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MSA Safety, Inc. (MSA)

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CORPORATE PARTICIPANTS

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

Lee Breet McChesney

Senior Vice President & Chief Financial Officer, MSA Safety, Inc.

MANAGEMENT DISCUSSION SECTION

Unverified Participant

All right. Thank you, everybody, for attending. Super excited to have MSA Safety up here with us today. Steve Blanco, President and CEO; Lee McChesney, CFO.

QUESTION AND ANSWER SECTION

Q

So I guess hopping right into it. You guys put out long-term targets at your last Investor Day. I think the first time in 100 years that the company is giving long-term targets. So, maybe, I guess, one, can you talk about the long-term targets? And then, can you also talk about what gives you confidence to provide these to the market?

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

A

Yes, thanks, Chris, and then thanks for having us here. We're delighted to be here. So, you're right. So, we did celebrate our 110th year this summer in business, and it's always been based on the mission we've had around protecting men and women, and making sure they can work in safety. So that is key for the discussion of why we put out targets now. And if you looked at our performance over the last decade or so, I think you've seen consistency in our growth and the ability for us to leverage that growth with even more profitability.

So, really compounding that growth with the profitability. So, when we – as the transition came for me, we took a look and said, hey, what's the strategy look like? How do we think the company goes forward? And we like the markets we're in, we think there's opportunities to double down on those, the technologies that we use. As you know, we're an innovation company and really an industrial technology company with how we go to market with our solutions.

So, it fit really well with the next stage. We thought it was a really good time for us to share targets, to give an indication of our confidence in continued growth for the business.

Q

Yes, absolutely. When you kind of think about the company's outgrowth, what are the biggest drivers? What are the biggest differentiators allowing you guys to outgrow the market?

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

A

Yes. So, we go to market in three different product categories. So, what we do is we have – again, it's all around safety. Everything we do is around this purpose-based business of safety. But, inside those verticals, one is fire service, another is detection and then the third is Industrial PPE. So, [ph] when (00:02:16) you think about the growth we've seen, it's centered on, in our view, our customer centricity, the relationships and intimacy we have with the customers, along with our ability to innovate. We were founded on innovation and we continue to do that and use technology to solve those customers' problems.

So, we get a product vitality rate, 35% to 40% typically, and that allows us to continue to go to market with solutions the customers want. Again, it's based on technology, but then that gives you the ability to price and to continue to grow your margin profile and market share. And that's what we've seen.

Q

Yes. You guys talked about on the last conference call some timing challenges into the second half of the year. Any update on your current thoughts of what investors should expect here, into year end and maybe even into 2025? And, kind of just that variability in the US Air Force order and...

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

A

Right.

Q

[indiscernible] (00:03:12).

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

A

[ph] You think (00:03:14) of the outlook. Maybe, Lee, you want to...

Lee Breet McChesney

Senior Vice President & Chief Financial Officer, MSA Safety, Inc.

A

Sure.

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

A

...talk about outlook a little bit.

Lee Breet McChesney

Senior Vice President & Chief Financial Officer, MSA Safety, Inc.

A

Sure. So, hey, just a reminder. So, for the year, very similar to what we are on a recurring basis, we talked about mid-single-digit growth, 30% to 40% incrementals and strong cash flow. So, as we've navigated [ph] to (00:03:30) the year, certainly we're [indiscernible] (00:03:32) in the first half of the year, we had growth of kind of in the 3% or 4% category. And that was on top of what we had delivered last year, which was in the high teens on average.

So, some pretty solid comps. Certainly like many businesses, we had the benefit of the supply chain improvements, our backlog reduction. So, we're very happy to comp those numbers. For the back half, we said, hey, we still see a similar demand environment, but you do have a little bit of anomaly of some of the comps, [ph] we had a (00:04:03) really strong third quarter last year.

But we also spoke about just some large wins. So, we had – just before earnings, we had – we had always had the Air Force win in our outlook, [ph] but we've finally gotten there. That's (00:04:17) really the second tranche of that, about \$28 million, I think about two days before our earnings release. So, we could say we won, but we didn't have the clarity of when we're going to ship it because, we don't control all those pieces.

So that's still today, something we work with and obviously, when you get to the second half of the year, there's only so much time to execute. So, we'll see how that plays out. The good thing is we won. It's on top of the \$35 million we won last year. So, we're delighted with that progress.

We also talked about – this funding in the firefighter business is important. And this year, the funding in the North America market was just a little bit later than last year. So, just it gives you a narrow window. Now, with that said, we've brought in the inventory. We've done what we can do, in terms of just working with the different customers to make sure we can turn that quickly.

Again, I think the good thing is the demand environment, just like our business is very stable. And we'll just have to see what the final execution, what goes in 3Q, what goes in 4Q, and then, [ph] you have this – and in (00:05:21) any given move to 1Q. But we always say with our business, we have this mid-single digit growth. The Detection business is going to be higher growth, Fire is going to be in the middle, and then Industrial PPE will definitely swing, a little bit of the cyclical can go on there.

Always look at us, six months LTM. We're consistently delivering that growth element, again, the resiliency of the business.

Q

Yes, I mean, absolutely. Maybe kind of staying in the government lane. The elections coming up, obviously, a big topic for everybody. Does the outcome matter for you guys? How should investors think about that?

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

A

When we think of the election, I guess I would just broadly look at it as, we've been in business, as we talked about, for a long time. And safety has become more and more prominent throughout the world, not just in the United States, but throughout the world. And both parties are going to continue that. There's not going to be, in our view, any issues that we see in either case. We've seen in the past administration with what Trump's done

and what obviously the administration today and others, the support of safety, the support of funding for firefighters, it's been consistent. So we don't see that as a concern for us.

Q

Yes. Appreciate that. You guys on the Q2 call talked about an encouraging commercial pipeline, with positive order activity in July. Any update or, kind of has that momentum continued here through August and [ph] now (00:06:53) September?

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

A

I would – yes. I'd say, it's interesting. So industrial PPE is, as Lee said, a short cycle business, but we haven't seen anything that indicates that there's a concern there. It continues to be stable, a good business. Detection has been doing what we hoped it would do. So that's continued. Very similar story to the earnings call and exactly the same. The pipeline is there in Fire Service, it's still is about the timing of the orders, as Lee said. So, that's typical. If you look back every year, it's – there's lumpiness in that Fire Service. What we track is we always – we have line of sight to the pipeline activity of opportunities. And that's really the health for us of the business. And then the timing, we work through with the customers. So, all of that remains consistent and intact.

Q

Yes. I mean, maybe following up on the on the short cycle of the Industrial PPE. I think pretty much every company I covered has – facing short-cycle headwinds. I think generally speaking, they've all dragged on longer than what we would have thought a year ago or even at the start of the year. What are you guys seeing? Do you feel like you're starting to see more momentum there, more steady? What -?

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

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I think if [ph] we (00:08:06) look at the – we go through distribution for industrial, and distribution has – there's been months that have been really strong and then there's been months that have been softer, right. We saw that in the second quarter, one month [ph] we saw after (00:08:17), next month was really strong. So, it's been kind of back and forth.

And because it's short cycle, that's – it's a dynamic that could change. I would say today, employment has been fairly stable, which is a good foundational backdrop for us, for us to expect and continue to see the Industrial PPE market being stable and solid. I mean, we're doing – we're seeing growth in – a little bit outsized growth in fall protection, which we would expect to continue, because that's something we've been doing. But overall, the market dynamics have been consistent.

Q

Yes. Steve, [ph] you have (00:08:55) long background in operations and you also ran the Americas business. Can you talk about the MSA business system and then the impact you're seeing? And then ultimately, what runway is still left when you look out in 2025 and beyond?

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

A

Yes, sure. So, we – the MSA business system is really our approach to continuous improvement. It's our culture of how we drive continuous improvement. So, it's what we consider the processes, the tools, and most importantly, the behaviors with which we run the company. It's a major evolution from what we had done previously, which is an operating system, which was operations based. And we've been in this journey on the business system for just a couple of three years.

I like to use the term we're in the early stages, we're kind of on the sippy cup of this journey. And we're seeing – we're already seeing some really good progress here. And so that, to your question about into the future, where do we see this going? First, I'm thrilled with the level of engagement and how the teams embraced it and the recognition that is good as we've done and how much progress we've already made. There's so much more we believe we can do with this organization to help our customers and help our performance and our shareholders over the next five years to 10 years. And we're just super stoked about that. And that's what the business system is going to help us do.

In the operations background, I think is, it's good. I like to use it sometimes. But I like using the Americas business, I've been in the business side for almost nine years and have really spent a lot of time focusing on growth, which we've been fortunate enough to do with the team in Americas. And that's something we're trying to continue to – how do you put those two together and successfully execute in a disciplined manner while growing the business? And I think we've got the team that can do it and the processes to help us make it happen.

Q

Yes. I mean, and, we went from margins in kind of that low-teens range, maybe a decade ago.

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

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That's right.

Q

Now, we're in the 20s. I guess, what have been the biggest drivers of that? And when we see this, 48% gross margin, is that something that you think can continue to be [ph] lift (00:11:07) higher? Or is it kind of in a more of a plateauing state?

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

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Well, we talked – it's a great question. We talked about the strategy and how we think the strategy kind of plays out with what we put in there, is some key targets. So, maybe, Lee, you talk a little bit about the history behind it and where we think we're headed.

Lee Breet McChesney

Senior Vice President & Chief Financial Officer, MSA Safety, Inc.

A

Yes. So...

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

A

But I'm excited.

Lee Breet McChesney

Senior Vice President & Chief Financial Officer, MSA Safety, Inc.

A

[ph] So, I think, again, you (00:11:27) highlighted some really good progress, right. So, from low-teens to low-20s in the last – certainly in the last decade. And one of the things [indiscernible] (00:11:37) compelling charts in the May Investor Day is, hey, go look at that at a 5-year stack, 10-year stack, pretty consistent in driving that progress. Again, it goes to all the factors [ph] we're going to hit (00:11:48) on this. We have this consistent execution of mid-single-digit growth because a good portion of business is very stable.

So even when you – yes, we have a portion of business that's cyclical, but when you don't have that, you can continue to remain on the mission. So, whether it's remaining in the mission of innovation, whether it's building up the business system, it's really all elements. So, if we go back a decade ago, we were probably a little bit more focused on just kind of core cost structure, SG&A, facilities and things like that. We made a lot of progress there. And then certainly as Steve talked about, the operations team has continued to make more and more progress and it's now expanded really to a perspective across the whole organization.

So, you look at the last four or five years, certainly strength in ops, there's been a lot of [ph] improvement (00:12:34), a lot of progress in pricing. Obviously, pricing to offset inflation, but also just smart pricing like the next phase of pricing expertise. We've spoken about innovation. Innovation is a – certainly the – probably the best form of driving margin enhancement, if you do it the right way. And then ultimately, the portfolio continues to evolve. The Detection business has almost doubled in size in the past decade. So, [ph] is this (00:13:03) natural positive lift, it's our highest margin category. And certainly, it's probably a highlight in its own right.

But then Fire has done so well, that Fire remains still our largest segment today and things like that. So, it's all those elements and then we continue to make progress on SG&A. We've done things like regional shared services. We're looking at an evolution there and [ph] it's just some (00:13:27) global opportunities. Certainly, we look at things like AI and some of the things we can do to ease what we do. I mean, it's all part of it.

So, we did set targets [ph] for – and aligned (00:13:38) with our outlook for the next five years. Again, we hadn't done that, 30 basis points to 50 basis points is what we target. And if you really look at all those elements, that's just a default mindset really under the business system to drive improvement. We don't control everything in the macro world, but, goal number one is protect the margin rates you have. And then, with those targets, I think we have a nice opportunity to continue enhancing.

We were delighted to get to this 48% level, certainly, almost 400 basis points of progress over the last several years. And, we'll keep doing that. But we're also going to make sure we're successful commercially. And we have some good competitors, and we'll make some good decisions. So, we have all these tools to leverage, to really drive growth and also bring the margins along with it as well.

Q

We – when I first started looking at the business, the 48% gross margin stood out. That's not what I would have expected from the outside looking in. Does that speak to the brand? Does it speak to just, all the actions that you guys have taken? How is the company almost at a 50% gross margin?

Lee Breet McChesney

Senior Vice President & Chief Financial Officer, MSA Safety, Inc.

[ph] Okay. I mean, it's time to say (00:14:45).

A

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

[ph] It's my turn (00:14:46).

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Lee Breet McChesney

Senior Vice President & Chief Financial Officer, MSA Safety, Inc.

[ph] Yes. Go ahead (00:14:47).

A

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

[ph] I guess I could talk all the time, but (00:14:48) as Lee can, because we're both passionate about the business. I'd say it's – it speaks to both. The brand – when we think of the innovation we have and the technology we use, that's an enabler to recognize and demonstrate value to the customer, right. So, when we demonstrate value to the customer, it gives us opportunity for pricing and it really differentiates us. We're a premium safety solution provider. And, there's some that are on the lower end, but in the grand scheme of what the customer needs, if they've got an industrial site, an energy platform, the cost for their safety products is small.

A

So, using premium safety products and solutions to ensure that their workers are safe [ph] where there is (00:15:36) or their asset is protected. So, to us, it's a no-brainer. And if we can provide that technology to help them do that, it's a win-win. So that certainly is part of the brand we have that the company has built over time, has certainly supported that. But it's also the other piece where I think we've done a nice job of continuing to execute more and more effectively. We operate the business, and we keep ourselves centered on how we make sure that the business performance continues to get better over time. And we're delivering the kind of value to our shareholders that we should. So, I think it's a combination of all of those things when we look at them and we've talked about them internally.

Q

Does the durability of the business – and I don't want to say it makes it easier to drive margins, but does it give you guys maybe more confidence to go forward with these initiatives? Because you don't have to worry as much about, okay, where are we in the cycle and do we want to go forward with something if, maybe we're on the downtrend?

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

Well, it certainly allows us to – when we think of a new product launch, it allows us to kind of not get stuck on we have to have one in this six months or this next six months because we have the stability of the business. So, I do think there's a point to be made there because you're just consistently knowing that you've got an opportunity for – when you enter the market, you've already got the stability of the past. The key for us is making sure we keep that past success going with whatever new solution we have.

A

And a great example of that is on the fixed gas platform where with the [ph] X&S 5000 (00:17:15) brand new platform of detection devices, but it fits exactly in the same footprint as the one it replaced, right. So, when a customer replaces one of their units, it's very easy and they absolutely are thrilled with that. So that's the kind of things our teams do, is they stay very close to the customer, [ph] watch (00:17:37) your pain point. So I think that helps.

Q

Yeah. No, I appreciate that. One thing that I believe is that – [ph] in the world that (00:17:43), efficiency is more valuable than ever. We've seen cost profiles inflated. Labor is obviously a big piece of that. So, if you can provide efficiency, there's a lot of opportunities that come from that. And just kind of taking that to your guys' connected software products, you're making the customer more efficient. I guess, how do you think about pricing there? And ultimately, what does that connected portfolio kind of do to the rest of the business?

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

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Yes. So, I think one of the things you're referring to, [ph] Chris (00:18:16), is the MSA+ platform we have on the portable gas detection. And it's provided a nice subscription model and recurring revenue model that we expect to grow significantly because it's not just the product, it's also the software solution around it. It's – it – for us, we look at that as a really nice opportunity to continue to grow the overall business.

And when we think of pricing, we spend a lot of time with the customer on valuation, and making sure they're getting the value out of the solution we're providing. And that's one of the things, I think, our team does a really nice job of and ensuring that we're aligned with how it values up for them. But total cost of ownership is another piece of that.

So, when we think of the customer, we're looking at what their total cost of ownership is, and we can provide a really good business case for them to take back and go away. Wait a minute, this is adding value for us as an organization, which is how we win with the customer. So, I think that's very helpful. And it's – this software as-a-solution is permeating throughout the entire enterprise. A great example for us is our engineering, our R&D team. 10 years ago, we had a handful of software engineers. Now, over 45% of all of our engineers in R&D are software engineers.

Q

Wow.

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

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And it's – that's just speaks to this industrial technology stack that we're building and have continued to see provide results into the future.

Q

And I guess when you kind of think about your connected products versus your traditional products, what kind of differences in growth rates are you seeing? Are the margin profiles difference between the two categories?

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

A little bit.

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Lee Breet McChesney

Senior Vice President & Chief Financial Officer, MSA Safety, Inc.

Yes.

A

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

And maybe [indiscernible] (00:20:03)

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Lee Breet McChesney

Senior Vice President & Chief Financial Officer, MSA Safety, Inc.

Sure, I'll dive in. I mean, I think, where Steve went before, we've been focused the last now seven, eight years on this conversion from a product company to a really a solution provider which leverages things like the connected software. And, there's really opportunities across all the business segments, right. So we've talked a little bit about industrial. We certainly have a connected firefighter platform as well. And we've even seen applications in fall protection, making sure people don't just trust the harness, but we actually ensure they have a harness using that software and things like that.

A

So, we mentioned [indiscernible] (00:20:39) a faster adoption there. So, again, it's a great solution. It gives them productivity, it gives them, frankly, record keeping. I mean, it's a total solution. Certainly, there's a sales opportunity there as well as [ph] we – if (00:20:54) people go down the route of MSA+ and sign up for three or four years. On the surface, you could have a little bit of growth pressure because you're spreading it out. But if we win enough incremental business, which is what we've seen today, we're getting the best of both worlds, we're still growing. And then we've increased our recurring revenue perspective.

Certainly executed well. We're doing some things for the first time. We see an opportunity to actually [ph] be (00:21:20) incremental margin as well. So, a really nice combination, grow our recurring revenue base which should actually help the growth algorithm, but also [ph] at (00:21:29) higher margin levels.

But, we'll – that dynamic will play out differently in each of our channels and – but we definitely think over time, there's going to be this – for us, this evolution of still selling a lot of products enabled with this functionality and then we can turn that on and continue to grow. Because we're still in the early days, but we're pretty happy, particularly where we're seeing that start.

Q

And I think it's pretty clear why these products benefit the customer, the value they draw out of it. Do you guys also get value out of it? Does it help you guys get closer to the customer, maybe understand products and what people need better, just, through the more data you're collecting?

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

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Absolutely. Absolutely. It allows us to have more insights with the customer. And I use the term intimacy because internally for us, it's our connection with that customer and understanding how they live and breathe with what they do. Yes, it provides significant insights and we just had an example, gosh, just over a month ago, of where a customer is trialing, a large customer is trialing this MSA+ and io4, and had a potential life-saving situation. And our individual is calling in the next day. And, of course it's all – the data is centralized. So, the central safety leader for this company. So, yes, I'm looking at all this data and I saw this show up and it happened at 2 o'clock in the morning, right. And the individual was able to evacuate. It was just really – it played out exactly like we expected it to. It was a pleasant surprise for them, right and – but it was a good example.

We have now insights about that customer and the use cases that they may not even have understood on certain exposures where people are going in in those hours that you don't have as many people available to respond or to monitor. So, it was really a good example of that.

Q

Do you feel like having these connected products is a bigger differentiator? Is it helping [ph] put (00:23:33) the moat around the business? Because I'd imagine some of the lower cost providers out there, don't really have the capital to invest in these type of solutions for the customer.

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

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I think it is. I think, a lot of these are standard based. They were before as products, and they'll continue to be. We're doing it because this is what we believe the customer wants and needs. And that's where we're going to continue to stay focused, is making sure that we're providing solutions that help the customer to be more efficient and serve our mission to protect them, right. And that's all we think about going into this.

At the same time, there's absolutely an answer that – it matches what you're saying. It fits perfectly and it allows that to happen. But it's more kind of organically as a result of how we go about managing the business.

Q

Yes. I guess on the recurring revenue piece, I guess where does it stand today? How did that look five years ago? And when you kind of look five years out, where do you think that could ultimately get to or not ultimately, but in five years, [ph] where do you think get it to (00:24:35)?

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

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[ph] Yes (00:24:36).

Lee Breet McChesney

Senior Vice President & Chief Financial Officer, MSA Safety, Inc.

A

[ph] Yes, I'll start (00:24:37).

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

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[ph] All right (00:24:38).

Lee Breet McChesney

Senior Vice President & Chief Financial Officer, MSA Safety, Inc.

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[indiscernible] (00:24:39) So we've shared recently back in our Investor Day in May that, recurring revenue, the traditional version of recurring revenue, spare parts, our training and services we do and then certainly software as-a-service is now in the mid-teens. There is a whole element of reoccurring business because again, you establish relationship here and, you end up with a lot of repeat business as well. That's a far higher percentage. But we did set a target to get to something that starts with a [ph] two (00:25:10) in the next five years. Certainly, the software and the software as-a-service is certainly part of that. We also see training as a good catalyst as well.

So, we're excited about that. I think in all elements, based on the diversity of the customers we serve, distribution is important to us. So, we're going to go to market and follow the customer as well. We certainly look at success in industrials, in the space. You see a lot of success, but also see, you got to be patient and make sure the market is ready for that.

So, not surprising to us that industrials where it is. For example, Fire Services will come at its own pace. And that – so the same thing happened in fall protection, like, I mentioned the example before of what happens in a warehouse and things like that. So, we're excited with that journey. And that's why we put that out there. And we've already seen that progress over the last several years that way as well.

So, again, it's all part of great resiliency we have, whether it's – as we go forward here. But, you look over the last 10 years, I mentioned this earlier, whether it's the recurring revenue, whether it's the fire services, which is very stable or even this fixed detection space where once you install it, you have that business for a long time. It's why, again, it comes back to – we keep focused. We have – we've defined over the last 10 years where we're going to be focused in these three businesses. And we just keep driving it with innovation. And so, I think the numbers have shown through accordingly.

Q

Yes, definitely. Maybe going to capital allocation. You guys have talked about a \$1.5 billion by 2028. What should investors be thinking about when you – in terms of priorities of the allocation?

Lee Breet McChesney

Senior Vice President & Chief Financial Officer, MSA Safety, Inc.

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Yes. So let me clarify that quickly. I know we're down to the last minute. We're going to clearly put a third of our available cash into running the business, organic growth CapEx, [indiscernible] (00:27:21) driving market share, serving our mission. A third going into our investor base, and so we have a wonderful dividend story with a dividend spreadsheet that goes back to the [ph] 1940s (00:27:31). Certainly, we're going to keep our share count consistent.

And then as you said, [ph] we have (00:27:35) another third available for M&A. Based on the business we are today, the size of [ph] that (00:27:40) is \$1.5 billion available to us, that's without taking out the incremental debt. M&A has been really important to us, and we think it has at least that much impact, if not more, over the timeframe. It really [ph] enhances us (00:27:54), enables us to go faster. But we will be disciplined.

Q

And I know we're up on time, but any areas – when you guys are thinking about M&A, does anything stand out as kind of best opportunities?

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

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Yes. The portfolio obviously is – it's open to M&A. But I would say detection probably stands out more. We think the addressable market continues to be a huge opportunity and it fits with the technology really well.

Unverified Participant

Yeah, well, up on time. And thank you guys both.

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

[ph] Thanks very much again (00:28:25).

Unverified Participant

[ph] I (00:28:26) very much enjoyed the conversation.

Lee Breet McChesney

Senior Vice President & Chief Financial Officer, MSA Safety, Inc.

Thank you.

Unverified Participant

[ph] I think you'll appreciate it (00:28:27).

Steven C. Blanco

President, Chief Executive Officer & Director, MSA Safety, Inc.

Yes, you bet. Thanks.

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