

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

Consolidated

Three Months Ended March 31, 2017

	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)%	3%	18 %	13%	(9)%	(12)%	(4)%	(10)%	(5)%
Plus: Currency translation effects	— %	2%	(2)%	—%	1 %	5 %	1 %	(1)%	1 %
Constant currency sales change	(12)%	5%	16 %	13%	(8)%	(7)%	(3)%	(11)%	(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.

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Americas Segment

Three Months Ended March 31, 2017

	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	(9)%	(5)%	17 %	18%	(11)%	12%	—%	(3)%	— %
Plus: Currency translation effects	— %	— %	(3)%	—%	1 %	1%	—%	(2)%	(1)%
Constant currency sales change	(9)%	(5)%	14 %	18%	(10)%	13%	—%	(5)%	(1)%

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International Segment

Three Months Ended March 31, 2017

	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	(19)%	10%	24%	3%	(7)%	(28)%	(10)%	(18)%	(11)%
Plus: Currency translation effects	1 %	3%	2%	—%	2 %	7 %	3 %	1 %	2 %
Constant currency sales change	(18)%	13%	26%	3%	(5)%	(21)%	(7)%	(17)%	(9)%

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.

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MSA Safety Incorporated  
 Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures  
 Adjusted Operating Income (Unaudited)  
 Adjusted Operating Margin (Unaudited)  
 (In thousands)

	<u>Consolidated</u>
Three Months Ended March 31, 2017	
Sales to external customers	\$ 265,765
Operating income	19,422
Operating margin %	7.3%
Restructuring charges	12,739
Currency exchange losses, net	<u>580</u>
Adjusted operating income	\$ 32,741
Adjusted operating margin %	12.3%

	<u>Consolidated</u>
Three Months Ended March 31, 2016	
Sales to external customers	\$ 279,268
Operating income	28,727
Operating margin %	10.3%
Restructuring charges	470
Currency exchange losses, net	<u>1,950</u>
Adjusted operating income	\$ 31,147
Adjusted operating margin %	11.2%

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 gains / 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  
 Adjusted Effective Tax Rate (Unaudited)

	Three Months Ended March 31,	
	2017	2016
GAAP reported effective tax rate	10.9 %	48.7%
Less: Tax (benefit) associated with ASU 2016-09: <i>Improvements to employee share-based payment accounting</i>	(16.9)%	—%
Less: Tax charges associated with European reorganization	<u>— %</u>	<u>14.0%</u>
Adjusted effective tax rate	<u>27.8 %</u>	<u>34.7%</u>

Management believes that its adjusted effective tax rate is a useful measure for investors. The adjusted effective tax rate excludes tax benefits associated with ASU 2016-09 and tax charges associated with the company's European reorganization. These tax charges/benefits reflect discrete items that 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  
Adjusted earnings (Unaudited)  
Adjusted earnings per diluted share (Unaudited)  
(In thousands, except per share amounts)

	Three Months Ended March 31,		% Change
	2017	2016	
Income from continuing operations attributable to MSA Safety Incorporated	\$14,413	\$12,683	14%
Tax (benefit) associated with ASU 2016-09: <i>Improvements to employee share-based payment accounting</i>	(2,782)		
Tax charges associated with European reorganization		3,600	
Subtotal	<u>11,631</u>	<u>16,283</u>	(29)%
Restructuring charges	12,739	470	
Strategic transaction costs	1,337	511	
Currency exchange losses, net	580	1,950	
Asset related losses (gains), net	32	(343)	
Self-insured legal settlements and defense costs	32	20	
Income tax expense on adjustments	<u>(4,088)</u>	<u>(905)</u>	
Adjusted earnings	<u>22,263</u>	<u>17,986</u>	24%
Adjusted earnings per diluted share	<u>\$ 0.58</u>	<u>\$ 0.48</u>	21%

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 March 31,	
	<u>2017</u>	<u>2016</u>
Cash from operating activities	\$ 96,390	\$ (11,006)
Capital expenditures	<u>(1,442)</u>	<u>(5,819)</u>
Free cash flow	<u>\$ 94,948</u>	<u>\$ (16,825)</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)

	Twelve Months Ended March 31, 2017
Net income attributable to MSA Safety Incorporated	94,598
Provision for income taxes	47,089
Interest expense	16,100
Depreciation and amortization	34,869
Other non-cash expenses	16,541
Non-cash restructuring expenses	10,084
Strategic transaction costs	3,357
EBITDA	222,638
Total end-of-period debt	295,416
Debt to EBITDA	1.3
Total end-of-period debt	295,416
Total end-of-period cash and cash equivalents	104,427
Net debt	190,989
Net debt to EBITDA	0.9

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 strategic transaction costs. 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.