MSA Press Room

# MSA Safety Announces Second Quarter Results

***Strong growth driven by execution of strategy and robust demand environment***

PITTSBURGH, July 27, 2022 /PRNewswire/ -- Global safety equipment manufacturer MSA Safety Incorporated (NYSE: MSA) today reported financial results for the second quarter of 2022.

***Quarterly Highlights***

- Total sales were $372 million, increasing 9% from a year ago on a reported basis and 12% on a constant currency basis. The combination of volume growth and price realization drove constant currency organic growth of 8% while acquisitions contributed 4%.
- GAAP operating income was $62 million or 16.5% of sales, compared to $35 million or 10.3% of sales in the same period a year ago. Adjusted operating income was $66 million or 17.6% of sales, compared to $59 million or 17.2% of sales in the same period a year ago.
- GAAP earnings were $48 million or $1.21 per diluted share, compared to $25 million or $0.64 per diluted share in the same period a year ago. Adjusted earnings were $51 million or $1.29 per diluted share, compared to $42 million or $1.06 per diluted share in the same period a year ago.
- Operating cash flow was $15 million, compared to $38 million in the same period a year ago. The decline was primarily associated with an increase in working capital, notably inventory, in response to strong demand and ongoing supply chain constraints.
- MSA funded an $18 million dividend on its common stock and repurchased $28 million in shares in the quarter.

***Comments from Management***

"Our strong second quarter results were driven by robust demand across our diversified end markets and excellent operational execution by our team," said Nish Vartanian, MSA Chairman, President and Chief Executive Officer. "Our order activity was strong throughout the quarter and drove 12 percent constant currency sales growth," he said. Mr. Vartanian added that orders increased 15 percent year-over-year on a constant currency basis and the company's book-to-bill continued to trend well above 1x.

"Our key end markets remain healthy as demonstrated by broad-based demand across most all of our product categories. In addition to strong underlying demand, we were awarded several significant fire service breathing apparatus orders based on the strength of our technology and our long-standing focus on being attentive and responsive to customer needs and preferences," Mr. Vartanian said.

"Overall, we are successfully managing through a very dynamic macroeconomic environment that includes ongoing supply chain issues. Although we saw strong year-over-year sales growth in the quarter, supply chain challenges did impact our growth, working capital and cash flow. Still, despite the growing economic uncertainties, I remain confident in our ability to continue executing our strategy and driving long-term value to our shareholders. We enter the second half with record backlog and a very healthy balance sheet," Mr. Vartanian concluded.

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Net sales | $ 372,313 | $ 341,289 | $ 703,005 | $ 649,717 |
| Cost of products sold | 207,913 | 188,289 | 395,821 | 361,934 |
| Gross profit | 164,400 | 153,000 | 307,184 | 287,783 |
| Selling, general and administrative | 86,076 | 83,426 | 164,625 | 158,889 |
| Research and development | 15,268 | 13,970 | 28,601 | 27,204 |
| Restructuring charges | 57 | 7,078 | 2,247 | 8,385 |
| Currency exchange (gains) losses, net | (1,463) | 1,640 | 1,809 | (459) |
| Product liability expense | 2,926 | 11,751 | 5,698 | 14,547 |
| Operating income | 61,536 | 35,135 | 104,204 | 79,217 |
| Interest expense | 4,578 | 2,172 | 8,196 | 4,082 |
| Other income, net | (6,419) | (2,293) | (12,762) | (6,506) |
| Total other income, net | (1,841) | (121) | (4,566) | (2,424) |

| | | | | |
|---|---|---|---|---|
| Income before income taxes | 63,377 | 35,256 | 108,770 | 81,641 |
| Provision for income taxes | 15,684 | 9,808 | 25,535 | 19,557 |
| Net income | 47,693 | 25,448 | 83,235 | 62,084 |
| Net income attributable to noncontrolling interests | — | (262) | — | (448) |
| Net income attributable to MSA Safety Incorporated | $ 47,693 | $ 25,186 | $ 83,235 | $ 61,636 |
| Earnings per share attributable to MSA Safety Incorporated common shareholders: | | | | |
| Basic | $ 1.21 | $ 0.64 | $ 2.12 | $ 1.57 |
| Diluted | $ 1.21 | $ 0.64 | $ 2.11 | $ 1.56 |
| Basic shares outstanding | 39,266 | 39,167 | 39,279 | 39,131 |
| Diluted shares outstanding | 39,421 | 39,420 | 39,472 | 39,421 |

*Prior periods have been adjusted to reflect the change in inventory accounting method, as described in the Company's fiscal 2021 Annual Report on Form 10-K.

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

| | June 30, 2022 | December 31, 2021 |
|---|---|---|
| Assets | | |
| Cash and cash equivalents | $ 134,047 | $ 140,895 |
| Trade receivables, net | 265,290 | 254,187 |
| Inventories | 341,544 | 280,617 |
| Notes receivable, insurance companies | 3,972 | 3,914 |
| Other current assets | 99,626 | 113,191 |
| Total current assets | 844,479 | 792,804 |
| Property, plant and equipment net | 203,036 | 207,793 |
| Prepaid pension cost | 176,373 | 163,283 |
| Goodwill | 619,449 | 636,858 |
| Intangible assets, net | 290,221 | 306,948 |
| Notes receivable, insurance companies, noncurrent | 45,161 | 44,626 |
| Insurance receivable, noncurrent | 117,825 | 121,609 |
| Other noncurrent assets | 111,903 | 122,475 |
| Total assets | $ 2,408,447 | $ 2,396,396 |
| Liabilities and shareholders' equity | | |
| Notes payable and current portion of long-term debt, net | $ 7,433 | $ — |
| Accounts payable | 111,861 | 106,780 |
| Other current liabilities | 216,964 | 223,826 |
| Total current liabilities | 336,258 | 330,606 |
| Long-term debt, net | 615,778 | 597,651 |
| Pensions and other employee benefits | 181,958 | 189,973 |
| Noncurrent operating lease liabilities | 37,626 | 40,706 |
| Deferred tax liabilities | 31,342 | 33,337 |
| Product liability and other noncurrent liabilities | 367,415 | 369,735 |
| Total shareholders' equity | 838,070 | 834,388 |
| Total liabilities and shareholders' equity | $ 2,408,447 | $ 2,396,396 |

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |

| | | | | |
|---|---|---|---|---|
| Net income | $ 47,693 | $ 25,448 | $ 83,235 | $ 62,084 |
| Depreciation and amortization | 13,922 | 11,584 | 28,087 | 22,088 |
| Change in working capital and other operating | (46,162) | 1,266 | (71,346) | (258) |
| Cash flow from operating activities | 15,453 | 38,298 | 39,976 | 83,914 |
| Capital expenditures | (11,829) | (10,706) | (19,805) | (20,288) |
| Acquisition, net of cash acquired | — | — | — | (62,992) |
| Change in short-term investments | 5,180 | 5,015 | 14,207 | 25,045 |
| Property disposals and other investing | — | 25 | — | 60 |
| Cash flow used in investing activities | (6,649) | (5,666) | (5,598) | (58,175) |
| Change in debt | 32,000 | (25,013) | 37,000 | 27,004 |
| Cash dividends paid | (18,109) | (17,247) | (35,401) | (34,067) |
| Other financing | (27,764) | (834) | (31,372) | (4,392) |
| Cash flow used in financing activities | (13,873) | (43,094) | (29,773) | (11,455) |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | (7,113) | (187) | (10,474) | (907) |
| (Decrease) increase in cash, cash equivalents and restricted cash | $ (12,182) | $ (10,649) | $ (5,869) | $ 13,377 |

*Prior periods have been adjusted to reflect the change in inventory accounting method, as described in the Company's fiscal 2021 Annual Report on Form 10-K.

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

| | Americas | International | Corporate | Consolidated |
|---|---|---|---|---|
| Three Months Ended June 30, 2022 | | | | |
| Sales to external customers | $ 252,386 | $ 119,927 | $ — | $ 372,313 |
| Operating income | | | | 61,536 |
| Operating margin % | | | | 16.5 % |
| Restructuring charges | | | | 57 |
| Currency exchange gains, net | | | | (1,463) |
| Product liability expense | | | | 2,926 |
| Acquisition related costs [(a)] | | | | 2,557 |
| Adjusted operating income (loss) | 57,141 | 17,207 | (8,735) | 65,613 |
| Adjusted operating margin % | 22.6 % | 14.3 % | | 17.6 % |
| Depreciation and amortization [(b)] | | | | 11,604 |
| Adjusted EBITDA | 65,461 | 20,370 | (8,614) | 77,217 |
| Adjusted EBITDA margin % | 25.9 % | 17.0 % | | 20.7 % |
| Three Months Ended June 30, 2021 | | | | |
| Sales to external customers | $ 217,707 | $ 123,582 | $ — | $ 341,289 |
| Operating income | | | | 35,135 |
| Operating margin % | | | | 10.3 % |
| Restructuring charges | | | | 7,078 |
| Currency exchange losses, net | | | | 1,640 |
| Product liability expense | | | | 11,751 |
| Acquisition related costs [(a)] | | | | 3,168 |
| Adjusted operating income (loss) | 49,319 | 20,444 | (10,991) | 58,772 |
| Adjusted operating margin % | 22.7 % | 16.5 % | | 17.2 % |
| Depreciation and amortization | | | | 11,584 |
| Adjusted EBITDA | 57,218 | 24,024 | (10,886) | 70,356 |
| Adjusted EBITDA margin % | 26.3 % | 19.4 % | | 20.6 % |

*Prior period has been adjusted to reflect the change in inventory accounting method, as described in the Company's fiscal 2021 Annual Report on Form 10-K. Adjustments were made to Americas and International.

[(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 unaudited Condensed Consolidated Statements of Income. Acquisition related costs also include the acquisition related amortization, which is included in cost of products sold in the unaudited Condensed Consolidated Statements of Income.

(b) Excludes acquisition related amortization, which is included in acquisition related costs above.

The Americas segment is comprised of our operations in Northern North American and Latin American geographies. The International segment is comprised of our operations in all geographies outside of the Americas. Certain global expenses are allocated to each segment in a manner consistent with where the benefits from the expenses are derived.

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, acquisition related costs, including acquisition related amortization. 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 | International | Corporate | Consolidated |
|---|---|---|---|---|
| Six Months Ended June 30, 2022 | | | | |
| Sales to external customers | $ 478,034 | $ 224,971 | $ — | $ 703,005 |
| Operating income | | | | 104,204 |
| Operating margin % | | | | 14.8 % |
| Restructuring charges | | | | 2,247 |
| Currency exchange losses, net | | | | 1,809 |
| Product liability expense | | | | 5,698 |
| Acquisition related costs (a) | | | | 5,499 |
| Adjusted operating income (loss) | 109,577 | 26,196 | (16,316) | 119,457 |
| Adjusted operating margin % | 22.9 % | 11.6 % | | 17.0 % |
| Depreciation and amortization (b) | | | | 23,420 |
| Adjusted EBITDA | 126,256 | 32,698 | (16,077) | 142,877 |
| Adjusted EBITDA margin % | 26.4 % | 14.5 % | | 20.3 % |
| Six Months Ended June 30, 2021 | | | | |
| Sales to external customers | $ 426,046 | $ 223,671 | $ — | $ 649,717 |
| Operating income | | | | 79,217 |
| Operating margin % | | | | 12.2 % |
| Restructuring charges | | | | 8,385 |
| Currency exchange gains, net | | | | (459) |
| Product liability expense | | | | 14,547 |
| Acquisition related costs (a) | | | | 4,541 |
| Adjusted operating income (loss) | 94,512 | 29,201 | (17,482) | 106,231 |
| Adjusted operating margin % | 22.2 % | 13.1 % | | 16.4 % |
| Depreciation and amortization | | | | 22,088 |
| Adjusted EBITDA | 109,444 | 36,154 | (17,279) | 128,319 |
| Adjusted EBITDA margin % | 25.7 % | 16.2 % | | 19.7 % |

*Prior period has been adjusted to reflect the change in inventory accounting method, as described in the Company's fiscal 2021 Annual Report on Form 10-K. Adjustments were made to Americas and International.

(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 unaudited Condensed Consolidated Statements of Income. Acquisition related costs also include the acquisition related amortization, which is included in cost of products sold in the unaudited Condensed Consolidated Statements of Income.

(b) Excludes acquisition related amortization, which is included in acquisition related costs above.

The Americas segment is comprised of our operations in Northern North American and Latin American geographies. The International segment is comprised of our operations in all geographies outside of the Americas. Certain global expenses are allocated to each segment in a manner consistent with where the benefits from the expenses are derived.

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, acquisition related costs, including acquisition related amortization. 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
Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures
Constant currency revenue growth (Unaudited)

Consolidated

| | Three Months Ended June 30, 2022 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 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 | 20 % | (10) % | 15 % | 16 % | 24 % | (14) % | 11 % | (5) % | 9 % |
| Plus: Currency translation effects | 4 % | 3 % | 1 % | 2 % | 3 % | 4 % | 3 % | 5 % | 3 % |
| Constant currency sales change | 24 % | (7) % | 16 % | 18 % | 27 % | (10) % | 14 % | — % | 12 % |
| Less: Acquisitions | — % | — % | — % | — % | 25 % | — % | 5 % | — % | 4 % |
| Organic constant currency sales change | 24 % | (7) % | 16 % | 18 % | 2 % | (10) % | 9 % | — % | 8 % |

**Fixed Gas and Flame Detection includes the impact of the Bacharach acquisition completed on July 1, 2021.*

| | Six Months Ended June 30, 2022 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 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 | 11 % | (3) % | 13 % | 7 % | 31 % | (10) % | 11 % | (10) % | 8 % |
| Plus: Currency translation effects | 3 % | 3 % | 1 % | 2 % | 2 % | 3 % | 2 % | 3 % | 3 % |
| Constant currency sales change | 14 % | — % | 14 % | 9 % | 33 % | (7) % | 13 % | (7) % | 11 % |
| Less: Acquisitions | — % | — % | — % | — % | 26 % | — % | 6 % | — % | 5 % |
| Organic constant currency sales change | 14 % | — % | 14 % | 9 % | 7 % | (7) % | 7 % | (7) % | 6 % |

**Fixed Gas and Flame Detection includes the impact of the Bacharach acquisition completed on July 1, 2021.*

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

Americas Segment

| | Three Months Ended June 30, 2022 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 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 | 26 % | (4) % | 18 % | 25 % | 37 % | (4) % | 18 % | (7) % | 16 % |
| Plus: Currency translation effects | — % | — % | — % | — % | — % | 1 % | 1 % | — % | — % |
| Constant currency sales change | 26 % | (4) % | 18 % | 25 % | 37 % | (3) % | 19 % | (7) % | 16 % |
| Less: Acquisitions | — % | — % | — % | — % | 34 % | — % | 7 % | — % | 6 % |
| Organic constant currency sales change | 26 % | (4) % | 18 % | 25 % | 3 % | (3) % | 12 % | (7) % | 10 % |

**Fixed Gas and Flame Detection includes the impact of the Bacharach acquisition completed on July 1, 2021.*

| | Six Months Ended June 30, 2022 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 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 | 15 % | (4) % | 15 % | 12 % | 44 % | — % | 15 % | (15) % | 12 % |
| Plus: Currency translation effects | — % | — % | — % | 1 % | — % | 1 % | 1 % | 1 % | 1 % |
| Constant currency sales change | 15 % | (4) % | 15 % | 13 % | 44 % | 1 % | 16 % | (14) % | 13 % |
| Less: Acquisitions | — % | — % | — % | — % | 34 % | — % | 7 % | — % | 6 % |
| Organic constant currency sales change | 15 % | (4) % | 15 % | 13 % | 10 % | 1 % | 9 % | (14) % | 7 % |

**Fixed Gas and Flame Detection includes the impact of the Bacharach acquisition completed on July 1, 2021.*

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

International Segment

| | Three Months Ended June 30, 2022 |
|---|---|

| | 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 % | (23) % | 4 % | (1) % | 7 % | (27) % | (3) % | (3) % | (3) % |
| Plus: Currency translation effects | 10 % | 8 % | 7 % | 7 % | 8 % | 7 % | 8 % | 10 % | 8 % |
| Constant currency sales change | 18 % | (15) % | 11 % | 6 % | 15 % | (20) % | 5 % | 7 % | 5 % |
| Less: Acquisitions | — % | — % | — % | — % | 13 % | — % | 3 % | — % | 3 % |
| Organic constant currency sales change | 18 % | (15) % | 11 % | 6 % | 2 % | (20) % | 2 % | 7 % | 2 % |

**Fixed Gas and Flame Detection includes the impact of the Bacharach acquisition completed on July 1, 2021.*

| | Six Months Ended June 30, 2022 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 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 | 4 % | — % | 5 % | (4) % | 13 % | (24) % | 1 % | (5) % | 1 % |
| Plus: Currency translation effects | 8 % | 9 % | 5 % | 6 % | 5 % | 6 % | 7 % | 9 % | 6 % |
| Constant currency sales change | 12 % | 9 % | 10 % | 2 % | 18 % | (18) % | 8 % | 4 % | 7 % |
| Less: Acquisitions | — % | — % | — % | — % | 15 % | — % | 4 % | — % | 3 % |
| Organic constant currency sales change | 12 % | 9 % | 10 % | 2 % | 3 % | (18) % | 4 % | 4 % | 4 % |

**Fixed Gas and Flame Detection includes the impact of the Bacharach acquisition completed on July 1, 2021.*

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 June 30, 2022 | | |
|---|---|---|---|
| | Consolidated | Americas | International |
| Fixed Gas and Flame Detection* | 27 % | 37 % | 15 % |
| Breathing Apparatus | 24 % | 26 % | 18 % |
| Portable Gas Detection | 18 % | 25 % | 6 % |
| Industrial Head Protection | 16 % | 18 % | 11 % |
| Firefighter Helmets & Protective Apparel | (7) % | (4) % | (15) % |
| Fall Protection | (10) % | (3) % | (20) % |
| Core Sales | 14 % | 19 % | 5 % |
| Non-Core Sales | — % | (7) % | 7 % |
| Net Sales | 12 % | 16 % | 5 % |
| *Net Sales excluding Acquisitions* | *8 %* | *10 %* | *2 %* |

**Fixed Gas and Flame Detection includes the impact of the Bacharach acquisition completed on July 1, 2021.*

| | Six Months Ended June 30, 2022 | | |
|---|---|---|---|
| | Consolidated | Americas | International |
| Fixed Gas and Flame Detection* | 33 % | 44 % | 18 % |
| Breathing Apparatus | 14 % | 15 % | 12 % |
| Portable Gas Detection | 9 % | 13 % | 2 % |
| Industrial Head Protection | 14 % | 15 % | 10 % |
| Firefighter Helmets & Protective Apparel | — % | (4) % | 9 % |
| Fall Protection | (7) % | 1 % | (18) % |
| Core Sales | 13 % | 16 % | 8 % |
| Non-Core Sales | (7) % | (14) % | 4 % |
| Net Sales | 11 % | 13 % | 7 % |
| *Net Sales excluding Acquisitions* | *6 %* | *7 %* | *4 %* |

**Fixed Gas and Flame Detection includes the impact of the Bacharach acquisition completed on July 1, 2021.*

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 Ended June 30, | | | Six Months Ended June 30, | | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | % Change | 2022 | 2021 | % Change |
| Net income attributable to MSA Safety Incorporated | $ 47,693 | $ 25,186 | 89 % | $ 83,235 | $ 61,636 | 35 % |
| Product liability expense | 2,926 | 11,751 | | 5,698 | 14,547 | |
| Acquisition related costs [(a)] | 2,557 | 3,168 | | 5,499 | 4,541 | |
| Restructuring charges | 57 | 7,078 | | 2,247 | 8,385 | |
| Asset related losses and other | 120 | 29 | | 124 | 48 | |
| Currency exchange (gains) losses, net | (1,463) | 1,640 | | 1,809 | (459) | |
| Income tax expense on adjustments | (946) | (7,029) | | (4,069) | (9,399) | |
| Adjusted earnings | $ 50,944 | $ 41,823 | 22 % | $ 94,543 | $ 79,299 | 19 % |
| Adjusted earnings per diluted share | $ 1.29 | $ 1.06 | 22 % | $ 2.40 | $ 2.01 | 19 % |

[(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 unaudited Condensed Consolidated Statements of Income. Acquisition related costs also include the acquisition related amortization, which is included in cost of products sold in the unaudited Condensed 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.

***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 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 18, 2022. 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 www.sec.gov, as well as on its own investor relations website 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 organic 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.*

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