# MSA Safety Announces Fourth Quarter and Full Year 2020 Results

Record quarterly revenue driven by strong performance in fire service business

PITTSBURGH, Feb. 18, 2021 /PRNewswire/ -- Global safety equipment manufacturer MSA Safety Incorporated (NYSE: MSA) today reported results for the fourth quarter and full year of 2020.

### **Quarterly Highlights**

- Revenue was \$388 million, increasing 3 percent from a year ago on a reported basis and 2 percent on a constant currency basis.
- GAAP operating income was \$19 million or 4.8 percent of sales, compared to\$40 million or 10.7 percent of sales in the same period a year ago. Adjusted operating income was \$67 million or 17.3 percent of sales, compared to\$65 million or 17.3 percent of sales in the same period a year ago.
- GAAP earnings were \$12 million or \$0.31 per diluted share, compared to \$31 million or \$0.79 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 \$1.29 per diluted share in the same period a year ago.
- GAAP operating income and earnings includes a pre-tax charge of\$34 million associated primarily with an increase to the
  company's cumulative trauma product liability reserve, compared to a pre-tax charge of \$18 million in the same period a year
  ago.
- Operating cash flow was \$96 million, increasing 26% from a year ago. The company realized a 320 basis point improvement in working capital from the third quarter of 2020.

### Annual Highlights

- Revenue was \$1.35 billion, decreasing 4 percent from a year ago on a reported basis or 3 percent on a constant currency basis.
- GAAP operating income was \$167 million or 12.4 percent of sales, compared to \$186 million or 13.3 percent of sales in the same period a year ago. Adjusted operating income was \$243 million or 18.0 percent of sales, compared to \$251 million or 17.9 percent of sales in the same period a year ago.
- GAAP earnings were \$120 million or \$3.05 per diluted share, compared to \$136 million or \$3.48 per diluted share in the same period a year ago. Adjusted earnings were \$177 million or \$4.50 per diluted share, compared to \$188 million or \$4.80 per diluted share in the same period a year ago.
- GAAP operating income and earnings includes a pre-tax charge of\$39 million associated primarily with an increase to the
  company's cumulative trauma product liability reserve, compared to a pre-tax charge of \$27 million in the same period a year
  ago.
- Operating cash flow was \$207 million, increasing 25% from a year ago. The company continues to execute a balanced capital
  allocation strategy focused on growing its business and returning value to shareholders. For the year, MSA invested \$49 million
  in capital expenditures, paid down \$44 million of debt, funded \$67 million of dividends to shareholders, and deployed \$20
  million for share repurchases.

#### Comments from Management

"Our organization finished out a challenging year with strong fourth quarter performance that resulted in record revenue for the quarter, double-digit growth in cash flow, and a healthy backlog to enter 2021," commented Nish Vartanian, MSA Chairman, President and CEO. "Along with protecting the health and safety of our 5,000 associates, we remained focused on three key deliverables throughout the year: developing the most advanced safety technologies for our global customer base; driving operational excellence programs to improve our business model; and using our strong balance sheet to make investments that enhance our leadership positions in key markets," he said. Mr. Vartanian added that MSA's full year adjusted operating margin improved 10 basis points to 18 percent of sales, despite the 3 percent revenue decline associated with the pandemic and recession. "Overall, our diverse product portfolio and focus on continuous improvement drove strong performance in a challenging environment."

MSA's quarterly results include 10 percent revenue growth in firefighter safety products, a defensive market segment that has performed well through a broad range of economic conditions. "From our break-through G1 and M1 breathing apparatus platforms, to the recent acquisition of UK turnout gear leader Bristol Uniforms, to the upcoming launch of MSA's cloud-based Connected Firefighter platform and LUNAR system – which will create a new standard for firefighter accountability – we've made significant investments to help protect firefighters from head to toe with the most progressive technologies being developed today," Mr. Vartanian explained. MSA completed the Bristol Uniforms acquisition in January 2021. The transaction, valued at approximately \$60 million, expands MSA's addressable market in the International fire service business.

In addition to the recent acquisition, Mr. Vartanian noted that profitability improvements in MSA's International segment were an ongoing highlight for the company in 2020. Adjusted operating margin in the segment expanded by 320 basis points in the fourth quarter and 270 basis points for the year. "Our restructuring investments and continuous improvement culture continue to yield strong returns across our International business," he said.

"Protecting the health and safety of workers around the world has never been more important or more relevant than it is today, and

our team remains committed to advancing our mission," Mr. Vartanian said. "Our new product development pipeline, our focus on continuous improvement, and our strong balance sheet position us to continue to deliver value for our customers, employees, and shareholders in 2021 and beyond," Mr. Vartanian concluded.

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

		Three Mo Dece	onths E mber 3				Months Ended ember 31,			
		2020		2019		2020		2019		
Net sales Cost of products sold	\$	388,248 228,976 159,272	\$	375,255 208,410 166,845	\$	1,348,223 757,775 590,448	\$	1,401,981 765,369 636,612		
Gross profit		159,272		100,845		590,448		636,612		
Selling, general and administrative Research and development		76,268 16,545		85,165 16,366		290,334 58,268		330,502 57,848		
Restructuring charges		8,906		2,643		27,381		13,846		
Currency exchange losses, net <sup>(a)</sup> Product liability and other operating expense Operating income		4,757 34,158 18,638		2,476 20,217 39,978		8,578 39,036 166,851		19,814 28,372 186,230		
Operating moone		10,000		00,070		100,001		100,200		
Interest expense Other income, net		1,525 (1,308)		2,500 (2,244)		9,432 (5,684)		13,589 (11,094)		
Total other expense, net		217		256		3,748		2,495		
Income before income taxes Provision for income taxes Net income Net income attributable to noncontrolling interests		18,421 5,690 12,731 (393)		39,722 8,173 31,549 (387)		163,103 41,941 121,162 (1,061)	- <u></u>	183,735 46,086 137,649 (1,209)		
Net income attributable to MSA Safety Incorporated	\$	12,338	\$	31,162	\$	120,101	\$	136,440		
Earnings per share attributable to MSA Safety Incorporated common shareholders: Basic Diluted	\$ \$	0.32 0.31	\$ \$	0.80 0.79	\$ \$	3.09 3.05	\$ \$	3.52 3.48		
Basic shares outstanding Diluted shares outstanding		38,981 39,335		38,762 39,366		38,885 39,286		38,653 39,189		

<sup>(</sup>a) Currency exchange losses for the twelve months ended December 31, 2019 includes a \$15.4 million non-cash charge related to the recognition of currency translation adjustments associated with the closure of MSA's South Africa affiliates.

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

	 ecember 31, 2020	December 31, 2019			
Assets					
Cash and cash equivalents	\$ 160,672	\$	152,195		
Trade receivables, net	252,283		255,082		
Inventories	197,819		185,027		
Notes receivable, insurance companies	3,796		3,676		
Other current assets	141,859		97,383		
Total current assets	756,429		693,363		
Property, net	189,620		167,038		
Prepaid pension cost	97,545		75,066		
Operating lease assets, net	53,451		51,675		
Goodwill	443,272		436,679		
Notes receivable, insurance companies, noncurrent	48,540		52,336		

Insurance receivable, noncurrent Other noncurrent assets Total assets	\$ 82,926 200,701 1,872,484	  56,169 207,367 \$ 1,739,693
Liabilities and shareholders' equity Notes payable and current portion of long-term debt, net Accounts payable Other current liabilities	\$ 20,000 86,854 203,691	 \$ 20,000 89,120 168,389
Total current liabilities  Long-term debt, net	310,545 287,157	277,509 328,394
Pensions and other employee benefits	208,068	186,697
Noncurrent operating lease liabilities	44,639	42,632
Deferred tax liabilities	10,916	9,787
Product liability and other noncurrent liabilities	201,268	162,101
Total shareholders' equity	809,891	 732,573
Total liabilities and shareholders' equity	\$ 1,872,484	 \$ 1,739,693

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

		nths Ended nber 31,	Decer	onths Ended mber 31,
	2020	2019	2020	2019
Net income	\$ 12,731	\$ 31,549	\$ 121,162	\$ 137,649
Depreciation and amortization	10,390	9,681	39,674	38,020
Product liability expense	34,158	18,464	39,036	26,619
Change in working capital and other operating	39,121	17,018	6,683	(37,326)
Cash flow from operating activities	96,400	76,712	206,555	164,962
Capital expenditures	(16,207)	(13,081)	(48,905)	(36,604)
Acquisition, net of cash acquired	_	_	_	(33,196)
Change in short-term investments	(4,981)	22,614	(24,318)	5,425
Property disposals	120	95	454	218
Cash flow (used in) from investing activities	(21,068)	9,628	(72,769)	(64,157)
Change in debt	(39,000)	(29,502)	(44,000)	(16,565)
Cash dividends paid	(16,767)	(16,308)	(66,578)	(63,523)
Other financing	5,381	2,019	(15,951)	(4,536)
Cash flow used in financing activities	(50,386)	(43,791)	(126,529)	(84,624)
Effect of exchange rate changes on cash,				
cash equivalents and restricted cash	2,902	1,136	1,234	(4,242)
Increase in cash, cash equivalents and restricted cash	\$ 27,848	\$ 43,685	\$ 8,491	\$ 11,939

MSA Safety Incorporated Segment Information (Unaudited) (In thousands, except percentage amounts)

	Americas			nternational	Cor	porate	Consolidated			
Three Months Ended December 31, 2020										
Sales to external customers	\$	244,518	\$	143,730	\$	_	\$	388,248		
Operating income								18,638		
Operating margin %								4.8	%	
Restructuring charges								8,906		
Currency exchange losses, net								4,757		
Product liability expense								34,158		

Strategic transaction costs Adjusted operating income (loss) Adjusted operating margin % Depreciation and amortization Adjusted EBITDA	50,828 20.8 57,955	%	25,145 17.5 28,310	%	(8,999) (8,901)	515 66,974 17.3 10,390 77,364	%
Adjusted EBITDA %	23.7	%	19.7	%		19.9	%
Three Months Ended December 31, 2019							
Sales to external customers Operating income Operating margin % Restructuring charges	\$ 235,419		\$ 139,836		\$ —	\$ 375,255 39,978 10.7 2.643	%
Currency exchange losses, net						2,476	
Product liability expense						18,464	
Strategic transaction costs						1,463	
Adjusted operating income (loss)	55,133		20,022		(10,131)	65,024	
Adjusted operating margin %	23.4	%	14.3	%		17.3	%
Depreciation and amortization						9,681	
Adjusted EBITDA	61,203		23,535		(10,033)	74,705	
Adjusted EBITDA %	26.0	%	16.8	%		19.9	%

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 and strategic transaction costs, and 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 Segment Information (Unaudited) (In thousands, except percentage amounts)

	Americas				Internation	al	Co	rporate	Consolidated				
Twelve Months Ended December 31, 2020 Sales to external customers	\$	874,305		\$	473,918		\$	_	\$ 1,348,223				
Operating income Operating margin % Restructuring charges Currency exchange losses, net Product liability expense Strategic transaction costs COVID-19 related costs									166,851 12.4 27,381 8,578 39,036 717 757	%			
Adjusted operating income (loss) Adjusted operating margin %		200,536 22.9	%		70,864 15.0	%	(28,	080)	243,320 18.0	%			
Depreciation and amortization Adjusted EBITDA Adjusted EBITDA %		227,298 26.0	%		83,385 17.6	%	(27,	689)	39,674 282,994 21.0	%			
Twelve Months Ended December 31, 2019 Sales to external customers Operating income Operating margin %	\$	915,118		\$	486,863		\$	_	\$ 1,401,981 186,230 13.3	%			

Restructuring charges						13.846	
Currency exchange losses, net						19,814	
Product liability expense						26,619	
Strategic transaction costs						4,400	
Adjusted operating income (loss)	226,596		59,910		(35,597)	250,909	
Adjusted operating margin %	24.8	%	12.3	%		17.9	%
Depreciation and amortization						38,020	
Adjusted EBITDA	251,287		72,848		(35,206)	288,929	
Adjusted FRITDA %	27.5	%	15.0	%		20.6	%

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, strategic transaction costs and COVID-19 related costs, and adjusted operating margin is defined as adjusted operating income (loss) plus depreciation and amortization and adjusted EBITDA margin is defined as adjusted operating income (loss) plus depreciation and amortization and adjusted EBITDA 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 Constant currency revenue growth (Unaudited)

#### Consolidated

I hree M	ionths Ended	December	31, 2020
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GAAP reported	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
sales change	20 %	(5) %	(7) %	(4) %	(5) %	— %	3 %	10 %	3 %
Plus: Currency translation effects	(2) %	(2) %	2 %	— %	(2) %	(1) %	(1) %	(1) %	(1) %
Constant currency sales change	18 %	(7) %	(5) %	(4) %	(7) %	(1) %	2 %	9 %	2 %

### Twelve Months Ended December 31, 2020

	Breathir Apparat	g P	irefig Helm and Proted Appa	iets d ctive	Indus Hea Proted	ad	Porta Ga Detec	S	Fixed and F Detec	lame	Fa Proted		Co Sal	-	Non- Sal		Net S	Sales
GAAP reported sales change Plus: Currency translation effects	4 %		(9)	%	(13)	%	(16)	%	(2)	%	(18)	%	(6)	%	15 1	%	(4) 1	%
Constant currency sales change	4 %		(9)	%	(10)	%	(15)	%	(2)	%	(17)	%	(6)	%	16	%	(3)	%

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

Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures Constant currency revenue growth (Unaudited)

Eirofightor

### Americas Segment

Three Months Ended December 31, 2020	

	Breathing Apparatus		Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change Plus: Currency	22 %	(3) %	(11) %	(12) %	(7) %	(14) %	1 %	38 %	4 %
translation effects Constant currency sales	%	— %	5 %	1 %	1 %	2 %	1 %	3 %	1 %
change	22 %	(3) %	(6) %	(11) %	(6) %	(12) %	2 %	41 %	5 %

#### Twelve Months Ended December 31,2020

	Brea Appa	thing ratus	Firefi Heln ar Prote App	nets id ctive	Indus Hea Proted	ıd	Porta Ga Detec	S	Fixed and F Detec	lame	Fa Proted		Co Sal	-	Non- Sa		Net S	Sales
GAAP reported	4	0/	(0)	0/	(40)	0/	(01)	0/	(4)	0/	(00)	0/	(0)	0/	05	0/	(4)	0/
sales change Plus: Currency	4	%	(6)	%	(18)	%	(21)	%	(1)	%	(26)	%	(8)	%	25	%	(4)	%
translation effects	1	%	_	%	4	%	2	%	1	%	3	%	2	%	4	%	1	%
Constant currency sales change	5	%	(6)	%	(14)	%	(19)	%	_	%	(23)	%	(6)	%	29	%	(3)	%

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

Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures Constant currency revenue growth (Unaudited)

### International Segment

Three Months Ended December 31, 2020

		Firefighter				,			
0445	Breathing Apparatus	Helmets and Protective	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	16 %	(12) %	4 %	12 %	(2) %	22 %	6 %	(13) %	3 %
Plus: Currency translation effects Constant	(7) %	(5) %	(5) %	(4) %	(5) %	(4) %	(5) %	(6) %	(5) %
currency sales change	9 %	(17) %	(1) %	8 %	(7) %	18 %	1 %	(19) %	(2) %

Twelve Months Ended December 31, 2020

	Breat Appa	0	Firefig Helm and Proted Appa	ets d ctive	Indus He Prote	ad	Porta Ga Dete	as	Fixed and F Dete	lame	Fa Prote		Co Sal	-	Non-C Sale		Net S	Sales
GAAP reported																		
sales change	3	%	(21)	%	3	%	(6)	%	(3)	%	(6)	%	(3)	%	1	%	(3)	%
Plus: Currency	(4)	-,	(4)	.,			(4)	- /	(0)			- /			(4)	.,	(4)	
translation effects	(1)	%	(1)	%		%	(1)	%	(2)	%		%	(1)	%	(1)	%	(1)	%
Constant currency sales change	2	%	(22)	%	3	%	(7)	%	(5)	%	(6)	%	(4)	%		%	(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

Net Sales

Supplemental Segment Information (Unaudited)

Summary of constant currency revenue growth by segment and product group

	Three	Month	ns Ended	Dece	ember 31, 20	020	
	Consoli	dated	Ameri	cas	Internat	ional	-
Breathing Apparatus	18	%	22	%	9	%	-
Fall Protection	(1)	%	(12)	%	18	%	
Portable Gas Detection	(4)	%	(11)	%	8	%	
Industrial Head Protection	(5)	%	(6)	%	(1)	%	
Fixed Gas and Flame Detection	(7)	%	(6)	%	(7)	%	
Firefighter Helmets and Protective Apparel	(7)	%	(3)	%	(17)	%	
Core Sales	2	%	2	%	1	%	-
Non-Core Sales	9	%	41	%	(19)	%	

	Twelve	Month	s Ended	Dece	ember 31, 20	)20
	Consoli	dated	Ameri	cas	Internation	onal
Breathing Apparatus	4	%	5	%	2	%
Fall Protection	(17)	%	(23)	%	(6)	%
Portable Gas Detection	(15)	%	(19)	%	(7)	%
Industrial Head Protection	(10)	%	(14)	%	3	%
Fixed Gas and Flame Detection	(2)	%	_	%	(5)	%
Firefighter Helmets and Protective Apparel	(9)	%	(6)	%	(22)	%
Core Sales	(6)	%	(6)	%	(4)	%
Non-Core Sales	16	%	29	%		%
Net Sales	(3)	%	(3)	%	(4)	%

# 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)

	nths Ended lber 31,			December 31,			
		%			<del></del> %		
2020	2019	Change	2020	2019	Change		

Net income attributable to MSA Safety Incorporated	\$	12,338	\$	31,162	(60)%	\$	120,101	\$	136,440	(12)%
Non- deductible non-cash charge related to the recognition of currency translation adjustments	•	,	Ť		(00)/10	·	,	·		(
(a) Tax charges associated with		_		_			_		15,359	
restructuring activities Tax benefit associated with ASU 2016-09: Improvements to employee share-based		1,119		584			1,119		584	
payment		(266)		(98)			(1.965)		(2 278)	
accounting		(266)		(98)	(58)%		(1,965) 119.255	_	(2,278) 150.105	(21)%
		13,191	_	31,648	(58)%		119,255		150,105	(21)%
accounting Subtotal Product liability expense					(58)%					(21)%
accounting Subtotal  Product liability expense Restructuring charges Currency		13,191		31,648	(58)%		119,255		150,105	(21)%
accounting Subtotal  Product liability expense Restructuring charges Currency exchange losses, net Strategic		13,191 34,158		31,648	(58)%		119,255 39,036		150,105 26,619	(21)%
accounting Subtotal  Product liability expense Restructuring charges Currency exchange losses, net Strategic transaction costs Asset related		13,191 34,158 8,906		31,648 18,464 2,643	(58)%		39,036 27,381		150,105 26,619 13,846	(21)%
accounting Subtotal  Product liability expense Restructuring charges Currency exchange losses, net Strategic transaction costs Asset related losses and other Income tax		13,191 34,158 8,906 4,757		31,648 18,464 2,643 2,476	(58)%		39,036 27,381 8,578		150,105 26,619 13,846 4,455	(21)%
accounting Subtotal  Product liability expense Restructuring charges Currency exchange losses, net Strategic transaction costs Asset related losses and other Income tax expense on adjustments		13,191 34,158 8,906 4,757 515		31,648 18,464 2,643 2,476 1,463	(58)%		39,036 27,381 8,578		150,105 26,619 13,846 4,455 4,400	(21)%
accounting Subtotal  Product liability expense Restructuring charges Currency exchange losses, net Strategic transaction costs Asset related losses and other Income tax expense on	\$	13,191 34,158 8,906 4,757 515	\$	31,648 18,464 2,643 2,476 1,463	(58)%	\$	39,036 27,381 8,578 717 993	\$	150,105 26,619 13,846 4,455 4,400	(21)% (6)%
accounting Subtotal  Product liability expense Restructuring charges Currency exchange losses, net Strategic transaction costs Asset related losses and other Income tax expense on adjustments Adjusted	\$	13,191 34,158 8,906 4,757 515 47 (11,716)	\$	31,648  18,464 2,643  2,476  1,463  100  (5,914)		\$	39,036 27,381 8,578 717 993 (19,330)	\$	150,105 26,619 13,846 4,455 4,400 371 (11,826)	

<sup>&</sup>lt;sup>(a)</sup> Included in Currency exchange losses, net on the Condensed Consolidated Statement of Income.

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

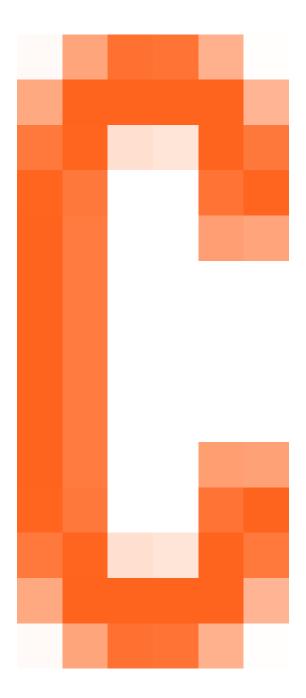
that protect people and facility infrastructures. Many MSA products integrate a combination of electronics, mechanical systems and advanced materials to protect users against hazardous or life-threatening situations. The company's comprehensive product line is used by workers around the world in a broad range of markets, including fire service, the oil, gas and petrochemical industry, 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 2020 revenues of \$1.35 billion, MSA employs approximately 5,000 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 <a href="https://www.MSAsafety.com">www.MSAsafety.com</a>.

#### 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 20, 2020. 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 <a href="http://investors.MSAsafety.com">www.sec.gov</a>, as well as on its own investor relations website at <a href="http://investors.MSAsafety.com">http://investors.MSAsafety.com</a>. 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, adjusted operating income, adjusted operating margin, adjusted EBITDA, adjusted EBITDA margin, adjusted earnings, and adjusted earnings per diluted share. 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.



# SOURCE MSA Safety

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https://news.msasafety.com/2021-02-18-MSA-Safety-Announces-Fourth-Quarter-and-Full-Year-2020-Results,1