

# Albany International Corp. Q4 Financial Performance

**ALBANY**  
*INTERNATIONAL*

**2015**



February 8, 2016

# '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.

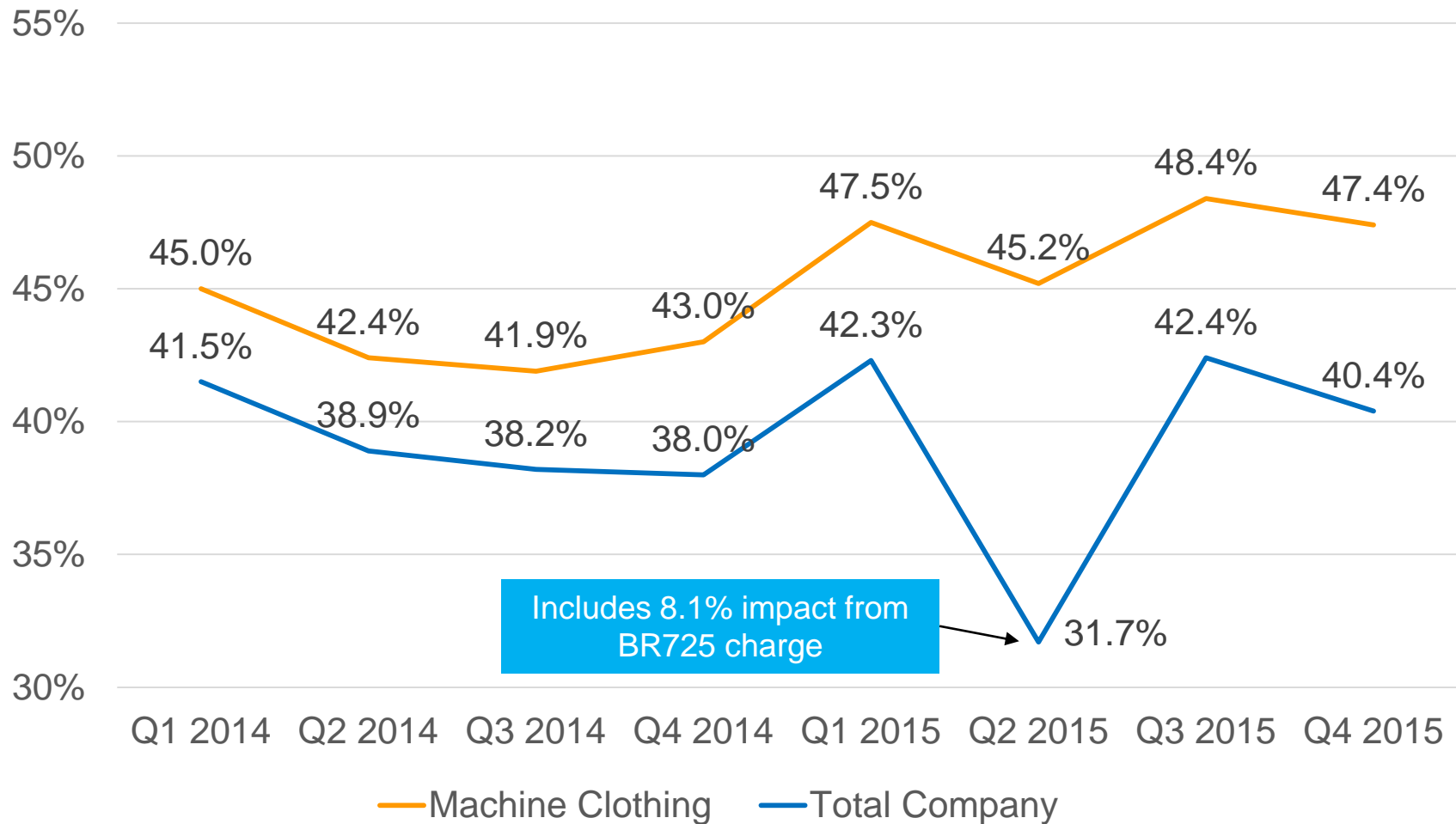
Certain additional disclosures regarding our use of these 'non-GAAP' items and forward-looking statements are set forth in our fourth-quarter earnings press release dated February 8, 2016, and in our SEC filings, including our most recent quarterly reports and our annual reports for the years ended December 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 December 31,		Percent Change	Impact of Changes in Currency Translation Rates	Percent Change excluding Currency Rate Effect
	2015	2014			
Machine Clothing (MC)	\$145,004	\$160,238	-9.5%	(\$7,364)	-4.9%
Albany Engineered Composites (AEC)	32,462	31,421	3.3%	(688)	5.5%
Total	\$177,466	\$191,659	-7.4%	(\$8,052)	-3.2%

(in thousands)	Net Sales Years ended December 31,		Percent Change	Impact of Changes in Currency Translation Rates	Percent Change excluding Currency Rate Effect
	2015	2014			
Machine Clothing (MC)	\$608,581	\$655,026	-7.1%	(\$38,015)	-1.3%
Albany Engineered Composites (AEC)	101,287	90,319	12.1%	(1,594)	13.9%
Total	\$709,868	\$745,345	-4.8%	(\$39,609)	0.6%

# Gross Profit Margin by Quarter Percentage of Net Sales



# Earnings Per Share

Per share amounts (Basic)	Three Months Ended December 31,		Years ended December 31,	
	2015	2014	2015	2014
Net income attributable to the Company, as reported	\$1.17	\$0.25	\$1.79*	\$1.31
Adjustments:				
Restructuring charges, net	0.21	0.04	0.48	0.12
Income tax adjustments	(0.93)	-	(0.69)	0.10
Foreign currency revaluation (gains)/losses	0.01	(0.10)	(0.07)	(0.21)
Pension settlement charge	-	0.16	-	0.16
Gains from sale of investment and insurance recovery	-	-	(0.02)	(0.04)
Net income attributable to the Company, excluding adjustments	\$0.46	\$0.35	\$1.49	\$1.44

\*Includes \$0.28 charge for BR725

# Adjusted EBITDA

(in thousands)	Three Months ended December 31, 2015				Three Months ended December 31, 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	\$30,342	(\$1,843)	\$8,967	\$37,466	\$33,120	(\$697)	(\$24,318)	\$8,105
Interest expense, net	-	-	1,935	1,935	-	-	2,592	2,592
Income tax expense/(benefit)	-	-	(26,185)	(26,185)	-	-	4,316	4,316
Depreciation and amortization	9,425	3,295	2,113	14,833	10,996	3,499	2,056	16,551
<b>EBITDA</b>	39,767	1,452	(13,170)	28,049	44,116	2,802	(15,354)	31,564
Restructuring and other, net	8,282	-	1,635	9,917	1,701	-	-	1,701
Foreign currency revaluation (gains)/losses	(542)	-	1,092	550	(2,115)	(249)	(2,559)	(4,923)
Pension settlement charge	-	-	-	-	-	-	8,190	8,190
Pretax (income)/loss attributable to non-controlling interest in ASC	-	135	-	135	-	(275)	-	(275)
<b>Adjusted EBITDA</b>	\$47,507	\$1,587	(\$10,443)	\$38,651	\$43,702	\$2,278	(\$9,723)	\$36,257

(in thousands)	Year ended December 31, 2015				Year ended December 31, 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>	\$197,950	(\$16,335)*	(\$40,639)	\$140,976	\$182,423	\$1,102	(\$38,718)	\$144,807

\*Includes \$14.0 million charge for BR725

# Debt

\$ thousands

