# **MSA Safety Announces Fourth Quarter Results**

Record quarterly revenue driven by acquisitions and strong growth in industrial PPE

PITTSBURGH, Feb. 17, 2022 /PRNewswire/ -- Global safety equipment manufacturer MSA

Safety Incorporated (NYSE: MSA) today reported financial results for the fourth quarter and year ended December 31, 2021.

### **Quarterly Highlights**

- Quarterly revenues were a record at \$410 million, increasing 6% from a year ago. Core product revenue increased 9% from a year ago.
- GAAP operating loss was \$89 million, compared to operating income of \$22 million in the same period a year ago. Adjusted operating income was \$80 million or 19.5% of sales, compared to \$70 million or 18.0% of sales in the same period a year ago.
- GAAP net loss was \$61 million or \$1.57 per diluted share, compared to net income of \$15 million or \$0.38 per diluted share in the same period a year ago. Adjusted earnings were
- \$66 million or \$1.67 per diluted share, compared to \$52 million or \$1.33 per diluted share in the same period a year ago. GAAP operating and net loss includes a pre-tax charge of\$160 million associated with an increase to MSA LLC's cumulative trauma product liability reserve, compared to a
- tax charge of \$34 million in the same period a year ago. The increase in the reserve was driven by an increase in claims activity and reflects the estimated liability through 2074.
- · Operating cash flow was \$69 million. MSA deployed \$13 million for capital expenditures, \$16 million for debt repayments and funded \$17 million of dividends to shareholders.

#### **Annual Highlights**

- Revenue finished at \$1.40 billion, increasing 4% from a year ago. Core product revenue increased 9% from a year ago.
- GAAP operating income was \$23 million, compared to \$172 million in the same period a year ago. Adjusted operating income was\$241 million or 17.2% of sales, compared to \$248 million or 18.4% of sales in the same period a year ago.
- GAAP earnings were \$21 million or \$0.54 per diluted share, compared to \$124 million or \$3.15 per diluted share in the same period a year ago. Adjusted earnings were \$185 million or \$4.68 per diluted share, compared to \$181 million or \$4.60 per diluted share in the same period a year ago.
- · GAAP operating income and earnings includes a pre-tax charge of \$185 million associated with an increase to MSA LLC's cumulative trauma product liability reserve, compared to a pre-tax charge of \$39 million in the same period a year ago. The increase in the reserve was driven by an increase in claims activity and reflects the estimated liability through 2074
- Operating cash flow was \$199 million. MSA deployed \$392 million for strategic acquisitions, \$44 million for capital expenditures and funded \$69 million of dividends to shareholders. Net leverage was 1.6x adjusted EBITDA at December 31, 2021.

### **Comments from Management**

"Our team's disciplined execution enabled MSA to finish out a challenging year with very strong performance," commented Nish Vartanian, MSA Chairman, President and CEO. "While we reported record revenues, incoming order trends were also strong throughout the quarter, reflecting momentum across our end markets and driving our book-tobill ratio above 1x. Robust demand and record backlog levels at year end positions us well going into 2022."

Mr. Vartanian continued, "We achieved 150 basis points of adjusted operating margin expansion in the quarter, driven by improved gross margin from price realization and productivity programs. We remain focused on driving further improvements in profitability heading into 2022."

MSA deployed more than \$500 million of capital in the year on strategic acquisitions, capital expenditure projects and shareholder dividends. "I'm pleased with the progress we are making with our recent acquisitions. The integration of Bacharach and Bristol Uniforms are on track, and each transaction has successfully expanded our reach into attractive markets. Our balance sheet remains strong and we will continue to maintain a balanced capital allocation strategy focused on growing our business and returning value to shareholders.'

"Despite the ongoing supply chain challenges and economic uncertainties, I remain confident in our ability to drive value for our stakeholders. We continue to invest in and launch innovative safety solutions for our customers, and our employees remain highly engaged. We exited 2021 with record backlog levels, a strong balance sheet, and a focus on executing our long-term growth strategy that has driven significant value for our stakeholders" Mr. Vartanian concluded.

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

	Three Months Ended December 31,						nths Ended ber 31,	
		2021		2020		2021		2020
Net sales	- 5	410,268	\$	388,248	\$1,	400,182	\$1,	348,223
Cost of products sold		232,144		226,087		784,834		752,731
Gross profit		178,124		162,161		615,348		595,492
Selling, general and administrative		86,523		76,268		332,862		290,334
Research and development		15,643		16,545		57,793		58,268
Restructuring charges		4,194		8,906		16,433		27,381
Currency exchange losses, net		575		4,757		216		8,578
Product liability and other operating expense		160,029		34,158		185,264		39,036
Operating (loss) income		(88,840)		21,527		22,780		171,895
Interest expense		2,911		1,525		10,758		9,432
Other income, net		(2,810)		(1,308)		(11,582)		(5,684)
Total other expense (income), net		101		217		(824)		3,748
(Loss) income before income taxes		(88,941)		21,310		23,604		168,147
(Benefit) provision for income taxes		(27,465)		6,139		1,816		43,009
Net (loss) income		(61,476)		15,171		21,788		125,138
Net income attributable to noncontrolling interests				(393)		(448)		(1,061)
Net (loss) income attributable to MSA Safety Incorporated	\$	(61,476)	\$	14,778	\$	21,340	\$	124,077
Earnings (loss) per share attributable to MSA Safety Incorporated common shareholders: Basic	\$	(1.57)	\$	0.39	\$	0.54	\$	3.19
Diluted	\$	(1.57)	\$	0.38	\$	0.54	\$	3.15
Basic shares outstanding		39,236		38,981		39,173		38,885
Diluted shares outstanding		39,236		39,335		39,449		39,286

During the fourth quarter of 2021, the company voluntarily changed its method of accounting for certain domestic inventory previously valued by the LIFO method to the FIFO method. The effects of the change in accounting principle from LIFO to FIFO have been retrospectively applied to all periods presented in the financial tables of this press release.

		December 31, 2021	December 31, 2020
Assets	_		
	_		\$
Cash and cash equivalents	\$	140,895	160,672
Trade receivables, net		254,187	252,283
Inventories		280,617	244,966
Notes receivable, insurance companies		3,914	3,796
Other current assets		113,191	139,708
Total current assets		792,804	801,425
Property, plant and equipment, net		207,793	189,620
Prepaid pension cost		163,283	97,545
Goodwill		636,858	443,272
Intangible assets, net		306,948	161,051
Notes receivable, insurance companies, noncurrent		44,626	48,540
Insurance receivable, noncurrent Other noncurrent assets		121,609	85,077
Other noncurrent assets		122,475	93,101
Total assets	\$	2,396,396	т 1,919,631
Liabilities and shareholders' equity			
			\$
Notes payable and current portion of long-term debt, net			20,000
	\$		
Accounts payable		106,780	86,854
Other current liabilities		223,826	203,691
Total current liabilities		330,606	310,545
Long-term debt, net		597,651	287,157
Pensions and other employee benefits		189,973	208,068
Deferred tax liabilities		33,337	20,760
Product liability and other noncurrent liabilities		410,441	245,907
Total shareholders' equity		834,388	847,194
Total liabilities and shareholders' equity	\$	2,396,396	\$ 1,919,631

During the fourth quarter of 2021, the company voluntarily changed its method of accounting for certain domestic inventory previously valued by the LIFO method to the FIFO method. The effects of the change in accounting principle from LIFO to FIFO have been retrospectively applied to all periods presented in the financial tables of this press release.

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

	Three Mon Decem	nths Ended ober 31,	Twelve Months Ended December 31,		
	2021 2020		2021	2020	
Net (loss) income Depreciation and amortization Product liability expense Change in working capital and other operating Cash flow from operating activities	\$ (61,476) 14,047 160,029 (43,598) 69,002	\$ 15,171 10,390 34,158 36,681 96,400	\$ 21,788 50,317 185,264 (58,224) 199,145	\$ 125,138 39,674 39,036 2,707 206,555	
Capital expenditures Acquisition, net of cash acquired Change in short-term investments Property disposals and other investing Cash flow used in investing activities	(12,874) — 25 (37) — (12,886)	(16,207) — (4,981) 120 (21,068)	(43,837) (392,437) 26,087 (5,286) (415,473)	(48,905) — (24,318) 454 (72,769)	
Change in debt Cash dividends paid Other financing Cash flow (used in) from financing activities	(15,683) (17,264) 3,441 (29,506)	(39,000) (16,767) 5,381 (50,386)	293,176 (68,586) (20,665) 203,925	(44,000) (66,578) (15,951) (126,529)	
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(3,016)	2,902	(7,193)	1,234	
Increase (decrease) in cash, cash equivalents and restricted cash	\$ 23,594	\$ 27,848	\$ (19,596)	\$ 8,491	

During the fourth quarter of 2021, the company voluntarily changed its method of accounting for certain domestic inventory previously valued by the LIFO method to the FIFO method. The effects of the change in accounting principle from LIFO to FIFO have been retrospectively applied to all periods presented in the financial tables of this press release.

MSA Safety				
Incorporated Segment Information (Unaudited) (In thousands, except percentage amounts)	Americas	International	Corporate	Consolidated
Three Months Ended December 31, 2021	Americas	International	Corporate	Consolidated
Three World's Ended December 31, 2021			\$	
Sales to external customers	\$ 252,945	\$ 157,323	_	\$ 410,268
Operating loss				(88,840)
Operating margin %				(21.7)%
Restructuring charges				4,194
Currency exchange losses, net				575
Product liability expense				160,029
Acquisition related costs <sup>(a)</sup> Adjusted operating income (loss)	60.334	31,297	(11,680)	3,993 79,951
Adjusted operating margin %	60,334 23.9 %	19.9 %	(11,000)	79,951 19.5 %
Depreciation and amortization (b)	20.9 /0	13.3 /6		11.702
Adjusted EBITDA	68,488	34,714	(11,549)	91,653
Adjusted EBITDA %	27.1 %	22.1 %	(11,543)	22.3 %
Adjusted EBITBA 70	27.1 70	LL.1 70		22.0 /0
Three Months Ended December 31, 2020				
			\$	
Sales to external customers	\$ 244,518	\$ 143,730	_	\$ 388,248
Operating income				21,527
Operating margin %				5.5 %
Restructuring charges Currency exchange losses, net				8,906 4,757
Product liability expense				34,158
Acquisition related costs (a)				515
Adjusted operating income (loss)	53,558	25,304	(8,999)	\$ 69,863
Adjusted operating margin %	21.9 %	17.6 %	(0,555)	18.0 %
Depreciation and amortization (b)	20 /0	17.0 70		10,390
Adjusted EBITDA	60,686	28,468	(8,901)	80,253
Adjusted EBITDA %	24.8 %	19.8 %	(3,001)	20.7 %
•				

During the fourth quarter of 2021, the company voluntarily changed its method of accounting for certain domestic inventory previously valued by the LIFO method to the FIFO method. The effects of the change in accounting principle from LIFO to FIFO have been retrospectively applied to all periods presented in the financial tables of this press release.

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 operating income (loss) plus depreciation and adjusted EBITDA margin is defined as adjusted EBITDA divided by segment sales to external customers. Adjusted operating income (loss), adjusted operating income (loss) adjusted operating income (loss) partially 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 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	International	Corporate	Consolidated
Twelve Months Ended December 31, 2021				
			\$	
Sales to external customers	\$ 908,068	\$ 492,114	_	\$1,400,182
Operating income				22,780
Operating margin %				1.6 %
Restructuring charges				16,433
Currency exchange losses, net				216
Product liability expense				185,264
Acquisition related costs (a)				15,884
Adjusted operating income (loss)	202,496	73,279	(35,198)	240,577
Adjusted operating margin %	22.3 %	14.9 %	, , ,	17.2 %
Depreciation and amortization (b)				45,417
Adjusted EBITDA	233,732	86,997	(34,735)	285,994
Adjusted EBITDA %	25.7 %	17.7 %	, , ,	20.4 %
Twelve Months Ended December 31, 2020				
			\$	
Sales to external customers	\$ 874,305	\$ 473,918	_	\$1,348,223
Operating income				171,895
Operating margin %				12.7 %

<sup>(</sup>a) Acquisition related costs include advisory, legal, accounting, valuation, and other professional or consulting fees incurred during due diligence and integration. These costs are included in selling, general and administrative expense in the Consolidated Statements of Income. Acquisition related costs also include the acquisition related amortization, which is included in cost of products sold in the Consolidated Statements of Income.

<sup>(</sup>b) Excludes acquisition related amortization, which is included in acquisition related costs above.

Restructuring charges				27,381
Currency exchange losses, net				8,578
Product liability expense				39,036
Acquisition related costs (a)				717
COVID-19 related costs				757
Adjusted operating income (loss)	205,304	71,140	(28,080)	248,364
Adjusted operating margin %	23.5 %	15.0 %		18.4 %
Depreciation and amortization (b)				39,674
Adjusted EBITDA	232,066	83,661	(27,689)	288,038
Adjusted EBITDA %	26.5 %	17.7 %		21.4 %

During the fourth quarter of 2021, the company voluntarily changed its method of accounting for certain domestic inventory previously valued by the LIFO method to the FIFO method. The effects of the change in accounting principle from LIFO to FIFO have been retrospectively applied to all periods presented in the financial tables of this press release.

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) divided by segment sales to external customers. Adjusted EBITDA is defined as 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 and 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

				Three Month	ns Ended Dec	ember 31, 20	021		
	Breathing Apparatus	Firefighter Helmets and Protective Apparel*	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection*	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	(8)%	37 %	17 %	10 %	15 %	11 %	9 %	(16)%	6 %
Plus: Currency translation effects	-%	(2)%	2 %	1 %	1 %	1 %	1 %	1 %	<u> </u>
Constant currency sales change	(8)%	35 %	19 %	11 %	16 %	12 %	10 %	(15)%	6 %
Less: Acquisitions	-%	32 %	-%	-%	20 %	-%	9 %	-%	7 %
Organic constant currency sales change	(8)%	3 %	19 %	11 %	(4)%	12 %	1 %	(15)%	(1)%
			Т	welve Mont	hs Ended De	cember 31, 2	021		
GAAP reported sales change Plus: Currency translation effects	Breathing Apparatus (2)% (1)%	Firefighter Helmets and Protective Apparel* 26 % (3)%	Industrial Head Protection 14 % — %	Portable Gas Detection 14 % (1)%	Fixed Gas and Flame Detection* 4 % (1)%	Fall Protection 14 % (2)%	Core Sales 9 % (2)%	Non-Core Sales (24)% (1)%	Net Sales 4 % (1)%
Constant currency sales change	(3)%	23 %	14 %	13 %	3 %	12 %	7 %	(25)%	3 %
Less: Acquisitions	—%	20 %	-%	-%	11 %	-%	5 %	%	5 %
Organic constant currency sales change	(3)%	3 %	14 %	13 %	(8)%	12 %	2 %	(25)%	(2)%

<sup>\*</sup>Firefighter Helmets and Protective Apparel and Fixed Gas and Flame Detection include the impact of the Bristol and Bacharach acquisitions completed on January 25, 2021 and July 1, 2021, respectively.

Organic constant currency sales change is a non-GAAP financial measure provided by the Company to give a better understanding of the Company's underlying business performance. Organic constant currency sales change is calculated by deducting the percentage impact from acquisitions and currency translation effects from the overall percentage change in net sales.

<sup>(</sup>a) Acquisition related costs include advisory, legal, accounting, valuation, and other professional or consulting fees incurred during due diligence and integration. These costs are included in selling, general and administrative expense in the Consolidated Statements of Income. Acquisition related costs also include the acquisition related amortization, which is included in cost of products sold in the Consolidated Statements of Income.

<sup>(</sup>b) Excludes acquisition related amortization, which is included in acquisition related costs above.

## Americas Segment

				Three Month	ns Ended Dec	ember 31, 2021			
GAAP reported sales change Plus:	Breathing Apparatus (10)%	Firefighter Helmets and Protective Apparel (1)%	Industrial Head Protection 15 %	Portable Gas Detection 18 %	Fixed Gas and Flame Detection* 34 %	Fall Protection 13 %	Core Sales 8 %	Non- Core Sales (27)%	Net Sales 4 %
Currency translation effects	— %	—%	2 %	1 %	—%	2 %	— %	1 %	—%
Constant currency sales change	(10)%	(1)%	17 %	19 %	34 %	15 %	8 %	(26)%	4 %
Less: Acquisitions	<b>-</b> %	—%	—%	—%	33 %	—%	6 %	—%	6 %
Organic constant currency sales change	(10)%	(1)%	17 %	19 %	1 %	15 %	2 %	(26)%	(2)%
				Twelve Mont	ths Ended Dec	cember 31,2021			
GAAP reported sales change	Breathing Apparatus (2)%	Firefighter Helmets and Protective Apparel 3 %	Industrial Head Protection 18 %	Portable Gas Detection 21 %	Fixed Gas and Flame Detection* 15 %	Fall Protection 19 %	Core Sales 9 %	Non-Core Sales (31)%	Net Sales 4 %
Plus: Currency translation effects	1 %	—%	1 %	—%	—%	—%	— %	—%	—%
Constant currency sales change Less:	(1)%	3 %	19 %	21 %	15 %	19 %	9 %	(31)%	4 %
LC33.									

<sup>\*</sup>Fixed Gas and Flame Detection includes the impact of the Bacharach acquisition completed on July 1, 2021.

3 %

Organic constant currency sales change is a non-GAAP financial measure provided by the Company to give a better understanding of the Company's underlying business performance. Organic constant currency sales change is calculated by deducting the percentage impact from acquisitions and currency translation effects from the overall percentage change in net sales.

21 %

- %

19 %

18%

(3)%

19 %

3 %

6 %

(31)%

3 %

1 %

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

- %

(1)%

International Segment

Acquisitions

sales change

Organic constant currency

international Segment									
	Three Months Ended December 31, 2021								
GAAP reported sales change Plus: Currency translation effects	Breathing Apparatus (5)% 1 %	Firefighter Helmets and Protective Apparel* 173 % (1)%	Industrial Head Protection 23 % 1 %	Portable Gas D etection (2)% — %	Fixed Gas and Flame Detection* (5)% 3 %	Fall Protection 8 % 1 %	Core Sales 11 % 2 %	Non-Core Sales (2)% 3 %	Net Sales 9 % 2 %
Constant currency sales change	(4)%	172 %	24 %	(2)%	(2)%	9 %	13 %	1 %	11 %
Less: Acquisitions	%	153 %	—%	-%	8 %	—%	14 %	—%	12 %
Organic constant currency sales change	(4)%	19 %	24 %	(2)%	(10)%	9 %	(1)%	1 %	(1)%
	Twelve Months Ended December 31, 2021								
GAAP reported sales change Plus: Currency translation effects	Breathing Apparatus (3)% (3)%	Firefighter Helmets and Protective Apparel* 134 % (13)%	Industrial Head Protection 3 % (5)%	Portable Gas Detection 2 % (4)%	Fixed Gas and Flame Detection* (9)% (2)%	Fall Protection 8 % (5)%	Core Sales 7 % (4)%	Non-Core Sales (13)% (4)%	Net Sales 4 % (4)%
Constant currency sales change	(6)%	121 %	(2)%	(2)%	(11)%	3 %	3 %	(17)%	—%
Less: Acquisitions	-%	114 %	-%	-%	4 %	-%	9 %	-%	8 %
Organic constant currency sales change	(6)%	7 %	(2)%	(2)%	(15)%	3 %	(6)%	(17)%	(8)%

\*Firefighter Helmets and Protective Apparel and Fixed Gas and Flame Detection include the impact of the Bristol and Bacharach acquisitions completed on January 25, 2021 and July 1, 2021, respectively.

Organic constant currency sales change is a non-GAAP financial measure provided by the Company to give a better understanding of the Company's underlying business performance. Organic constant currency sales change is calculated by deducting the percentage impact from acquisitions and currency translation effects from the overall percentage change in net sales.

#### MSA Safety Incorporated

Supplemental Segment Information (Unaudited)

Summary of constant currency revenue growth by segment and product group

Three Months Ended December 31, 2021 Consolidated Americas International Firefighter Helmets and Protective Apparel' 35 % 172 % (1)% Industrial Head Protection 24 % 19% 17% Fixed Gas and Flame Detection\* 16 % 34 % (2)% Fall Protection 12 % 15% 9 % 11 % Portable Gas Detection 19 % (2)% **Breathing Apparatus** (8)% (10)% (4)% 13 % Core Sales 10 % 8 % (26)% Non-Core Sales (15)% 1 % Net Sales 6 % 4 % 11 % Net Sales excluding Acquisitions (1)% (2)% (1)%

	Twelve Months Ended December 31, 2021							
<del>-</del>	Consolidated	Americas	International					
Firefighter Helmets and Protective Apparel*	23 %	3 %	121 %					
Industrial Head Protection	14 %	19 %	(2)%					
Fixed Gas and Flame Detection*	3 %	15 %	(11)%					
Fall Protection	12 %	19 %	3 %					
Portable Gas Detection	13 %	21 %	(2)%					
Breathing Apparatus	(3)%	(1)%	(6)%					
Core Sales	7 %	9 %	3 %					
Non-Core Sales	(25)%	(31)%	(17)%					
Net Sales	3 %	4 %	- %					
Net Sales excluding Acquisitions	(2)%	1 %	(8)%					

\*Firefighter Helmets and Protective Apparel and Fixed Gas and Flame Detection include the impact of the Bristol and Bacharach acquisitions completed on January 25, 2021 and July 1, 2021, respectively.

## 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 nber 31,		Twelve Months Ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Net (loss) income attributable to						
MSA Safety Incorporated	\$ (61,476)	\$ 14,778		\$ 21,340	\$ 124,077	
Product liability expense	160,029	34,158		185,264	39,036	
Restructuring charges	4,194	8,906		16,433	27,381	
Acquisition related costs (a)	3,993	515		15,884	717	
Currency exchange losses, net	575	4,757		216	8,578	
Asset related losses and other	365	47		788	993	
Income tax expense on adjustments	(41,676)	(10,863)		(55,180)	(20,176)	
Adjusted earnings	\$ 66,004	\$ 52,298	26%	\$ 184,745	\$ 180,606	2%
Adjusted earnings per diluted share	\$ 1.67	\$ 1.33	26%	\$ 4.68	\$ 4.60	2%

(a) Acquisition related costs include advisory, legal, accounting, valuation, and other professional or consulting fees incurred during due diligence and integration. These costs are included in selling, general and administrative expense in the Consolidated Statements of Income. Acquisition related costs also include the acquisition related amortization, which is included in cost of products sold in the Consolidated Statements 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.

	Twelve Months Ended December 31,			
		2021		
Operating income	\$	22,780		
Depreciation and amortization (a)		45,417		
Product liability expense		185,264		
Restructuring charges		16,433		
Currency exchange losses, net		216		
Acquisition related costs (b)		15,884		
Adjusted EBITDA	\$	285,994		
Total end-of-period debt		597,651		
Debt to adjusted EBITDA		2.1		
Total end-of-period debt		597,651		
Total end-of-period cash and cash equivalents		140,895		
Net debt	\$	456,756		
Net debt to adjusted EBITDA		1.6		

- (a) Excludes acquisition related amortization, which is included in acquisition related costs above.
- (b) Acquisition related costs include advisory, legal, accounting, valuation, and other professional or consulting fees incurred during due diligence and integration. These costs are included in selling, general and administrative expense in the Consolidated Statements of Income. Acquisition related costs also include the acquisition related amortization, which is included in cost of products sold in the Consolidated Statements of Income.

Management believes that Debt to Adjusted EBITDA and Net Debt to Adjusted EBITDA are useful measures for investors, as management uses these measures to internally assess the company's liquidity and balance sheet strength. There can be no assurances that that MSA's definition of Debt to Adjusted EBITDA and Net Debt to Adjusted EBITDA is consistent with that of other companies.

#### 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 2021 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 outsideNorth America. For more information visit MSA's web site at <a href="https://www.MSAsafety.com.">www.MSAsafety.com.</a>

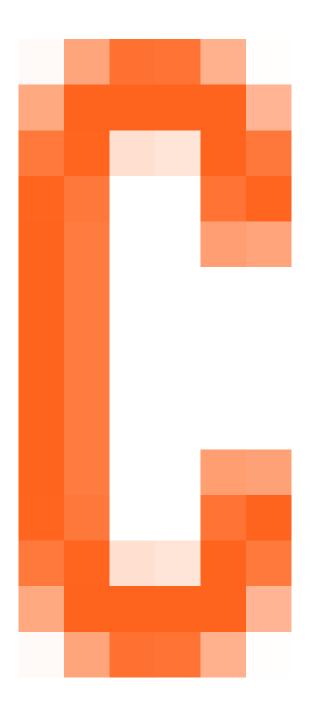
## **Cautionary Statement Regarding Forward-Looking Statements:**

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 19, 2021. 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.



View original content to download multimedia: <a href="https://www.prnewswire.com/news-releases/msa-safety-announces-fourth-quarter-results-301485414.html">https://www.prnewswire.com/news-releases/msa-safety-announces-fourth-quarter-results-301485414.html</a> SOURCE MSA Safety

For further information: MSA Safety Incorporated, edia Relations Contact: Mark Deasy (412) 559 - 8154, Investor Relations Contact: Chris Hepler (412) 225 - 3717

https://news.msasafety.com/2022-02-17-MSA-Safety-Announces-Fourth-Quarter-Results