

MSA Safety Inc  
Form 10-Q  
August 09, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended June 30, 2016

Commission File No. 1-15579

MSA SAFETY INCORPORATED

(Exact name of registrant as specified in its charter)

Pennsylvania

46-4914539

(State or other jurisdiction of  
incorporation or organization)

(IRS Employer  
Identification No.)

1000 Cranberry Woods Drive  
Cranberry Township, Pennsylvania

16066-5207

(Address of principal executive offices) (Zip Code)

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

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

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

As of August 5, 2016, 37,522,927 shares of common stock, of the registrant were outstanding.

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## MSA SAFETY INCORPORATED

## CONDENSED CONSOLIDATED STATEMENT OF INCOME

Unaudited

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
(In thousands, except per share amounts)	2016	2015	2016	2015
Net sales	\$295,998	\$287,011	\$575,266	\$543,719
Cost of products sold	160,143	156,522	318,706	296,407
Gross profit	135,855	130,489	256,560	247,312
Selling, general and administrative	75,716	77,588	154,911	158,956
Research and development	11,144	12,984	21,507	23,898
Restructuring and other charges (Note 4)	1,338	227	1,808	958
Currency exchange (gains) losses, net	(242)	) 1,557	1,708	(991)
Operating income	47,899	38,133	76,626	64,491
Interest expense	4,201	2,502	8,103	4,975
Other (income), net	(775)	) (94)	) (1,663)	) (735)
Total other expense, net	3,426	2,408	6,440	4,240
Income from continuing operations before income taxes	44,473	35,725	70,186	60,251
Provision for income taxes (Note 10)	15,026	12,350	27,537	27,734
Income from continuing operations	29,447	23,375	42,649	32,517
Income from discontinued operations (Note 19)	2,484	470	1,355	778
Net income	31,931	23,845	44,004	33,295
Net (income) loss attributable to noncontrolling interests	(848)	) 453	(1,170)	) 685
Net income attributable to MSA Safety Incorporated	\$31,083	\$24,298	\$42,834	\$33,980
Amounts attributable to MSA Safety Incorporated common shareholders:				
Income from continuing operations	\$29,306	\$23,722	\$41,989	\$33,038
Income from discontinued operations (Note 19)	1,777	576	845	942
Net income	\$31,083	\$24,298	\$42,834	\$33,980
Earnings per share attributable to MSA Safety Incorporated common shareholders:				
Basic				
Income from continuing operations	\$0.78	\$0.63	\$1.12	\$0.88
Income from discontinued operations (Note 19)	\$0.05	\$0.02	\$0.02	\$0.03
Net income	\$0.83	\$0.65	\$1.14	\$0.91
Diluted				
Income from continuing operations	\$0.77	\$0.62	\$1.11	\$0.87
Income from discontinued operations (Note 19)	\$0.05	\$0.01	\$0.02	\$0.03
Net income	\$0.82	\$0.63	\$1.13	\$0.90

Edgar Filing: MSA Safety Inc - Form 10-Q

Dividends per common share	\$0.33	\$0.32	\$0.65	\$0.63
----------------------------	--------	--------	--------	--------

The accompanying notes are an integral part of the consolidated financial statements.

-2-

---

MSA SAFETY INCORPORATED  
 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 Unaudited

(In thousands)	Three Months		Six Months Ended	
	Ended June 30,		June 30,	
	2016	2015	2016	2015
Net income	\$31,931	\$23,845	\$44,004	\$33,295
Foreign currency translation adjustments	(15,056 )	3,891	(1,108 )	(20,159 )
Reclassification from accumulated other comprehensive (loss) into earnings	2,022	—	4,125	—
Pension and post-retirement plan adjustments, net of tax	1,894	2,623	3,786	5,152
Total other comprehensive (loss) income, net of tax	(11,140 )	6,514	6,803	(15,007 )
Comprehensive income	20,791	30,359	50,807	18,288
Comprehensive (income) loss attributable to noncontrolling interests	(2,252 )	649	(2,250 )	1,139
Comprehensive income attributable to MSA Safety Incorporated	\$18,539	\$31,008	\$48,557	\$19,427

The accompanying notes are an integral part of the consolidated financial statements.

MSA SAFETY INCORPORATED  
 CONDENSED CONSOLIDATED BALANCE SHEET  
 Unaudited

(In thousands)	June 30, 2016	December 31, 2015
<b>Assets</b>		
Cash and cash equivalents	\$103,149	\$105,925
Trade receivables, less allowance for doubtful accounts of \$7,525 and \$8,189	218,221	232,862
Inventories (Note 3)	130,482	125,849
Prepaid income taxes	12,556	8,745
Prepaid expenses and other current assets	32,811	31,231
Total current assets	497,219	504,612
Property, plant and equipment, net (Note 5)	151,919	155,839
Prepaid pension cost	66,715	62,072
Deferred tax assets (Note 10)	24,581	26,455
Goodwill (Note 13)	332,139	340,338
Intangible assets (Note 13)	80,474	90,068
Other noncurrent assets	263,202	243,479
Total assets	\$1,416,249	\$1,422,863
<b>Liabilities</b>		
Notes payable and current portion of long-term debt, net (Note 12)	\$6,822	\$6,650
Accounts payable	66,119	68,206
Employees' compensation	32,404	37,642
Insurance and product liability	30,262	57,718
Tax liabilities	16,253	11,658
Other current liabilities	63,309	70,013
Total current liabilities	215,169	251,887
Long-term debt, net (Note 12)	447,087	458,022
Pensions and other employee benefits	160,795	156,160
Deferred tax liabilities (Note 10)	25,964	24,872
Other noncurrent liabilities	14,835	14,794
Total liabilities	\$863,850	\$905,735
Commitments and contingencies (Note 18)		
<b>Equity</b>		
Preferred stock, 4 1/2% cumulative, \$50 par value (Note 7)	3,569	3,569
Common stock, no par value (Note 7)	163,719	157,643
Treasury shares, at cost (Note 7)	(291,610 )	(295,070 )
Accumulated other comprehensive loss	(202,476 )	(208,199 )
Retained earnings	877,103	858,553
Total MSA Safety Incorporated shareholders' equity	550,305	516,496
Noncontrolling interests	2,094	632
Total shareholders' equity	552,399	517,128
Total liabilities and shareholders' equity	\$1,416,249	\$1,422,863
The accompanying notes are an integral part of the consolidated financial statements.		



MSA SAFETY INCORPORATED  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
Unaudited

(In thousands)	Six Months Ended	
	June 30, 2016	2015
Operating Activities		
Net income	\$44,004	\$33,295
Depreciation and amortization	17,732	15,664
Pensions (Note 15)	3,396	6,032
Net (gain) from disposal of assets	(2,713 )	(1,969 )
Stock-based compensation (Note 11)	6,951	6,787
Asset impairment charges	—	2,438
Deferred income tax (benefit) provision	(1,231 )	4
Other noncurrent assets and liabilities	(16,294 )	(45,125 )
Currency exchange losses (gains), net	1,726	(783 )
Excess tax provision (benefit) related to stock plans	508	(890 )
Other, net	—	1,045
Operating cash flow before changes in certain working capital items	54,079	16,498
Decrease (increase) in trade receivables	9,559	(13,794 )
(Increase) in inventories (Note 3)	(11,531 )	(33,725 )
(Increase) in income taxes receivable, prepaid expenses and other current assets	(5,907 )	(12,886 )
(Decrease) increase in accounts payable and accrued liabilities	(33,678 )	51,620
(Increase) in certain working capital items	(41,557 )	(8,785 )
Cash Flow From Operating Activities	12,522	7,713
Investing Activities		
Capital expenditures	(10,595 )	(16,015 )
Property disposals and other investing (Note 19)	16,965	7,969
Cash Flow From (Used in) Investing Activities	6,370	(8,046 )
Financing Activities		
Proceeds from short-term debt, net	156	4
Proceeds from long-term debt (Note 12)	234,664	191,000
(Payments on) long-term debt (Note 12)	(238,196 )	(173,000)
Restricted cash	1,433	336
Cash dividends paid	(24,284 )	(23,522 )
Distributions to noncontrolling interests	(759 )	—
Company stock purchases	(1,644 )	(10,009 )
Exercise of stock options	4,387	1,194
Employee stock purchase plan	252	230
Excess tax (provision) benefit related to stock plans	(508 )	890
Cash Flow (Used in) Financing Activities	(24,499 )	(12,877 )
Effect of exchange rate changes on cash and cash equivalents	2,831	(4,654 )
(Decrease) in cash and cash equivalents	(2,776 )	(17,864 )
Beginning cash and cash equivalents	105,925	105,998
Ending cash and cash equivalents	\$103,149	\$88,134

The accompanying notes are an integral part of the consolidated financial statements.

MSA SAFETY INCORPORATED  
CONSOLIDATED STATEMENT OF CHANGES IN RETAINED EARNINGS AND  
ACCUMULATED OTHER COMPREHENSIVE LOSS

Unaudited

(In thousands)	Retained Earnings	Accumulated Other Comprehensive (Loss)
Balances March 31, 2015	\$833,255	\$ (187,993 )
Net income	23,845	—
Foreign currency translation adjustments	—	3,891
Pension and post-retirement plan adjustments, net of tax of \$1,477	—	2,623
Loss attributable to noncontrolling interests	453	196
Common dividends	(11,959 )	—
Preferred dividends	(10 )	—
Balances June 30, 2015	845,584	(181,283 )
Balances March 31, 2016	858,368	(190,580 )
Net income	31,931	—
Foreign currency translation adjustments	—	(15,056 )
Pension and post-retirement plan adjustments, net of tax of \$1,042	—	1,894
(Income) attributable to noncontrolling interests	(848 )	(756 )
Reclassification from accumulated other comprehensive (loss) into earnings	—	2,022
Common dividends	(12,338 )	—
Preferred dividends	(10 )	—
Balances June 30, 2016	\$877,103	\$ (202,476 )
(In thousands)	Retained Earnings	Accumulated Other Comprehensive (Loss)
Balances December 31, 2014	\$835,126	\$ (166,730 )
Net income	33,295	—
Foreign currency translation adjustments	—	(20,159 )
Pension and post-retirement plan adjustments, net of tax of \$2,894	—	5,152
Loss attributable to noncontrolling interests	685	454
Common dividends	(23,502 )	—
Preferred dividends	(20 )	—
Balances June 30, 2015	845,584	(181,283 )
Balances December 31, 2015	858,553	(208,199 )
Net income	44,004	—
Foreign currency translation adjustments	—	(1,108 )
Pension and post-retirement plan adjustments, net of tax of \$2,086	—	3,786
(Income) attributable to noncontrolling interests	(1,170 )	(1,080 )
Reclassification from accumulated other comprehensive (loss) into earnings	—	4,125
Common dividends	(24,264 )	—
Preferred dividends	(20 )	—
Balances June 30, 2016	\$877,103	\$ (202,476 )

The accompanying notes are an integral part of the consolidated financial statements.





MSA SAFETY INCORPORATED

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

Note 1—Basis of Presentation

The Condensed Consolidated Financial Statements of MSA Safety Incorporated and its subsidiaries ("MSA" or the "Company") are unaudited. These Condensed Consolidated Financial Statements include all adjustments, consisting of normal recurring adjustments, considered necessary by management to fairly state the Company's results.

Intercompany accounts and transactions have been eliminated. The results reported in these Condensed Consolidated Financial Statements are not necessarily indicative of the results that may be expected for the entire year. The December 31, 2015 condensed consolidated balance sheet data was derived from the audited consolidated balance sheet but does not include all disclosures required by generally accepted accounting principles (GAAP). This Form 10-Q report should be read in conjunction with MSA's Form 10-K for the year ended December 31, 2015, which includes all disclosures required by GAAP.

Certain segment results in previously issued financial statements were recast to conform to the current period presentation in Note 4, Note 8 and Note 12. Certain line items on the condensed consolidated statement of cash flows have been reclassified from the condensed consolidated statement of cash flows reported in our July 20, 2016 earnings release.

During the second quarter of 2016, the Company corrected its gain calculation on the disposition of the South African personal protective equipment distribution business and its Zambian operations. This resulted in a gain of approximately \$2.5 million being recorded during the current quarter in discontinued operations that should have been recorded in the first quarter of 2016. The Company evaluated materiality in accordance with SEC Staff Accounting Bulletins Topics 1.M and 1.N and considered relevant qualitative and quantitative factors. The Company concluded that this modification was not material to the first quarter of 2016 or the trend in earnings over the affected periods. The modification had no effect on cash flows or debt covenant compliance.

Note 2— Recently Adopted and Recently Issued Accounting Standards

In May 2014, the FASB issued ASU 2014-09, Revenue with Contracts from Customers. This ASU clarifies the principles for recognizing revenue such that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In August 2015, the FASB issued ASU 2015-15, Revenue with Contracts from Customers. This ASU defers the effective date of the standard until January 1, 2018. In March 2016, the FASB issued ASU 2016-08, Principal versus Agent Considerations. This ASU clarifies the implementation guidance on principal versus agent considerations. In March 2016, the FASB issued ASU 2016-10, Identifying Performance Obligations and Licensing. This ASU clarifies the means by which a company should recognize revenue for goods and services provided. In May 2016, the FASB issued ASU 2016-11, Rescission of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting. This ASU rescinds previous revenue recognition guidance upon the adoption of ASU 2014-09. In May 2016, the FASB issued ASU 2016-12, Revenue with Contracts from Customers. This ASU clarifies narrow aspects of the new revenue recognition model, including the collectibility criterion, the presentation of sales taxes and other taxes collected from customers, and non-cash consideration. Additionally, this ASU provides guidance on contract modifications at transition and completed contracts at transition. The Company is currently evaluating the impact that the adoption of these ASUs will have on the consolidated financial statements. We have conducted a risk assessment and are working with outside consultants to develop a transition plan that will enable us to meet the implementation requirement.

In June 2014, the FASB issued ASU 2014-12, Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could be Achieved after the Requisite Service Period. This ASU clarifies the accounting treatment for share based payment awards that contain performance targets. This ASU was adopted on January 1, 2016. The adoption of this ASU did not have a material effect on our consolidated financial statements.

In August 2014, the FASB issued ASU 2014-15, Presentation of Financial Statements - Going Concern. This ASU clarifies management's responsibility to evaluate whether there is a substantial doubt about the entity's ability to continue as a going concern and provides guidance for related footnote disclosures. This ASU will be effective for the

annual period ending December 31, 2016. The adoption of this ASU is not expected to have a material effect on our consolidated financial statements.

-7-

---

In January 2015, the FASB issued ASU 2015-01, Income Statement - Extraordinary and Unusual Items. This ASU eliminates the requirement to separately present and disclose extraordinary and unusual items in the financial statements. This ASU was adopted on January 1, 2016. The adoption of this ASU did not have a material effect on our consolidated financial statements.

In February 2015, the FASB issued ASU 2015-02, Amendments to the Consolidation Analysis. This ASU changes the analysis that an entity must perform to determine whether it should consolidate certain types of legal entities. This ASU was adopted on January 1, 2016. The adoption of this ASU did not have a material effect on our consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03, Imputation of Interest - Simplifying the Presentation of Debt Issuance Costs. This ASU simplifies the presentation of debt issuance costs and requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability. In August 2015, the FASB issued ASU 2015-15, Imputation of Interest - Simplifying the Presentation of Debt Issuance Costs. This ASU simplifies the presentation of debt issuance costs for line of credit arrangements. These ASUs were adopted on January 1, 2016. The Consolidated Balance Sheet as of December 31, 2015 has been adjusted to apply the change in accounting principle retrospectively, which resulted in a decrease in Prepaid expenses and other current assets of \$0.4 million, a decrease in Other noncurrent assets of \$1.5 million, a decrease in the current portion of long-term debt, net of \$17 thousand, and a decrease in long-term debt of \$1.9 million as of December 31, 2015. There was no impact to the Statements of Consolidated Income as a result of the change in accounting principle. Prior year balances in Note 12 were also adjusted to conform with current year presentation.

In April 2015, the FASB issued ASU 2015-04, Retirement Benefits - Practical Expedient for the Measurement Date of an Employer's Defined Benefit Obligation and Plan Assets. This ASU allows entities with a fiscal year end that does not coincide with a month end to use the closest month end for measurement purposes. This ASU also allows entities that have a significant event in an interim period that calls for a remeasurement of defined benefit plan assets and obligations to use the month end date that is closest to the date of the significant event. This ASU was adopted on January 1, 2016. The adoption of this ASU did not have a material effect on our consolidated financial statements.

In April 2015, the FASB issued ASU 2015-05, Goodwill and Other Internal Use Software - Customer's Accounting for Fees Paid in a Cloud Computing Arrangement. This ASU clarifies when entities should account for fees paid in a cloud computing arrangement as a software license or service contract. This ASU was adopted on January 1, 2016 and was implemented on a prospective basis. The adoption of this ASU did not have a material effect on our consolidated financial statements.

In July 2015, the FASB issued ASU 2015-11, Simplifying the Measurement of Inventory. This ASU requires inventory to be measured at the lower of cost and net realizable value. This ASU applies to inventory measured using the first-in, first-out (FIFO) or average cost methods only. This ASU will be effective beginning in 2017. The adoption of this ASU is not expected to have a material effect on our consolidated financial statements.

In July 2015, the FASB issued ASU 2015-12, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965). This ASU simplifies complexities within employee benefit plan accounting including Fully Benefit-Responsive Investment Contracts, Plan Investment Disclosures, and the Measurement Date Practical Expedient. This ASU was adopted on January 1, 2016. The adoption of this ASU did not have a material effect on our consolidated financial statements.

In September 2015, the FASB issued ASU 2015-16, Simplifying the Accounting for Measurement-Period Adjustments. This ASU simplifies the accounting for adjustments made to provisional amounts recognized in a business combination. The amendments in this Update eliminate the requirement to retrospectively account for those adjustments. MSA elected to early adopt this standard for the period ended December 31, 2015. The adoption of this ASU could have a material effect on our consolidated financial statements to the extent that measurement-period adjustments for business combinations are identified.

In November 2015, the FASB issued ASU 2015-17, Balance Sheet Classification of Deferred Taxes. This ASU simplifies the presentation of deferred income taxes. The amendments in this Update require that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. This ASU is effective for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within

those annual periods. Early adoption is permitted. MSA elected to early adopt this standard for the period ended December 31, 2015. We elected to apply the amendments in this update retrospectively. In February 2016, the FASB issued ASU 2016-02, Leases. This ASU requires lessees to record a right of use asset and a liability for virtually all leases. This ASU will be effective beginning in 2019. The Company continues to evaluate the impact that the adoption of this ASU will have on the consolidated financial statements.

-8-

---

In March 2016, the FASB issued ASU 2016-09, Improvements to Employee Share-Based Payment Accounting. This ASU simplifies the accounting for many aspects associated with share-based payment accounting including income taxes and the use of forfeiture rates. This ASU will be effective beginning in 2017. The Company is currently evaluating the impact that the adoption of these ASU will have on the consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, Allowance for Loan and Lease Losses. This ASU introduces an approach based on expected losses to estimate credit losses on certain types of financial instruments including loans, held-to-maturity debt securities, loan commitments, financial guarantees and net investments in leases as well as reinsurance and trade receivables. This ASU will be effective beginning in 2020. The Company is currently evaluating the impact that the adoption of these ASU will have on the consolidated financial statements and expects that adoption will result in increased disclosure.

#### Note 3—Inventories

The following table sets forth the components of inventory:

(In thousands)	June 30, 2016	December 31, 2015
Finished products	\$72,601	\$74,929
Work in process	6,438	8,979
Raw materials and supplies	95,145	85,643
Inventories at current cost	174,184	169,551
Less: LIFO valuation	(43,702 )	(43,702 )
Total inventories	\$130,482	\$125,849

#### Note 4—Restructuring and Other Charges

During the three and six months ended June 30, 2016, we recorded restructuring charges, net of adjustments, of \$1.3 million and \$1.8 million, respectively. International segment restructuring charges of \$2.2 million during the six months ended June 30, 2016 were related to severance costs for staff reductions associated with ongoing initiatives to right size our operations in Europe and Asia. Americas segment restructuring charges of \$0.7 million during the six months ended June 30, 2016 related primarily to severance from staff reductions in Latin America. Favorable adjustments for changes in estimates on employee restructuring reserves of \$1.1 million were made during the six months ended June 30, 2016.

During the three and six months ended June 30, 2015, we recorded restructuring charges of \$0.2 million and \$1.0 million, respectively. International segment charges of \$0.8 million for the six months ended June 30, 2015 were primarily related to severance costs for staff reductions associated with ongoing initiatives to right size our operations in China and Australia.

Activity and reserve balances for restructuring charges by segment were as follows:

(in millions)	Americas	International	Corporate	Total
Reserve balances at December 31, 2014	\$ 0.2	\$ 2.6	\$ —	\$2.8
Restructuring charges	3.3	7.4	1.6	\$12.3
Cash payments	(1.9 )	(4.6 )	(0.5 )	\$(7.0 )
Reserve balances at December 31, 2015	\$ 1.6	\$ 5.4	\$ 1.1	\$8.1
Restructuring charges	0.7	2.2	—	2.9
Adjustments and other	(0.5 )	(0.1 )	(0.5 )	(1.1 )
Cash payments	(1.4 )	(3.8 )	(0.1 )	(5.3 )
Reserve balances at June 30, 2016	\$ 0.4	\$ 3.7	\$ 0.5	\$4.6

## Note 5—Property, Plant and Equipment

The following table sets forth the components of property, plant and equipment:

(In thousands)	June 30, 2016	December 31, 2015
Land	\$2,794	\$2,929
Buildings	113,213	114,324
Machinery and equipment	358,308	345,064
Construction in progress	10,161	12,451
Total	484,476	474,768
Less: accumulated depreciation	(332,557 )	(318,929 )
Net property, plant and equipment	\$151,919	\$155,839

## Note 6—Reclassifications Out of Accumulated Other Comprehensive Loss

The changes in Accumulated Other Comprehensive Loss by component were as follows:

(In thousands)	MSA Safety Incorporated		Noncontrolling Interests	
	Three Months Ended June 30,		Three Months Ended June 30,	
	2016	2015	2016	2015
Pension and other postretirement benefits				
Balance at beginning of period	\$(117,497)	\$(123,041)	\$—	\$—
Amounts reclassified from Accumulated other comprehensive loss:				
Amortization of prior service cost	(90 )	17	—	—
Recognized net actuarial losses	3,026	4,083	—	—
Tax benefit	(1,042 )	(1,477 )	—	—
Total amount reclassified from Accumulated other comprehensive loss, net of tax	1,894	2,623	—	—
Balance at end of period	\$(115,603)	\$(120,418)	\$—	\$—
Foreign Currency Translation				
Balance at beginning of period	\$(73,083 )	\$(64,952 )	\$(3,292)	\$(2,457)
Reclassification into earnings	1,252	—	770	—
Foreign currency translation adjustments	(15,042 )	4,087	(14 )	(196 )
Balance at end of period	\$(86,873 )	\$(60,865 )	\$(2,536)	\$(2,653)

Edgar Filing: MSA Safety Inc - Form 10-Q

(In thousands)	MSA Safety Incorporated		Noncontrolling Interests	
	Six Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Pension and other postretirement benefits				
Balance at beginning of period	\$(119,389)	\$(125,570)	\$ —	\$ —
Amounts reclassified from Accumulated other comprehensive loss:				
Amortization of prior service cost	(180	) 34	—	—
Recognized net actuarial losses	6,052	8,012	—	—
Tax benefit	(2,086	) (2,894	) —	—
Total amount reclassified from Accumulated other comprehensive loss, net of tax	3,786	5,152	—	—
Balance at end of period	\$(115,603)	\$(120,418)		