |
| Depreciation and amortization  | 9,466                          | 9,536           | 18,792                       | 19,207          |
| Change in working capital and other operating                                    | (13,250)                       | 5,072           | (44,735)                     | (19,735)        |
| <b>Cash flow from operating activities</b>                                       | <u>36,328</u>                  | <u>48,029</u>   | <u>37,545</u>                | <u>65,382</u>   |
| Capital expenditures   | (8,628)                        | (5,571)         | (13,525)                     | (8,812)         |
| Acquisition, net of cash acquired  | (33,196)                       | —               | (33,196)                     | —               |
| Change in short-term investments   | 1,639                          | —               | (17,302)                     | —               |
| Property disposals   | 69                             | 3,001           | 81                           | 3,059           |
| <b>Cash flow used in investing activities</b>                                    | <u>(40,116)</u>                | <u>(2,570)</u>  | <u>(63,942)</u>              | <u>(5,753)</u>  |
| Change in debt   | 22,973                         | (32,884)        | 37,064                       | (42,285)        |
| Cash dividends paid  | (16,282)                       | (14,591)        | (30,934)                     | (27,981)        |
| Other financing  | (1,410)                        | 2,563           | (7,391)                      | 738             |
| <b>Cash flow from (used in) financing activities</b>                             | <u>5,281</u>                   | <u>(44,912)</u> | <u>(1,261)</u>               | <u>(69,528)</u> |
| Effect of exchange rate changes on cash,<br>cash equivalents and restricted cash | 2,236                          | (9,493)         | (985)                        | (8,130)         |

|   |          |            |             |             |
|---|----------|------------|-------------|-------------|
| Increase (decrease) in cash, cash equivalents and restricted cash | \$ 3,729 | \$ (8,946) | \$ (28,643) | \$ (18,029) |
|---|----------|------------|-------------|-------------|

MSA Safety Incorporated  
Segment Information (Unaudited)  
(In thousands, except percentage amounts)

|   | Americas   | International | Corporate | Consolidated |
|---|------------|---------------|-----------|--------------|
| <b>Three Months Ended June 30, 2019</b> |            |               |           |              |
| Sales to external customers             | \$ 231,389 | \$ 118,286    | \$ —      | \$ 349,675   |
| Operating income                        |            |               |           | 54,478       |
| Operating margin %                      |            |               |           | 15.6 %       |
| Restructuring charges                   |            |               |           | 3,522        |
| Currency exchange losses, net           |            |               |           | 1,290        |
| Product liability expense               |            |               |           | 3,529        |
| Strategic transaction costs             |            |               |           | 1,529        |
| Adjusted operating income (loss)        | 57,689     | 15,072        | (8,413)   | 64,348       |
| Adjusted operating margin %             | 24.9 %     | 12.7 %        |           | 18.4 %       |
| Depreciation and amortization           |            |               |           | 9,466        |
| Adjusted EBITDA                         | 63,842     | 18,288        | (8,316)   | 73,814       |
| Adjusted EBITDA %                       | 27.6 %     | 15.5 %        |           | 21.1 %       |
| <b>Three Months Ended June 30, 2018</b> |            |               |           |              |
| Sales to external customers             | \$ 215,339 | \$ 123,992    | \$ —      | \$ 339,331   |
| Operating income                        |            |               |           | 46,797       |
| Operating margin %                      |            |               |           | 13.8 %       |
| Restructuring charges                   |            |               |           | 2,335        |
| Currency exchange losses, net           |            |               |           | 815          |
| Product liability expense               |            |               |           | 8,018        |
| Strategic transaction costs             |            |               |           | 58           |
| Adjusted operating income (loss)        | 49,838     | 15,853        | (7,668)   | 58,023       |
| Adjusted operating margin %             | 23.1 %     | 12.8 %        |           | 17.1 %       |
| Depreciation and amortization           |            |               |           | 9,536        |
| Adjusted EBITDA                         | 55,894     | 19,233        | (7,568)   | 67,559       |
| Adjusted EBITDA %                       | 26.0 %     | 15.5 %        |           | 19.9 %       |
| <b>Six Months Ended June 30, 2019</b>   |            |               |           |              |
| Sales to external customers             | \$ 445,076 | \$ 230,637    | \$ —      | \$ 675,713   |
| Operating income                        |            |               |           | 86,638       |
| Operating margin %                      |            |               |           | 12.8 %       |
| Restructuring charges                   |            |               |           | 9,353        |
| Currency exchange losses, net           |            |               |           | 18,251       |
| Product liability expense               |            |               |           | 6,425        |
| Strategic transaction costs             |            |               |           | 1,985        |
| Adjusted operating income (loss)        | 112,492    | 26,112        | (15,952)  | 122,652      |
| Adjusted operating margin %             | 25.3 %     | 11.3 %        |           | 18.2 %       |
| Depreciation and amortization           |            |               |           | 18,792       |
| Adjusted EBITDA                         | 124,742    | 32,459        | (15,757)  | 141,444      |
| Adjusted EBITDA %                       | 28.0 %     | 14.1 %        |           | 20.9 %       |
| <b>Six Months Ended June 30, 2018</b>   |            |               |           |              |
| Sales to external customers             | \$ 424,468 | \$ 240,757    | \$ —      | \$ 665,225   |
| Operating income                        |            |               |           | 91,232       |
| Operating margin %                      |            |               |           | 13.7 %       |
| Restructuring charges                   |            |               |           | 7,609        |
| Currency exchange losses, net           |            |               |           | 2,823        |
| Product liability expense               |            |               |           | 10,842       |
| Strategic transaction costs             |            |               |           | 152          |
| Adjusted operating income (loss)        | 99,924     | 28,631        | (15,897)  | 112,658      |
| Adjusted operating margin %             | 23.5 %     | 11.9 %        |           | 16.9 %       |
| Depreciation and amortization           |            |               |           | 19,207       |
| Adjusted EBITDA                         | 112,119    | 35,441        | (15,695)  | 131,865      |
| Adjusted EBITDA %                       | 26.4 %     | 14.7 %        |           | 19.8 %       |

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), adjusted operating margin, adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) and adjusted EBITDA 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), adjusted operating margin, adjusted EBITDA and adjusted EBITDA margin are useful metrics

for investors. Adjusted operating income (loss) is defined as operating income excluding restructuring charges, currency exchange gains / losses, product liability expense and strategic transaction costs and adjusted operating margin is defined as adjusted operating income (loss) divided by segment sales to external customers. Adjusted EBITDA is defined as adjusted operating income (loss) plus depreciation and amortization and adjusted EBITDA margin is defined as adjusted EBITDA divided by segment sales to external customers. Adjusted operating income (loss), adjusted operating margin, adjusted EBITDA and adjusted EBITDA 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), adjusted operating margin, adjusted EBITDA and adjusted EBITDA 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**  
**Constant currency revenue growth (Unaudited)**

**Consolidated**

| Three Months Ended June 30, 2019   |                     |  |                            |                        |                               |                 |            |                |           |
|------------------------------------|---------------------|--|----------------------------|------------------------|-------------------------------|-----------------|------------|----------------|-----------|
|                                    | 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         | — %                 | 5 %  | (2) %                      | 3 %                    | 11 %                          | 21 %            | 5 %        | (9) %          | 3 %       |
| Plus: Currency translation effects | 2 %                 | 1 %  | 2 %                        | 2 %                    | 2 %                           | 4 %             | 2 %        | 3 %            | 2 %       |
| Constant currency sales change     | 2 %                 | 6 %  | — %                        | 5 %                    | 13 %                          | 25 %            | 7 %        | (6) %          | 5 %       |

| Six Months Ended June 30, 2019     |                     |  |                            |                        |                               |                 |            |                |           |
|------------------------------------|---------------------|--|----------------------------|------------------------|-------------------------------|-----------------|------------|----------------|-----------|
|                                    | 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         | — %                 | 1 %  | — %                        | (1) %                  | 5 %                           | 19 %            | 3 %        | (8) %          | 2 %       |
| Plus: Currency translation effects | 3 %                 | 2 %  | 3 %                        | 3 %                    | 3 %                           | 5 %             | 3 %        | 4 %            | 2 %       |
| Constant currency sales change     | 3 %                 | 3 %  | 3 %                        | 2 %                    | 8 %                           | 24 %            | 6 %        | (4) %          | 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. There can be no assurances that MSA's definition of 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 this non-GAAP financial measure.

**MSA Safety Incorporated**  
**Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures**  
**Constant currency revenue growth (Unaudited)**

**Americas Segment**

| Three Months Ended June 30, 2019   |                     |  |                            |                        |                               |                 |            |                |           |
|------------------------------------|---------------------|--|----------------------------|------------------------|-------------------------------|-----------------|------------|----------------|-----------|
|                                    | 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         | 8 %                 | 3 %  | (2) %                      | 5 %                    | 18 %                          | 24 %            | 8 %        | 3 %            | 7 %       |
| Plus: Currency translation effects | 1 %                 | 1 %  | 1 %                        | 1 %                    | — %                           | 1 %             | 1 %        | 1 %            | 1 %       |
| Constant currency sales change     | 9 %                 | 4 %  | (1) %                      | 6 %                    | 18 %                          | 25 %            | 9 %        | 4 %            | 8 %       |

Six Months Ended June 30, 2019

|                                    | 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         | 6 %                 | 2 %  | (1) %                      | (1) %                  | 10 %                          | 26 %            | 5 %        | 2 %            | 5 %       |
| Plus: Currency translation effects | — %                 | — %  | 2 %                        | 1 %                    | — %                           | 1 %             | 1 %        | 2 %            | 1 %       |
| Constant currency sales change     | 6 %                 | 2 %  | 1 %                        | — %                    | 10 %                          | 27 %            | 6 %        | 4 %            | 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. There can be no assurances that MSA's definition of 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 this non-GAAP financial measure.

**MSA Safety Incorporated**  
**Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures**  
**Constant currency revenue growth (Unaudited)**

**International Segment**

|                                    | Three Months Ended June 30, 2019 |  |                            |                        |                               |                 |            |                |           |
|------------------------------------|----------------------------------|--|----------------------------|------------------------|-------------------------------|-----------------|------------|----------------|-----------|
|                                    | 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         | (15) %                           | 9 %  | — %                        | (2) %                  | 2 %                           | 18 %            | (1) %      | (21) %         | (5) %     |
| Plus: Currency translation effects | 5 %                              | 6 %  | 6 %                        | 6 %                    | 6 %                           | 7 %             | 5 %        | 4 %            | 6 %       |
| Constant currency sales change     | (10) %                           | 15 %                                       | 6 %                        | 4 %                    | 8 %                           | 25 %            | 4 %        | (17) %         | 1 %       |

|                                    | Six Months Ended June 30, 2019 |  |                            |                        |                               |                 |            |                |           |
|------------------------------------|--------------------------------|--|----------------------------|------------------------|-------------------------------|-----------------|------------|----------------|-----------|
|                                    | 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         | (9) %                          | (2) %                                      | 5 %                        | — %                    | — %                           | 11 %            | (1) %      | (18) %         | (4) %     |
| Plus: Currency translation effects | 6 %                            | 6 %  | 7 %                        | 7 %                    | 6 %                           | 7 %             | 6 %        | 5 %            | 6 %       |
| Constant currency sales change     | (3) %                          | 4 %  | 12 %                       | 7 %                    | 6 %                           | 18 %            | 5 %        | (13) %         | 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. There can be no assurances that MSA's definition of 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 this non-GAAP financial measure.

**MSA Safety Incorporated**  
**Supplemental Segment Information (Unaudited)**  
**Summary of constant currency revenue growth by segment and product group**

|  | Three Months Ended June 30, 2019 |               |        |
|--|----------------------------------|---------------|--------|
|  | Consolidated                     |               |        |
|  | Americas                         | International |        |
| Fall Protection                            | 25 %                             | 25 %          | 25 %   |
| Fixed Gas and Flame Detection              | 13 %                             | 18 %          | 8 %    |
| Firefighter Helmets and Protective Apparel | 6 %                              | 4 %           | 15 %   |
| Portable Gas Detection                     | 5 %                              | 6 %           | 4 %    |
| Breathing Apparatus                        | 2 %                              | 9 %           | (10) % |
| Industrial Head Protection                 | — %                              | (1) %         | 6 %    |

|                |       |     |        |
|----------------|-------|-----|--------|
| Core Sales     | 7 %   | 9 % | 4 %    |
| Non-Core Sales | (6) % | 4 % | (17) % |
| Net Sales      | 5 %   | 8 % | 1 %    |

|                                    | Six Months Ended June 30, 2019 |          |               |
|------------------------------------|--------------------------------|----------|---------------|
|                                    | Consolidated                   | Americas | International |
| Fall Protection                    | 24 %                           | 27 %     | 18 %          |
| Fixed Gas and Flame Detection      | 8 %                            | 10 %     | 6 %           |
| Firefighter Helmets and Protective |                                |          |               |
| Apparel                            | 3 %                            | 2 %      | 4 %           |
| Portable Gas Detection             | 2 %                            | — %      | 7 %           |
| Breathing Apparatus                | 3 %                            | 6 %      | (3) %         |
| Industrial Head Protection         | 3 %                            | 1 %      | 12 %          |
| Core Sales                         | 6 %                            | 6 %      | 5 %           |
| Non-Core Sales                     | (4) %                          | 4 %      | (13) %        |
| Net Sales                          | 4 %                            | 6 %      | 2 %           |

**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<br>June 30, |           | %<br>Change | Six Months Ended<br>June 30, |           | %<br>Change |
|--|--------------------------------|-----------|-------------|------------------------------|-----------|-------------|
|  | 2019                           | 2018      |             | 2019                         | 2018      |             |
| Net income attributable to MSA Safety Incorporated   | \$ 39,806                      | \$ 33,179 | 20%         | 63,038                       | 65,550    | (4)%        |
| Non-deductible non-cash charge related to the recognition of currency translation adjustments <sup>(a)</sup> | —                              | —         |             | 15,359                       | —         |             |
| Tax expense (benefit) associated with ASU 2016-09: Improvements to employee share-based payment accounting   | 429                            | (962)     | 25%         | (1,993)                      | (1,875)   |             |
| Subtotal   | 40,235                         | 32,217    |             | 76,404                       | 63,675    | 20%         |
| Product liability expense  | 3,529                          | 8,018     |             | 6,425                        | 10,842    |             |
| Restructuring charges  | 3,522                          | 2,335     |             | 9,353                        | 7,609     |             |
| Strategic transaction costs  | 1,529                          | 58        |             | 1,985                        | 152       |             |
| Currency exchange losses, net  | 1,290                          | 815       |             | 2,892                        | 2,823     |             |
| Asset related losses, net  | 208                            | 1,131     |             | 233                          | 1,148     |             |
| Income tax expense on adjustments  | (2,439)                        | (3,102)   |             | (5,034)                      | (5,621)   |             |
| Adjusted earnings  | \$ 47,874                      | \$ 41,472 | 15%         | \$ 92,258                    | \$ 80,628 | 14%         |
| Adjusted earnings per diluted share  | \$ 1.22                        | \$ 1.07   | 14%         | \$ 2.36                      | \$ 2.08   | 13%         |

(a) Included in Currency exchange losses, net on the Statement of Income.

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.

#### **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 product line 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. MSA's core products include self-contained breathing apparatus, fixed gas and flame detection systems, portable gas detection instruments, industrial head protection products, firefighter helmets and protective apparel, and fall protection devices. With 2018 revenues of \$1.4 billion, MSA employs approximately 4,800 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 web site at [www.MSAafety.com](http://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. 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, the impact of acquisitions and related integration activities, 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 22, 2019. 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](http://www.sec.gov), as well as on its own investor relations website at <http://investors.MSAafety.com>. MSA undertakes no duty to publicly update any forward looking statements contained herein, except as required by law.

**Non-GAAP Financial Measures:**

This press release includes certain non-GAAP financial measures. These financial measures include constant currency revenue growth, adjusted operating income, adjusted operating margin, adjusted EBITDA, adjusted EBITDA margin, adjusted earnings and adjusted earnings per diluted 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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For further information: Media Relations Contact: Mark Deasy (724) 741 - 8570; Investor Relations Contact: Elyse Lorenzato (724) 741 - 8525

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