

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

Consolidated

Three Months Ended September 30, 2020									
	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	(12)%	(9)%	(22)%	(26)%	(8)%	(29)%	(16)%	4 %	(13)%
Plus: Currency translation effects	(1)%	(1)%	3 %	— %	— %	— %	— %	1 %	— %
Constant currency sales change	(13)%	(10)%	(19)%	(26)%	(8)%	(29)%	(16)%	5 %	(13)%

Nine Months Ended September 30, 2020									
	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	(3)%	(10)%	(15)%	(20)%	(1)%	(24)%	(10)%	16 %	(7)%
Plus: Currency translation effects	— %	— %	4 %	2 %	1 %	2 %	2 %	3 %	2 %
Constant currency sales change	(3)%	(10)%	(11)%	(18)%	— %	(22)%	(8)%	19 %	(5)%

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.

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Americas Segment

Three Months Ended September 30, 2020

	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	(16)%	(6)%	(26)%	(31)%	(8)%	(43)%	(19)%	(2)%	(17)%
Plus: Currency translation effects	1 %	— %	4 %	2 %	1 %	2 %	1 %	4 %	2 %
Constant currency sales change	(15)%	(6)%	(22)%	(29)%	(7)%	(41)%	(18)%	2 %	(15)%

Nine Months Ended September 30, 2020

	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	(4)%	(7)%	(20)%	(23)%	2 %	(29)%	(11)%	22 %	(7)%
Plus: Currency translation effects	1 %	— %	4 %	2 %	1 %	2 %	2 %	4 %	2 %
Constant currency sales change	(3)%	(7)%	(16)%	(21)%	3 %	(27)%	(9)%	26 %	(5)%

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.

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International Segment

Three Months Ended September 30, 2020									
	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)%	(26)%	(8)%	(16)%	(7)%	(1)%	(9)%	15 %	(5)%
Plus: Currency translation effects	(3)%	(2)%	(2)%	(2)%	(3)%	(4)%	(3)%	(4)%	(4)%
Constant currency sales change	(9)%	(28)%	(10)%	(18)%	(10)%	(5)%	(12)%	11 %	(9)%

Nine Months Ended September 30, 2020									
	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	(2)%	(24)%	3 %	(13)%	(4)%	(14)%	(7)%	8 %	(5)%
Plus: Currency translation effects	1 %	1 %	2 %	1 %	— %	— %	1 %	1 %	1 %
Constant currency sales change	(1)%	(23)%	5 %	(12)%	(4)%	(14)%	(6)%	9 %	(4)%

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

Consolidated

Three Months Ended September 30, 2020						
	Firefighter Safety	Fixed Gas and Flame Detection	Industrial Core PPE	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	(11)%	(8)%	(26)%	(16)%	4 %	(13)%
Plus: Currency translation effects	(1)%	— %	1 %	— %	1 %	— %
Constant currency sales change	(12)%	(8)%	(25)%	(16)%	5 %	(13)%

Nine Months Ended September 30, 2020						
	Firefighter Safety	Fixed Gas and Flame Detection	Industrial Core PPE	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	(6)%	(1)%	(19)%	(10)%	16 %	(7)%
Plus: Currency translation effects	1 %	1 %	2 %	2 %	3 %	2 %
Constant currency sales change	(5)%	— %	(17)%	(8)%	19 %	(5)%

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
Segment Information (Unaudited)
(In thousands, except percentage amounts)

	<u>Americas</u>	<u>International</u>	<u>Corporate</u>	<u>Consolidated</u>
Three Months Ended September 30, 2020				
Sales to external customers	\$ 194,303	\$ 110,089	\$ —	\$ 304,392
Operating income				41,149
Operating margin %				13.5 %
Restructuring charges				7,603
Currency exchange losses, net				2,759
Product liability expense				2,077
Strategic transaction costs				41
Adjusted operating income (loss)	40,898	15,658	(2,927)	53,629
Adjusted operating margin %	21.0 %	14.2 %		17.6 %
Depreciation and amortization				9,856
Adjusted EBITDA	47,465	18,848	(2,828)	63,485
Adjusted EBITDA %	24.4 %	17.1 %		20.9 %
Three Months Ended September 30, 2019				
Sales to external customers	\$ 234,624	\$ 116,390	\$ —	\$ 351,014
Operating income				59,614
Operating margin %				17.0 %
Restructuring charges				1,850
Currency exchange gains, net				(913)
Product liability expense				1,730
Strategic transaction costs				952
Adjusted operating income (loss)	58,971	13,776	(9,514)	63,233
Adjusted operating margin %	25.1 %	11.8 %		18.0 %
Depreciation and amortization				9,547
Adjusted EBITDA	65,342	16,854	(9,416)	72,780
Adjusted EBITDA %	27.8 %	14.5 %		20.7 %

The Americas segment is comprised of our operations in North America and Latin America geographies. The International segment is comprised of our operations in all geographies outside of the Americas. 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
Segment Information (Unaudited)
(In thousands, except percentage amounts)

	<u>Americas</u>	<u>International</u>	<u>Corporate</u>	<u>Consolidated</u>
Nine Months Ended September 30, 2020				
Sales to external customers	\$ 629,787	\$ 330,188	\$ —	\$ 959,975
Operating income				148,213
Operating margin %				15.4 %
Restructuring charges				18,475
Currency exchange losses, net				3,821
Product liability expense				4,878
Strategic transaction costs				202
COVID-19 related costs				757
Adjusted operating income (loss)	149,708	45,719	(19,081)	176,346
Adjusted operating margin %	23.8 %	13.8 %		18.4 %
Depreciation and amortization				29,284
Adjusted EBITDA	169,343	55,075	(18,788)	205,630
Adjusted EBITDA %	26.9 %	16.7 %		21.4 %
Nine Months Ended September 30, 2019				
Sales to external customers	\$ 679,699	\$ 347,027	\$ —	\$1,026,726
Operating income				146,252
Operating margin %				14.2 %
Restructuring charges				11,203
Currency exchange losses, net				17,338
Product liability expense				8,155
Strategic transaction costs				2,937
Adjusted operating income (loss)	171,463	39,888	(25,466)	185,885
Adjusted operating margin %	25.2 %	11.5 %		18.1 %
Depreciation and amortization				28,339
Adjusted EBITDA	190,084	49,313	(25,173)	214,224
Adjusted EBITDA %	28.0 %	14.2 %		20.9 %

The Americas segment is comprised of our operations in North America and Latin America geographies. The International segment is comprised of our operations in all geographies outside of the Americas. 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, strategic transaction costs and COVID-19 related 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
Organic constant currency SG&A expense (Unaudited)
(In thousands)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	% Change	2020	2019	% Change
GAAP reported SG&A expense	\$ 64,793	\$ 82,900	(22)%	\$214,066	\$245,337	(13)%
Plus: Currency translation effects	—	12		—	(3,173)	
Constant currency SG&A expense	\$ 64,793	\$ 82,912	(22)%	\$214,066	\$242,164	(12)%
Less: Acquisitions and strategic transaction costs	41	952		2,992	4,388	
Organic constant currency SG&A expense	<u>\$ 64,752</u>	<u>\$ 81,960</u>	(21)%	<u>\$211,074</u>	<u>\$237,776</u>	(11)%

Management believes that organic constant currency SG&A expense is a useful metric for investors to measure the effectiveness of the company's cost reduction programs. Constant currency SG&A expense highlights spending patterns excluding fluctuating foreign currencies. Organic constant currency SG&A expense highlights the impact of acquisitions and strategic transaction costs. These metrics provide investors with a greater level of clarity into spending levels on a year-over-year basis. There can be no assurances that MSA's definition of organic constant currency SG&A expense is consistent with that of other companies. As such, management believes that it is appropriate to consider SG&A expense 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
Adjusted effective tax rate (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
GAAP reported effective tax rate	29.3 %	26.9 %	25.1 %	26.3 %
Tax impact of non-cash charge related to the recognition of currency translation adjustments	— %	(0.1)%	(0.1)%	(2.5)%
Tax benefit (charge) associated with ASU 2016-09: <i>Improvements to employee share-based payment accounting</i>	<u>0.2 %</u>	<u>0.3 %</u>	<u>1.2 %</u>	<u>1.5 %</u>
Adjusted effective tax rate	<u>29.5 %</u>	<u>27.1 %</u>	<u>26.2 %</u>	<u>25.3 %</u>

Management believes that adjusted effective tax rate is a useful measure for investors. The adjusted effective tax rate excludes tax benefits and/or 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 September 30,			Nine Months Ended September 30,		
	2020	2019	% Change	2020	2019	% Change
Net income attributable to MSA Safety Incorporated	\$ 28,034	\$ 42,239	(34)%	\$107,763	\$105,278	2%
Non-deductible non-cash charge related to the recognition of currency translation adjustments ^(a)	—	—		—	15,359	
Tax benefit associated with ASU 2016-09: Improvements to employee share-based payment accounting	(80)	(187)		(1,699)	(2,180)	
Subtotal	<u>27,954</u>	<u>42,052</u>	(34)%	<u>106,064</u>	<u>118,457</u>	(10)%
Restructuring charges	7,603	1,850		18,475	11,203	
Currency exchange losses (gains), net	2,759	(913)		3,821	1,979	
Product liability expense	2,077	1,730		4,878	8,155	
Asset related losses, net	62	38		189	271	
Strategic transaction costs	41	952		202	2,937	
COVID-19 related costs	—	—		757	—	
Income tax expense on adjustments	<u>(3,700)</u>	<u>(878)</u>		<u>(7,614)</u>	<u>(5,912)</u>	
Adjusted earnings	<u>\$ 36,796</u>	<u>\$ 44,831</u>	(18)%	<u>\$126,772</u>	<u>\$137,090</u>	(8)%
Adjusted earnings per diluted share	<u>\$ 0.94</u>	<u>\$ 1.15</u>	(18)%	<u>\$ 3.23</u>	<u>\$ 3.50</u>	(8)%

^(a) Included in Currency exchange losses, net on the Condensed Consolidated 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.

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 September 30,	
	<u>2020</u>	
Operating income	\$	188,191
Depreciation and amortization		38,963
Product liability expense		23,343
Restructuring charges		21,118
Currency exchange losses, net		6,298
Strategic transaction costs		1,665
COVID-19 related costs		757
Adjusted EBITDA	\$	280,335
Total end-of-period debt		341,694
Debt to adjusted EBITDA		<u>1.2</u>
Total end-of-period debt		341,694
Total end-of-period cash and cash equivalents		132,830
Net debt	\$	208,864
Net debt to adjusted EBITDA		<u>0.7</u>

Management believes that Debt to Adjusted EBITDA and Net Debt to Adjusted EBITDA are useful measures for investors, as management uses these measures to internally assess the company's liquidity and balance sheet strength. There can be no assurances that that MSA's definition of Debt to Adjusted EBITDA and Net Debt to Adjusted EBITDA is consistent with that of other companies.

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 September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Cash flow from operating activities	\$ 27,136	\$ 50,705	\$ 110,155	\$ 88,250
Capital expenditures	(12,864)	(9,998)	(32,698)	(23,523)
Free cash flow	<u>\$ 14,272</u>	<u>\$ 40,707</u>	<u>\$ 77,457</u>	<u>\$ 64,727</u>
Net income attributable to MSA Safety Incorporated	\$28,034	\$42,239	\$107,763	\$105,278
Free cash flow conversion	51%	96%	72%	61%

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.