



MSA Safety Annual Report 2021

Form 10-K (NYSE:MSA)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO**

Commission File No. 1-15579



MSA SAFETY INCORPORATED

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of incorporation or organization)

46-4914539
(IRS Employer Identification No.)

1000 Cranberry Woods Drive
Cranberry Township, Pennsylvania
(Address of principal executive offices)

16066-5207
(Zip Code)

Registrant's telephone number, including area code: (724) 776-8600

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, no par value
(Title of each class)

MSA
(Trading symbol(s))

New York Stock Exchange
(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of voting stock held by non-affiliates as of June 30, 2020 was approximately \$4.1 billion. As of February 12, 2021, there were outstanding 39,089,206 shares of common stock, no par value.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the May 19, 2021 Annual Meeting of Shareholders are incorporated by reference into Part III.

Table of Contents

| <u>Item No.</u> | | <u>Page</u> |
|-----------------|--|--------------------|
| Part I | | |
| 1. | Business | 4 |
| 1A. | Risk Factors | 10 |
| 1B. | Unresolved Staff Comments | 17 |
| 2. | Properties | 17 |
| 3. | Legal Proceedings | 17 |
| 4. | Mine Safety Disclosures | 17 |
| | Executive Officers of the Registrant | 18 |
| Part II | | |
| 5. | Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities | 19 |
| 6. | Selected Financial Data | 20 |
| 7. | Management's Discussion and Analysis of Financial Condition and Results of Operations | 21 |
| 7A. | Quantitative and Qualitative Disclosures About Market Risk | 31 |
| 8. | Financial Statements and Supplementary Data | 32 |
| 9. | Changes in and Disagreements with Accountants on Accounting and Financial Disclosure | 77 |
| 9A. | Controls and Procedures | 77 |
| 9B. | Other Information | 77 |
| Part III | | |
| 10. | Directors, Executive Officers and Corporate Governance | 78 |
| 11. | Executive Compensation | 78 |
| 12. | Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters | 78 |
| 13. | Certain Relationships and Related Transactions, and Director Independence | 78 |
| 14. | Principal Accountant Fees and Services | 78 |
| Part IV | | |
| 15. | Exhibits and Financial Statement Schedules | 79 |
| 16. | Form 10-K Summary | 81 |
| | Signatures | 82 |

Forward-Looking Statements

This report may contain (and verbal statements made by MSA ® Safety Incorporated (MSA) may contain) forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks and other factors include, but are not limited to, those listed in this report under “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and elsewhere in this report. In some cases, you can identify forward-looking statements by words such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or other comparable words. Actual results, performance or outcomes may differ materially from those expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are under no duty to update publicly any of the forward-looking statements after the date of this report, whether as a result of new information, future events or otherwise.

PART I

Item 1. Business

Overview—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. Recognized for their market leading innovation, 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, which is governed by rigorous safety standards across highly regulated industries, is used by workers around the world in a broad range of markets, including fire service, the oil, gas and petrochemical industry, construction, industrial manufacturing applications, utilities, mining and the military. The Company's core products include breathing apparatus where self-contained breathing apparatus ("SCBA") is the principal product, fixed gas and flame detection systems, portable gas detection instruments, industrial head protection products, firefighter helmets and protective apparel and fall protection devices.

The Company's leading market positions across nearly all of its core products are supported and enabled by a strong commitment to investing in new product development that continually raises the bar for safety equipment performance, all while upholding an unwavering commitment to integrity. We dedicate significant resources to research and development, which allows us to produce innovative safety products that are often first to market. Our global product development teams include cross-functional associates throughout the Company, including research and development, marketing, sales, operations and quality management. Our engineers and technical associates work closely with the safety industry's leading standards-setting groups and trade associations to develop industry specific product standards and to anticipate their impact on our product lines.

Segments—We tailor our product offerings and distribution strategy to satisfy distinct customer preferences that vary across geographic regions. To best serve these customer preferences, we have organized our business into four geographic operating segments that are aggregated into three reportable geographic segments: Americas, International and Corporate. Segment information is presented in Note 7 of the consolidated financial statements in Part II Item 8 of this Form 10-K.

Because our financial statements are stated in U.S. dollars and much of our business is conducted outside the U.S., currency fluctuations may affect our results of operations and financial position and may affect the comparability of our results between financial periods.

Products—We manufacture and sell a comprehensive line of safety products to protect the health and safety of workers and facility infrastructures around the world in the fire service, the oil, gas and petrochemical industry, construction, industrial manufacturing applications, utilities, mining and the military. Our products protect people against a wide variety of hazardous or life-threatening situations.

The following is a brief description of each of our product categories:

Core products. MSA's corporate strategy includes a focus on driving sales of core products, where we have leading market positions and a distinct competitive advantage. Core products, as mentioned above, include breathing apparatus where SCBA is the principal product, fixed gas and flame detection systems, portable gas detection instruments, industrial head protection products, firefighter helmets and protective apparel and fall protection devices. Core products comprised approximately 85% and 88% of sales in 2020 and 2019, respectively.

The following is a brief description of our core product offerings:

Breathing apparatus products. The primary breathing apparatus product is the SCBA. SCBA are used by first responders, petrochemical plant workers and anyone entering an environment deemed immediately dangerous to life and health. Our primary breathing apparatus product in the Americas segment, the MSA G1 SCBA, is a revolutionary platform that offers many customizable and differentiated features. Our newest breathing apparatus product, the MSA M1 SCBA, represents the most advanced and ergonomic SCBA we have ever launched for our International markets. We sell breathing apparatus across both the Americas and International segments.

Fixed gas and flame detection instruments ("FGFD"). Our permanently installed fixed gas and flame detection instruments are used in oil, gas and petrochemical applications, wastewater, HVAC and general industrial production facilities to detect the presence or absence of various gases in the air. Typical applications of these instruments include the detection of an oxygen deficiency in confined spaces or the presence of combustible or toxic gases. FGFD product lines generate a meaningful portion of overall revenue from recurring business including replacement components and related service. We sell these instruments in both our Americas and International segments. Key products include:

- *Permanently installed gas detection monitoring systems.* This product line is used to monitor for combustible and toxic gases and oxygen deficiency in virtually any application where continuous monitoring is required. Our systems are used for gas detection in the oil and gas industry, petrochemical, pulp and paper, wastewater, refrigerant monitoring, pharmaceutical production and general industrial applications. Our Ultima®X5000 and S5000 gas monitors enhance facility and worker safety while lowering overall cost of ownership for our customers through differentiated sensor technology. These systems utilize a wide array of sensor technologies including electrochemical, catalytic, infrared and ultrasonic.
- *Flame detectors and open-path infrared gas detectors.* These instruments are used for plant-wide monitoring of toxic gases and for detecting the presence of flames. These systems use infrared optics to detect potentially hazardous conditions across long distances, making them suitable for use in such applications as offshore oil rigs, storage vessels, refineries, pipelines and ventilation ducts.

Portable gas detection instruments. Our hand-held portable gas detection instruments are used to detect the presence or absence of various gases in the air. The product line is used by oil, gas and petrochemical workers, general industrial workers, miners, utility workers, first responders or anyone working in a confined space environment. Typical applications of these instruments include the detection of an oxygen deficiency in confined spaces or the presence of combustible or toxic gases. Our single- and multi-gas detectors provide portable solutions for detecting the presence of oxygen, combustible gases and various toxic gases, including hydrogen sulfide, carbon monoxide, ammonia and chlorine, either singularly or up to six gases at once. Our ALTAIR® 2X, ALTAIR 4XR and ALTAIR 5X Multigas Detectors, with our internally developed XCell® sensor technology, provide faster response times and unsurpassed durability. During 2020, we launched the ALTAIR® io360 Gas Detector, which combines the simple set-up of a smart home device, while allowing local or remote monitoring of hazardous areas. The ultra-long battery life keeps the focus on safety and less on maintenance. We sell portable gas detection instruments in both our Americas and International segments.

The 2019 acquisition of Sierra Monitor Corporation ("SMC"), a leading provider of fixed gas and flame detection instruments and Industrial Internet of Things solutions that connect and help protect high-value infrastructure assets, enables MSA to accelerate its strategy to enhance worker safety and accountability through the use of cloud technology and wireless connectivity. This acquisition enhances a key focus of the Company's Safety io® subsidiary, launched in 2018 primarily to leverage the capabilities of its portable gas detection portfolio as it relates to cloud connectivity. Our Safety io Grid product offers fleet management and live monitoring capabilities that interface with MSA's portable gas detection instruments.

Industrial head protection. We offer a complete line of industrial head protection and accessories that includes the iconic V-Gard® helmet brand, a bellwether product in MSA's portfolio for over 50 years. We offer customers a wide range of color choices and we are a world leader in the application of customized logos. Our industrial head protection products have a wide user base, including oil, gas and petrochemical workers, steel and construction workers, miners and industrial workers. Our Fas-Trac® III Suspension system was designed to provide enhanced comfort without sacrificing safety. Our strongest sales of head protection products have historically been in the Americas segment.

Firefighter helmets and protective apparel. We offer a complete line of fire helmets that includes our Cairns® and Gallet® helmet brands. Our Cairns helmets are primarily used by firefighters in North America while the Gallet helmets are primarily used by firefighters across our International segment. The acquisition of Globe® Holding Company, LLC ("Globe") and the recently announced acquisition of Bristol Uniforms, both leading innovators and providers of firefighter protective clothing and boots, strengthened our position as a leader in both the North American and International markets for firefighter personal protective equipment (PPE). MSA's firefighter safety PPE offering in the Americas segment protects firefighters from head to toe, with Cairns Helmets, our industry leading G1 SCBA, and Globe turnout gear and boots. MSA's firefighter safety PPE offering in the International segment includes the XF1 Gallet Helmet, the M1 SCBA and Bristol Uniforms turnout gear.

Fall protection. Our broad line of fall protection equipment includes harnesses, lanyards, self-retracting lifelines, engineered systems and confined space equipment. Fall protection equipment is used by workers in the construction industry, oil, gas and petrochemical market, utilities industry, aerospace industry, general industrial applications and anyone working at height. MSA's new V-Series fall protection equipment has transformed the Company's harness and self-retracting lanyard portfolio, with approximately 50 new fall protection products launched over the past several years. The V-Series brand of fall protection equipment is inspired by MSA's iconic V-Gard hard hat, which is used by millions of workers around the world. Additionally, we recently launched a patent-pending Personal Fall Limiter with a smart hook connector that using radio -frequency identification ("RFID") technology alerts wearers when they are not secured to an anchorage point.

We have patents and pending patents across substantially all of our products.

Non-core products. MSA maintains a portfolio of non-core products. Non-core products reinforce and extend the core offerings, drawing upon our customer relationships, distribution channels, geographical presence and technical experience. These products are complementary to the core offerings and sometimes reflect more episodic or contract-driven growth patterns. Key non-core products include air-purifying respirators ("APR"), eye and face protection, ballistic helmets and gas masks. Ballistic helmet and gas mask sales are the primary sales to our military customers and were approximately \$46 million globally in 2020 compared to \$41 million in 2019.

MSA does not produce disposable respirators of any type; however, Mine Safety Appliances Company, LLC ("MSA LLC"), one of the Company's subsidiaries, does produce advanced elastomeric APR, including half-mask respirators, full-facepiece respirators and powered air purifying respirators, each with replaceable filters providing a minimum of N-95 filtration capability. These products have historically been used in many industrial and first responder applications. APR products represented 8% of our consolidated sales for the year ended December 31, 2020 with over 75% of this business being in our Americas segment. In the first quarter of 2020, Emergency Use Authorizations ("EUA") were issued by the FDA to expand the types of respiratory protection available to the medical community in response to COVID-19. Those include an EUA that continues to temporarily permit the use of NIOSH-approved respirators in healthcare settings, including elastomeric APR products that are part of MSA LLC's existing portfolio. In 2020, MSA LLC introduced its next-generation Advantage 290 LS Air-Purifying Respirator. An elastomeric half-mask (EHMR) device which received approval from the National Institute for Occupational Safety and Health ("NIOSH"), the Advantage 290 LS Respirator covers a wearer's nose and mouth and utilizes twin filters to provide respiratory protection. The Advantage 290 Respirator is the first EHMR to function without an exhalation valve, making it a new respiratory protection option that provides both personal protection and source control. In addition, the new respirator gives healthcare facilities greater optionality and flexibility in developing their respiratory protection programs in accordance with Occupational Safety and Health Administration standards. MSA LLC is committed to increasing production of masks within the existing portfolio to support our customer base and other response efforts.

Customers—Our customers generally fall into two categories: distributors and end-users. In our Americas segment, the majority of our sales are made through distribution. In our International segment, sales are made through both indirect and direct sales channels. For the year ended December 31, 2020, no individual customer represented more than 10% of our sales.

Sales and Distribution—Our sales and distribution team consists of marketing, field sales and customer service organizations. In most geographic areas, our field sales organizations work jointly with select distributors to call on end-users and educate them about hazards, exposure limits, safety requirements and product applications, as well as the specific performance attributes of our products. We believe that understanding end-user requirements is critical to increasing MSA's market share.

The in-depth customer training and education provided by our sales associates to our customers is critical to ensuring proper use of many of our products, such as SCBA and gas detection instruments. As a result of our sales associates working closely with end-users, they gain valuable insight into customer preferences and needs. To better serve our customers and to ensure that our sales associates are among the most knowledgeable and professional in the industry, we place significant emphasis on training our sales associates in product application, industry standards and regulations.

We believe our sales and distribution strategy allows us to deliver a customer value proposition that differentiates our products and services from those of our competitors, resulting in increased customer loyalty and demand.

In areas where we use indirect selling, we promote, distribute and service our products to general industry through authorized national, regional and local distributors. Some of our key distributors include W.W. Grainger Inc., Airgas, Casco Industries, Witmer Public Safety Group, Vallen Distribution, Ten-8 Fire Equipment, Essendant and Fastenal. We distribute fire service products primarily through specially trained local and regional distributors who provide advanced training and service capabilities to volunteer and paid municipal fire departments. Because of our broad and diverse product line and our desire to reach as many markets and market segments as possible, we have over 2,700 authorized distributor locations worldwide.

MSA maintains a diversified portfolio of safety products that protect workers and facility infrastructure across a broad array of end markets. While the Company sells its products through distribution, which can limit end-user visibility, the Company provides estimated ranges of end market exposure to facilitate understanding of its growth drivers. The Company estimates that approximately 35%-40% of its overall revenue is derived from the fire service market and 25%-30% of its revenue is derived from the energy market. The remaining 30%-40% is split among construction, utilities, general industrial applications, military and mining.

Competition—The global safety products market is broad and highly fragmented with few participants offering a comprehensive line of safety products. The sophisticated safety products market in which we compete is comprised of both core and non-core offerings and is a subset of the larger safety market. We maintain leading positions in nearly all of our core products. Over the long-term, we believe global demand for safety products will continue to grow. Purchases of these products are non-discretionary, protecting workers' health in hazardous and life-threatening work environments. Their use is often mandated by government and industry regulations, which are increasingly enforced on a global basis.

The safety products market is highly competitive, with participants ranging in size from small companies focusing on a single type of PPE to several large multinational corporations that manufacture and supply many types of sophisticated safety products. Our main competitors vary by region and product. We believe that participants in this industry compete primarily on the basis of product characteristics (such as functional performance, technology, cost of ownership, comfort, design and style), brand name recognition and after-market service support.

We believe we compete favorably within each of our operating segments as a result of our high quality, innovative offerings and strong brand trust and recognition.

Research and Development—To achieve and maintain our market leading positions, we operate several sophisticated research and development facilities. We believe our dedication and commitment to innovation and research and development allows us to produce state-of-the-art safety products that are often first to market and exceed industry standards. Our primary engineering groups are located in the United States, Germany and China. Our global product development teams include cross-geographic and cross-functional members from various areas throughout the Company, including research and development, marketing, sales, operations and quality management. These teams are responsible for setting product line strategies based on their understanding of customers' needs and available technology, as well as the opportunities and challenges they foresee in each product area. We believe our team-based, cross-geographical and cross-functional approach to new product development is a source of competitive advantage. Our approach to the new product development process allows us to tailor our product offerings and product line strategies to satisfy distinct customer preferences and industry regulations that vary across our operating segments.

We believe another important aspect of our approach to new product development is that our engineers and technical associates work closely with the safety industry's leading standards-setting groups and trade associations. These organizations include NIOSH, the National Fire Protection Association ("NFPA"), American National Standards Institute ("ANSI"), International Safety Equipment Association ("ISEA") and their overseas counterparts. Key members of our management team understand the impact that these standard-setting organizations have on our new product development pipeline. As such, management devotes significant time and attention to anticipating a new standard's impact on our sales and operating results. Because of our understanding of customer needs, membership on global standards-setting bodies, investment in research and development and our unique new product development process, we believe we are well positioned to anticipate and adapt to changing product standards. While the length of the approval process can be unpredictable, we believe that we are well positioned to gain the approvals and certifications necessary to meet new government and multinational product regulations.

Patents and Intellectual Property—We own significant intellectual property, including a number of domestic and foreign patents, patent applications and trademarks related to our products, processes and business. Although our intellectual property plays an important role in maintaining our competitive position in a number of markets that we serve, no single patent, or patent application, trademark or license is, in our opinion, of such value to us that our business would be materially affected by the expiration or termination thereof, other than the "MSA" trademark. Our patents expire at various times in the future not exceeding 20 years. Our general policy is to apply for patents on an ongoing basis in the United States and other countries, as appropriate, to perfect our patent development. In addition to our patents, we have also developed or acquired a substantial body of manufacturing know-how that we believe provides a significant competitive advantage over our competitors.

Raw Materials and Suppliers—Many of the components of our products are formulated, machined, tooled or molded in-house from raw materials, which comprise approximately two-thirds of our cost of sales. For example, we rely on integrated manufacturing capabilities for breathing apparatus, gas masks, ballistic helmets, hard hats and circuit boards. The primary raw materials that we source from third parties include electronic components, rubber, high density polyethylene, chemical filter media, eye and face protective lenses, air cylinders, certain metals and ballistic resistant, flame resistant and non-ballistic fabrics. We purchase these materials both domestically and internationally, and we believe our supply sources are both well established and reliable. We have close vendor relationship programs with the majority of our key raw material suppliers. Although we generally do not have long-term supply contracts, thus far we have not experienced any significant problems in obtaining adequate raw materials. Please refer to MSA's Form SD filed on May 29, 2020 for further information on our conflict minerals analysis. Form SD may be obtained free of charge at www.sec.gov.

Human Capital—As of December 31, 2020, the Company employed approximately 4,800 people worldwide, of which approximately 2,100 were employed in the United States and 2,700 were employed outside of the United States. Approximately 28% of our global workforce is covered by collective bargaining agreements or works councils. Overall, we consider our employee relations to be good. Our culture is important to our success. To that end, we maintain seven core values that define our culture. They are Integrity, Customer Focus, Diversity and Inclusion, Innovation and Change, Engagement, Teamwork and Speed and Agility. Our core values are encircled by "A Culture of Safety."

Workplace Health & Safety—As a company whose mission is dedicated to worker safety, MSA places great emphasis on the health and safety of our own associates. To that end, the Company maintains a global Environmental, Health and Safety ("EHS") Management System, deploys a variety of programs to reduce and eliminate injuries and promote safety and regularly measures progress against those programs. These programs promote personal responsibility for workplace safety and encourage associates to set a meaningful example as safety ambassadors.

Response to COVID-19—Through the efforts of a cross-functional COVID-19 response team, MSA has responded to numerous people-related challenges resulting from the pandemic. The Company addressed various country, state, and local restrictions, mandates and guidelines and provided compliance programs at all MSA locations designed to operate facilities in a safe manner. Among other efforts, this included implementing various associate work and safety protocols.

In addition, to support mental health and emotional well-being, all associates and their dependents worldwide have access to an Employee Assistance Program ("EAP"), at no cost to them. This includes access to visits with mental health care providers through the EAP.

Diversity & Inclusion—Diversity & Inclusion is a Core Value at MSA, and the Company seeks a wide variety of people, thoughts, perspectives, and ideas.

MSA strives to provide a diverse and inclusive work environment, paired with a culture of excellence in which associates feel comfortable openly sharing thoughts and ideas. Creating an inclusive environment helps to recruit and retain talent, promoting engagement, fostering innovation, and achieving MSA's business objectives.

The Company maintains several Employee Resource Business Groups ("ERBGs") designed to foster a culture that is both engaged and inclusive. These ERBGs are voluntary, associate-driven communities that capitalize on the wide variety of people and perspectives at MSA, driving our core value of Diversity and Inclusion.

MSA also partners with a number of non-profit and community-based organizations to help to build a pipeline of future talent with differing backgrounds, thoughts, experiences, and perspectives.

Approximately 51% of our U.S. workforce self-identify as diverse. This includes women who comprise approximately 42% of our U.S. workforce. Among associates within executive pay grades, 34% self-identify as diverse. We determine race and gender diversity based on our employees' self-identification or other information compiled to meet the requirements of the U.S. government, compiled as of December 31, 2020. We count a female minority employee as one individual.

Leadership and Development—MSA provides programs to enable continuous learning, growth and development opportunities.

First, the MOVE Performance Management philosophy is a core element of associate engagement. Meaningful, Ongoing, Vital Exchanges ("MOVE") between associates and supervisors provide a flexible, ongoing feedback loop to drive and enhance the engagement of associates, while facilitating the achievement of our strategic goals.

Second, the MSA Leader model sets the expectations of MSA people leaders. Grounded in core principles that define MSA's high performance culture of excellence, the MSA Leader model guides the development of current

and aspiring leaders. It outlines the traits, knowledge, competencies, and experiences that MSA requires for successful leadership while encouraging leaders to remain true to their personal styles. The model is the foundation of leadership development at MSA. By combining leadership development, culture, and business acumen, leaders are better prepared to drive a high-performance culture while maintaining an engaged workforce with opportunities for development and growth.

Beyond these core programs, MSA designs and delivers a variety of associate leadership and development programs to further enhance the associate experience and opportunities for growth. Associates are empowered to own their career development through business-aligned resources, tools and programs.

Compensation and Rewards—MSA's Global Compensation Philosophy strives to provide total compensation for all associates at the market median, utilizing base salary, cash incentives and, in some cases, equity grants to achieve this goal. We further strive to provide above-market compensation opportunities for associates who exceed goals and expectations. This approach to Total Rewards is designed to help MSA attract, retain and motivate high-performing individuals who foster an innovative culture and drive business results.

Environmental Matters—Our facilities and operations are subject to laws and regulations relating to environmental protection and human health and safety. In the opinion of management, compliance with current environmental protection laws will not have a material adverse effect on our financial condition. See Item 1A, Risk Factors, for further information regarding our environmental risks which could impact the Company.

Seasonality—Our operating results are not significantly affected by seasonal factors. Sales are generally higher during the second and fourth quarters. During periods of economic expansion or contraction and following significant catastrophes, our sales by quarter have varied from this seasonal pattern. Government-related sales tend to increase in the fourth quarter. Americas sales tend to be strong during the oil and gas market turnaround seasons late in the first quarter, early in the second quarter and then again at the end of the third quarter and beginning of the fourth quarter. International segment sales are typically weaker for the Europe region in the summer holiday months of July and August and seasonality can be affected by the timing of delivery of larger orders. Invoicing and the delivery of larger orders can affect sales patterns variably across all reporting segments.

Available Information—Our Internet address is www.MSAafety.com. We make the following filings available free of charge on the Investor Relations page on our website as soon as they have been electronically filed with or furnished to the Securities and Exchange Commission ("SEC"): our annual reports on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as well as our proxy statement. Information contained on our website is not part of this annual report on Form 10-K or our other filings with the SEC. The SEC maintains an Internet site at www.sec.gov that contains reports, proxy and information statements and other information regarding issuers like us who file electronically with the SEC.

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