

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

Three Months Ended September 30, 2016

	Breathing Apparatus	Fire and Rescue Helmets	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	(21)%	(10)%	2%	8%	9%	114 %	1 %	5%	2 %
Plus: Currency translation effects	— %	— %	1%	2%	—%	2 %	1 %	1%	— %
Constant currency sales change	(21)%	(10)%	3%	10%	9%	116 %	2 %	6%	2 %
Less: Acquisitions	— %	— %	—%	—%	—%	124 %	6 %	—%	5 %
Organic constant currency change	(21)%	(10)%	3%	10%	9%	(8)%	(4)%	6%	(3)%

Nine Months Ended September 30, 2016

	Breathing Apparatus	Fire and Rescue Helmets	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%	(1)%	(7)%	1%	(2)%	116 %	7%	(6)%	4%
Plus: Currency translation effects	1%	1 %	4 %	4%	1 %	4 %	2%	3 %	3%
Constant currency sales change	9%	— %	(3)%	5%	(1)%	120 %	9%	(3)%	7%
Less: Acquisitions	—%	— %	— %	—%	— %	129 %	7%	— %	6%
Organic constant currency change	9%	— %	(3)%	5%	(1)%	(9)%	2%	(3)%	1%

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

Organic constant currency revenue growth is defined as constant currency revenue growth excluding Latchways' revenue results. Management believes that organic constant currency revenue growth is a useful measure for investors to provide an understanding of MSA's standalone results excluding the acquisition.

There can be no assurances that MSA's definition of constant currency revenue growth or organic constant currency revenue growth is consistent with that of other companies. As such, management believes that it is appropriate to consider revenue growth determined on a GAAP basis in addition to these non-GAAP financial measures.

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

Three Months Ended September 30, 2016

	Breathing Apparatus	Fire and Rescue Helmets	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	(33)%	(2)%	3%	11%	2%	11 %	(10)%	(2)%	(9)%
Plus: Currency translation effects	— %	— %	1%	2%	—%	2 %	1 %	1 %	1 %
Constant currency sales change	(33)%	(2)%	4%	13%	2%	13 %	(9)%	(1)%	(8)%
Less: Acquisitions	— %	— %	—%	—%	—%	20 %	1 %	— %	1 %
Organic constant currency change	(33)%	(2)%	4%	13%	2%	(7)%	(10)%	(1)%	(9)%

Nine Months Ended September 30, 2016

	Breathing Apparatus	Fire and Rescue Helmets	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	5%	12%	(8)%	—%	(7)%	7 %	—%	(8)%	(2)%
Plus: Currency translation effects	1%	1%	4 %	4%	2 %	4 %	2%	3 %	3 %
Constant currency sales change	6%	13%	(4)%	4%	(5)%	11 %	2%	(5)%	1 %
Less: Acquisitions	—%	—%	— %	—%	— %	20 %	2%	— %	1 %
Organic constant currency change	6%	13%	(4)%	4%	(5)%	(9)%	—%	(5)%	— %

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

Organic constant currency revenue growth is defined as constant currency revenue growth excluding Latchways' revenue results. Management believes that organic constant currency revenue growth is a useful measure for investors to provide an understanding of MSA's standalone results excluding the acquisition.

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

Three Months Ended September 30, 2016									
	Breathing Apparatus	Fire and Rescue Helmets	Industrial Head Protection	Portable Gas Detection	Fixed Gas and Flame Detection	Fall Protection	Core Sales	Non-Core Sales	Net Sales
GAAP reported sales change	12%	(15)%	(5)%	3%	19%	810 %	25%	13%	22%
Plus: Currency translation effects	—%	1 %	3 %	2%	1%	1 %	1%	—%	1%
Constant currency sales change	12%	(14)%	(2)%	5%	20%	811 %	26%	13%	23%
Less: Acquisitions	—%	— %	— %	—%	—%	822 %	17%	—%	13%
Organic constant currency change	12%	(14)%	(2)%	5%	20%	(11)%	9%	13%	10%

Nine Months Ended September 30, 2016									
	Breathing Apparatus	Fire and Rescue Helmets	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%	(9)%	(6)%	4%	3%	993 %	21%	(3)%	15%
Plus: Currency translation effects	2%	2 %	5 %	2%	2%	4 %	2%	2 %	2%
Constant currency sales change	17%	(7)%	(1)%	6%	5%	997 %	23%	(1)%	17%
Less: Acquisitions	—%	— %	— %	—%	—%	998 %	16%	— %	12%
Organic constant currency change	17%	(7)%	(1)%	6%	5%	(1)%	7%	(1)%	5%

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

Organic constant currency revenue growth is defined as constant currency revenue growth excluding Latchways' revenue results. Management believes that organic constant currency revenue growth is a useful measure for investors to provide an understanding of MSA's standalone results excluding the acquisition.

There can be no assurances that MSA's definition of constant currency revenue growth or organic constant currency revenue growth is consistent with that of other companies. As such, management believes that it is appropriate to consider revenue growth determined on a GAAP basis in addition to these non-GAAP financial measures.

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

MSA China

Revenue	<u>Nine Months Ended September 30, 2016</u>	Operating Income	<u>Nine Months Ended September 30, 2016</u>
GAAP reported sales change	6%	GAAP reported operating income change	31%
Plus: Currency translation effects	<u>4%</u>	Plus: Currency translation effects	<u>2%</u>
Constant currency sales change	<u><u>10%</u></u>	Constant currency operating income change	<u><u>33%</u></u>

Management believes that constant currency revenue growth and operating income are useful metrics for investors, as foreign currency translation can have a material impact on revenue and operating income growth trends. Constant currency revenue and operating income growth highlight 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 definitions of constant currency revenue and operating income growth are consistent with that of other companies. As such, management believes that it is appropriate to consider revenue and operating income growth determined on a GAAP basis in addition to these non-GAAP financial measures.

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

Latchways

	<u>Three Months Ended September 30, 2016</u>		<u>Nine Months Ended September 30, 2016</u>
GAAP reported sales change	(6)%	GAAP reported sales change	9%
Plus: Currency translation effects	<u>13 %</u>	Plus: Currency translation effects	<u>8%</u>
Constant currency sales change	<u><u>7 %</u></u>	Constant currency sales change	<u><u>17%</u></u>

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 selling, general and administrative (SG&A) expense (Unaudited)
Organic constant currency SG&A expense (Unaudited)
(In thousands)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2016	2015	% Change	2016	2015	% Change
GAAP reported SG&A expense	\$ 72,945	\$ 72,727	— %	\$ 227,856	\$ 231,683	(2)%
Plus: Currency translation effects	—	(1,049)		—	(5,522)	
Constant currency SG&A expense	\$ 72,945	\$ 71,678	2 %	\$ 227,856	\$ 226,161	1 %
Less: Acquisitions	3,089	707		11,218	707	
Organic constant currency SG&A expense	<u>\$ 69,856</u>	<u>\$ 70,971</u>	(2)%	<u>\$ 216,638</u>	<u>\$ 225,454</u>	(4)%

Management believes that constant currency SG&A expense and organic constant currency SG&A expense are useful metrics for investors to measure the effectiveness of the company's cost reduction program announced in 2015. Constant currency SG&A expense highlights spending patterns excluding fluctuating foreign currencies. Organic constant currency SG&A expense highlights the impact of the Latchways acquisition. These metrics provide investors with a greater level of clarity into spending levels on a year-over-year basis. MSA's definition of this metric may not be comparable to metrics used by other companies. As such, management believes that it is appropriate to consider SG&A expense 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
Adjusted Operating Income (Unaudited)
Adjusted Operating Margin (Unaudited)

	<u>Consolidated</u>
Three Months Ended September 30, 2016	
Net Sales	\$ 278,233
Adjusted operating income	42,701
Adjusted operating margin %	15.3%
Restructuring and other charges	(1,889)
Currency exchange (losses), net	(790)
Operating income	<u>\$ 40,022</u>
Operating Margin	14.4%
Nine Months Ended September 30, 2016	
Net Sales	\$ 853,499
Adjusted operating income	122,843
Adjusted operating margin %	14.4%
Restructuring and other charges	(3,697)
Currency exchange (losses), net	(2,498)
Operating income	<u>\$ 116,648</u>
Operating Margin	13.7%
	<u>Consolidated</u>
Three Months Ended September 30, 2015	
Net Sales	\$ 273,746
Adjusted operating income	34,522
Adjusted operating margin %	12.6%
Restructuring and other charges	(3,740)
Currency exchange (losses), net	(4,327)
Operating income	<u>\$ 26,455</u>
Operating Margin	9.7%
Nine Months Ended September 30, 2015	
Net Sales	\$ 817,465
Adjusted operating income	98,980
Adjusted operating margin %	12.1%
Restructuring and other charges	(4,698)
Currency exchange (losses), net	(3,336)
Operating income	<u>\$ 90,946</u>
Operating Margin	11.1%

Adjusted operating income and adjusted operating margin are the measures used by the chief operating decision maker to evaluate segment performance and allocate resources. As such, management believes that adjusted operating income and adjusted operating margin are useful metrics for investors. Adjusted operating income is defined as operating income excluding restructuring and currency exchange losses. Adjusted operating margin is defined as adjusted operating income divided by net sales. Adjusted operating income and adjusted operating margin are not recognized terms under GAAP, and the Company's definition of adjusted operating income and adjusted operating margin may not be comparable to similarly titled measures of other companies. As such, management believes that it is appropriate to consider operating income determined on a GAAP basis in addition to these non-GAAP financial measures.

MSA Safety Incorporated
 Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures
 Effective tax rate excluding tax charges associated with European reorganization (Unaudited)

	<u>Nine Months Ended September 30,</u>	
	<u>2016</u>	<u>2015</u>
GAAP reported effective tax rate	36.0%	43.5%
Less: Tax charges associated with European reorganization	<u>3.3%</u>	<u>9.0%</u>
Effective tax rate excluding tax charges associated with European reorganization	<u><u>32.7%</u></u>	<u><u>34.5%</u></u>

Management believes that its effective tax rate excluding tax charges associated with the European reorganization is a useful measure for investors, as these tax charges reflect a discrete item associated with a strategic program and are unrelated to the ongoing operations of the company. There can be no assurances that MSA's metric is consistent with metrics used by other companies. As such, management believes that it is appropriate to consider MSA's effective tax rate determined on a GAAP basis as well as this non-GAAP measure.

MSA Safety Incorporated

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

Latchways net income excluding integration costs and amortization associated with purchase accounting
(Unaudited)

Latchways net income per diluted share excluding integration costs and amortization associated with
purchase accounting (Unaudited)

(In thousands, except per share amounts)

	Nine Months Ended September 30,	
	<u>2016</u>	
Latchways net income	\$	2,447
Integration costs		511
Amortization associated with purchase accounting		4,436
Income tax expense on adjustment		(965)
Latchways net income excluding integration costs and amortization associated with purchase accounting		<u>6,429</u>
Latchways net income per diluted share excluding integration costs and amortization associated with purchase accounting	\$	<u>0.17</u>

Management believes that Latchways net income excluding integration costs and amortization associated with purchase accounting is a useful measure for investors, as management uses this measure to internally assess the performance and profitability of Latchways. There can be no assurances that MSA's metric is consistent with metrics used by other companies. As such, management believes that it is appropriate to consider Latchways net income determined on a GAAP basis as well as this non-GAAP measure.

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 September 30,		% Change	Nine Months Ended September 30,		% Change
	2016	2015		2016	2015	
Income from continuing operations attributable to MSA Safety Incorporated	25,486	15,712	62%	67,475	48,750	38%
Tax charges associated with European reorganization	—	—		3,600	7,605	
Non-deductible transaction costs	—	707		—	707	
Subtotal	25,486	16,419	55%	71,075	57,062	25%
Restructuring and other charges	1,889	3,740		3,697	4,698	
Self-insured legal settlements and defense costs	20	708		315	1,050	
Transaction and integration costs	310	—		821	—	
Asset related (gains) losses, net	(256)	206		(815)	538	
Currency exchange losses, net	790	4,327		2,498	3,336	
Income tax expense on adjustments	(829)	(3,287)		(2,123)	(3,300)	
Adjusted earnings	27,410	22,113	24%	75,468	63,384	19%
Adjusted earnings per diluted share	\$ 0.72	\$ 0.59	22%	\$ 1.99	\$ 1.68	18%

Management believes that adjusted earnings and adjusted earnings per diluted share are useful measures for investors, as management uses these measures to internally assess the company's performance and ongoing operating trends. There can be no assurances that additional special items will not occur in future periods, nor that MSA's definition of adjusted earnings is consistent with that of other companies. As such, management believes that it is appropriate to consider both net income determined on a GAAP basis as well as adjusted earnings.

MSA Safety Incorporated
Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures
Free cash flow (Unaudited)
(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Cash from operations	\$ 18,915	\$ 2,117	\$ 31,437	\$ 9,830
Capital expenditures	(5,551)	(9,133)	(16,146)	(25,148)
Free cash flow	<u>\$ 13,364</u>	<u>\$ (7,016)</u>	<u>\$ 15,291</u>	<u>\$ (15,318)</u>

Management believes that free cash flow is a meaningful measure for investors. Management reviews cash from operations after deducting capital expenditures because these expenditures are necessary to promote growth of MSA's business and are likely to produce cash from operations in future periods. It is important to note that free cash flow does not reflect the residual cash balance of the company for discretionary spending since other items, including debt and dividend payments, are deducted from free cash flow before arriving at the company's ending cash balance.

MSA Safety Incorporated
 Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures
 Debt to EBITDA / Net debt to EBITDA (Unaudited)
 (In thousands)

	Trailing Twelve Months Ended September 30, 2016
Net income attributable to MSA Safety Incorporated	87,658
Provision for income taxes	46,604
Interest expense	15,567
Depreciation and amortization	35,689
Other non-cash expenses	17,197
Non-cash restructuring expenses	1,000
Costs related to acquisition	7,621
EBITDA	211,336
Total end-of-period debt	471,338
Debt to EBITDA	<u>2.2</u>
Total end-of-period debt	471,338
Total end-of-period cash and cash equivalents	106,033
Net debt	365,305
Net debt to EBITDA	<u>1.7</u>

EBITDA is a non-GAAP financial measure. MSA defines this measure as net income attributable to the Company, excluding interest, taxes, depreciation and amortization, non-cash charges including pension expense and stock-based compensation, non-cash restructuring charges and transaction and integration costs related to acquisitions. Management believes this information is useful for investors to analyze profitability trends of the Company. EBITDA, as defined herein, may not be comparable to similarly titled measures reported by other companies. Furthermore, this performance measure does not take into account certain significant items that directly affect net income. EBITDA should be considered in addition to GAAP measures such as net income.

Debt to EBITDA ratio is a non-GAAP measure defined as total long term debt and debt maturing within one year divided by EBITDA, as reconciled above. Net Debt to EBITDA removes cash and cash equivalents from the Company's debt balance. These ratios are frequently used by investors and credit agencies and management believes these measures provide relevant and useful information.