

THE



SAFETY

COMPANY

Q1 2024 Earnings Presentation

April 30, 2024

Cautionary Statements Regarding Forward-looking Statements



This presentation may contain (and verbal statements made by MSA® Safety Incorporated (“MSA Safety”) may contain) “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance and involve various assumptions, known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks and other factors include, but are not limited to, statements in this presentation regarding our expectations of future results, performance or financial condition we express or imply in any forward-looking statements. In some cases, you can identify forward-looking statements by words such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “objectives,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or other comparable words. Actual results, performance or outcomes may differ materially from those expressed or implied by these forward-looking statements and may not align with historical performance and events due to a number of factors, including those discussed in the sections of our annual report on Form 10-K entitled “Cautionary Statement Regarding Forward-Looking Statements” and “Risk Factors,” and those discussed in our Form 10-Q quarterly reports filed after such annual report. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements, and caution should be exercised against placing undue reliance upon such statements, which are based only on information currently available to us and speak only as of the date hereof. We are under no duty to update publicly any of the forward-looking statements after the date of this presentation, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Financials



To supplement our Consolidated Financial Statements presented in accordance with generally accepted accounting principles (“GAAP”), we use, and this presentation 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, adjusted earnings per diluted share, R&D investment, net debt, debt to adjusted EBITDA, net debt to adjusted EBITDA, free cash flow and free cash flow conversion. These non-GAAP financial measures provide information useful to investors in understanding our operating performance and trends, and to facilitate comparisons with the performance of our peers. Management also uses these measures internally to assess and better understand our underlying business performance and trends related to core business activities. The non-GAAP financial measures and key performance indicators we use, and computational methods with respect thereto, may differ from the non-GAAP financial measures and key performance indicators, and computational methods, that our peers use to assess their performance and trends.

The presentation of these non-GAAP financial measures does not comply with U.S. GAAP. These non-GAAP financial measures should be viewed as supplemental in nature, and not as a substitute for, or superior to, our reported results prepared in accordance with GAAP. When non-GAAP financial measures are disclosed, the Securities and Exchange Commission's Regulation G requires: (i) the presentation of the most directly comparable financial measure calculated and presented in accordance with GAAP and (ii) a reconciliation of the differences between the non-GAAP financial measure presented and the most directly comparable financial measure calculated and presented in accordance with GAAP. For an explanation of these measures, together with a reconciliation to the most directly comparable GAAP financial measure, see the appendix of this presentation.

MSA Safety (NYSE: MSA) Snapshot



Leading Global Safety Technology Company with Proven Track Record of Value Creation

DRIVEN BY OUR PURPOSE

Our Mission

- That men and women may work in safety and that they, their families, and their communities may live in health throughout the world

Our Vision

- To be the world's leading provider of safety solutions that protect workers when life is on the line
- We pursue this vision with an unsurpassed commitment to integrity, customer service, and product innovation that creates exceptional value for all MSA stakeholders

Our Values

- Embracing change and encouraging innovation in a culture of safety



KEY STATISTICS⁽¹⁾

\$1.8B Net Sales	48.1% Gross Margin
22.7% Adj. Operating Margin	4.5% R&D Investment ⁽²⁾
40+ Million Workers Protected ⁽³⁾	50+ Consecutive Years of Dividend Increases
1914 Year Founded	~5,100 Employees

FOREFRONT OF SAFETY INNOVATION

- 1 Steady end market demand, with resilient organic growth and extensive installed base
- +**
- 2 Innovation and new customer solutions augmented by disciplined and highly strategic inorganic growth
- ∨**
- 3 Solidifying status as the leading safety technology company for Firefighter Safety, Detection, and Industrial PPE

(1) Key metrics for the trailing 12-month period ended March 31, 2024.

(2) % net sales; includes capitalized software development costs. See appendix for definitions of non-GAAP measures and non-GAAP reconciliations.

(3) As of December 31, 2023. "Workers Protected" is an estimate based on internal data, third-party and internal market research, product expert opinions and certain assumptions, and is subject to change.

First Quarter Highlights

Solid Start to 2024; Innovation and Execution Enabling Profitable Growth

PERFORMANCE HIGHLIGHTS

- Delivered 4% sales growth and 18% adjusted EPS growth
 - Double-digit growth in Firefighter Safety, partially offset by Detection and Industrial PPE
- Strong execution supported by MSA Business System (MBS) to deliver robust margin expansion and cash flow in dynamic operating environment
- Continued investments in new product development and new capacity
- Robust financial position provides ample opportunity to invest in strategic growth initiatives

NEW PRODUCT SPOTLIGHT

Cairns® 1836 Fire Helmet

- Celebrating Cairns' founding in 1836 with one of the lightest weight traditional-style fire helmets on the market
- Reduced ride height enhances comfort, fit, and balance
- Patent-pending slide-lock system enables easier maintenance and soft goods removal



FL5000 Multi-Spectrum IR Flame Detector

- Advanced infrared (IR) sensors and Artificial Neural Network leveraging computer learnings to enhance performance and responsiveness
- Bluetooth-equipped for ease of configuration and diagnostics
- Versatile use for a wide range of industries and climates

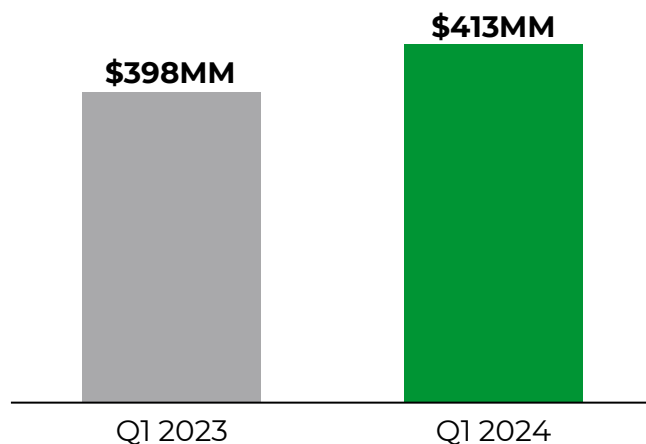


Q1 2024 Financial Summary



Healthy Results to Begin 2024 with Continuing Momentum from Strong 2023 Performance

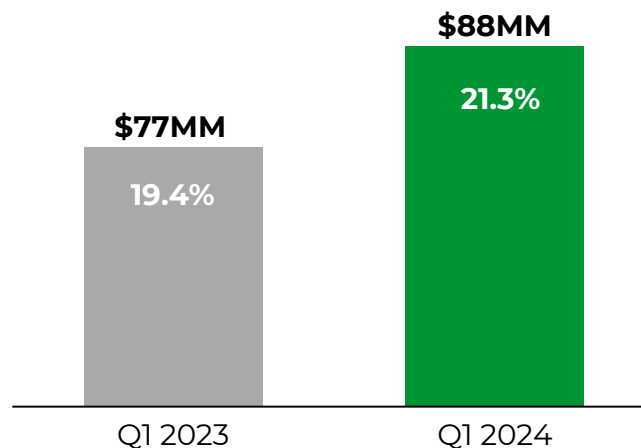
NET SALES



NET SALES GROWTH OF 4%

- +3% organic and +1% currency
- Balanced contributions from pricing and volume

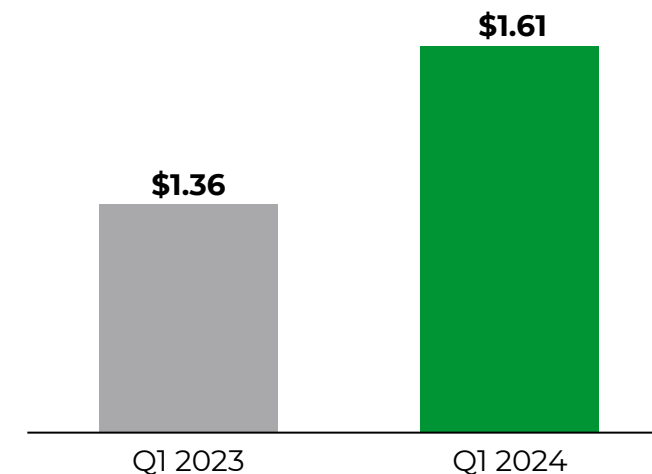
ADJUSTED OPERATING INCOME AND MARGIN



ADJUSTED OPERATING MARGIN OF 21.3%

- Volume leverage, price/cost management, and operations productivity drove 190 bps margin expansion
- Incremental operating margin of 71%
- Adjusted EBITDA margin of 24.5%, up 200 bps year-over-year

ADJUSTED EPS



ADJUSTED EPS GROWTH OF 18%

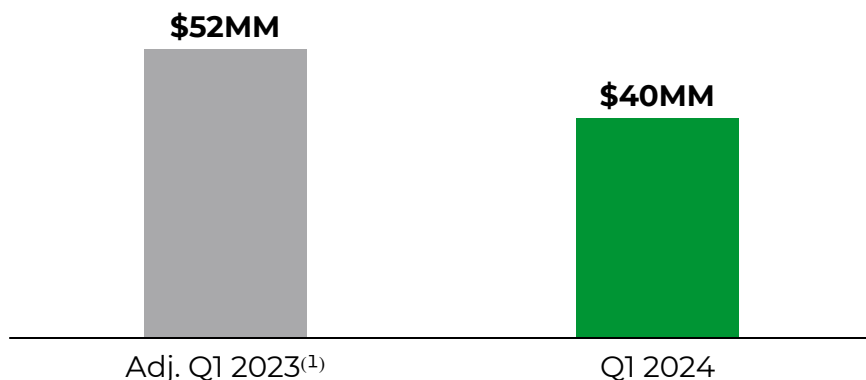
- Growth driven by higher operating profit and lower non-operating expenses

Q1 2024 Free Cash Flow and Financial Leverage



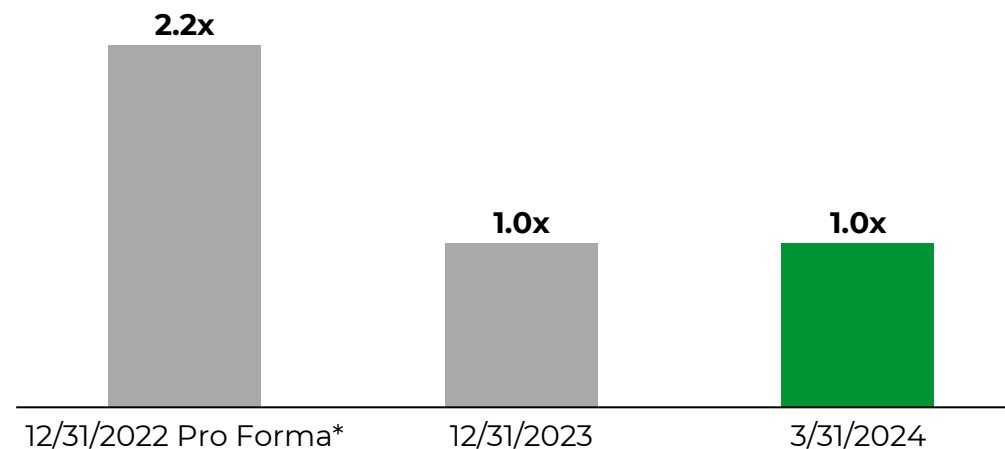
Solid Cash Generation and Strong Financial Position

FREE CASH FLOW



- Solid cash flow generation enables investment in strategic growth initiatives
 - Free cash flow conversion rate of 62%⁽²⁾
 - Capital expenditures totaled \$11MM
 - Enabled \$18MM in dividends to shareholders

NET LEVERAGE



- Robust balance sheet with 1.0x net leverage and ample liquidity
 - \$448MM of net debt at March 31 following \$5MM of debt repayment in the quarter
 - Profitable growth and improved working capital management continue to support debt reduction and balanced capital allocation

(1) Free cash flow for the three months ended March 31, 2023, is adjusted to reflect the divestiture of legacy liability.

(2) Free cash flow conversion (FCF) refers to the ratio of free cash flow to adjusted earnings.

See appendix for definitions of non-GAAP measures and non-GAAP reconciliation. *Pro forma for the leverage impact of the legacy liability divestiture.

Updated 2024 Outlook



Re-affirming Mid-Single Digit Growth Outlook; Reflecting Solid Start to 2024 and Resilient Portfolio of Products and Markets

	% NET SALES ⁽¹⁾	DIVERSE END MARKETS
FIREFIGHTER SAFETY <ul style="list-style-type: none"> • SCBA • Helmets • Protective apparel and boots 	<p>39%</p>	<ul style="list-style-type: none"> • Government fire service • Municipal fire service • First responder
DETECTION <ul style="list-style-type: none"> • Fixed gas and flame detection • Refrigerant detection and identification • Portable gas detection 	<p>35%</p>	<ul style="list-style-type: none"> • Energy and utilities • HVAC-R • Water and wastewater • Food retail • Industrial
INDUSTRIAL PPE and OTHER <ul style="list-style-type: none"> • Industrial head protection • Fall protection • APR and other PPE 	<p>26%</p>	<ul style="list-style-type: none"> • Energy and utilities • Construction • Manufacturing • Industrial • Healthcare and pharma

OPERATING ENVIRONMENT UPDATE

POSITIVES

- Growing global demand for safety products and solutions
- Stable funding environment for firefighter safety
- Supportive market dynamics in detection
- Infrastructure stimulus in key regions
- Excess backlog opportunity for balance of year
- Leveraging MBS to enhance commercial excellence and drive productivity

CHALLENGES

- Industrial end market demand mixed regionally
- Supply chain has improved, but remains dynamic
- Macroeconomic and geopolitical uncertainty impacts near-term visibility

(1) % of net sales for the trailing 12-month period ended March 31, 2024.

Key Takeaways

Focused on Delivering Profitable Growth and Value Creation Over the Long-Term



Strong execution in Q1 resulting in mid single-digit growth, robust margin expansion, and solid cash generation



Mission-driven culture and unwavering commitment to the safety of our customers and our employees



Reliable, diversified base business drives organic growth and margin expansion opportunities across economic cycles



Reinvestment in innovation and technology, including strategic M&A, enables **leading positions in attractive end markets**



Strong balance sheet supports growth investments and increased return of capital to shareholders while deleveraging



THE SAFETY COMPANY

Q&A



THE SAFETY COMPANY

INVESTOR DAY 2024

Wednesday, May 22nd | NYC | [REGISTRATION DETAILS ON IR WEBSITE](#)

FEATURING SESSIONS ON:

[Our commitment to safety](#) | [Innovation and new product development](#) | [Long-term strategy](#) | [Financial performance and outlook](#)



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Appendix

Reconciliation of Non-GAAP Financial Measures



Constant Currency Sales Growth (Unaudited)

Consolidated

	Three Months Ended March 31, 2024			
	Firefighter Safety ^(a)	Detection ^(b)	Industrial PPE and Other ^(c)	Net Sales
GAAP reported sales change	17%	(5%)	(2%)	4%
Plus: Currency translation effects	— %	— %	(1%)	(1%)
Constant currency sales change	17%	(5%)	(3%)	3%

Americas

	Three Months Ended March 31, 2024			
	Firefighter Safety ^(a)	Detection ^(b)	Industrial PPE and Other ^(c)	Net Sales
GAAP reported sales change	20%	(3%)	(2%)	5%
Plus: Currency translation effects	— %	(1%)	(2%)	— %
Constant currency sales change	20%	(4%)	(4%)	5%

International

	Three Months Ended March 31, 2024			
	Firefighter Safety ^(a)	Detection ^(b)	Industrial PPE and Other ^(c)	Net Sales
GAAP reported sales change	11%	(9%)	— %	— %
Plus: Currency translation effects	(2%)	(1%)	(1%)	(1%)
Constant currency sales change	9%	(10%)	(1%)	(1%)

(a) Firefighter Safety includes Breathing Apparatus and Firefighter Helmets and Protective Apparel.

(b) Detection includes Fixed Gas and Flame Detection and Portable Gas Detection.

(c) Industrial PPE and Other includes Industrial Head Protection, Fall Protection and Non-Core.

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.

Reconciliation of Non-GAAP Financial Measures



Segment Information (Unaudited)

(In thousands, except percentage amounts)	<u>Americas</u>	<u>International</u>	<u>Corporate</u>	<u>Consolidated</u>
Three Months Ended March 31, 2024				
Net sales to external customers	\$ 295,539	\$ 117,763	\$ -	\$ 413,302
Operating income				80,112
Operating margin %				19.4%
Restructuring charges				3,017
Currency exchange losses, net				2,333
Amortization of acquisition-related intangible assets				2,314
Transaction costs ^(a)				233
Adjusted operating income (loss)	86,218	13,486	(11,695)	88,009
Adjusted operating margin %	29.2%	11.5%		21.3%
Depreciation and amortization				13,245
Adjusted EBITDA	95,693	17,045	(11,484)	101,254
Adjusted EBITDA margin %	32.4%	14.5%		24.5%
Three Months Ended March 31, 2023				
Net sales to external customers	\$ 280,267	\$ 117,995	\$ -	\$ 398,262
Operating loss				(60,061)
Operating margin %				(15.1%)
Restructuring charges				1,747
Currency exchange losses, net				4,175
Loss on divestiture of MSA LLC				129,211
Product liability expense				3
Amortization of acquisition-related intangible assets				2,305
Adjusted operating income (loss)	71,694	15,779	(10,093)	77,380
Adjusted operating margin %	25.6%	13.4%		19.4%
Depreciation and amortization				12,267
Adjusted EBITDA	80,494	19,058	(9,905)	89,647
Adjusted EBITDA margin %	28.7%	16.2%		22.5%

(a) Transaction costs include advisory, legal, accounting, valuation, and other professional or consulting fees incurred during acquisitions and divestitures. These costs are included in selling, general and administrative expense in the unaudited Condensed Consolidated Statements of Operations.

The Americas segment is comprised of our operations in Northern North American and Latin American 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.

Reconciliation of Non-GAAP Financial Measures



Adjusted Earnings and Adjusted Earnings per Diluted Share (Unaudited)

(In thousands, except per share amounts)	Three Months Ended March 31,		% Change
	2024	2023	
Net income (loss) attributable to MSA Safety Incorporated	\$ 58,139	\$ (150,173)	n/m*
Loss on divestiture of MSA LLC	—	129,211	
Deferred tax asset write-off related to divestiture of MSA LLC	—	70,366	
Product liability expense	—	3	
Amortization of acquisition-related intangible assets	2,314	2,305	
Transaction costs ^(a)	233	—	
Restructuring charges	3,017	1,747	
Asset related losses and other	51	739	
Currency exchange losses, net	2,333	4,175	
Income tax expense on adjustments	(2,590)	(4,645)	
Adjusted earnings	\$ 63,497	\$ 53,728	18%
Adjusted earnings per diluted share	\$ 1.61	\$ 1.36	18%

(a) Transaction costs include advisory, legal, accounting, valuation, and other professional or consulting fees incurred during acquisitions and divestitures. These costs are included in selling, general and administrative expense in the unaudited Condensed Consolidated Statements of Operations.

* Not meaningful.

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 (loss) income determined on a GAAP basis as well as adjusted earnings.

Reconciliation of Non-GAAP Financial Measures



Free Cash Flow (Unaudited)

	Three Months Ended	
	March 31,	
	2024	2023
(In thousands, except percentage amounts)		
Cash flow from (used in) operating activities	\$ 50,886	\$ (285,909)
Contribution on divestiture of MSA LLC	—	341,186
Product liability payments related to MSA LLC	—	5,250
Capital expenditures	(11,219)	(8,402)
Free cash flow	<u>\$ 39,667</u>	<u>\$ 52,125</u>
Adjusted earnings	63,497	53,728
Free cash flow conversion	62%	97%

Reconciliation of Non-GAAP Financial Measures



Debt to Adjusted EBITDA and Net Debt to Adjusted EBITDA (Unaudited)

(In thousands)	Twelve Months Ended March 31, 2024
Operating income	\$ 371,493
Depreciation and amortization	52,505
Restructuring charges	11,162
Currency exchange losses, net	15,237
Amortization of acquisition-related intangible assets	9,255
Transaction costs ^(a)	1,198
Adjusted EBITDA	<u>\$ 460,850</u>
 Total end-of-period debt	 596,154
 Debt to adjusted EBITDA	 <u>1.3</u>
 Total end-of-period debt	 \$ 596,154
Total end-of-period cash and cash equivalents	148,329
Net debt	<u>\$ 447,825</u>
 Net debt to adjusted EBITDA	 <u>1.0</u>

(a) Transaction costs include advisory, legal, accounting, valuation, and other professional or consulting fees incurred during acquisitions and divestitures. These costs are included in selling, general and administrative expense in the unaudited Condensed Consolidated Statements of Operations.

Reconciliation of Non-GAAP Financial Measures



R&D Investment (Unaudited)

(In thousands)	Three Months Ended March 31,		Trailing Twelve Months	Twelve Months Ended
	2024	2023	Ended March 31,	December 31,
			2024	2023
Research and development expense	\$ 15,919	\$ 15,232	\$ 68,675	\$ 67,988
Capitalized software development costs	3,374	3,018	12,416	12,060
Total R&D investment	\$ 19,293	\$ 18,250	\$ 81,091	\$ 80,048
Net sales	\$ 413,302	\$ 398,262	\$ 1,802,687	\$ 1,787,647
R&D investment (% net sales)	4.7%	4.6%	4.5%	4.5%