



Q2 Financial Performance

August 6, 2018

'Non-GAAP' Items and Forward-Looking Statements



This presentation contains the following non-GAAP measures:

- Percentage changes in net sales, excluding currency rate effects (for each segment, and the Company as a whole);
- Adjusted EBITDA (for each segment, and the Company as a whole; absolute and as a percentage of sales);
- Net debt; and
- Net income per share attributable to the Company, excluding adjustments.

We think such items provide useful information to investors regarding the Company's core operational performance. See the Company's earnings release (which accompanies this presentation) for additional information including reconciliations to GAAP measures.

This presentation also may contain statements, estimates, or projections that constitute "forward-looking statements" as defined under U.S. federal securities laws. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the Company's historical experience and our present expectations or projections. We disclaim any obligation to update any information in this presentation to reflect any changes or developments after the date on the cover page.

Certain additional disclosures regarding our use of these 'non-GAAP' items and forward-looking statements are set forth in our second-quarter earnings press release dated August 6, 2018, and in our SEC filings, including our most recent quarterly reports and our annual reports for the years ended December 31, 2015, 2016, and 2017. Our use of such items in this presentation is subject to those additional disclosures, which we urge you to read.

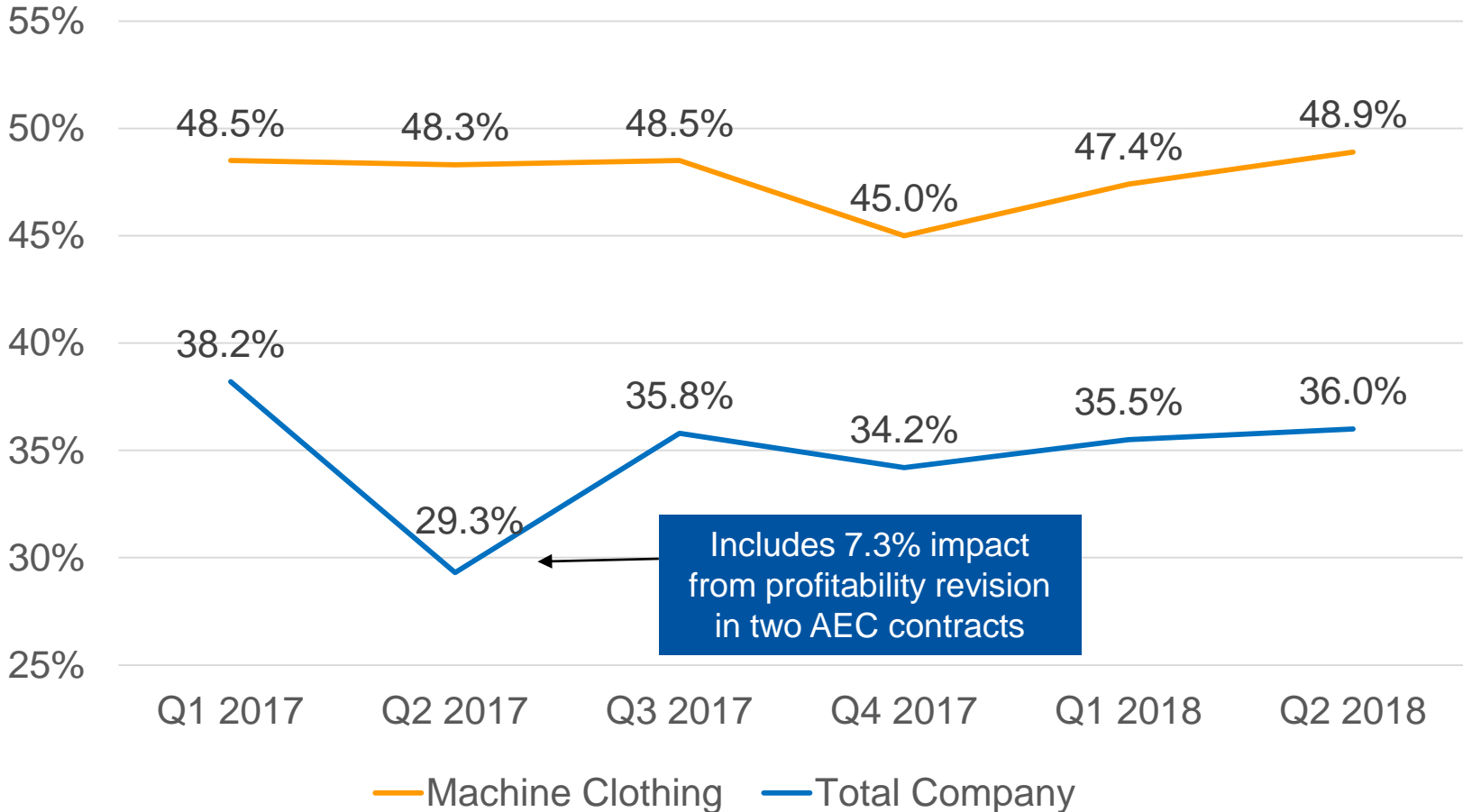
Net Sales by Segment



(in thousands, except percentages)	Net Sales Three Months ended June 30,		Percent Change	Impact of Changes in Currency Translation Rates	Increase /(decrease) due to ASC 606	Percent Change excluding Currency Rate and ASC 606 Effects
	2018	2017				
Machine Clothing (MC)	\$162,635	\$146,572	11.0%	\$3,145	\$857	8.2%
Albany Engineered Composites (AEC)	93,590	68,999	35.6%	1,215	(1,257)	35.7%
Total	\$256,225	\$215,571	18.9%	\$4,360	\$(400)	17.0%

(in thousands, except percentages)	Net Sales Six Months ended June 30,		Percent Change	Impact of Changes in Currency Translation Rates	Increase /(decrease) due to ASC 606	Percent Change excluding Currency Rate and ASC 606 Effects
	2018	2017				
Machine Clothing (MC)	\$310,786	\$289,399	7.4%	\$9,905	\$5,068	2.2%
Albany Engineered Composites (AEC)	175,420	125,449	39.8%	3,526	2,966	34.7%
Total	\$486,206	\$414,848	17.2%	\$13,431	\$8,034	12.0%

Gross Profit Margin by Quarter



Net Income (GAAP) and Adjusted EBITDA (non-GAAP) by Segment



	Three Months ended June 30, 2018				Three Months ended June 30, 2017			
(in thousands)	Machine Clothing	Albany Engineered Composites	Corporate expenses and other	Total Company	Machine Clothing	Albany Engineered Composites *	Corporate expenses and other	Total Company
Operating income/(loss) (GAAP)	\$50,843	\$4,092	\$(12,251)	\$42,684	\$38,425	\$(17,828)	\$(10,742)	\$9,855
Interest, taxes, other income/expense	-	-	(12,378)	(12,378)	-	-	(8,622)	(8,622)
Net income (GAAP)	50,843	4,092	(24,629)	30,306	38,425	(17,828)	(19,364)	1,233
Interest expense, net	-	-	4,621	4,621	-	-	4,285	4,285
Income tax expense	-	-	7,031	7,031	-	-	1,779	1,779
Depreciation and amortization	8,182	10,247	1,244	19,673	8,431	8,218	1,184	17,833
EBITDA (non-GAAP)	59,025	14,339	(11,733)	61,631	46,856	(9,610)	(12,116)	25,130
Restructuring expenses, net	1,800	558	231	2,589	805	1,231	-	2,036
Foreign currency revaluation (gains)/losses	(2,331)	116	(188)	(2,403)	1,650	(63)	1,950	3,537
Pretax (income)/loss attributable to non-controlling interest in ASC	-	121	-	121	-	(144)	-	(144)
Adjusted EBITDA (non-GAAP)	\$58,494	\$15,134	\$(11,690)	\$61,938	\$49,311	\$(8,586)	\$(10,166)	\$30,559

* Includes \$15.8 million charge for AEC contract revisions

Net Income (GAAP) and Adjusted EBITDA (non-GAAP) by Segment



	Six Months ended June 30, 2018				Six Months ended June 30, 2017			
(in thousands)	Machine Clothing	Albany Engineered Composites	Corporate expenses and other	Total Company	Machine Clothing	Albany Engineered Composites *	Corporate expenses and other	Total Company
Operating income/(loss) (GAAP)	\$81,613	\$6,366	\$(24,464)	\$63,515	\$76,688	\$(22,942)	\$(21,213)	\$32,533
Interest, taxes, other income/expense	-	-	(22,727)	(22,727)	-	-	(20,326)	(20,326)
Net income (GAAP)	81,613	6,366	(47,191)	40,788	76,688	(22,942)	(41,539)	12,207
Interest expense, net	-	-	8,909	8,909	-	-	8,613	8,613
Income tax expense	-	-	11,640	11,640	-	-	8,329	8,329
Depreciation and amortization	16,544	21,404	2,673	40,621	16,718	16,022	2,386	35,126
EBITDA (non-GAAP)	98,157	27,770	(23,969)	101,958	93,406	(6,920)	(22,211)	64,275
Restructuring expenses, net	10,152	779	231	11,162	916	3,801	-	4,717
Foreign currency revaluation (gains)/losses	(813)	301	499	(13)	3,313	34	2,052	5,399
Pretax (income)/loss attributable to non-controlling interest in ASC	-	(222)	-	(222)	-	(314)	-	(314)
Adjusted EBITDA (non-GAAP)	\$107,496	\$28,628	\$(23,239)	\$112,885	\$97,635	\$(3,399)	\$(20,159)	\$74,077

* Includes \$15.8 million charge for AEC contract revisions

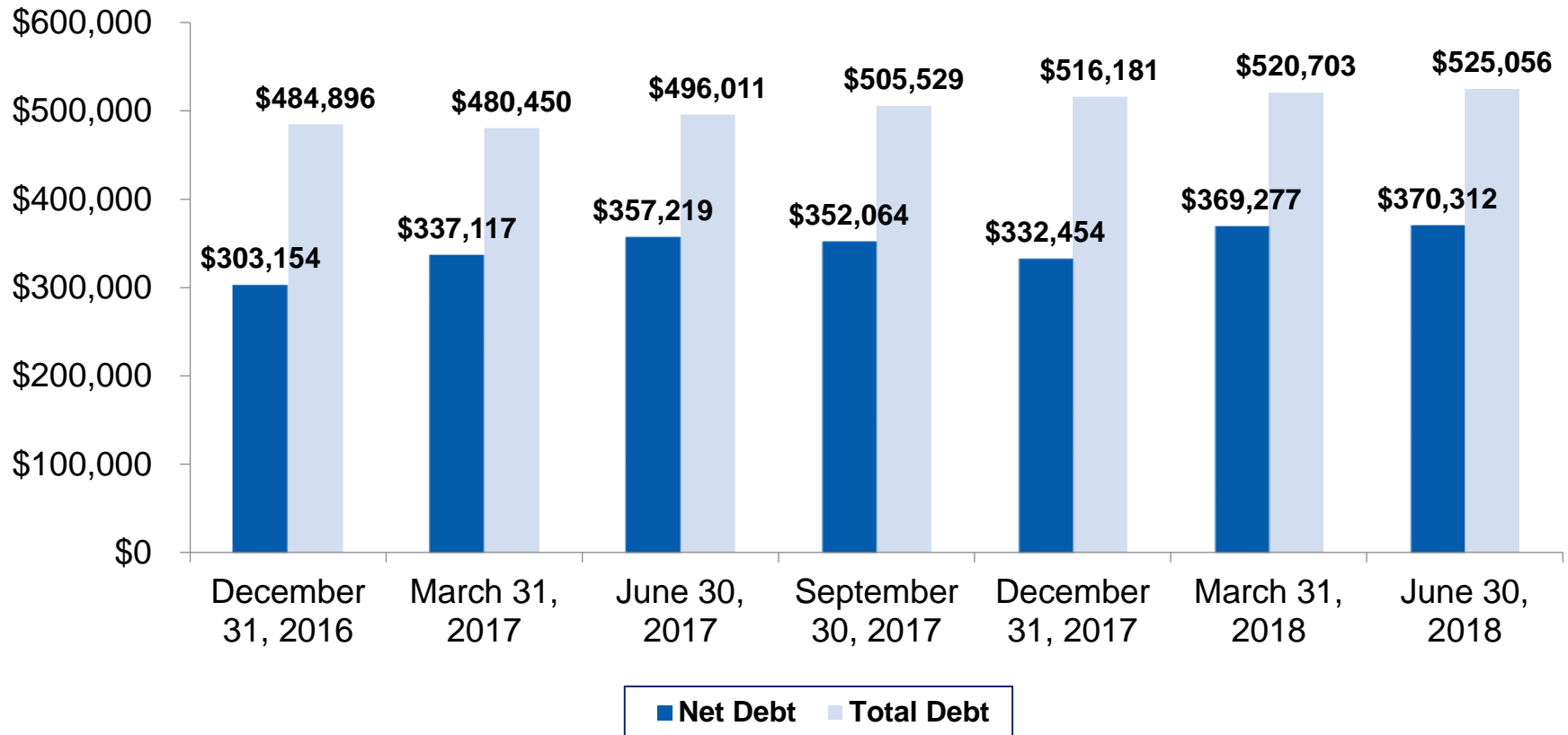
Earnings Per Share



Per share amounts (Basic)	Three Months ended June 30,		Six Months ended June 30,	
	2018	2017 *	2018	2017 *
Net income attributable to the Company, as reported (GAAP)	\$0.94	\$0.03	\$1.26	\$0.37
Adjustments:				
Restructuring expenses, net	0.06	0.04	0.24	0.09
Discrete tax adjustments and effect of change in income tax rate	(0.13)	0.02	(0.13)	0.05
Foreign currency revaluation losses/(gains)	(0.05)	0.07	0.00	0.11
Net income attributable to the Company, excluding adjustments (non-GAAP)	\$0.82	\$0.16	\$1.37	\$0.62

* Includes \$0.31 million charge for AEC contract revisions

Total Debt (GAAP) and Net Debt* (non-GAAP) \$ thousands



* Total debt less cash see table 22 for reconciliation of total debt to net debt