MSA Announces Third Quarter Results

Strong revenue growth, improvements in productivity and U.S. Tax Reform drive GAAP earnings growth of 5 percent and adjusted earnings growth of 27 percent

PITTSBURGH, Oct. 24, 2018 /PRNewswire/ -- Global safety equipment manufacturer MSA Safety Incorporated (NYSE: MSA) today reported results for the third quarter of 2018.

Quarterly Highlights

- Revenue was \$331 million, increasing 12 percent from a year ago on a reported basis and 14 percent on a constant currency basis, driven by strong organic growth across the company's core product portfolio.
- GAAP operating income was \$40 million or 12.1 percent of sales, compared to \$40 million or 13.5 percent of sales in the same period a year ago. Adjusted operating income increased 20 percent to \$57 million or 17.2 percent of sales, compared to \$47 million or 16.0 percent of sales in the same period a year ago.
- GAAP earnings were \$34 million or \$0.86 per diluted share, compared to \$32 million or \$0.83 per diluted share in the same period a year ago. Adjusted earnings increased 27 percent to \$45 million or \$1.16 per diluted share, compared to \$35 million or \$0.92 per diluted share in the same period a year ago.

Comments from Management

"Our third quarter results reflect strong returns on investments we've made in new product development and restructuring programs," said Nish Vartanian, MSA President and CEO. "We realized double-digit organic revenue growth and our ongoing focus on productivity helped convert that into 27 percent growth in adjusted earnings," he said.

Mr. Vartanian continued, "It's encouraging to see both the step-change in profitability and improvements in free cash flow." The company's adjusted operating margin increased 120 basis points while free cash flow generation remained strong, with free cash flow conversion in excess of 100 percent of net income in the third quarter. Mr. Vartanian noted that despite investing heavily in research and development projects that will drive future revenue growth, the company's incremental operating margins are approaching 30 percent for the quarter and year to date.

"Our incoming order book and backlog levels point to sustained strength across our core product portfolio, and we continue to see exciting wins in our industrial and fire service market segments. With this momentum, our global teams remain highly focused on executing our strategy and strengthening our market positions in our core products, while continuing to improve productivity and drive free cash flow," Mr. Vartanian said. "I'm confident that formula will continue to position us well as we work to increase value for all MSA stakeholders," he concluded.

MSA Safety Incorporated Condensed Consolidated Statement of Income (Unaudited) (In thousands, except per share amounts)

	Three Months Ended September 30,					Septe	nths Ended mber 30,		
		2018		2017		2018		2017	
Net sales Cost of products sold	\$	331,096 182,794	\$	296,129 163,926	\$	996,320 546,844	\$	850,669 465,780	
Gross profit		148,302		132,203		449,476		384,889	
Selling, general and administrative Research and development Restructuring charges		78,013 13,296 2,615		72,852 12,351 3,214		240,226 39,752 10.223		223,741 35,282 16,920	
Currency exchange (gains) losses, net Other operating expense		(252) 14,627		562 3,346		2,571 25,469		3,994 32,956	
Operating income		40,003		39,878		131,235		71,996	
Interest expense Loss on extinguishment of debt		4,492 1,494		3,961		14,454 1,494		10,566	
Other income, net		(4,252)		(1,720)		(8,292)		(4,406)	
Total other expense, net		1,734		2,241		7,656		6,160	
Income before income taxes		38,269		37,637		123,579		65,836	
Provision for income taxes		4,206		5,411		23,606		6,306	
Net income		34,063		32,226		99,973		59,530	
Net income attributable to noncontrolling interests Net income attributable to MSA Safety		(346)		(160)		(706)		(519)	
Incorporated	\$	33,717	\$	32,066		99,267		59,011	
Earnings per share attributable to MSA Safety Incorporated common shareholders:									
Basic	\$	0.88	\$	0.84	\$	2.59	\$	1.55	
Diluted	\$	0.86	\$	0.83	\$	2.55	\$	1.52	

Basic shares outstanding	38,417	38,074	38,328	37,970
Diluted shares outstanding	39,036	38,702	38,914	38,692

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

	Sept	ember 30, 2018	Dece	ember 31, 2017
Assets		_		
Cash and cash equivalents	\$	118,161	\$	134,244
Trade receivables, net		236,245		244,198
Inventories		183,829		153,739
Notes receivable, insurance companies		3,525		17,333
Other current assets		131,577		72,783
Total current assets		673,337		622,297
Property, net		150,569		157,014
Prepaid pension cost		91,914		83,060
Goodwill		416,779		422,185
Notes receivable, insurance companies, noncurrent		60,726		59,567
Insurance receivable, noncurrent		49,280		123,089
Other noncurrent assets		208,078		217,614
Total assets	\$	1,650,683	\$	1,684,826
Liabilities and shareholders' equity				
Notes payable and current portion of long-term debt, net	\$	20,005	\$	26,680
Accounts payable		71,659		87,061
Other current liabilities		216,283		175,538
Total current liabilities		307,947		289,279
Long-term debt, net		370,195		447,832
Pensions and other employee benefits		167,373		170,773
Deferred tax liabilities		8,973		9,341
Product liability and other noncurrent liabilities		136,489		165,023
Total shareholders' equity		659,706		602,578
Total liabilities and shareholders' equity	\$	1,650,683	\$	1,684,826

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

		nths Ended nber 30,	Nine Months Ended September 30,					
	2018	2017	2018	2017				
Net income Depreciation and amortization Change in working capital and other operating Cash flow from operating activities	\$ 34,063 9,378 77,374 120,815	\$ 32,226 9,929 809 42,964	\$ 99,973 28,585 57,639 186,197	\$ 59,530 27,665 102,051 189,246				
Capital expenditures Acquisition, net of cash acquired Purchase of short-term investments Property disposals Cash flow used in investing activities	(9,808) — (57,090) 942 — (65,956)	(5,603) (213,990) ———————————————————————————————————	(18,620) ————————————————————————————————————	(11,730) (213,990) — — — — — — — — — — — — — — — — — — —				
Change in debt Cash dividends paid Company stock purchases under repurchase program Other financing Cash flow (used in) provided by financing activities	(38,390) (14,624) — — — — — — — — — — — — — — — — — — —	200,540 (13,376) (11,781) (346) 175,037	(80,675) (42,605) — (575) — (123,855)	75,900 (39,200) (11,781) 7,209 32,128				
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1,822)	(1,705)	(9,952)	1,622				
Decrease in cash, cash equivalents and restricted cash	(1,290)	(3,245)	(19,319)	(1,995)				

	Americas			Internati		al	Corporate		(Consolidated	
Three Months Ended September 30, 2018 Sales to external customers Operating income Operating margin % Restructuring charges Currency exchange gains, net Other operating expense Strategic transaction costs	\$	209,343		\$	121,753		\$		\$	331,096 40,003 12.1 2,615 (252) 14,627 56	%
Adjusted operating income (loss) Adjusted operating margin %		51,532 24.6	%		13,329 10.9	%	(7,0	812)		57,049 17.2	%
Three Months Ended September 30, 2017 Sales to external customers Operating income Operating margin % Restructuring charges Currency exchange losses, net Other operating expense Strategic transaction costs	\$	186,898		\$	109,231		\$	_	\$	296,129 39,878 13.5 3,214 562 3,346 386	%
Adjusted operating income (loss) Adjusted operating margin %		45,365 24.3	%		10,229 9.4	%	(8,	208)		47,386 16.0	%
		Americas		ı	nternation	al	Cor	porate	(Consolidate	ed
Nine Months Ended September 30, 2018 Sales to external customers Operating income Operating margin % Restructuring charges Currency exchange losses, net Other operating expense Strategic transaction costs	\$	Americas 633,812		\$	nternationa 362,508	al	Cor	porate	\$	996,320 131,235 13.2 10,223 2,571 25,469 208	ed %
Sales to external customers Operating income Operating margin % Restructuring charges Currency exchange losses, net Other operating expense	\$	633,812 151,456	<u> </u>			al %	(23,	_		996,320 131,235 13.2 10,223 2,571 25,469	
Sales to external customers Operating income Operating margin % Restructuring charges Currency exchange losses, net Other operating expense Strategic transaction costs Adjusted operating income (loss)	\$	633,812 151,456			362,508 41,960			_		996,320 131,235 13.2 10,223 2,571 25,469 208 169,706	%

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) and adjusted operating 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) and adjusted operating margin are useful metrics for investors. Adjusted operating income (loss) is defined as operating income excluding restructuring charges, currency exchange gains / losses, other operating expense and strategic transaction costs. Adjusted operating margin is defined as adjusted operating income (loss) divided by segment sales to external customers. Adjusted operating income (loss) and adjusted operating 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) and adjusted operating 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.

Three Months	Tll	C t	$-\alpha$	$\alpha \alpha \alpha \alpha$
Inree Wonins	Enged	September	.30	/U18

CAAD varianted		thing ratus	Firefighter I and Prote Appare	ective	Indu: He Prote		Porta Ga Dete	as	Fixed Ga Flan Detec	ne	Fa Prote		Co Sal	-	No Co Sal	re	Net S	Sales
GAAP reported sales change	22	%	12	%	7	%	11	%	6	%	13	%	12	%	9	%	12	%
Plus: Currency translation effects	1	%	1	%	4	%	2	%	1	%	2	%	2	%	3	%	2	%
Constant currency sales																		
change	23	%	13	%	11	%	13	%	7	%	15	%	14	%	12	%	14	
Less: Acquisitions		%	29	%	_	%	_	%	_	%	_	%	1	%	_	%	1	%
Organic constant currency change	23	%	(16)	%	11	%	13	%	7	%	15	%	13	%	12	%	13	%
						Nine	Months	Ended	l Septembe	er 30, 20)18							
		thing	Firefighter I	ective	Indu	ad	Porta Ga	as	Fixed Ga Flan	ne	Fa		Со	-	No Co	re	N 6	
GAAP reported	Арра	ratus	Appare)(u)	Prote	ction	Dete	ction	Detec	tion	Prote	ction	Sal	es	Sal	es	Net S	ales
sales change Plus: Currency	12	%	110	%	10	%	13	%	10	%	10	%	20	%	4	%	17	%
translation effects Constant	(1)	%	(2)	%	1	%	(1)	%	(2)	%	(1)	%	(2)	%	(1)	%	(1)	%
currency sales									_									
change	11	%	108	%	11	%	12	%	8	%	9	%	18	%	3	%	16	%
Less: Acquisitions Organic constant		%	113	%		%	_	%		%		%	9	%		%	8	%
Organic constant																		

⁽a) Firefighter helmets and protective apparel includes the impact of the Globe acquisition, completed on July 31, 2017.

11 %

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. Organic constant currency revenue growth is defined as constant currency revenue growth excluding acquisitions. Management believes that organic constant currency revenue growth is a useful measure for investors to provide an understanding of MSA's standalone results. There can be no assurances that MSA's definition of constant currency revenue growth or organic 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 these non-GAAP financial measures.

12 %

3 %

8 %

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

(5) %

11 %

Americas Segment

currency change

Three Mo	onths End	ed Septeml	her 30	2018

		thing ratus	Firefighter F and Prote Appare	ective	Indus He Prote	ad	Porta Ga Detec	as	Fixed Ga Flam Detect	ne	Fa Prote	-	Co Sa	-	No Co Sal	re	Net S	Sales
GAAP reported sales change Plus: Currency	23	%	20	%	5	%	12	%	4	%	20	%	14	%	(2)	%	12	%
translation effects Constant	1	%		%	4	%	2	%	1	%	2	%	1	%	3	%_	2	%
currency sales change	24	%	20	%	9	%	14	%		%	22	%	15	%	1	%	14	
Less: Acquisitions Organic constant		%	32	%	_	%		%		%		%	2	%	_	<u>%</u>	2	%
currency change	24	%	(12)	%	9	%	14	%	5	%	22	%	13	%	1	%	12	%

		Nine I	Months Ended	September 30, 20	18			
Breathing Apparatus	Firefighter Helmets and Protective Apparel ^(a)	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	%	177	%	9	%	13	%	9 %	16	%	24	%	(5)	%	20	%
Plus: Currency translation effects	1	%	1	%	3	%	1	%	— %	1	%	1	%	2	%	1	%
Constant currency sales change	9	%	178	%	12	%	14	%	9 %	17	%	25	%	(3)	%	21	%
Less: Acquisitions	_	%	183	%	_	%	_	%	— %	_	%	15	%		%	12	%
Organic constant currency change	9	%	(5)	%	12	%	14	%	9 %	17	%	10	%	(3)	%	9	%

(a) Firefighter helmets and protective apparel includes the impact of the Globe acquisition, completed on July 31, 2017.

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. Organic constant currency revenue growth is defined as constant currency revenue growth excluding acquisitions. Management believes that organic constant currency revenue growth is a useful measure for investors to provide an understanding of MSA's standalone results. There can be no assurances that MSA's definition of constant currency revenue growth or organic 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 these non-GAAP financial measures.

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

International Segment

Three Months Ended Septem	nber	30,	2018
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	Brea Appa	_	Firefighter F and Prote Appare	ective	Indus He Prote	ad	Porta Ga Detec	as	Fixed Gas an Flame Detection	F	all ection	Co Sa	-	No Co Sal	re	Net S	Sales
GAAP reported sales change Plus: Currency	19	%	(18)	%	14	%	8	%	7 %	4	. %	9	%	23	%	11	%
translation effects Constant	4	%	1	%	4	%	4	%	2 %	2	2 %	3	%	4	%	3	%
currency sales change Less: Acquisitions	23	%	(17)	%	18	%	12	%	9 %	6	% - %	12	%	27	%	14	%
Organic constant currency change	23	%	(19)	%	18	%	12	%	9 %			11	%	27	%	14	

Nine Months	Endod	Santambar	20 2019
INITIE IVIORILIIS	⊏⊓ueu	September	3U. ZU 10

tective	He	ad	Ga	as	Flame		-			-	Co	re	Net S	Sales
3 %	13	%	13	%	11 %	, 5	3	%	12	%	14	%	12	%
) %	(3)	%	(4)	%	(5) %	, 5	(4)	%	(5)	%	(4)	%	(4)	%
) %	10	%	9	%	6 %	, 5	(1)	%	7	%	10	%	8	%
2 %	_	%		%	— %	, o		%	_	%		%		%
) %	10	%	9	%	6 %	, 5	(1)	%	7	%	10	%	8	%
	2 %	tective Hearel (a) Protes 3 % 13 5) % (3) 8) % 10 2 % —	tective Head Protection 3 % 13 % 6) % (3) % 8) % 10 % 2 % — %	Detective arel(a) Head Protection Gastrel(a) 3 % 13 % 13 5) % (3) % (4) 8) % 10 % 9 2 % — % —	Detective arel(a) Head Protection Gas Detection 3 % 13 % 13 % 6) % (3) % (4) % 8) % 10 % 9 % 2 % — % — %	Detective arel(a) Head Protection Gas Detection Flame Detection 3 % 13 % 13 % 11 % 6) % (3) % (4) % (5) % 8) % 10 % 9 % 6 % 2 % — % — % — %	Detective arel(a) Head Protection Gas Detection Detection Flame Detection 3 % 13 % 13 % 11 % 6) % (3) % (4) % (5) % 8) % 10 % 9 % 6 % 2 % — % — %	Detective arel(a) Head Protection Gas Detection Detection Flame Detection Protection Factorial Protection 3 % 13 % 13 % 11 % 3 6) % (3) % (4) % (5) % (4) 8) % 10 % 9 % 6 % (1) 2 % — % — % — % —	Detective arel(a) Head Protection Gas Detection Flame Detection Fall Protection 3 % 13 % 13 % 11 % 3 % 6) % (3) % (4) % (5) % (4) % 8) % 10 % 9 % 6 % (1) % 2 % - % - % - %	Detective of tree (a) Head of tree (a) Gas of tree (a) Flame of tree (a) Fall of tree (a) Control of tree (a) Protection of tree (a) Detection of tree (a) Protection of tree (a) Sall of tree (a) All of t	Detective arel(a) Head Protection Gas Detection Flame Detection Fall Protection Core Sales 3 % 13 % 13 % 11 % 3 % 12 % 6) % (3) % (4) % (5) % (4) % (5) % 8) % 10 % 9 % 6 % (1) % 7 % 2 % - % - % - % - % - %	Detective arel(a) Head Protection Gas Detection Detection Flame Detection Detection Fall Protection Sales Core Sales </td <td>Otective arel(a) Head Protection Gas Detection Flame Detection Fall Protection Core Sales Core Sales 3 % 13 % 13 % 11 % 3 % 12 % 14 % 6) % (3) % (4) % (5) % (4) % (5) % (4) % 8) % 10 % 9 % 6 % (1) % 7 % 10 % 2 % - % - % - % - % - %</td> <td>Detective arel(a) Head Protection Gas Detection Flame Detection Fall Protection Core Detection Core Sales Net Sales 3 % 13 % 13 % 11 % 3 % 12 % 14 % 12 6) % (3) % (4) % (5) % (4) % (5) % (4) % (4) % (4) % 8) % 10 % 9 % 6 % (1) % 7 % 10 % 8 2 % - % - % - % - % - % - % - %</td>	Otective arel(a) Head Protection Gas Detection Flame Detection Fall Protection Core Sales Core Sales 3 % 13 % 13 % 11 % 3 % 12 % 14 % 6) % (3) % (4) % (5) % (4) % (5) % (4) % 8) % 10 % 9 % 6 % (1) % 7 % 10 % 2 % - % - % - % - % - %	Detective arel(a) Head Protection Gas Detection Flame Detection Fall Protection Core Detection Core Sales Net Sales 3 % 13 % 13 % 11 % 3 % 12 % 14 % 12 6) % (3) % (4) % (5) % (4) % (5) % (4) % (4) % (4) % 8) % 10 % 9 % 6 % (1) % 7 % 10 % 8 2 % - % - % - % - % - % - % - %

⁽a) Firefighter helmets and protective apparel includes the impact of the Globe acquisition, completed on July 31, 2017.

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. Organic constant currency revenue growth is defined as constant currency revenue growth excluding acquisitions. Management believes that organic constant currency revenue growth is a useful measure for investors to provide an understanding of MSA's standalone results. There can be no assurances that MSA's definition of constant currency revenue growth or organic 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 these non-GAAP financial measures.

	Thr	ee Montl	hs Ended S	Septemb	er 30, 2018	
	Consolida	ated	Ameri	cas	Internat	ional
Breathing Apparatus	23	%	24	%	23	%
Fall Protection	15	%	22	%	6	%
Portable Gas Detection	13	%	14	%	12	%
Firefighter Helmets and Protective Apparel(a)	13	%	20	%	(17)	%
Industrial Head Protection	11	%	9	%	18	%
Fixed Gas and Flame Detection	7	%	5	%	9	%
Core Sales	14	%	15	%	12	%
Core excluding Acquisitions	13	%	13	%	11	%
Non-Core Sales	12	%	1	%	27	%
Net Sales	14	%	14	%	14	%
Net Sales excluding Acquisitions	13	%	12	%	14	%
	Nir	ne Month	s Ended S	Septemb	er 30, 2018	
	Consolida	ated	Ameri	cas	Internat	ional
Breathing Apparatus		%	9	%	15	%
Fall Protection	-	%	17	%	(1)	%
Portable Gas Detection	12	%	14	%	9	%
Firefighter Helmets and Protective Apparel(a)		%	178	%	(3)	%
Industrial Head Protection	11	%	12	%	10	%
Fixed Gas and Flame Detection		%	9	%	6	%
Core Sales						
Core Sales	18	%	25	%	7	%
Core excluding Acquisitions		% %	25 10	%	7	%
	9					
Core excluding Acquisitions	9	%	10	%	7	%

⁽a) Firefighter helmets and protective apparel includes the impact of the Globe acquisition, completed on July 31, 2017.

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)

		Months Er ember 30		,	 -	onths End ember 30		-
	 2018		2017	% Change	 2018		2017	% Change
Net income attributable to MSA Safety Incorporated Tax benefit associated with U.S.	\$ 33,717	\$	32,066	5%	\$ 99,267	\$	59,011	68%
Tax Reform Tax benefit associated with	(1,956)		_		(1,956)		_	
European reorganization Tax benefit associated with ASU 2016-09: Improvements to employee share-based payment	_		(2,474)		_		(2,474)	
accounting	(430)		(98)		(2,306)		(6,910)	
Subtotal	31,331		29,494	6%	95,005		49,627	91%
Restructuring charges Currency exchange (gains) losses,	2,615		3,214		10,223		16,920	
net	(252)		562		2,571		3,994	
Loss on extinguishment of debt	1,494		_		1,494		_	
Other operating expense	14,627		3,346		25,469		32,956	
Strategic transaction costs Asset related (gain) losses and	56		386		208		3,365	
other, net	(733)		30		415		274	

Income tax expense on adjustments	(4,024)	(1,598)		(9,645)	(16,367)	
Adjusted earnings	45,114	\$ 35,434	27%	\$ 125,740	\$ 90,769	39%
Adjusted earnings per diluted share	\$ 1.16	\$ 0.92	26%	\$ 3.23	\$ 2.35	37%

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 Free Cash Flow (Unaudited) (In thousands, except percentages)

	Three Mo Septe	onths Er		_	onths Er	
	2018		2017	 2018		2017
Cash flow from operating activities Capital expenditures	\$ 120,815 (9,808)	\$	42,964 (5,603)	\$ 186,197 (18,620)	\$	189,246 (11,730)
Free cash flow	\$ 111,007	\$	37,361	\$ 167,577	\$	177,516
Net income attributable to MSA Safety Incorporated	\$ 33,717	\$	32,066	\$ 99,267	\$	59,011
Free cash flow conversion	329%		117%	169%		301%

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.

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 2017 revenues of \$1.2 billion, MSA employs approximately 4,700 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.MSAsafety.com.

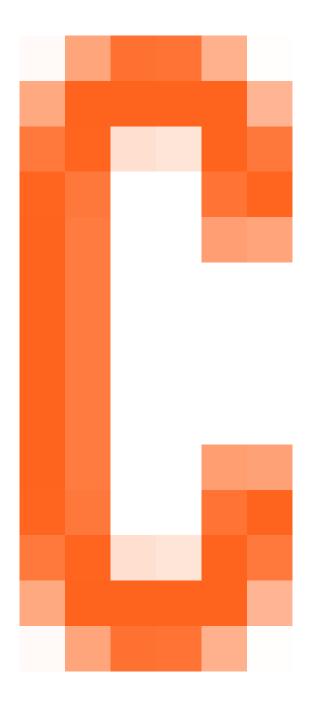
Cautionary Statement Regarding Forward-Looking Statements:

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, 2018. 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 http://investors.MSAsafety.com. MSA undertakes no duty to publicly update any forward looking statements contained herein, except as required by law.

Non-GAAP Financial Measures:

This earnings release includes certain non-GAAP financial measures. These financial measures include constant currency revenue growth, organic

constant currency revenue growth, adjusted operating income, adjusted operating margin, adjusted earnings, adjusted earnings per diluted share and free cash flow. 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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