

Acquisition of Heimbach

Opportunity of Scale to Drive
Significant Shareholder Value

JUNE 14, 2023

ALBANY
INTERNATIONAL



Safe Harbor

This presentation may contain statements, estimates, or projections that constitute “forward-looking statements” as defined under U.S. federal securities laws. Generally, the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “will,” “should,” “look for,” “could” and similar expressions identify forward-looking statements, which generally are not historical in nature. Forward-looking statements are subject to certain risks and uncertainties (including, without limitation, those set forth in the Company’s most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q) that could cause actual results to differ materially from the Company’s historical experience and our present expectations or projections as expressed or implied by the forward-looking statements in this presentation.

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Statements expressing management’s assessments of the growth potential of its businesses, or referring to earlier assessments of such potential, are not intended as forecasts of actual future growth, and should not be relied on as such. While management believes such assessments to have a reasonable basis, such assessments are, by their nature, inherently uncertain. This release and earlier releases set forth a number of assumptions regarding these assessments, including historical results, independent forecasts regarding the markets in which these businesses operate, and the timing and magnitude of orders for our customers’ products. Historical growth rates are no guarantee of future growth, and such independent forecasts and assumptions could prove materially incorrect, in some cases.

Readers are also encouraged to refer to item 7 in the Annual Report on Form 10-K for the concise reconciliation of our non-GAAP measures. Our use of ‘non-GAAP’ items (if any) in this presentation is subject to the additional disclosures therein, which we urge you to read.

Transaction Overview

Purchase Price

- AIN to purchase 100% of privately held Heimbach Group
- €153 million enterprise value including €21 million net debt
- 10x 2022 EBITDA multiple, in-line with industry comps

Consideration

- All cash consideration
- Funded with cash held outside of the United States

Timing & Approvals

- Unanimously approved by Heimbach Group shareholders and AIN Board of Directors
- Subject to customary closing conditions and regulatory approvals
- Transaction expected to close in second half of 2023



Heimbach Group: Leading Global PMC Supplier

Privately held supplier of paper machine clothing for production of all paper grades on all machine types

Headquartered in Düren, Germany

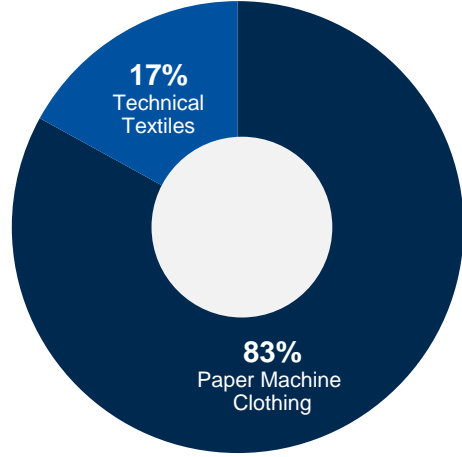
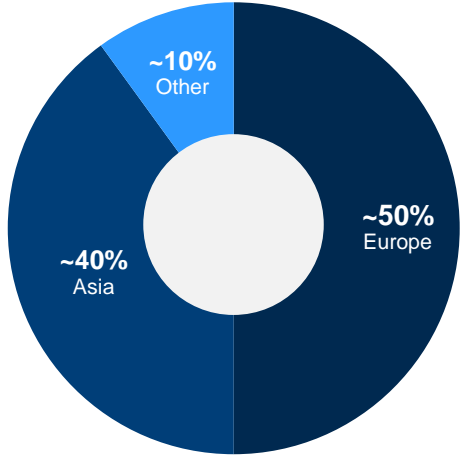
9 Facilities
7 Countries
~1,200 employees
€161 M FY 2022 revenue



NET SALES

By Region

By Segment



Significant Strategic Benefits

Opportunity of Scale to Strengthen Customer Value Proposition

FULLY ALIGNED WITH M&A CRITERIA

Complementary market positions create differentiated manufacturing, sales and service network

- Broadens European footprint – Heimbach's strength in central European markets complements Albany's northern European presence
- Adds Asian capacity to address local market growth, service customers throughout the region

Continued operational scale to drive market-leading cost position

- Leverages Albany's industry-leading operational execution (operations, quality, technology)
- Provides opportunity to reduce supply chain complexity and shorten lines of logistics
- Provides insourcing opportunities

Technologies that further enhance our product differentiation

**Excellent cultural fit.
Strong, management team.**

Leverages Albany's long-term track record of operating expertise.

Significant Financial Benefits

Provides attractive financial returns

- IRR well above cost of capital
- EPS accretive beginning in year 2
- Cash flow accretive beginning in year 2

Maintains balance sheet strength

- Net leverage increase ½ turn from 0.7x to 1.2x
- Less than 0.1x impact to debt covenant calculation
- Cash position remains well in excess of \$100 million

Line of sight to expand Heimbach Group margins and drive combined efficiency gains

- 2022 EBITDA margin:
 - Heimbach 9%
 - Albany MC 37%
- Albany has clear operational playbook with deep understanding of industry dynamics
- Effective purchase multiple in year 3 of 3.5x to 4.0x EBITDA driven by efficiencies and cost savings

VALUE CREATING ACQUISITION



Broadens manufacturing footprint, enhances sales and service network across geographies



Leverages AIN operating expertise and technology to drive performance upside

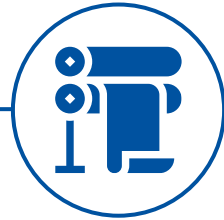


Attractive returns and significant financial benefits



Utilizes overseas cash

Technology Experts Serving Vital Industries



MACHINE CLOTHING

Engineered product solutions for the Pulp & Paper and other process industries

- Consumable, continuous replenishment
- Proprietary
- Tailored, customized products
- Harsh operating environments
- Mission-critical: essential to reliable machine operation
- Key element that defines product attributes & quality



ALBANY
INTERNATIONAL'S
HIGHLY
ATTRACTIVE
INVESTMENT
OPPORTUNITY

Leader in PMC with proprietary solutions delivering predictable and strong FCF stability

Long history of strong balance sheet, solid execution, and prudent capital management

Differentiated composites business with **ample opportunity to grow** both near and long-term

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