MSA Announces Fourth Quarter and Full Year 2018 Results

Record revenue driven by strong growth in fire service and industrial products; MSA delivers double-digit revenue, earnings and operating cash flow growth for the full year of 2018

PITTSBURGH, Feb. 20, 2019 /PRNewswire/ -- Global safety equipment manufacturer MSA Safety Incorporated (NYSE: MSA) today reported results for the fourth quarter and full year of 2018.

Quarterly Highlights

- Revenue was \$362 million, increasing 5 percent from a year ago on a reported basis and 7 percent on an organic constant currency basis.
- GAAP earnings were \$25 million or \$0.64 per diluted share, compared to a GAAP loss of \$33 million or \$0.87 per diluted share in the same period a year ago. Adjusted earnings were \$50 million or \$1.27 per diluted share, compared to \$51 million or \$1.31 per diluted share in the same period a year ago.
- Operating cash flow was \$81 million compared to \$41 million a year ago. Free cash flow increased 114 percent from a year ago to \$62 million. Free cash flow conversion exceeded 100 percent of net income, driven by strong management of working capital.

Annual Highlights

- Revenue was \$1.36 billion, increasing 13 percent from a year ago on a reported basis and 8 percent on an organic constant currency basis.
- GAAP earnings were \$124 million or \$3.18 per diluted share, compared to \$26 million or \$0.67 per diluted share in the same period a year ago. Adjusted earnings increased 24 percent to \$175 million or \$4.50 per diluted share, compared to \$141 million or \$3.65 per diluted share in the same period a year ago. Strong organic revenue growth, the acquisition of Globe, a streamlined cost structure, and a lower effective tax rate were the key drivers of earnings growth in 2018.
- Operating cash flow was \$267 million compared to \$230 million a year ago. Free cash flow increased 11 percent from a year ago to \$230 million.
 Free cash flow conversion exceeded 100 percent of net income, driven by a 220 basis point improvement from a year ago in working capital as a percent of sales.
- In 2018, the company invested more than \$50 million in research and development, reduced its debt balance by \$108 million, and returned \$57 million to shareholders through dividend payments.

Comments from Management

"In the fourth quarter MSA delivered record revenue and drove meaningful improvements in working capital, which resulted in free cash flow that more than doubled from a year ago," said Nish Vartanian, MSA President and CEO. He added that MSA's backlog remained elevated at the end of 2018, despite the notable uptick in quarterly invoicing.

The company realized strong growth across its core product portfolio, supported by investments in new product development. "It was certainly exciting to see continued growth in our fire service business, led by deliveries of our market-leading G1 SCBA to large fire departments in the U.S., Latin America, and Asia-Pacific," Mr. Vartanian continued. "On the industrial side of our business, we realized double-digit growth in our personal protective equipment product lines, where we've invested heavily to develop what we believe are the most comfortable and customizable hard hat and fall protection solutions available today."

"Our global teams remain committed to executing the profitable growth strategy that has helped us drive outstanding financial performance over the past several years," he said. Demonstrating these improvements, MSA posted full year revenue growth of 13 percent, adjusted earnings growth of 24 percent, and free cash flow conversion well in excess of 100 percent of net income in 2018. "As we enter 2019 - our 105th year in business - our strong balance sheet and healthy incremental margin profile position us well to build on this success and continue creating value for shareholders," Mr. Vartanian concluded.

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

		onths Ended mber 31,		onths Ended mber 31,
	2018	2017	2018	2017
Net sales	\$ 361,784	\$ 346,140	\$ 1,358,104	\$ 1,196,809
Cost of products sold	199,397	192,138	746,241	657,918
Gross profit	162,387	154,002	611,863	538,891
Selling, general and administrative Research and development Restructuring charges Currency exchange (gains) losses, net Other operating expense Operating income (loss)	84,558	76,321	324,784	300,062
	12,944	14,779	52,696	50,061
	3,024	712	13,247	17,632
	(241)	1,133	2,330	5,127
	19,858	93,476	45,327	126,432
	42,244	(32,419)	173,479	39,577
Interest expense	4,427	4,794 — (1,152)	18,881	15,360
Loss on extinguishment of debt	—		1,494	—
Other income, net	(939)		(9,231)	(5,558)

Total other expense, net		3,488		3,642	-	11,144		9,802
Income (loss) before income taxes Provision (benefit) for income taxes Net income (loss) Net income attributable to noncontrolling interests		38,756 13,614 25,142 (259)		(36,061) (3,487) (32,574) (410)		162,335 37,220 125,115 (965)		29,775 2,819 26,956 (929)
Net income (loss) attributable to MSA Safety Incorporated		24,883		(32,984)		124,150		26,027
Earnings per share attributable to MSA Safety Incorporated common shareholders:								
Basic Diluted	\$ \$	0.65 0.64	\$ \$	(0.87) (0.87)	\$ \$	3.23 3.18	\$ \$	0.68 0.67
Basic shares outstanding Diluted shares outstanding		38,465 39,104		38,079 38,079		38,362 38,961		37,997 38,697

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

	Dece	ember 31, 2018	Dece	ember 31, 2017
Assets Cash and cash equivalents Trade receivables, net Inventories Investments, short-term Notes receivable, insurance companies Other current assets Total current assets	\$	140,095 245,032 156,602 55,106 3,555 56,233 656,623	\$	134,244 244,198 153,739 — 17,333 72,783 622,297
Property, net Prepaid pension cost Goodwill Notes receivable, insurance companies, noncurrent Insurance receivable, noncurrent Other noncurrent assets Total assets	\$	157,940 57,568 413,640 56,012 56,866 209,363 1,608,012	\$	157,014 83,060 422,185 59,567 123,089 217,614 1,684,826
Liabilities and shareholders' equity Notes payable and current portion of long-term debt, net Accounts payable Other current liabilities Total current liabilities	\$	20,063 78,367 183,630 282,060	\$	26,680 87,061 175,538 289,279
Long-term debt, net Pensions and other employee benefits Deferred tax liabilities Other noncurrent liabilities Total shareholders' equity		341,311 166,101 7,164 171,857 639,519		447,832 170,773 9,341 165,023 602,578
Total liabilities and shareholders' equity	\$	1,608,012	\$	1,684,826

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

		onths Ended ember 31,		nths Ended nber 31,
	2018	2017	2018	2017
Net income (loss) Depreciation and amortization Change in working capital and other operating Cash flow from operating activities	\$ 25,142	\$ (32,574)	\$ 125,115	\$ 26,956
	9,267	10,212	37,852	37,877
	46,208	63,452	103,847	165,503
	80,617	41,090	266,814	230,336
Capital expenditures Acquisition, net of cash acquired Change in short-term investments Property disposals and other investing Cash flow used in investing activities	(18,267)	(11,995)	(36,887)	(23,725)
	—	(2,318)	—	(216,308)
	2,068	—	(55,022)	—
	586	103	4,587	832
	(15,613)	(14,210)	(87,322)	(239,201)

(26,941)	1,346	(107,616)	77,246
(14,643)	(13,337)	(57,248)	(52,537)
· -	· · · · ·		(11,781)
2,170	5,466	1,595	12,675
(39,414)	(6,525)	(163,269)	25,603
(3,556)	4,567	(13,508)	6,189
22,034	24,922	2,715	22,927
	(14,643) — 2,170 (39,414) (3,556)	(14,643) (13,337) 2,170 5,466 (39,414) (6,525) (3,556) 4,567	(14,643) (13,337) (57,248) 2,170 5,466 1,595 (39,414) (6,525) (163,269) (3,556) 4,567 (13,508)

MSA Safety Incorporated Segment Information (Unaudited) (In thousands)

	 Americas		International	Corporate	Consolidated
Three Months Ended December 31, 2018 Sales to external customers Operating income Operating margin % Restructuring and other charges Currency exchange (gains), net Other operating expense Strategic transaction costs	\$ 220,475	\$	141,309	-	\$ 361,784 42,244 11.7% 3,024 (241) 19,858 213
Adjusted operating income (loss) Adjusted operating margin %	55,383 25.1%		17,906 12.7%	(8,191)	\$ 65,098 18.0%
Twelve Months Ended December 31, 2018 Sales to external customers Operating income Operating margin % Restructuring and other charges Currency exchange losses, net Other operating expense	\$ 854,287	\$	503,817	_	\$ 1,358,104 173,479 12.8% 13,247 2,330 45,327
Strategic transaction costs Adjusted operating income (loss) Adjusted operating margin %	206,839 24.2%		59,866 11.9%	(31,901)	\$ 421 234,804 17.3%
	 Americas	<u> </u>	International	Corporate	 Consolidated
Three Months Ended December 31, 2017 Sales to external customers Operating loss Operating margin % Restructuring charges Currency exchange losses, net Other operating expense Strategic transaction costs	\$ 208,421	\$	137,719	_	\$ 346,140 (32,419) (9.4)% 712 1,133 93,476 860
Adjusted operating income (loss) Adjusted operating margin %	50,502 24.2%		20,245 14.7%	(6,985)	\$ 63,762 18.4%
Twelve Months Ended December 31, 2017					
Sales to external customers Operating income Operating margin % Restructuring charges Currency exchange losses, net Other operating expense Strategic transaction costs	\$ 736,847	\$	459,962	_	\$ 1,196,809 39,577 3.3% 17,632 5,127 126,432 4,225
Adjusted operating income (loss) Adjusted operating margin %	175,589 23.8%		50,391 11.0%	(32,987)	\$ 192,993 16.1%

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.

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)

Consolidated

Three Months Ended December 31, 2018

						,			
		Firefighter Helmets							
	Breathing	and Protective	Industrial Head	Portable Gas	Fixed Gas and Flame	Fall	Core	Non- Core	
	U	Apparel ^(b)							Not Colos
	Apparatus		Protection	Detection	Detection	Protection	Sales	Sales	Net Sales
GAAP reported sales change	9 %	(1)%	10 %	2 %	(4)%	11 %	4 %	10 %	5 %
Plus: Currency translation effects	2 %	1 %	3 %	2 %	3 %	4 %	2 %	4 %	2 %
Constant currency sales change	11 %	— %	13 %	4 %	(1)%	15 %	6 %	14 %	7 %
Less: Acquisitions	— %	— %	— %	— %	— %	— %	— %	— %	— %
Organic constant currency change	11 %	— %	13 %	4 %	(1)%	15 %	6 %	14 %	7 %
			Tw	elve Months	Ended Decen	nber 31, 2018	3		
		Firefighter							
		Helmets and	Industrial	Portable	Fixed Gas			Non-	
	Breathing	Protective	Head	Gas	and Flame	Fall	Core	Core	
	Apparatus	Apparel ^(b)	Protection	Detection	Detection	Protection	Sales	Sales	Net Sales
GAAP reported sales change	11 %	64 %	10 %	10 %	6 %	11 %	15 %	5 %	13 %
Plus: Currency translation effects	— %	— %	2 %	— %	(1)%	(1)%	— %	— %	— %
Constant currency sales change	11 %	64 %	12 %	10 %	5 %	10 %	15 %	5 %	13 %
Less: Acquisitions	— %	69 %	— %	— %	— %	— %	7 %	— %	5 %

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

12 %

(5)%

Management believes that constant currency revenue growth is a useful metric for investors, as foreign currency translation can have a material impact on revenue growth trends. Constant currency revenue growth highlights ongoing business performance excluding the impact of fluctuating foreign currencies, which is outside of management's control. 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.

%

10

%

10 %

8 %

5

5

%

%

8

MSA Safety Incorporated

Organic constant currency

change

Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures

%

11

Constant currency revenue growth (Unaudited)

Organic constant currency revenue growth (Unaudited)

Americas Segment

	Three Months Ended December 31, 2018																
	_	Helmo and Protec	ets I tive	He	ad	G	as	and Fla	ame	-			-	Cor	е	Net	Sales
5	%	4	%	6	%	7	%	13	%	2	%	6	%	_	%	6	%
1	%	_	%	3	%	1	%	(1)%		3	%	1	%	3	%	1	%
6	%	4	%	9	%	8	%	12	%	5	%	7	%	3	%	7	%
_	%		%		%		%		%	_	%	_	%		%		%
6	%	4	%	9	%	8	%	12	%	5	%	7	%	3	%	7	%
	Appa 5 1 6	1 % 6 % — %	Breathing Apparatus Apparatus 5 % 4 1 % — 6 % 4 — %	Apparatus Apparel ^(b) 5 % 4 % 1 % % 6 % 4 % %	Helmets and Indus Helmets H	Firefighter Helmets and Industrial Head Protective Apparatus Apparel(b) 6 % 4 % 6 % 6 % 4 % 9 % 6 % 4 % 9 % 6 % 6 % 7 %	Firefighter Helmets and Industrial Ports	Firefighter Helmets and Industrial Portable	Firefighter Helmets and Industrial Portable Fixed	Firefighter Helmets and Protective Apparatus 5 % 4 % 6 % 7 % 13 % 1 % - % - % - % - % - % - % - % - % - % - % - % - % - % - %	Firefighter Helmets and Industrial Portable Fixed Gas Apparatus Apparatus	Firefighter Helmets and Industrial Portable Fixed Gas and Flame Fall Portable Protection Detection Protection Protection Detection Protection Protection	Firefighter Helmets and Industrial Portable Fixed Gas Apparatus Apparatus	Firefighter Helmets and Industrial Portable Fixed Gas and Flame Fall Core	Firefighter Helmets and Industrial Portable Fixed Gas Apparatus Apparatus	Firefighter Helmets and Industrial Portable Fixed Gas and Flame Fall Core Core Apparatus Apparel(b) Protection Detection Detection Detection Protection Sales Sa	Firefighter Helmets and Industrial Portable Fixed Gas and Flame Fall Core Core

							VVCIVC	IVIOTILI	is Liluci		CITIDCI	01, 2	010					
	D	Ala la a	Firefigi Helm and Proted	ets d	Indus		Port		Fixed		F-		0-		Nor			
		thing ratus	Appar		He Prote	ad ection	Ga Dete		and Fla		Fa Prote		Co Sal	-	Cor Sale	-	Net S	Sales
GAAP reported sales change	8	%	96	%	8	%	11	%	10	%	13	%	19	%	(3)%		16	%
Plus: Currency translation effects	_	%	1	%	3	%	1	%	_	%	_	%	1	%	2	%	1	%
Constant currency sales change	8	%	97	%	11	%	12	%	10	%	13	%	20	%	(1)%		17	%
Less: Acquisitions	_	%	99	%		%	_	%	_	%		%	10	%		%	9	%
Organic constant currency change	8	%	(2)%		11	%	12	%	10	%	13	%	10	%	_	%	8	%

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 Mont	hs Ended De	cember 31, 2	018		
			Firefigh Helme									
	Breath Appar	-	and Protecti Appare		Indu: He Prote	ad	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non- Core Sales	Net Sales
GAAP reported sales change	15	%	(15)%		24	%	(6)%	(16)%	23 %	— %	21 %	3 %
Plus: Currency translation effects	4	%	` ´3	%	5	%	4 %	4 %	6 %	4 %	5 %	4 %
Constant currency sales change	19	%	(12)%		29	%	(2)%	(12)%	29 %	4 %	26 %	7 %
Less: Acquisitions		%	_	%	_	%	— %	— %	— %	— %	— %	— %
Organic constant currency change	19	%	(12)%		29	%	(2)%	(12)%	29 %	4 %	26 %	7 %

			-	Twelve Mont	ths Ended De	ecember 31,	2018		
	Breathing Apparatus	Firefighter Helmets and Protective Apparel ^(b)	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non- Core Sales	Net Sales
GAAP reported sales change	18 %	(2)%	15 %	8 %	2 %	8 %	8 %	16 %	10 %
Plus: Currency translation effects	(2)%	(4)%	— %	(2)%	(2)%	(1)%	(2)%	(2)%	(2)%
Constant currency sales change	16 %	(6)%	15 %	6 %	— %	7 %	6 %	14 %	8 %
Less: Acquisitions	— %	1 %	— %	— %	— %	— %	— %	— %	1 %
Organic constant currency change	16 %	(7)%	15 %	6 %	- %	7 %	6 %	14 %	7 %

(b) 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

Supplemental Segment Information (Unaudited)

Summary of constant currency revenue growth by segment and product group

	٦	Three Mon	ths Ended	Decemb	er 31, 2018				
	Consol	idated	Amer	ricas	Internationa				
Fall Protection	15	%	5	%	29	%			
Industrial Head Protection	13	%	9	%	29	%			
Breathing Apparatus	11	%	6	%	19	%			
Portable Gas Detection	4	%	8	%	(2)	%			
Firefighter Helmets and Protective Apparel ^(b)	_	%	4	%	(12)	%			
Fixed Gas and Flame Detection	(1)	%	12	%	(12)	%			
Core Sales	6	%	7	%	4	%			
Core excluding Acquisitions	6	%	7	%	4	%			
Non-Core Sales	14	%	3	%	26	%			
Net Sales	7	%	7	%	7	%			
Net Sales excluding Acquisitions	7	%	7	%	7	%			
	Twelve Months Ended December 31, 2018								
	Consol	idated	Amer	ricas	Internat	tional			

Fall Protection	10 %	13	%	7	%
Industrial Head Protection	12 %	11	%	15	%
Breathing Apparatus	11 %	8	%	16	%
Portable Gas Detection	10 %	12	%	6	%
Firefighter Helmets and Protective Apparel(b)	64 %	97	%	(6)	%
Fixed Gas and Flame Detection	5 %	10	%	_	%
Core Sales	15 %	20	%	6	%
Core excluding Acquisitions	8 %	10	%	6	%
Non-Core Sales	5 %	(1)	%	14	%
Net Sales	13 %	17	%	8	%
Net Sales excluding Acquisitions	8 %	8	%	7	%

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

	Three Months Ended December 31,					Twelve Months Ended December 31,				
		2018		2017	% Change	2018		2017		% Change
Cash flow from operating activities Capital expenditures	\$	80,617 (18,267)	\$	41,090 (11,995)	96%	\$	266,814 (36,887)	\$	230,336 (23,725)	16%
Free cash flow	\$	62,350	- \$	29,095	- 114%	\$	229,927	- \$	206,611	- 11%
Net income (loss) attributable to MSA Safety Incorporated		24,883		(32,984)	_		124,150	_	26,027	_
Free cash flow conversion		251%		(88)%			185%		794%	

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.

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 En	ded December 31,	•	Twelve Months En			
	2018 2017		% Change	2018	2017	% Change	
Net income (loss) attributable to MSA Safety Incorporated Tax charges associated with	24,883	(32,984)	(175)%	124,150	26,027	377%	
U.S. Tax Reform Tax (benefit) associated with ASU 2016-09: Improvements	4,475	19,817		2,518	19,817		
to employee share-based payment accounting Tax charges (benefits) associated with restructuring	(225)	(1,413)		(2,531)	(8,323)		
activities	1,794	(30)		1,794	(2,504)		
Subtotal	30,927	(14,610)	(312)%	125,931	35,017	260%	
Other operating expense Restructuring charges Strategic Transaction Costs Asset related losses and	19,858 3,024 213	93,476 712 860		45,327 13,247 421	126,432 17,632 4,225		
other, net	68	492		1,978	678		

Currency exchange (gains)						
losses, net	(241)	1,133		2,330	5,127	
Income tax expense on						
adjustments	(4,155)	(31,443)		(13,800)	(47,810)	
Adjusted earnings	\$ 49,694	\$ 50,620	(2)%	\$ 175,434	\$ 141,301	24%
			_			_
Adjusted earnings per diluted			(3)%			
share	\$ 1.27	\$ 1.31	(3) /0	\$ 4.50	\$ 3.65	23%

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.

About MSA:

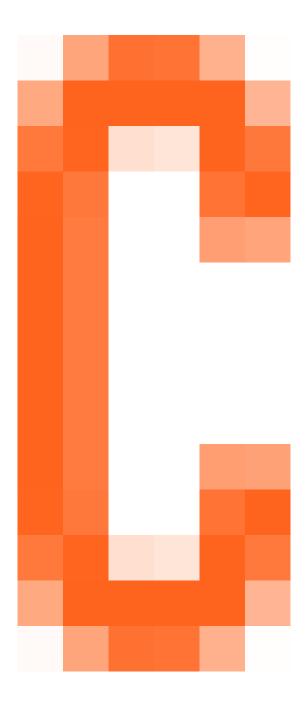
Established in 1914, MSA Safety Incorporated is the global leader in the development, manufacture and supply of safety products that protect people and facility infrastructures. Many MSA products integrate a combination of electronics, mechanical systems and advanced materials to protect users against 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 2018 revenues of \$1.4 billion, MSA employs approximately 4,800 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 press 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.



View original content to download multimedia: http://www.prnewswire.com/news-releases/msa-announces-fourth-quarter-and-full-year-2018-results-300799287.html

SOURCE MSA

For further information: Media Relations Contact: Mark Deasy (724) 741 - 8570, Investor Relations Contact: Elyse Lorenzato (724) 741 - 8525

https://news.msasafety.com/2019-02-20-MSA-Announces-Fourth-Quarter-and-Full-Year-2018-Results,1