

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, 2021

	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 %	32 %	25 %	37 %	(1)%	42 %	15 %	(26)%	9 %
Plus: Currency translation effects	(3)%	(4)%	(5)%	(5)%	(3)%	(8)%	(3)%	(4)%	(4)%
Constant currency sales change	(2)%	28 %	20 %	32 %	(4)%	34 %	12 %	(30)%	5 %

Six Months Ended June 30, 2021

	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)%	20 %	7 %	10 %	(8)%	16 %	4 %	(26)%	(1)%
Plus: Currency translation effects	(2)%	(3)%	(1)%	(3)%	(2)%	(5)%	(3)%	(3)%	(3)%
Constant currency sales change	(6)%	17 %	6 %	7 %	(10)%	11 %	1 %	(29)%	(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.

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Americas Segment

Three Months Ended June 30, 2021

	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 %	8 %	41 %	48 %	1 %	55 %	16 %	(39)%	7 %
Plus: Currency translation effects	— %	— %	(3)%	(2)%	(1)%	(3)%	(1)%	(1)%	(1)%
Constant currency sales change	2 %	8 %	38 %	46 %	— %	52 %	15 %	(40)%	6 %

Six Months Ended June 30, 2021

	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)%	4 %	12 %	14 %	(6)%	15 %	3 %	(33)%	(2)%
Plus: Currency translation effects	— %	— %	1 %	— %	— %	(1)%	— %	— %	— %
Constant currency sales change	(3)%	4 %	13 %	14 %	(6)%	14 %	3 %	(33)%	(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.

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International Segment

Three Months Ended June 30, 2021									
	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)%	153 %	(8)%	20 %	(2)%	28 %	14 %	— %	12 %
Plus: Currency translation effects	(8)%	(24)%	(7)%	(9)%	(7)%	(13)%	(9)%	(9)%	(9)%
Constant currency sales change	(9)%	129 %	(15)%	11 %	(9)%	15 %	5 %	(9)%	3 %

Six Months Ended June 30, 2021									
	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)%	98 %	(5)%	2 %	(10)%	18 %	5 %	(14)%	2 %
Plus: Currency translation effects	(8)%	(19)%	(8)%	(7)%	(5)%	(11)%	(8)%	(7)%	(8)%
Constant currency sales change	(13)%	79 %	(13)%	(5)%	(15)%	7 %	(3)%	(21)%	(6)%

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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 June 30, 2021						
	Firefighter Safety	Fixed Gas and Flame Detection	Industrial Core PPE	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	12 %	(1)%	34 %	15 %	(26)%	9 %
Plus: Currency translation effects	(3)%	(3)%	(6)%	(3)%	(4)%	(4)%
Constant currency sales change	9 %	(4)%	28 %	12 %	(30)%	5 %

Six Months Ended June 30, 2021						
	Firefighter Safety	Fixed Gas and Flame Detection	Industrial Core PPE	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	5 %	(8)%	11 %	4 %	(26)%	(1)%
Plus: Currency translation effects	(3)%	(2)%	(3)%	(3)%	(3)%	(3)%
Constant currency sales change	2 %	(10)%	8 %	1 %	(29)%	(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
Segment Information (Unaudited)
(In thousands, except percentage amounts)

	<u>Americas</u>	<u>International</u>	<u>Corporate</u>	<u>Consolidated</u>
Three Months Ended June 30, 2021				
Sales to external customers	\$ 217,707	\$ 123,582	\$ —	\$ 341,289
Operating income				35,050
Operating margin %				10.3 %
Restructuring charges				7,078
Currency exchange losses, net				1,640
Product liability expense				11,751
Acquisition related costs				3,168
Adjusted operating income (loss)	49,238	20,440	(10,991)	58,687
Adjusted operating margin %	22.6 %	16.5 %		17.2 %
Depreciation and amortization				11,584
Adjusted EBITDA	57,137	24,020	(10,886)	70,271
Adjusted EBITDA %	26.2 %	19.4 %		20.6 %
Three Months Ended June 30, 2020				
Sales to external customers	\$ 204,231	\$ 110,207	\$ —	\$ 314,438
Operating income				48,294
Operating margin %				15.4 %
Restructuring charges				8,865
Currency exchange losses, net				793
Product liability expense				851
Acquisition related costs				64
Adjusted operating income (loss)	49,003	17,402	(7,538)	58,867
Adjusted operating margin %	24.0 %	15.8 %		18.7 %
Depreciation and amortization				9,786
Adjusted EBITDA	55,620	20,474	(7,441)	68,653
Adjusted EBITDA %	27.2 %	18.6 %		21.8 %

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, acquisition related costs, including acquisition related amortization, and COVID-19 related costs. 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.

	<u>Americas</u>	<u>International</u>	<u>Corporate</u>	<u>Consolidated</u>
Six Months Ended June 30, 2021				
Sales to external customers	\$ 426,046	\$ 223,671	\$ —	\$ 649,717
Operating income				79,088
Operating margin %				12.2 %
Restructuring charges				8,385
Currency exchange gains, net				(459)
Product liability expense				14,547
Acquisition related costs				4,541
Adjusted operating income (loss)	94,390	29,194	(17,482)	106,102
Adjusted operating margin %	22.2 %	13.1 %		16.3 %
Depreciation and amortization				22,088
Adjusted EBITDA	109,322	36,147	(17,279)	128,190
Adjusted EBITDA %	25.7 %	16.2 %		19.7 %
Six Months Ended June 30, 2020				
Sales to external customers	\$ 435,484	\$ 220,099	\$ —	\$ 655,583
Operating income				107,076
Operating margin %				16.3 %
Restructuring charges				10,872
Currency exchange losses, net				1,063
Product liability expense				2,802
Acquisition related costs				161
COVID-19 related costs				757
Adjusted operating income (loss)	108,811	30,073	(16,153)	122,731
Adjusted operating margin %	25.0 %	13.7 %		18.7 %
Depreciation and amortization				19,428
Adjusted EBITDA	121,878	36,239	(15,958)	142,159
Adjusted EBITDA %	28.0 %	16.5 %		21.7 %

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, acquisition related costs, including acquisition related amortization, and COVID-19 related costs. 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
Adjusted effective tax rate (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
GAAP reported effective tax rate	27.8 %	23.9 %	24.0 %	23.4 %
Tax impact of non-cash charge related to the recognition of currency translation adjustments	0.1 %	0.1 %	0.2 %	(0.1)%
Tax impact of product liability expense	(1.7)%	— %	(0.4)%	— %
Tax benefit associated with ASU 2016-09: <i>Improvements to employee share-based payment accounting</i>	1.2 %	0.7 %	2.2 %	1.6 %
Adjusted effective tax rate	<u>27.4 %</u>	<u>24.7 %</u>	<u>26.0 %</u>	<u>24.9 %</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 June 30,			Six Months Ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Net income attributable to MSA Safety Incorporated	\$ 25,125	\$ 36,066	(30)%	\$61,539	\$79,741	(23)%
Tax benefit associated with ASU 2016-09: Improvements to employee share-based payment accounting	(545)	(348)		(2,079)	(1,619)	
Subtotal	<u>24,580</u>	<u>35,718</u>	(31)%	<u>59,460</u>	<u>78,122</u>	(24)%
Product liability expense	11,751	851		14,547	2,802	
Acquisition related costs	3,168	64		4,541	161	
Restructuring charges	7,078	8,865		8,385	10,872	
Asset related losses, net	29	5		48	127	
COVID-19 related costs	—	—		—	757	
Currency exchange losses (gains), net	1,640	793		(459)	1,063	
Income tax expense on adjustments	<u>(6,484)</u>	<u>(2,613)</u>		<u>(7,320)</u>	<u>(3,914)</u>	
Adjusted earnings	<u>\$ 41,762</u>	<u>\$ 43,683</u>	(4)%	<u>\$79,202</u>	<u>\$89,990</u>	(12)%
Adjusted earnings per diluted share	<u>\$ 1.06</u>	<u>\$ 1.11</u>	(5)%	<u>\$ 2.01</u>	<u>\$ 2.29</u>	(12)%

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 June 30,	
	<u>2021</u>	
Operating income	\$	138,875
Depreciation and amortization		42,334
Product liability expense		50,782
Restructuring charges		24,895
Currency exchange gains, net		7,057
Acquisition related costs		5,097
Adjusted EBITDA	\$	269,040
Total end-of-period debt		334,587
Debt to adjusted EBITDA		<u>1.2</u>
Total end-of-period debt		334,587
Total end-of-period cash and cash equivalents		174,078
Net debt	\$	160,509
Net debt to adjusted EBITDA		<u>0.6</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 June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Cash flow from operating activities	\$ 38,298	\$ 69,424	\$ 83,914	\$ 83,031
Capital expenditures	(10,706)	(13,272)	(20,288)	(19,834)
Free cash flow	<u>\$ 27,592</u>	<u>\$ 56,152</u>	<u>\$ 63,626</u>	<u>\$ 63,197</u>
Net income attributable to MSA Safety Incorporated	\$25,125	\$36,066	\$61,539	\$79,741
Free cash flow conversion	110%	156%	103%	79%

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.