

# Albany International Corp. Q3 Financial Performance

**ALBANY**  
*INTERNATIONAL*

**2015**



October 27, 2015

# 'Non-GAAP' Items and Forward-Looking Statements

This presentation contains certain items, such as net income attributable to the Company, excluding adjustments (absolute as well as per-share), earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA and net debt, that could be considered 'non-GAAP' financial measures under SEC rules. We think such items provide useful information to investors regarding the Company's operational performance.

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.

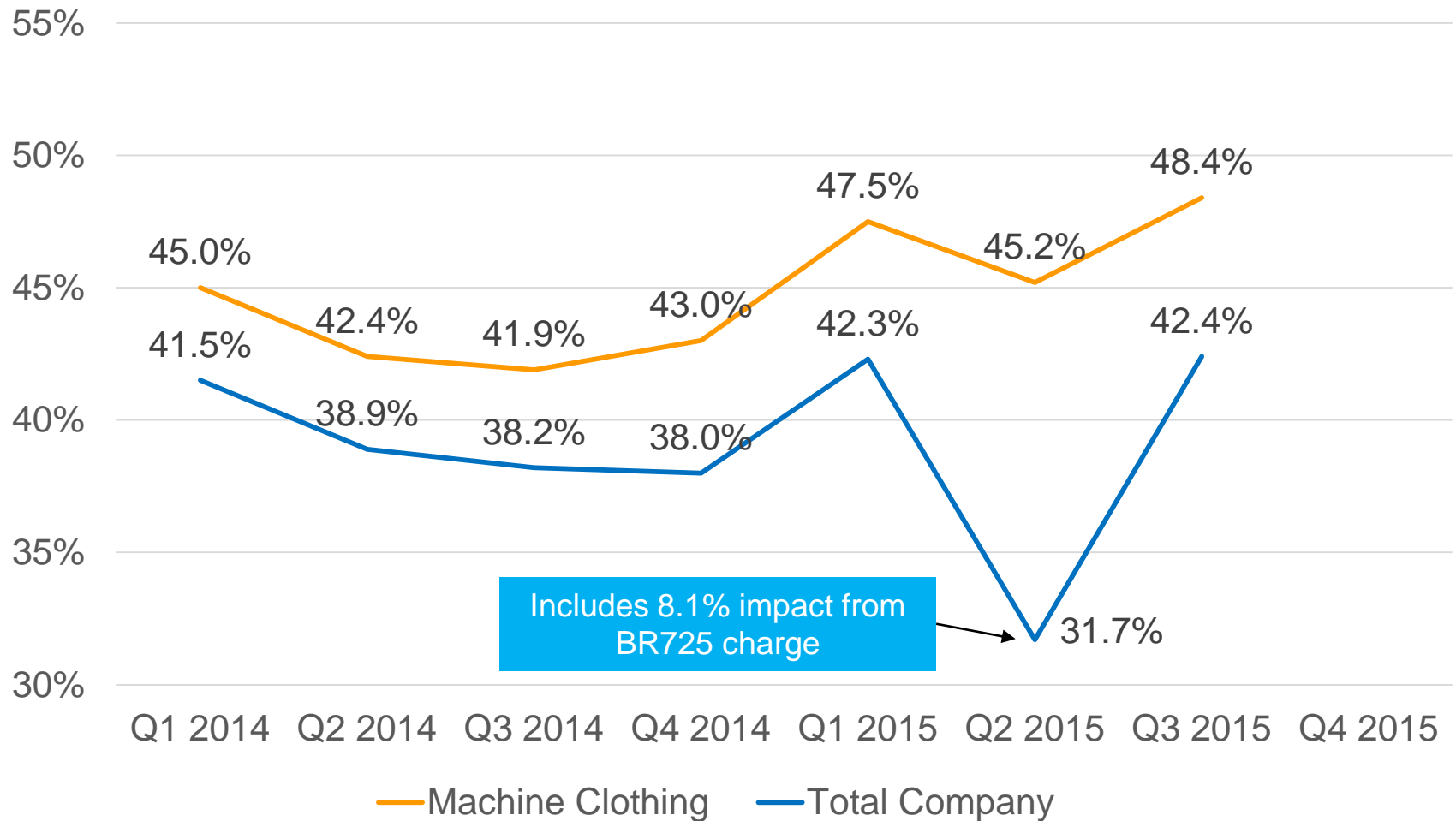
Certain additional disclosures regarding our use of these 'non-GAAP' items and forward-looking statements are set forth in our third-quarter earnings press release dated October 27, 2015, and in our SEC filings, including our most recent quarterly reports and our annual reports for the years ended December 31, 2012, 2013, and 2014. 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)	Net Sales Three Months ended September 30,		Percent Change	Impact of Changes in Currency Translation Rates	Percent Change excluding Currency Rate Effect
	2015	2014			
Machine Clothing (MC)	\$154,522	\$157,891	-2.1%	(\$9,364)	3.8%
Albany Engineered Composites (AEC)	24,267	21,970	10.5%	(166)	11.2%
Total	\$178,789	\$179,861	-0.6%	(\$9,530)	4.7%

(in thousands)	Net Sales Nine Months ended September 30,		Percent Change	Impact of Changes in Currency Translation Rates	Percent Change excluding Currency Rate Effect
	2015	2014			
Machine Clothing (MC)	\$463,577	\$494,788	-6.3%	(\$30,651)	-0.1%
Albany Engineered Composites (AEC)	68,825	58,898	16.9%	(906)	18.4%
Total	\$532,402	\$553,686	-3.8%	(\$31,557)	1.9%

# Gross Profit Margin by Quarter Percentage of Net Sales



# Earnings Per Share

Per share amounts (Basic)	Three Months ended September 30,		Nine Months ended September 30,	
	2015	2014	2015	2014
Net income/(loss) attributable to the Company, as reported	\$0.30	\$0.37	\$0.62*	\$1.06
Adjustments:				
Restructuring charges, net	0.07	0.02	0.27	0.08
Income tax adjustments	0.12	0.01	0.16	0.07
Foreign currency revaluation (gains)/losses	(0.02)	(0.08)	(0.08)	(0.11)
Gain on insurance recovery	-	(0.01)	-	(0.04)
Gain on sale of investment	-	-	(0.02)	-
Net income attributable to the Company, excluding adjustments	\$0.47	\$0.31	\$0.95	\$1.06

\*Includes \$0.28 charge for BR725

# Adjusted EBITDA

(in thousands)	Three Months ended September 30, 2015				Three Months ended September 30, 2014			
	Machine Clothing	Albany Engineered Composites	Corporate expenses and other	Total Company	Machine Clothing	Albany Engineered Composites	Corporate expenses and other	Total Company
Net income	\$41,956	(\$4,191)	(\$28,085)	\$9,680	\$33,308	(\$2,765)	(\$18,769)	\$11,774
Interest expense, net	-	-	2,671	2,671	-	-	2,486	2,486
Income tax expense	-	-	12,243	12,243	-	-	6,762	6,762
Depreciation and amortization	9,660	2,981	2,102	14,743	11,060	2,607	2,069	15,736
<b>EBITDA</b>	51,616	(1,210)	(11,069)	39,337	44,368	(158)	(7,452)	36,758
Restructuring and other, net	3,717	-	-	3,717	968	(49)	-	919
Foreign currency revaluation (gains)/losses	(2,005)	-	957	(1,048)	(2,308)	135	(1,915)	(4,088)
Gain on insurance recovery	-	-	-	-	-	-	(165)	(165)
Pretax (income)/loss attributable to non-controlling interest in ASC	-	(25)	-	(25)	-	77	-	77
<b>Adjusted EBITDA</b>	\$53,328	(\$1,235)	(\$10,112)	\$41,981	\$43,028	\$5	(\$9,532)	\$33,501

(in thousands)	Nine Months ended September 30, 2015				Nine Months ended September 30, 2014			
	Machine Clothing	Albany Engineered Composites	Corporate expenses and other	Total Company	Machine Clothing	Albany Engineered Composites	Corporate expenses and other	Total Company
<b>Adjusted EBITDA</b>	\$150,441	(\$17,922)*	(\$30,195)	\$102,324	\$138,719	(\$1,175)	(\$28,995)	\$108,549

\*Includes \$14.0 million charge for BR725

# Debt

\$ thousands

