



Q3 Financial Performance

October 30, 2017

ALBANY
INTERNATIONAL

'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.

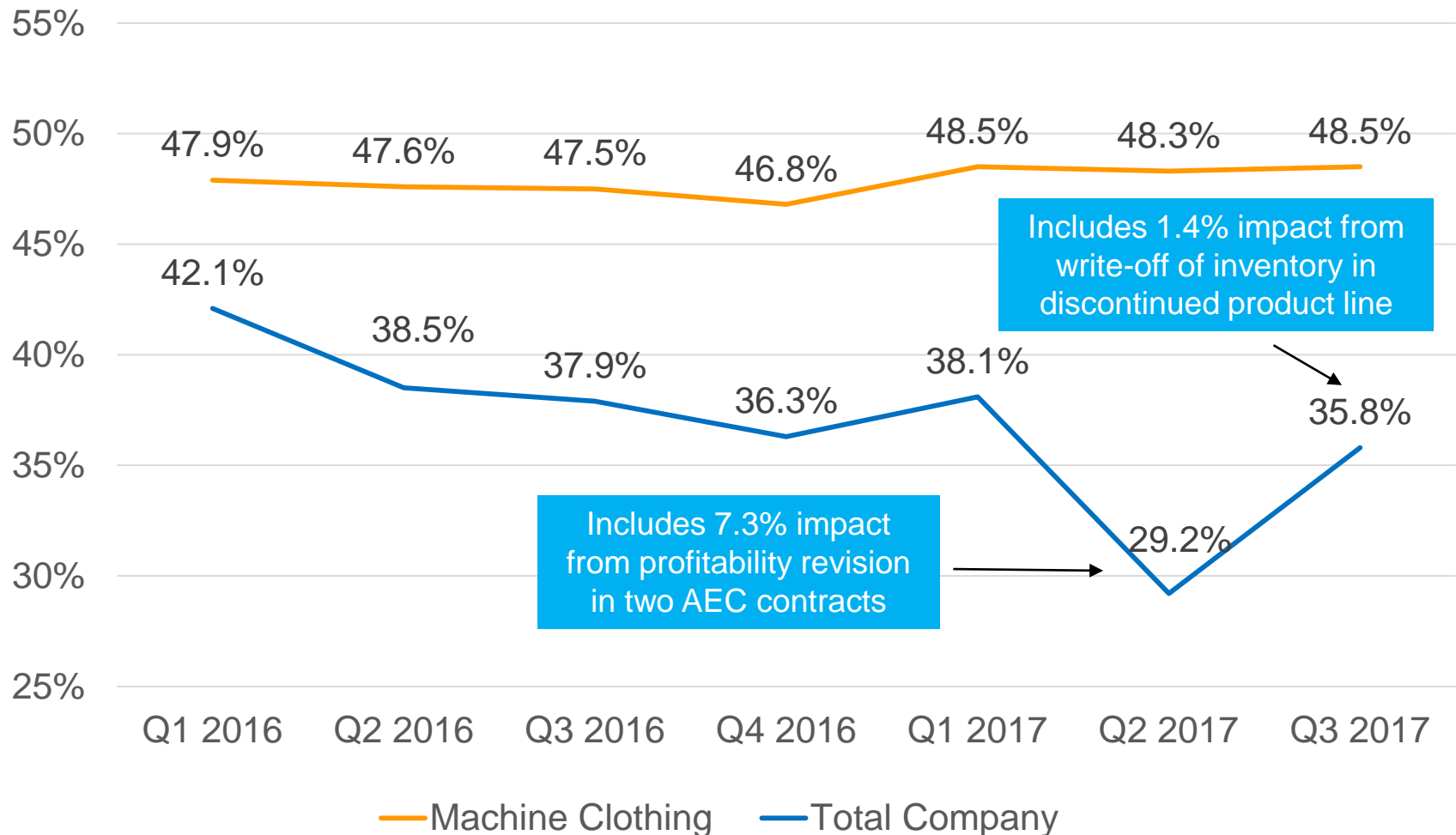
Certain additional disclosures regarding our use of these 'non-GAAP' items and forward-looking statements are set forth in our third-quarter earnings press release dated October 30, 2017, and in our SEC filings, including our most recent quarterly reports and our annual reports for the years ended December 31, 2014, 2015, and 2016. 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 September 30,		Percent Change	Impact of Changes in Currency Translation Rates	Percent Change excluding Currency Rate Effect
	2017	2016			
Machine Clothing (MC)	\$150,694	\$143,248	5.2%	\$1,771	4.0%
Albany Engineered Composites (AEC)	71,447	48,024	48.8%	486	47.8%
Total	\$222,141	\$191,272	16.1%	\$2,257	15.0%

(in thousands, except percentages)	Net Sales Nine Months ended September 30,		Percent Change	Impact of Changes in Currency Translation Rates	Percent Change excluding Currency Rate Effect
	2017	2016			
Machine Clothing (MC)	\$440,093	\$437,445	0.6%	(\$1,311)	0.9%
Albany Engineered Composites (AEC)	196,896	129,348	52.2%	(263)	52.4%
Total	\$636,989	\$566,793	12.4%	(\$1,574)	12.7%

Gross Profit Margin by Quarter Percentage of Net Sales



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

(in thousands)	Three Months ended September 30, 2017				Three Months ended September 30, 2016			
	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)	\$42,674	\$(9,301)	\$(11,070)	\$22,303	\$40,039	\$(4,529)	\$(10,690)	\$24,820
Interest, taxes, other income/expense	-	-	(7,083)	(7,083)	-	-	(11,411)	(11,411)
Net income (GAAP)	42,674	(9,301)	(18,153)	15,220	40,039	(4,529)	(22,101)	13,409
Interest expense, net	-	-	4,429	4,429	-	-	3,681	3,681
Income tax expense	-	-	3,809	3,809	-	-	7,488	7,488
Depreciation and amortization	8,380	8,591	1,159	18,130	9,032	8,027	1,386	18,445
EBITDA (non-GAAP)	51,054	(710)	(8,756)	41,588	49,071	3,498	(9,546)	43,023
Restructuring expenses, net	96	5,407	-	5,503	(212)	640	(102)	326
Foreign currency revaluation losses/(gains)	1,114	137	266	1,517	86	-	(308)	(222)
Write-off of inventory in a discontinued product line	-	3,155	-	3,155	-	-	-	-
Pretax loss/(income) attributable to non-controlling interest in ASC	-	136	-	136	-	(428)	-	(428)
Adjusted EBITDA (non-GAAP)	\$52,264	\$8,125	\$(8,490)	\$51,899	\$48,945	\$3,710	\$(9,956)	\$42,699

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

(in thousands)	Nine Months ended September 30, 2017				Nine Months ended September 30, 2016			
	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)	\$119,352	\$(32,242)	\$(33,523)	\$53,587	\$112,583	\$(14,083)	\$(33,554)	\$64,946
Interest, taxes, other income/expense	-	-	(26,160)	(26,160)	-	-	(28,120)	(28,120)
Net income (GAAP)	119,352	(32,242)	(59,683)	27,427	112,583	(14,083)	(61,674)	36,826
Interest expense, net	-	-	13,042	13,042	-	-	9,610	9,610
Income tax expense	-	-	12,138	12,138	-	-	20,613	20,613
Depreciation and amortization	25,098	24,613	3,545	53,256	27,845	17,778	5,601	51,224
EBITDA (non-GAAP)	144,450	(7,629)	(30,958)	105,863	140,428	3,695	(25,850)	118,273
Restructuring expenses, net	1,012	9,208	-	10,220	5,921	1,787	(55)	7,653
Foreign currency revaluation (gains)/losses	4,427	171	2,318	6,916	1,646	5	(2,355)	(704)
Write-off of inventory in discontinued product line in 2017 / Acquisition expenses in 2016	-	3,155	-	3,155	-	5,367	-	5,367
Pretax (income)/loss attributable to non-controlling interest in ASC	-	(178)	-	(178)	-	36	-	36
Adjusted EBITDA (non-GAAP)	\$149,889	\$4,727	\$(28,640)	\$125,976	\$147,995	\$10,890	\$(28,260)	\$130,625

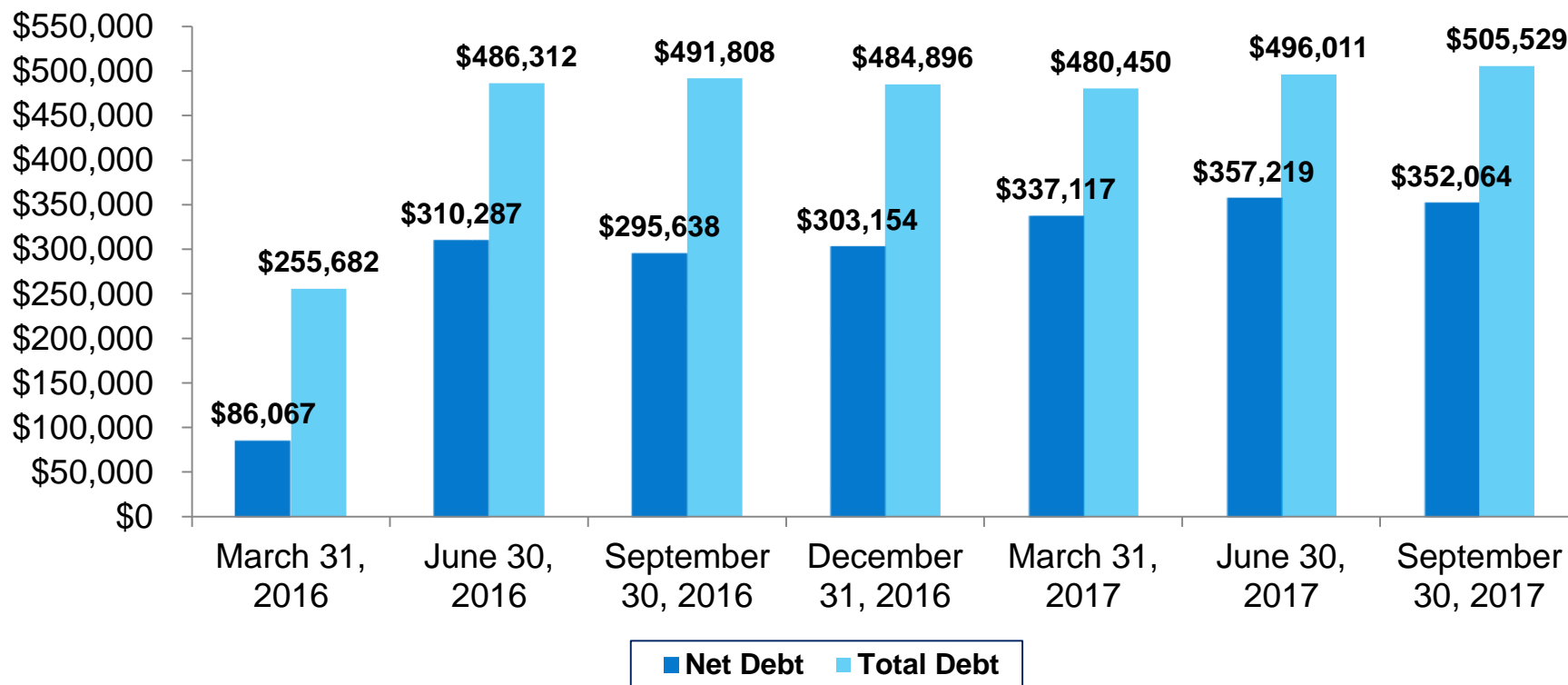
* Includes \$15.8 million charge for AEC contract revisions

Earnings Per Share

Per share amounts (Basic)	Three Months ended September 30,		Nine Months ended September 30,	
	2017	2016	2017	2016
Net income attributable to the Company, as reported (GAAP)	\$0.47	\$0.41	\$0.85*	\$1.15
Adjustments:				
Restructuring expenses, net	0.11	0.01	0.20	0.15
Discrete tax adjustments and effect of change in income tax rate	(0.10)	(0.01)	(0.07)	(0.03)
Foreign currency revaluation losses/(gains)	0.03	-	0.14	(0.01)
Write-off of inventory in a discontinued product line	0.06	-	0.06	-
Acquisition expenses	-	-	-	0.11
Net income attributable to the Company, excluding adjustments (non-GAAP)	\$0.57	\$0.41	\$1.18	\$1.37

* Includes \$0.31 charge for AEC contract revisions

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



*Total debt less cash see table 19
for reconciliation of total debt to net debt