

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended: June 30, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 1-10026

ALBANY INTERNATIONAL CORP.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

216 Airport Drive, Rochester, New Hampshire

(Address of principal executive offices)

14-0462060

(IRS Employer Identification No.)

03867

(Zip Code)

603-330-5850

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.001 par value per share	AIN	The New York Stock Exchange (NYSE)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The registrant had 29.5 million shares of Class A Common Stock outstanding as of July 15, 2025.

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ITEM 1. FINANCIAL STATEMENTS

ALBANY INTERNATIONAL CORP.
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net revenues	\$ 311,399	\$ 331,994	\$ 600,173	\$ 645,324
Cost of goods sold	213,892	219,611	406,180	424,255
Gross profit	97,507	112,383	193,993	221,069
Selling, general, and administrative expenses	58,502	55,515	112,314	110,350
Technical and research expenses	12,552	11,860	24,448	24,525
Restructuring expenses, net	4,183	2,103	6,698	4,312
Operating income	22,270	42,905	50,533	81,882
Interest expense/(income), net	5,150	2,950	8,805	6,269
Other expense/(income), net	3,534	5,657	4,517	2,675
Income before income taxes	13,586	34,298	37,211	72,938
Income tax expense	4,254	9,578	10,530	20,849
Net income	9,332	24,720	26,681	52,089
Net income attributable to the noncontrolling interest	149	96	143	174
Net income attributable to the Company	\$ 9,183	\$ 24,624	\$ 26,538	\$ 51,915
Earnings per share attributable to Company shareholders - Basic	\$ 0.31	\$ 0.79	\$ 0.87	\$ 1.66
Earnings per share attributable to Company shareholders - Diluted	\$ 0.31	\$ 0.79	\$ 0.87	\$ 1.66
Shares of the Company used in computing earnings per share:				
Basic	29,928	31,242	30,373	31,225
Diluted	30,090	31,342	30,535	31,316
Dividends declared per Class A share	\$ 0.27	\$ 0.26	\$ 0.54	\$ 0.52

The accompanying notes are an integral part of the consolidated financial statements

ALBANY INTERNATIONAL CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
(in thousands)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	\$ 9,332	\$ 24,720	\$ 26,681	\$ 52,089
Other comprehensive income/(loss), before tax:				
Foreign currency translation and other adjustments	40,149	(17,137)	53,272	(28,968)
Pension settlement/curtailment	(3,200)	—	(1,600)	—
Amortization of pension liability adjustments:				
Prior service credit	(37)	(38)	(74)	(76)
Net actuarial loss	306	176	593	354
Payments and amortization related to interest rate swaps included in earnings	(79)	(4,180)	(271)	(8,218)
Derivative valuation adjustment	(101)	439	(594)	1,633
Income taxes related to items of other comprehensive income/(loss):				
Pension settlement/curtailment	844	—	422	—
Amortization of prior service credit	12	11	23	22
Amortization of net actuarial loss	(93)	(53)	(181)	(107)
Payments and amortization related to interest rate swaps included in earnings	20	1,001	34	2,023
Derivative valuation adjustment	38	(100)	74	(402)
Comprehensive income	47,191	4,839	78,379	18,350
Comprehensive income attributable to the noncontrolling interest	304	(270)	88	(146)
Comprehensive income attributable to the Company	\$ 46,887	\$ 5,109	\$ 78,291	\$ 18,496

The accompanying notes are an integral part of the consolidated financial statements

ALBANY INTERNATIONAL CORP.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)
(unaudited)

	June 30, 2025	December 31, 2024
Assets		
Cash and cash equivalents	\$ 106,689	\$ 115,283
Accounts receivable, net	263,132	246,688
Contract assets, net	184,961	166,557
Inventories	161,862	145,845
Income taxes prepaid and receivable	18,240	19,187
Prepaid expenses and other current assets	40,221	37,132
Total current assets	775,105	730,692
Property, plant and equipment, net	578,579	563,431
Intangibles, net	37,401	38,127
Goodwill	184,333	176,261
Deferred income taxes	35,741	28,757
Other assets	112,294	111,428
Total assets	\$ 1,723,453	\$ 1,648,696
Liabilities and Shareholders' Equity		
Accounts payable	\$ 96,788	\$ 66,095
Accrued liabilities	121,330	141,904
Current maturities of long-term debt	—	—
Income taxes payable	2,644	18,367
Total current liabilities	220,762	226,366
Long-term debt	444,686	318,531
Other noncurrent liabilities	144,622	138,830
Deferred taxes and other liabilities	19,274	16,022
Total liabilities	829,344	699,749
Commitments and Contingencies (Note 17)		
Shareholders' Equity:		
Preferred stock, par value \$5.00 per share; authorized 2,000,000 shares; none issued	—	—
Class A Common Stock, par value \$0.001 per share; authorized 100,000,000 shares; 40,983,660 issued in 2025 and 40,917,539 in 2024	41	41
Additional paid in capital	456,587	452,933
Retained earnings	1,075,934	1,065,763
Accumulated items of other comprehensive income:		
Translation adjustments	(125,584)	(181,555)
Pension and postretirement liability adjustments	(17,845)	(14,328)
Derivative valuation adjustment	(863)	(106)
Treasury stock (Class A), at cost; 11,515,604 shares in 2025 and 9,844,746 in 2024	(499,658)	(379,210)
Total shareholders' equity	888,612	943,538
Noncontrolling interest	5,497	5,409
Total equity	894,109	948,947
Total liabilities and shareholders' equity	\$ 1,723,453	\$ 1,648,696

The accompanying notes are an integral part of the consolidated financial statements

ALBANY INTERNATIONAL CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 26,681	\$ 52,089
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	40,085	41,247
Amortization	2,957	3,446
Change in deferred taxes and other liabilities	(2,761)	(2,391)
Impairment of property, plant and equipment	(66)	120
Non-cash interest expense	513	513
Compensation and benefits paid or payable in Class A Common Stock	3,654	4,243
Provision/(recovery) for credit losses from uncollected receivables and contract assets	1,021	(174)
Foreign currency remeasurement loss/(gain) on intercompany loans	7,171	(2,580)
Fair value adjustment on foreign currency contracts	—	3,109
Gain on sale of assets	(1,566)	(512)
Changes in operating assets and liabilities that provided/(used) cash:		
Accounts receivable	(4,490)	4,929
Contract assets	(15,329)	(8,435)
Inventories	(8,179)	3,062
Prepaid expenses and other current assets	(2,565)	(2,454)
Income taxes prepaid and receivable	743	873
Accounts payable	26,878	17,679
Accrued liabilities	(23,314)	(15,367)
Income taxes payable	(17,191)	(5,599)
Noncurrent receivables	(201)	(379)
Other noncurrent liabilities	(2,927)	(924)
Other, net	3,719	494
Net cash provided by operating activities	<u>34,833</u>	<u>92,989</u>
Cash flows from investing activities:		
Purchases of property, plant and equipment	(29,526)	(46,616)
Purchased software	(1,005)	(40)
Proceeds received from sale of assets	3,243	1,029
Net cash used in investing activities	<u>(27,288)</u>	<u>(45,627)</u>
Cash flows from financing activities:		
Proceeds from borrowings	171,995	43,282
Principal payments on debt	(58,046)	(122,828)
Purchase of Treasury shares	(120,448)	—
Taxes paid in lieu of share issuance	(1,316)	(2,446)
Dividends paid	(16,693)	(16,233)
Net cash used in financing activities	<u>(24,508)</u>	<u>(98,225)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>8,369</u>	<u>(6,118)</u>
Decrease in cash and cash equivalents	(8,594)	(56,981)
Cash and cash equivalents at beginning of period	115,283	173,420
Cash and cash equivalents at end of period	<u>\$ 106,689</u>	<u>\$ 116,439</u>

The accompanying notes are an integral part of the consolidated financial statements

ALBANY INTERNATIONAL CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Significant Accounting Policies

Basis of Presentation

In the opinion of management, the accompanying consolidated financial information reflects all adjustments necessary for a fair presentation of Albany International Corp.'s ("Albany", the "Registrant", the "Company", "we", "us", or "our") financial position, results of operations and cash flows for the interim periods presented, but does not include all disclosures required by the accounting principles generally accepted in the United States ("GAAP"). All such adjustments are of a normal recurring nature, unless otherwise disclosed in this report. Certain amounts in prior year financial statements and notes thereto have been reclassified to conform to current year presentation. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used in the accounting for, among others, revenue recognition, contract profitability, allowances for doubtful accounts, rebates and sales allowances, inventory allowances, financial instruments, including derivatives, pension and other postretirement benefits, stock-based compensation, goodwill and intangible assets, contingencies, income taxes, and other accruals. Our estimates are based on historical experience and on various other assumptions, which are believed to be reasonable under the circumstances. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may differ from those estimates. Estimates and assumptions are reviewed periodically, and the effects of any revisions are reflected in the consolidated financial statements in the period they are determined to be necessary.

Recent Accounting Pronouncements

In December 2023, the FASB issued Accounting Standards Update No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" ("ASU 2023-09"), which modifies the rules on income tax disclosures to require entities to disclose (1) specific categories in the rate reconciliation, (2) the income or loss from continuing operations before income tax expense or benefit (separated between domestic and foreign) and (3) income tax expense or benefit from continuing operations (separated by federal, state and foreign). ASU 2023-09 also requires entities to disclose their income tax payments to international, federal, state and local jurisdictions, among other changes. The guidance is effective for annual periods beginning after December 15, 2024. ASU 2023-09 should be applied on a prospective basis, but retrospective application is permitted. We are currently evaluating the potential impact of adopting this new guidance on our consolidated financial statements and related disclosures.

In March 2024, the FASB issued Accounting Standards Update No. 2024-01, "Compensation - Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards" (ASU 2024-01), which clarifies how an entity determines whether profits interest or similar awards should be considered within the scope of ASC 718 as a share-based payment arrangement or under ASC 710 or other ASC topics in a manner similar to a cash bonus or profit-sharing arrangement. The guidance is effective for annual periods beginning after December 15, 2024, and interim periods beginning within those annual periods. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance. ASU 2024-01 should be applied either (1) retrospectively to all prior periods presented in the financial statements or (2) prospectively to profits interest and similar awards granted or modified on or after the date at which the entity first applies the amendments. The adoption of this standard on January 1, 2025 did not have any impact on our consolidated financial statements and related disclosures.

In November 2024, the FASB issued Accounting Standards Update No. 2024-03, "Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses" (ASU 2024-03), which requires a public business entity to disclose specific information about certain costs and expenses in the notes to the financial statements for interim and annual reporting periods. The objective of the disclosure requirements is to provide disaggregated information of the public entity's expenses to help investors better understand the entity's performance; better assess the entity's prospects for future cash flows; and compare an entity's performance over time and with that of other entities. The disaggregation of relevant expense

captions presented on the face of the income statement may include but is not limited to the following natural expenses: (1) purchases of inventory, (2) employee compensation, (3) depreciation, (4) intangible asset amortization, and (5) depreciation, depletion, and amortization. The guidance is effective for annual periods beginning after December 15, 2026, and for interim periods beginning after December 15, 2027. Early adoption is permitted. We are currently evaluating the potential impact of adopting this new guidance on our consolidated financial statements and related disclosures.

In March 2024, the U.S. Securities and Exchange Commission ("SEC") adopted the final rule under SEC Release No. 33-11275, "The Enhancement and Standardization of Climate-Related Disclosures for Investors". This rule would require registrants to disclose certain climate-related information in registration statements and annual reports. In April 2024, the SEC voluntarily stayed the final rule as a result of legal challenges that are pending judicial review. The disclosure requirements would apply to the Company's fiscal year beginning January 1, 2025, pending resolution of the stay. While there has been no resolution of the stay, the Company is currently evaluating the final rule to determine its impact on the Company's disclosures.

2. Reportable Segments

The Company is organized based on the nature of its products and is composed of two reportable segments, Machine Clothing ("MC") and Albany Engineered Composites ("AEC"), each overseen by a segment president. These segments are reflective of how the Company's Chief Executive Officer, who is its Chief Operating Decision Maker ("CODM"), reviews operating results for the purpose of allocating resources and assessing performance. Our CODM evaluates each segment's performance based on metrics such as net revenues, gross profit, and other key financial data, to assess performance and allocate resources that align with company-wide goals. Annual incentive targets are established for the segment presidents based on these metrics, in addition to cash flows, which are reviewed in summary each month, and in more depth each quarter. The Company has not aggregated operating segments for purposes of identifying reportable segments. Effective December 31, 2024, the Company adopted provisions of ASU 2023-07, which expanded the content and frequency of segment disclosures required under ASC 280.

Machine Clothing:

The Machine Clothing segment supplies permeable and impermeable belts used in the manufacture of paper, paperboard, tissue and towel products, nonwovens, fiber cement and for several other industrial applications. We sell our MC products directly to customer end-users in countries across the globe. Our products, manufacturing processes, and distribution channels are substantially the same in each region of the world in which we operate.

We design, manufacture, and market paper machine clothing (used in the manufacture of paper, paperboard, tissue and towel) for each section of the paper machine and for every grade of paper. Paper machine clothing products are customized, consumable products of technologically sophisticated design that utilize polymeric materials in a complex structure.

Albany Engineered Composites:

The Albany Engineered Composites segment provides highly engineered, advanced composite structures to customers in the commercial and defense aerospace industries. The segment includes Albany Safran Composites, LLC ("ASC"), in which our customer, the SAFRAN Group ("SAFRAN") owns a 10 percent noncontrolling interest. AEC, through ASC, is the exclusive supplier to the LEAP program of advanced composite fan blades and fan cases under a long-term supply contract, where revenue is determined by a cost-plus-fee agreement.

The LEAP engine is used on the Airbus A320neo, A321neo, Boeing 737 MAX, and COMAC 919 aircraft. AEC's largest aerospace customer is the SAFRAN Group and sales to SAFRAN (consisting primarily of fan blades and cases for CFM International's LEAP engine). AEC net sales to SAFRAN were \$44.4 million and \$51.2 million for the three months ended June 30, 2025 and 2024, respectively and \$83.8 million and \$101.3 million in the first six months of 2025 and 2024, respectively. The total of Accounts receivable, Contract assets and Noncurrent receivables due from SAFRAN amounted to \$67.5 million and \$85.8 million as of June 30, 2025 and December 31, 2024, respectively.

Other significant programs for AEC include the Sikorsky CH-53K, F-35, JASSM, and Boeing 787 programs. AEC also supplies vacuum waste tanks for the Boeing commercial programs, and specialty components for the Rolls Royce lift fan on the F-35, as well as the fan case for the GE9X engine. For the year ended December 31, 2024, approximately 36 percent of AEC's revenues were related to U.S. government contracts or programs.

The following tables show data by reportable segment that is regularly provided to the CODM, reconciled to consolidated totals included in the financial statements along with other segment data:

Reconciliation of Net Revenues to Operating Income(loss):

(in thousands)	Three Months Ended June 30, 2025			
	MC	AEC	Corporate	Total
Net revenues	\$ 180,926	\$ 130,473	\$ —	\$ 311,399
Cost of goods sold	\$ 97,167	\$ 116,725	\$ —	\$ 213,892
Gross profit	\$ 83,759	\$ 13,748	\$ —	\$ 97,507
Selling, general and administrative expenses	\$ 35,669	\$ 11,777	\$ 11,056	\$ 58,502
Technical and research expenses	\$ 7,373	\$ 4,125	\$ 1,054	\$ 12,552
Restructuring expenses, net	\$ 3,015	\$ 520	\$ 648	\$ 4,183
Operating income/(loss)	\$ 37,702	\$ (2,674)	\$ (12,758)	\$ 22,270

(in thousands)	Three Months Ended June 30, 2024			
	MC	AEC	Corporate	Total
Net revenues	\$ 193,578	\$ 138,416	\$ —	\$ 331,994
Cost of goods sold	\$ 104,705	\$ 114,906	\$ —	\$ 219,611
Gross profit	\$ 88,873	\$ 23,510	\$ —	\$ 112,383
Selling, general and administrative expenses	\$ 30,569	\$ 12,786	\$ 12,160	\$ 55,515
Technical and research expenses	\$ 7,504	\$ 4,356	\$ —	\$ 11,860
Restructuring expenses, net	\$ 1,066	\$ 922	\$ 115	\$ 2,103
Operating income/(loss)	\$ 49,734	\$ 5,446	\$ (12,275)	\$ 42,905

(in thousands)	Six Months Ended June 30, 2025			
	MC	AEC	Corporate	Total
Net revenues	\$ 355,623	\$ 244,550	\$ —	\$ 600,173
Cost of goods sold	\$ 191,962	\$ 214,218	\$ —	\$ 406,180
Gross profit	\$ 163,661	\$ 30,332	\$ —	\$ 193,993
Selling, general and administrative expenses	\$ 68,550	\$ 21,903	\$ 21,861	\$ 112,314
Technical and research expenses	\$ 14,616	\$ 7,799	\$ 2,033	\$ 24,448
Restructuring expenses, net	\$ 4,362	\$ 1,688	\$ 648	\$ 6,698
Operating income/(loss)	\$ 76,133	\$ (1,058)	\$ (24,542)	\$ 50,533

(in thousands)	Six Months Ended June 30, 2024			
	MC	AEC	Corporate	Total
Net revenues	\$ 378,795	\$ 266,529	\$ —	\$ 645,324
Cost of goods sold	\$ 205,267	\$ 218,988	\$ —	\$ 424,255
Gross profit	\$ 173,528	\$ 47,541	\$ —	\$ 221,069
Selling, general and administrative expenses	\$ 63,336	\$ 24,326	\$ 22,688	\$ 110,350
Technical and research expenses	\$ 15,024	\$ 9,501	\$ —	\$ 24,525
Restructuring expenses, net	\$ 1,087	\$ 3,110	\$ 115	\$ 4,312
Operating income/(loss)	\$ 94,081	\$ 10,604	\$ (22,803)	\$ 81,882

Schedule of Depreciation and Amortization Expenses:

(in thousands)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Depreciation and amortization				
Machine Clothing	\$ 7,973	\$ 8,498	\$ 15,679	\$ 17,009
Albany Engineered Composites	13,455	13,601	26,750	27,104
Corporate	323	290	613	580
Consolidated depreciation and amortization	\$ 21,751	\$ 22,389	\$ 43,042	\$ 44,693

Reconciliation of Operating Income to Income before income taxes:

(in thousands)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Operating income				
Machine Clothing	\$ 37,702	\$ 49,734	\$ 76,133	\$ 94,081
Albany Engineered Composites	(2,674)	5,446	(1,058)	10,604
Corporate	(12,758)	(12,275)	(24,542)	(22,803)
Consolidated Operating income	\$ 22,270	\$ 42,905	\$ 50,533	\$ 81,882
Reconciling items:				
Interest income	(1,405)	(959)	(3,043)	(2,082)
Interest expense	6,555	3,909	11,848	8,351
Other (income)/expense, net	3,534	5,657	4,517	2,675
Income before income taxes	\$ 13,586	\$ 34,298	\$ 37,211	\$ 72,938

Certain prior year amounts have been reclassified in order to conform to current year presentation. Global information system costs previously included in Corporate expenses are allocated to the segments. Management believes this presentation better reflects the performance of the segments and is how management will review segment performance on a going forward basis. For the three months ended June 30, 2025, Selling, general and administrative expenses include global information system costs of \$3.9 million, \$3.8 million, and \$0.9 million for MC, AEC and Corporate, respectively. For the three months ended June 30, 2024, Selling, general and administrative expenses include global information system costs of \$3.9 million, \$4.0 million, and \$0.2 million for MC, AEC and Corporate, respectively. For the six months ended June 30, 2025, Selling, general and administrative expenses include global information system costs of \$7.9 million, \$7.7 million, and \$1.3 million for MC, AEC and Corporate, respectively. For the six months ended June 30, 2024, Selling, general and administrative expenses include global information system costs of \$7.7 million, \$8.0 million, and \$0.6 million for MC, AEC and Corporate, respectively.

The following table presents assets by reportable segment:

(in thousands)	June 30, 2025	December 31, 2024
Segment assets		
Machine Clothing	\$ 641,199	\$ 600,603
Albany Engineered Composites	\$ 769,069	\$ 736,306
Reconciling items:		
Cash	\$ 106,689	\$ 115,283
Income taxes prepaid and receivable, and Deferred income taxes	53,981	47,944
Prepaid expenses and other current assets, and Other assets	152,515	148,560
Consolidated total assets	\$ 1,723,453	\$ 1,648,696

The following table presents capital expenditures by reportable segment:

(in thousands)	Six months ended June 30,	
	2025	2024
Capital expenditures and purchased software		
Machine Clothing	\$ 13,010	\$ 12,092
Albany Engineered Composites	17,521	34,564
Total capital expenditures and purchased software	\$ 30,531	\$ 46,656

3. Revenue Recognition:

Products and services provided under long-term contracts represent a significant portion of revenues in the Albany Engineered Composites segment and we account for these contracts over time, primarily using the percentage of completion (actual cost to estimated cost) method. That method requires significant judgment and estimation, which could be materially different if the underlying circumstances were to change. When adjustments in estimated contract revenues or costs are required, any changes from prior estimates are included in earnings in the period the change occurs. Changes in the estimated profitability of long-term contracts could be caused by increases or decreases in the contract value, revisions to customer delivery requirements, updated labor or overhead rates, material costs, factors affecting the supply chain, changes in the evaluation of contract risks and opportunities, or other factors. The cumulative changes in the estimated profitability of long-term contracts decreased operating income by \$7.2 million during the second quarter of 2025 and \$14.2 million for the first six months of 2025. The negative cumulative change in profitability during the second quarter of 2025 was primarily driven by a few large complex programs, including \$8.1 million for various CH-53K programs, \$0.8 million on our F-35 program, offset by a gain of \$1.6 million on our Gulfstream program and a \$0.1 million, net gain on all other programs. The negative cumulative change in profitability during the six months ended June 2025 was driven by \$10.1 million for various CH-53K programs, \$2.1 million on our F-35 program, and \$2.0 million, net on all other programs. Adjustments in the estimated profitability of long-term contracts decreased operating income by \$5.0 million during the second quarter of 2024 and \$7.6 million for the first six months of 2024.

We disaggregate revenue earned from contracts with customers for each of our business segments and product groups based on the timing of revenue recognition, and groupings used for internal review purposes.

The following table disaggregates revenue for each product group by timing of revenue recognition for the three months ended June 30, 2025:

(in thousands)	Three months ended June 30, 2025		
	Point in Time Revenue Recognition	Over Time Revenue Recognition	Total
Machine Clothing	\$ 179,904	\$ 1,022	\$ 180,926
Albany Engineered Composites:			
ASC	—	44,846	44,846
Other AEC	3,060	82,567	85,627
Total Albany Engineered Composites	\$ 3,060	\$ 127,413	\$ 130,473
Total revenues	\$ 182,964	\$ 128,435	\$ 311,399

The following table disaggregates revenue for each product group by timing of revenue recognition for the three months ended June 30, 2024:

(in thousands)	Three months ended June 30, 2024		
	Point in Time Revenue Recognition	Over Time Revenue Recognition	Total
Machine Clothing	\$ 192,596	\$ 982	\$ 193,578
Albany Engineered Composites:			
ASC	—	50,292	50,292
Other AEC	6,008	82,116	88,124
Total Albany Engineered Composites	6,008	132,408	138,416
Total revenues	\$ 198,604	\$ 133,390	\$ 331,994

The following table disaggregates revenue for each product group by timing of revenue recognition for the six months ended June 30, 2025

(in thousands)	Six months ended June 30, 2025		
	Point in Time Revenue Recognition	Over Time Revenue Recognition	Total
Machine Clothing	\$ 353,580	\$ 2,043	\$ 355,623
Albany Engineered Composites:			
ASC	—	83,766	83,766
Other AEC	7,137	153,647	160,784
Total Albany Engineered Composites	7,137	237,413	244,550
Total revenues	\$ 360,717	\$ 239,456	\$ 600,173

The following table disaggregates revenue for each product group by timing of revenue recognition for the six months ended June 30, 2024

(in thousands)	Six months ended June 30, 2024		
	Point in Time Revenue Recognition	Over Time Revenue Recognition	Total
Machine Clothing	\$ 376,831	\$ 1,964	\$ 378,795
Albany Engineered Composites:			
ASC	—	100,031	100,031
Other AEC	11,766	154,732	166,498
Total Albany Engineered Composites	11,766	254,763	266,529
Total revenues	\$ 388,597	\$ 256,727	\$ 645,324

The following table disaggregates MC segment revenue by significant product groupings (paper machine clothing ("PMC") and engineered fabrics); and for PMC, the geographical region to which the paper machine clothing was sold:

(in thousands)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Americas PMC	\$ 87,488	\$ 88,533	\$ 170,334	\$ 172,034
Eurasia PMC	71,161	78,519	139,358	154,709
Engineered Fabrics	22,277	26,526	45,931	52,052
Total Machine Clothing Net revenues	\$ 180,926	\$ 193,578	\$ 355,623	\$ 378,795

We do not disclose the value of unsatisfied performance obligations for contracts with an original expected duration of one year or less. Contracts in the MC segment are generally for periods of less than a year and certain contracts in the AEC segment are relatively short duration firm-fixed-price orders. Remaining performance obligations on contracts that had an original duration of greater than one year totaled \$1.0 billion and \$1.1 billion as of June 30, 2025 and 2024, respectively, and related primarily to firm fixed price contracts in the AEC segment. Of the remaining performance obligations as of June 30, 2025, we expect to recognize as revenue approximately \$84.6 million during 2025, \$153.7 million during 2026, \$142.1 million during 2027, and the remainder thereafter.

4. Pensions and Other Postretirement Benefit Plans

The Company has defined benefit pension plans covering certain U.S. and non-U.S. employees. The Company also provides certain postretirement benefits to retired employees in the U.S. and Canada. The Company accrues the cost of providing these benefits during the active service period of the employees.

The composition of the net periodic benefit cost/(income) for the six months ended June 30, 2025 and 2024, was as follows:

(in thousands)	Pension plans		Other postretirement benefits	
	2025	2024	2025	2024
Components of net periodic benefit cost/(income):				
Service cost	\$ 552	\$ 986	\$ 20	\$ 23
Interest cost	2,947	3,043	707	709
Expected return on assets	(2,250)	(2,698)	—	—
Curtailment cost/(income)	(3,770)	—	—	—
Settlement cost/(income)	2,170	—	—	—
Amortization of prior service cost/(income)	(13)	(14)	(61)	(62)
Amortization of net actuarial loss	609	372	(16)	(18)
Net periodic benefit cost/(credit)	\$ 245	\$ 1,689	\$ 650	\$ 652

The amount of net benefit cost/(credit) is determined at the beginning of each year and generally only varies from quarter to quarter when a significant event occurs, such as a curtailment or a settlement. In the first six months of 2025, we took action to settle certain pension plan liabilities related to an MC pension plan in Switzerland. This resulted in a net gain totaling \$1.6 million related to curtailments and settlements. There were no material curtailments or settlements during the six months ended June 30, 2024.

Service cost for defined benefit pension and postretirement plans are reported in the same line item as other compensation costs arising from services rendered by the pertinent employees during the period. Other components of net periodic benefit cost are included in the line item Other (income)/expense, net in the Consolidated Statements of Income.

5. Restructuring

At MC, restructuring actions were taken in 2025 and 2024 to cease operations at five facilities.

For the three month ended June 30, 2025, these actions related to workforce reductions of \$3.0 million. For the three month ended June 30, 2024, these actions related to workforce reductions and inventory write-off costs totaling \$1.1 million.

For the six month ended June 30, 2025, these actions related to workforce reductions, fixed asset impairments and related costs and inventory write-off costs of \$6.1 million offset by a \$1.8 million pension curtailment gain, For the six month ended June 30, 2024 these actions related to workforce reductions and write-off of inventory of \$1.1 million.

At AEC, restructuring activities were related to reorganizational and workforce reduction costs, which resulted in restructuring expenses of \$0.5 million for the three months ended June 30, 2025 and \$0.9 million for the three months ended June 30, 2024. For the six months ended June 30, 2025 and June 30, 2024, restructuring expenses were related to reductions in workforce and totaled \$1.7 million and \$3.1 million, respectively.

The following table summarizes charges reported in the Consolidated Statements of Income under "Restructuring expenses, net":

(in thousands)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Machine Clothing	\$ 3,015	\$ 1,066	\$ 4,362	\$ 1,087
Albany Engineered Composites	520	922	1,688	3,110
Corporate expenses	648	115	648	115
Total	\$ 4,183	\$ 2,103	\$ 6,698	\$ 4,312

The following tables summarize charges by type of expense reported in the Consolidated Statements of Income under "Restructuring expenses, net" and "Cost of goods sold":

Six months ended June 30, 2025 (in thousands)	Total restructuring costs incurred	Termination and other costs	Impairment of assets	Pension Curtailment (Gain)/Loss
Machine Clothing	\$ 4,362	\$ 5,399	\$ 723	(1,760)
Albany Engineered Composites	1,688	1,688	—	—
Corporate expenses	648	648	—	—
Total	\$ 6,698	\$ 7,735	\$ 723	(1,760)

Six months ended June 30, 2024 (in thousands)	Total restructuring costs incurred	Termination and other costs	Impairment of assets	Pension Curtailment (Gain)/Loss
Machine Clothing	\$ 1,605	\$ 1,087	\$ 518	—
Albany Engineered Composites	3,110	3,110	—	—
Corporate expenses	115	115	—	—
Total	\$ 4,830	\$ 4,312	\$ 518	—

The table below presents the year-to-date changes in restructuring liabilities for 2025 and 2024:

(in thousands)	December 31, 2024	Restructuring charges accrued	Payments and other	June 30, 2025
Total termination and other costs	\$ 4,996	\$ 7,735	(8,185)	4,546

(in thousands)	December 31, 2023	Restructuring charges accrued	Payments and other	June 30, 2024
Total termination and other costs	\$ —	\$ 4,312	(1,388)	2,924

6. Other (Income)/Expense, net

The components of Other (income)/expense, net are:

(in thousands)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Currency transaction losses/(gains)	\$ 5,654	\$ 150	\$ 8,806	\$ (1,142)
Derivative instruments losses/(gains)	(735)	4,391	(3,261)	4,273
Components of net periodic pension and postretirement cost other than service cost	(498)	664	323	1,332
Other	(887)	452	(1,351)	(1,788)
Total other (income)/expense, net	\$ 3,534	\$ 5,657	\$ 4,517	\$ 2,675

Other (income)/expense, net, included foreign currency related transactions which resulted in losses of \$5.7 million and \$8.8 million in the three and six months ended June 30, 2025, as compared to losses of \$0.2 million and gains of \$1.1 million in the same periods last year. These changes were the result of unrealized losses on intercompany loans. In addition, changes in the fair value of derivative instruments included gains of \$0.7 million and \$3.3 million in the three and six months ended June 30, 2025, as compared to losses of \$4.4 million and \$4.3 million for the three and six months ended June 30, 2024, driven by currency rate movements, most notably the Brazilian Real and Mexican Peso. Other also included net gains of \$1.6 million from the divestiture of Arcari during the three and six months ended June 30, 2025, offset by amortization of debt issuance costs and other non-operating expenses.

7. Income Taxes

The Company's effective income tax rate for the three and six months ended June 30, 2025 and 2024, is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Effective income tax rate	31.3 %	27.9 %	28.3 %	28.6 %

Income tax expense for the quarter was computed in accordance with ASC 740-270, Income Taxes – Interim Reporting. Under this method, loss jurisdictions which cannot recognize a tax benefit with regard to their generated losses are excluded from the annual effective tax rate calculation and their taxes will be recorded discretely in each quarter.

Our 2025 estimated annual effective tax rate primarily reflects the 21% federal tax rate, the impact of state and local taxation, the impact of taxation upon foreign operations, and forecasted permanent differences. Our actual effective tax rates were 31.3% and 27.9% for the three months ended June 30, 2025 and 2024, respectively. Our actual effective tax rates were 28.3% and 28.6% for the six months ended June 30, 2025 and 2024, respectively.

The effective tax rate for the three months ended June 30, 2025 included a net discrete tax benefit of \$0.3 million. This discrete tax benefit is mostly attributable to the true-up for prior year's estimated taxes. The rate for the three months ended June 30, 2025 was higher than the three months ended June 30, 2024 mainly due to a significant favorable discrete tax adjustment in the quarter ended June 30, 2024 related to the release of uncertain tax positions as compared to the current period.

The effective tax rate for the six months ended June 30, 2025 included a net discrete tax benefit of \$1.6 million. This discrete tax benefit is mostly attributable to the true-up for prior year's estimated taxes, a net decrease in valuation allowances and a net decrease in uncertain tax positions. The rate for the six months ended June 30, 2025 was lower than the six months ended June 30, 2024 mainly due to the favorable discrete tax adjustment related to a decrease in valuation allowance in the current period.

The Company is subject to audit in the U.S. and various foreign jurisdictions. Our open tax years for major jurisdictions generally range from 2013-2024. We believe appropriate provisions for all outstanding tax issues have been made for all jurisdictions and all open years. Audit outcomes and the timing of audit settlements are subject to significant uncertainty. It is reasonably possible that within the next 12 months, unrecognized tax benefits could decrease by up to \$2.4 million based on current estimates.

8. Earnings Per Share

The amounts used in computing earnings per share and the weighted average number of shares of potentially dilutive securities are as follows:

(in thousands, except earnings per share)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net income attributable to the Company	\$ 9,183	\$ 24,624	\$ 26,538	\$ 51,915
Weighted average number of shares:				
Weighted average number of shares used in calculating basic net income per share	29,928	31,242	30,373	31,225
Effect of dilutive stock-based compensation plans:				
Restricted stock units and multi-year awards	162	100	162	91
Weighted average number of shares used in calculating diluted net income per share	30,090	31,342	30,535	31,316
Net income attributable to the Company per share:				
Basic	\$ 0.31	\$ 0.79	\$ 0.87	\$ 1.66
Diluted	\$ 0.31	\$ 0.79	\$ 0.87	\$ 1.66

9. Accumulated Other Comprehensive Income ("AOCI")

The table below presents changes in the components of AOCI for the period from December 31, 2024 to June 30, 2025:

(in thousands)	Translation adjustments	Pension and postretirement liability adjustments	Derivative valuation adjustment	Total Accumulated Other Comprehensive Income
December 31, 2024	\$ (181,555)	\$ (14,328)	\$ (106)	\$ (195,989)
Foreign currency translation and other adjustments	55,971	(2,699)	(520)	52,752
Pension settlement/curtailment, net of tax	—	(1,178)	—	(1,178)
Interest (expense)/income related to swaps reclassified to the Consolidated Statements of Income, net of tax	—	—	(237)	(237)
Pension and postretirement liability adjustments reclassified to Consolidated Statements of Income, net of tax	—	360	—	360
Net current period other comprehensive income	55,971	(3,517)	(757)	51,697
June 30, 2025	\$ (125,584)	\$ (17,845)	\$ (863)	\$ (144,292)

The table below presents changes in the components of AOCI for the period from December 31, 2023 to June 30, 2024:

(in thousands)	Translation adjustments	Pension and postretirement liability adjustments	Derivative valuation adjustment	Total Accumulated Other Comprehensive Income
December 31, 2023	\$ (124,901)	\$ (17,346)	\$ 9,079	\$ (133,168)
Foreign currency translation and other adjustments	(29,403)	435	1,231	(27,737)
Interest (expense)/income related to swaps reclassified to the Consolidated Statements of Income, net of tax	—	—	(6,195)	(6,195)
Pension and postretirement liability adjustments reclassified to Consolidated Statements of Income, net of tax	—	193	—	193
Net current period other comprehensive income	(29,403)	628	(4,964)	(33,739)
June 30, 2024	\$ (154,304)	\$ (16,718)	\$ 4,115	\$ (166,907)

The components of AOCI that are reclassified to the Consolidated Statements of Income relate to our pension and postretirement plans and interest rate swaps.

The table below presents the expense/(income) amounts reclassified from AOCI, and the line items of the Consolidated Statements of Income that were affected for the three and six months ended June 30, 2025 and 2024:

(in thousands)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Pre-tax Derivative valuation reclassified from Accumulated Other Comprehensive Income:				
Interest (income)/expense, net related to interest rate swaps included in Income before taxes	\$ (79)	\$ (4,180)	\$ (271)	\$ (8,218)
Income tax effect	20	1,001	34	2,023
Effect on net income due to items reclassified from Accumulated Other Comprehensive Income	\$ (59)	\$ (3,179)	\$ (237)	\$ (6,195)
Pre-tax pension and postretirement liabilities reclassified from Accumulated Other Comprehensive Income:				
Pension settlement/curtailment	\$ (3,200)	\$ —	\$ (1,600)	\$ 0
Amortization of prior service credit	\$ (37)	\$ (38)	\$ (74)	\$ (76)
Amortization of net actuarial loss	306	176	593	354
Total pre-tax amount reclassified (a)	(2,931)	138	(1,081)	278
Income tax effect	763	(42)	264	(85)
Effect on net income due to items reclassified from Accumulated Other Comprehensive Income	\$ (2,168)	\$ 96	\$ (817)	\$ 193

(a) These accumulated other comprehensive income components are included in the computation of net periodic pension cost (see Note 4. *Pensions and Other Postretirement Benefit Plans*).

10. Noncontrolling Interests

Effective October 31, 2013, Safran S.A. (Safran) acquired a 10 percent equity interest in Albany Safran Composites, LLC ("ASC").

On August 31, 2023, the Company acquired all the outstanding shares of Heimbach, a privately held manufacturer of paper machine clothing with headquarters in Düren, Germany. In July 2021, Heimbach acquired 85% of Arcari, SRL ("Arcari"). Arcari is a manufacturer of textile and plastic industrial technical products and conveyor belts.

On April 1, 2025, Heimbach sold its 85% controlling interest in Arcari to the minority shareholder and recorded a gain of \$1.6 million included in Other (Income) expense on the sale. In connection with the sale, the corresponding value of

the non-controlling interest was reduced to zero. The Company did not retain any ownership in Arcari as a result of the sale and accordingly there was no impact on operating results during the second quarter of 2025.

The table below presents a reconciliation of income attributable to the noncontrolling interest and noncontrolling equity in the Company's subsidiaries:

ASC Noncontrolling Interest (in thousands, except percentages)	Six months ended June 30,	
	2025	2024
Net income of Albany Safran Composites (ASC)	\$ 3,175	\$ 1,841
Less: Return attributable to the Company's preferred holding	892	589
Net income of ASC available for common ownership	\$ 2,283	\$ 1,252
Ownership percentage of noncontrolling shareholder	10 %	10 %
Net income attributable to the noncontrolling interest	\$ 228	\$ 125
Noncontrolling interest, beginning of year	\$ 4,983	\$ 5,423
Net income attributable to noncontrolling interest	228	125
Changes in other comprehensive income attributable to the noncontrolling interest	286	(304)
ASC Noncontrolling interest, end of interim period	\$ 5,497	\$ 5,244
Arcari Noncontrolling interest, end of interim period	\$ 0	\$ 562
Total Noncontrolling interest, end of interim period	\$ 5,497	\$ 5,806

11. Accounts Receivable

Accounts receivable, net includes Trade and other accounts receivable and Bank promissory notes, net of Allowance for expected credit losses. In connection with certain revenues in Asia, the Company accepts a bank promissory note as customer payment. The notes may be presented for payment at maturity, which is less than one year. As of June 30, 2025 and December 31, 2024, Accounts receivable consisted of the following:

(in thousands)	June 30, 2025	December 31, 2024
Trade and other accounts receivable	\$ 248,700	\$ 231,136
Bank promissory notes	19,771	19,637
Allowance for expected credit losses	(5,339)	(4,085)
Accounts receivable, net	\$ 263,132	\$ 246,688

As of June 30, 2025 and December 31, 2024, the Company had trade accounts receivable from SAFRAN of \$68.0 million and \$77.7 million, respectively.

As of June 30, 2025 and December 31, 2024, the Company did not have any Noncurrent receivables and related Allowance for expected credit losses.

12. Contract Assets and Liabilities

Contract assets include unbilled amounts typically resulting from revenues under contracts when the over time method of revenue recognition is utilized, and revenue recognized exceeds the amount billed to the customer. Contract assets are transferred to Accounts receivable, net when the entitlement to pay becomes unconditional and the customer is invoiced. Contract liabilities include advance payments and billings in excess of revenue recognized. Contract liabilities are included in Accrued liabilities in the Consolidated Balance Sheets.

Contract assets and Contract liabilities are reported on the Consolidated Balance Sheets in a net position on a contract-by-contract basis at the end of each reporting period.

As of June 30, 2025 and December 31, 2024, Contract assets and Contract liabilities consisted of the following:

(in thousands)	June 30, 2025		December 31, 2024	
Contract assets	\$	185,884	\$	167,397
Allowance for expected credit losses		(923)		(840)
Contract assets, net	\$	184,961	\$	166,557
Contract liabilities	\$	8,458	\$	6,085

Contract assets, net increased \$18.4 million during the six months ended June 30, 2025. The increase was primarily due to an increase in unbilled revenue, primarily related to commercial and defense programs. There were no impairment losses related to our Contract assets during the six months ended June 30, 2025 and June 30, 2024.

Contract liabilities increased \$2.4 million for the period ended June 30, 2025 compared to December 31, 2024, primarily due to the amounts invoiced to customers for contracts that were in a contract liability position exceeding the revenue recognized from satisfied performance obligations. Revenue recognized for the six months ended June 30, 2025 and 2024 that was included in the Contract liability balance at the beginning of the year was \$4.8 million and \$3.8 million, respectively.

13. Inventories

Costs included in inventories are raw materials, labor, supplies and allocable depreciation and overhead. Raw material inventories are valued on an average cost basis. Other inventory cost elements are valued at cost, using the first-in, first-out method. The Company writes down the inventories for estimated obsolescence and to lower of cost or net realizable value based upon assumptions about future demand and market conditions. If actual demand or market conditions are less favorable than those projected by the Company, additional inventory write-downs may be required. Once established, the original cost of the inventory less the related write-down represents the new cost basis of such inventories.

As of June 30, 2025 and December 31, 2024, Inventories consisted of the following:

(in thousands)	June 30, 2025		December 31, 2024	
Raw materials	\$	82,480	\$	76,559
Work in process		63,600		54,917
Finished goods		15,782		14,369
Total inventories	\$	161,862	\$	145,845

14. Goodwill and Other Intangible Assets

The following table sets forth the gross carrying value, accumulated amortization and net values of intangible assets and goodwill as of June 30, 2025 and December 31, 2024:

June 30, 2025				
(in thousands)	Amortization life in years	Gross carrying amount	Accumulated amortization and other	Net carrying amount
Finite-lived assets:				
AEC Trademarks and trade names	6-15	\$ 208	\$ (203)	5
AEC Technology	10-15	6,531	(3,810)	2,721
AEC Intellectual property	15	1,250	(464)	786
AEC Customer relationships	8-15	69,561	(49,195)	20,366
Heimbach Developed technology	9	9,282	(2,217)	7,065
Total Finite-lived intangible assets		\$ 86,832	\$ (55,889)	30,943
Indefinite-lived intangible assets:				
Heimbach Trade name		\$ 6,458	\$ —	6,458
MC Goodwill		69,901	—	69,901
AEC Goodwill		114,432	—	114,432
Total Indefinite-lived intangible assets:		\$ 190,791	\$ —	190,791

December 31, 2024				
(in thousands)	Amortization life in years	Gross carrying amount	Accumulated amortization and other	Net carrying amount
Finite-lived assets:				
AEC Trademarks and trade names	6-15	\$ 208	\$ (197)	11
AEC Technology	10-15	5,820	(3,140)	2,680
AEC Intellectual property	15	1,250	(422)	828
AEC Customer relationships	8-15	69,175	(47,283)	21,892
Heimbach Developed technology	9	8,547	(1,543)	7,004
Total Finite-lived assets		\$ 85,000	\$ (52,585)	32,415
Indefinite-lived intangible assets:				
Heimbach Trade name		\$ 5,712	\$ —	5,712
MC Goodwill		63,988	—	63,988
AEC Goodwill		112,273	—	112,273
Total Indefinite-lived intangible assets:		\$ 181,973	\$ —	181,973

The changes in intangible assets, net and goodwill from December 31, 2024 to June 30, 2025, were as follows:

(in thousands)	December 31, 2024	Other Changes	Amortization	Currency Translation	June 30, 2025
Finite-lived intangible assets:					
AEC Trademarks and trade names	\$ 11	\$ —	\$ (6)	\$ —	5
AEC Technology	2,680	—	(308)	349	2,721
AEC Intellectual property	828	—	(42)	—	786
AEC Customer relationships	21,892	—	(1,751)	225	20,366
Heimbach Developed technology	7,004	(315)	(497)	873	7,065
Total Finite-lived intangible assets	\$ 32,415	\$ (315)	\$ (2,604)	\$ 1,447	30,943
Indefinite-lived intangible assets:					
Heimbach Trade name	\$ 5,712	\$ —	\$ —	\$ 746	6,458
MC Goodwill	63,988	—	—	5,913	69,901
AEC Goodwill	112,273	—	—	2,159	114,432
Total Indefinite-lived assets:	\$ 181,973	\$ —	\$ —	\$ 8,818	190,791

Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in each business combination. Goodwill and intangible assets with indefinite useful lives are not amortized, but are tested for impairment at least annually.

In the second quarter of 2025, management applied the qualitative assessment approach in performing its annual evaluation of goodwill for the Company's Machine Clothing reporting unit and AEC reporting unit and concluded that each reporting unit's fair value continued to exceed its carrying value. Accordingly, no impairment charges were recorded.

15. Financial Instruments

The following table represents the Company's outstanding debt:

(in thousands, except interest rates)	June 30, 2025	December 31, 2024
Borrowings under the Amended Credit Agreement (1)		
USD borrowings	\$ 339,000	\$ 225,000
EUR borrowings	105,686	93,485
Foreign bank debt	—	46
Total bank debt	444,686	318,531
Less: Current maturities of long-term debt	—	—
Long-term debt	\$ 444,686	\$ 318,531

(1) The credit facility matures in August 2028. At the end of June 30, 2025 and December 31, 2024, the USD interest rate in effect was 5.92% and 5.77%, respectively, including the effect of interest rate swaps; at the end of June 30, 2025 and December 31, 2024, the EUR interest rate in effect was 3.72% and 4.09%, respectively, including the effect of interest rate swaps.

Amended Credit Agreement

On August 16, 2023, we entered into a \$800 million unsecured committed Five-Year Revolving Credit Facility Agreement, amended on June 28, 2024 (collectively, the "Amended Credit Agreement"), which matures in August of 2028.

The applicable interest rate for borrowings under the Amended Credit Agreement is based on both Term SOFR and EURIBOR plus a spread, which is based on our leverage ratio (as defined in the Amended Credit Agreement) at the time of a borrowing as follows:

Leverage Ratio	Commitment Fee	ABR Spread	Term Benchmark/ Daily Simple SOFR Spread
<1.00:1.00	0.275%	0.500%	1.500%
≥ 1.00:1.00 and < 2.00:1.00	0.300%	0.625%	1.625%
≥ 2.00:1.00 and < 3.00:1.00	0.325%	0.750%	1.750%
≥ 3.00:1.00	0.350%	1.000%	2.000%

As of June 30, 2025, the applicable interest rate for borrowings under the Amended Credit Agreement was based on one-month term SOFR and one-month EURIBOR plus the spread, which was 1.625%.

As of June 30, 2025, there was \$444.7 million of borrowings outstanding under the Amended Credit Agreement and we had borrowings available of \$355.3 million, based on our maximum leverage ratio and our Consolidated EBITDA (as defined in the Amended Credit Agreement).

Under the Amended Credit Agreement, we are required to maintain a leverage ratio (as defined in the Credit Agreement) of not greater than 3.75 to 1.00, or 4.25 to 1.00 after a significant acquisition. We are also required to maintain a minimum interest coverage ratio (as defined in the Credit Agreement) of greater than 3.00 to 1.00. If our leverage ratio exceeds 3.50 to 1.00, we will be restricted in paying dividends to a maximum amount of \$40 million in a calendar year.

As of June 30, 2025, our leverage ratio was 1.63 to 1.00 and our interest coverage ratio was 10.51 to 1.00. As of June 30, 2025, we were in compliance with all applicable covenants. We anticipate continued compliance in each of the next four quarters while continuing to monitor future compliance based on current and future economic conditions.

The borrowings are guaranteed by certain of the Company's subsidiaries, including all significant U.S. subsidiaries (subject to certain exceptions), as defined in the Amended Credit Agreement. Our ability to borrow additional amounts under the Amended Credit Agreement is conditional upon the absence of any defaults, as well as the absence of any material adverse change (as defined in the Amended Credit Agreement).

Interest Rate Swaps

From time to time, the Company enters into interest rate swap contracts to manage the interest rate risk associated with its outstanding variable-interest rate borrowings. Such contracts are intended to economically hedge the reference rate component of future interest payments associated with outstanding borrowings under the Company's Amended Credit Agreement.

In November, 2024, we entered into two interest rate swap agreements: A USD interest rate swap agreement and a EUR interest rate swap agreement. The USD interest rate swap agreement covers the period November 15, 2024 through November 15, 2026. This transaction has the effect of fixing the SOFR portion of the interest rate (before the credit spread) on \$125 million of the US indebtedness drawn under the Amended Credit Facility. Under the terms of this transaction, the Company pays a fixed rate of 3.987% and our counterparty pays a floating rate based on the one-month SOFR rate at each monthly calculation date. The EUR interest rate swap agreement covers the period November 14, 2024 through November 15, 2026. This transaction has the effect of fixing the EURIBOR portion of the interest rate (before the credit spread) on EUR 45 million of the EUR indebtedness drawn under the Amended Credit Facility. Under the terms of this transaction, the Company pays a fixed rate of 2.277% and our counterparty pays a floating rate based on the one-month EURIBOR rate at each monthly calculation date.

In 2021, we entered into interest rate swap agreements for the period of October 17, 2022 through October 27, 2024, to hedge \$350 million of variable-interest rate indebtedness.

These interest rate swaps are accounted for as a hedge of future cash flows, as further described in *Note 16, Fair-Value Measurements*. No cash collateral was received or pledged in relation to the swap agreements.

16. Fair-Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The Company uses a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.

- Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

We had no Level 3 financial assets or liabilities at June 30, 2025 or at December 31, 2024, other than certain pension assets as indicated in our December 31, 2024 Annual Report on Form 10-K.

The following table presents the fair-value hierarchy for our Level 1 and Level 2 financial and non-financial assets and liabilities, which are measured at fair value on a recurring basis:

(in thousands)	June 30, 2025		December 31, 2024	
	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)
Fair Value				
Assets:				
Cash equivalents	\$ 14,725	\$ —	\$ 11,273	\$ —
Foreign currency option contracts	—	—	—	—
Foreign currency forward contracts	—	—	—	—
Other Assets:				
Common stock of unaffiliated foreign public company (a)	731	—	631	—
Interest rate swaps	—	—	—	149
Liabilities:				
Other Non-Current Liabilities				
Foreign currency forward contracts	—	—	—	—
Interest rate swaps	—	(969)	—	(218)

(a) Original cost basis \$0.5 million.

Cash equivalents include short-term securities that are considered to be highly liquid and easily tradable. These securities are valued using inputs observable in active markets for identical securities.

The interest rate swaps are accounted for as hedges of future cash flows. The fair value of our interest rate swaps is derived from a discounted cash flow analysis based on the terms of the contract and the interest rate curve, and is included in Other assets and/or Other noncurrent liabilities in the Consolidated Balance Sheets. Unrealized gains and losses on the interest rate swaps flow through the caption Derivative valuation adjustment in the Shareholders' equity section of the Consolidated Balance Sheets. As of June 30, 2025, these interest rate swaps were determined to be highly effective hedges of interest rate cashflow risk. Amounts accumulated in Other comprehensive income are reclassified as interest expense/(income), net when the related interest payments (that is, the hedged forecasted transactions), affect earnings. Interest expense/(income) related to payments under the active swap agreements totaled \$(0.3) million for the six months ended June 30, 2025 and \$(8.2) million for the six months ended June 30, 2024.

We operate our business in many regions of the world, and currency rate movements can have a significant effect on operating results. From time to time, we enter into foreign currency option contracts and forward contracts that are valued using quoted prices in active markets obtained from independent pricing sources. These instruments are measured using market foreign exchange prices and are recorded in the Consolidated Balance Sheets as Other current assets and Accrued liabilities, as applicable. Changes in fair value of these instruments are recorded as gains or losses within Other (income)/expense, net.

When exercised, the foreign currency instruments are net-settled with the same financial institution that bought or sold them. For all positions, whether options or forward contracts, there is a risk from the possible inability of the financial institution to meet the terms of the contracts and the risk of unfavorable changes in interest and currency rates, which may reduce the value of the instruments. We seek to mitigate risk by evaluating the creditworthiness of counterparties

and by monitoring the currency exchange and interest rate markets while reviewing the hedging risks and contracts to ensure compliance with our internal guidelines and policies.

(Gains)/losses related to changes in fair value of derivative instruments that were recognized in Other (income)/expense, net in the Consolidated Statements of Income were as follows:

(in thousands)	Three months ended June 30,		Six months ended June 30,		
	2025	2024	2025	2024	
Derivatives not designated as hedging instruments:					
Foreign currency options (gains)/losses	\$	(735) \$	4,391 \$	(3,261) \$	4,273

17. Commitments and Contingencies

Asbestos Litigation

Albany International Corp. is a defendant in suits brought in various courts in the United States by plaintiffs who allege that they have suffered personal injury as a result of exposure to asbestos-containing paper machine clothing synthetic dryer fabrics marketed during the period from 1967 to 1976 and used in certain paper mills. We were defending 3,660 claims as of June 30, 2025.

The following table sets forth the number of claims filed, the number of claims settled, dismissed or otherwise resolved, and the aggregate settlement amount during the periods presented:

(in thousands, except number of claims)	Opening Number of Claims	Claims Dismissed, Settled, or Resolved	New Claims	Closing Number of Claims	Amounts Paid to Settle or Resolve
For the period ended December 31, 2024	3,606	10	50	3,646	\$ 13
For the period ended June 30, 2025	3,646	19	33	3,660	\$ 105

We anticipate that additional claims will be filed against the Company and related companies in the future but are unable to predict the number and timing of such future claims. Due to the fact that information sufficient to meaningfully estimate a range of possible loss of a particular claim is typically not available until late in the discovery process, we do not believe a meaningful estimate can be made regarding the range of possible loss with respect to pending or future claims and therefore are unable to estimate a range of reasonably possible loss in excess of amounts already accrued for pending or future claims.

While we believe we have meritorious defenses to these claims, we have settled certain claims for amounts we consider reasonable given the facts and circumstances of each case. Our insurance carrier has defended each case and funded settlements under a standard reservation of rights. As of June 30, 2025, we had resolved, by means of settlement or dismissal, 38,070 claims at a total cost of \$10.8 million. Of this amount, almost 100% was paid by our insurance carrier, who has confirmed that we have approximately \$140 million of remaining coverage under primary and excess policies that should be available with respect to current and future asbestos claims.

The Company's subsidiary, Brandon Drying Fabrics, Inc. ("Brandon"), is also a separate defendant in many of the asbestos cases in which Albany is named as a defendant, despite never having manufactured any fabrics containing asbestos. While Brandon was defending against 7,675 claims as of June 30, 2025, only twelve claims have been filed against Brandon since January 1, 2012, and only \$15,000 in settlement costs have been incurred since 2001. Brandon was acquired by the Company in 1999 and has its own insurance policies covering periods prior to 1999. Since 2004, Brandon's insurance carriers have covered 100% of indemnification and defense costs, subject to policy limits and a standard reservation of rights.

In some of these asbestos cases, the Company is named both as a direct defendant and as the "successor in interest" to Mount Vernon Mills ("Mount Vernon"). We acquired certain assets from Mount Vernon in 1993. Certain plaintiffs allege injury caused by asbestos-containing products alleged to have been sold by Mount Vernon many years prior to this acquisition. Mount Vernon is contractually obligated to indemnify the Company against any liability arising out of such products. We deny any liability for products sold by Mount Vernon prior to the acquisition of the Mount Vernon assets. Pursuant to its contractual indemnification obligations, Mount Vernon has assumed the defense of these claims. On this basis, we have successfully moved for dismissal in a number of actions.

We currently do not anticipate, based on currently available information, that the ultimate resolution of the

aforementioned proceedings will have a material adverse effect on the financial position, results of operations, or cash flows of the Company. Although we cannot predict the number and timing of future claims, based on the foregoing factors, the trends in claims filed against us, and available insurance, we also do not currently anticipate that potential future claims will have a material adverse effect on our financial position, results of operations, or cash flows.

18. Changes in Shareholders' Equity

The following table summarizes changes in Shareholders' Equity for the period December 31, 2024 to June 30, 2025:

	Class A Common Stock		Additional paid- in capital	Retained earnings	Accumulated items of other comprehensive income	Class A Treasury Stock		Noncontrolling Interest	Total Shareholders' Equity
	Shares	Amount				Shares	Amount		
December 31, 2024	40,917	\$ 41	\$ 452,933	\$ 1,065,763	\$ (195,989)	9,845	\$ (379,210)	\$ 5,409	\$ 948,947
Net income	—	—	—	17,355	—	—	—	(6)	17,349
Compensation and benefits paid or payable in shares	56	—	2,651	—	—	—	—	—	2,651
Purchase of Treasury shares (a)	—	—	—	—	—	925	(69,153)	—	(69,153)
Dividends declared on Class A Common Stock, \$0.27 per share	—	—	—	(8,262)	—	—	—	—	(8,262)
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(88)	(88)
Cumulative translation adjustments	—	—	—	—	17,136	—	—	(122)	17,014
Pension and postretirement liability adjustments	—	—	—	—	(2,662)	—	—	—	(2,662)
Derivative valuation adjustment and other	—	—	—	7	(635)	—	—	—	(628)
March 31, 2025	40,973	\$ 41	\$ 455,584	\$ 1,074,863	\$ (182,150)	10,770	\$ (448,363)	\$ 5,193	\$ 905,168
Net income	—	—	—	9,183	—	—	—	149	9,332
Compensation and benefits paid or payable in shares	—	—	243	—	—	—	—	—	243
Shares issued to Directors'	11	—	760	—	—	—	—	—	760
Purchase of Treasury shares (a)	—	—	—	—	—	746	(51,295)	—	(51,295)
Dividends declared on Class A Common Stock, \$0.27 per share	—	—	—	(8,024)	—	—	—	—	(8,024)
Cumulative translation adjustments	—	—	—	—	38,835	—	—	67	38,902
Pension and postretirement liability adjustments	—	—	—	—	(855)	—	—	—	(855)
Derivative valuation adjustment and other	—	—	—	(88)	(122)	—	—	88	(122)
June 30, 2025	40,984	\$ 41	\$ 456,587	\$ 1,075,934	\$ (144,292)	11,516	\$ (499,658)	\$ 5,497	\$ 894,109

The following table summarizes changes in Shareholders' Equity for the period December 31, 2023 to June 30, 2024:

(in thousands)	Class A Common Stock		Additional paid- in capital	Retained earnings	Accumulated items of other comprehensive income	Class A Treasury Stock		Noncontrolling Interest	Total Shareholders' Equity
	Shares	Amount				Shares	Amount		
December 31, 2023	40,856	\$ 41	\$ 448,218	\$ 1,010,942	\$ (133,168)	9,662	\$ (364,665)	\$ 5,952	\$ 967,320
Net income	—	—	—	27,291	—	—	—	78	27,369
Compensation and benefits paid or payable in shares	42	—	810	—	—	—	—	—	810
Dividends declared on Class A Common Stock, \$0.26 per share	—	—	—	(8,122)	—	—	—	—	(8,122)
Cumulative translation adjustments	—	—	—	—	(12,116)	—	—	46	(12,070)
Pension and postretirement liability adjustments	—	—	—	—	382	—	—	—	382
Derivative valuation adjustment	—	—	—	—	(2,124)	—	—	—	(2,124)
March 31, 2024	40,898	\$ 41	\$ 449,028	\$ 1,030,111	\$ (147,026)	9,662	\$ (364,665)	\$ 6,076	\$ 973,565
Net income	—	—	—	24,624	—	—	—	96	24,720
Compensation and benefits paid or payable in shares	—	—	2,530	—	—	—	—	—	2,530
Options exercised	—	—	—	—	—	—	—	—	—
Shares issued to Directors'	10	—	903	—	—	—	—	—	903
Dividends declared on Class A Common Stock, \$0.26 per share	—	—	—	(8,123)	—	—	—	—	(8,123)
Cumulative translation adjustments	—	—	—	—	(17,287)	—	—	(366)	(17,653)
Pension and postretirement liability adjustments	—	—	—	—	246	—	—	—	246
Derivative valuation adjustment	—	—	—	—	(2,840)	—	—	—	(2,840)
June 30, 2024	40,908	\$ 41	\$ 452,461	\$ 1,046,612	\$ (166,907)	9,662	\$ (364,665)	\$ 5,806	\$ 973,348

- (a) In 2021, the Company's Board of Directors authorized the Company to repurchase shares of up to \$200 million through open market purchases, privately negotiated transactions or otherwise, and to determine the prices, times and amounts. On February 21, 2025, the Company's Board of Directors authorized the Company to repurchase shares up to \$250 million (excluding any fees, commissions, taxes or other expenses related to such purchases), which replaced the 2021 authorization. In 2025, the Company repurchased 1,670,858 shares totaling \$120.4 million including excise taxes and fees.

19. Subsequent Events

We evaluated subsequent events through the issuance date of these financial statements in Form 10-Q. No material subsequent events were identified that require disclosure.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the results of operations and financial condition of the Company. MD&A is provided as a supplement to, and should be read in conjunction with, our Consolidated Financial Statements and the accompanying Notes.

Forward-looking Statements

This quarterly report and the documents incorporated or deemed to be incorporated by reference in this quarterly report contain statements concerning our future results and performance and other matters that are "forward-looking" statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The words "believe," "expect," "anticipate," "intend," "estimate," "project," "forecast," "look for," "will," "should," "guidance," "guide" and similar expressions identify forward-looking statements, which generally are not historical in nature. Because 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 prior Quarterly Reports on Form 10-Q) actual results may differ materially from those expressed or implied by such forward-looking statements.

There are a number of risks, uncertainties, and other important factors that could cause actual results to differ materially from the forward-looking statements, including, but not limited to:

- Conditions in the industries in which our Machine Clothing and Albany Engineered Composites segments compete, along with the general risks associated with macroeconomic conditions, including higher interest rates, inflationary pressures, or the effects of another pandemic, for an extended period of time;
- Some of the Company's competitors in the Machine Clothing segment have the capability to make and sell paper machines and papermaking equipment as well as other engineered fabrics;
- Machine Clothing and Albany Engineered Composites segments are subject to significant risks related to the potential manufacture and sale of defective or non-conforming products;
- Deterioration of global economic conditions could have an adverse impact on the Company's segments and overall business and results of operations;
- In the Albany Engineered Composites segment, new and unique risks introduced by the U.S. Government's Department of Defense ("DoD") Cybersecurity Maturity Model Certification ("CMMC") program;
- Across the entire Company, increasing labor, raw material, energy, or logistics and costs due to supply chain constraints and inflationary pressures. These challenges have only increased as a result of the ongoing Russia-Ukraine war and the conflict in the Middle East;
- We may be unable to maintain effective systems of internal controls while consolidating dispersed corporate functions to our corporate headquarters in New Hampshire;
- Our ability to attract and retain business and employees may depend on our reputation in the marketplace;
- Across both segments, potential port strikes could cause additional disruptions to our supply chain;
- Harm caused by changes in our relationships or contracts with suppliers and customers;
- In the Machine Clothing segment, greater than anticipated declines in the demand for publication grades of paper, or lower than anticipated growth in other paper grades;
- In the Albany Engineered Composites segment, longer-than-expected timeframe for the aerospace industry to utilize existing inventories, unanticipated reductions in demand, delays, technical difficulties, and cancellations in aerospace programs that are expected to generate revenue and drive long-term growth;
- Inability of our Machine Clothing or Albany Engineered Composite segments to create additional production capacity in a timely manner or the occurrence of other manufacturing or supply difficulties (including as a result of geopolitical crises, natural disaster, public health crises and epidemics/pandemics, regulatory or otherwise);
- Changes in geopolitical conditions impacting countries where the Company does or intends to do business, including the effects of the implementation of trade tariffs on imported goods;
- Failure to achieve or maintain anticipated profitable growth;

- The Company's insurance coverage may be inadequate to cover significant risk exposures;
- Failure to achieve our strategic initiatives and other goals, including, but not limited to, our sustainability goals;
- In the Albany Engineered Composites segment, the estimates and expectations based on aircraft production rates provided by Airbus, Boeing and others;
- In the Albany Engineered Composites segment, risks and uncertainties associated with the successful implementation and ramp up of significant new programs, including the ability to manufacture the products to the detailed specifications required and recover start-up costs and other investments in the programs;
- In the Albany Engineered Composites segment, risks associated with changes in estimates and assumptions that could result in a decline in program gross margins or turn a profitable program into a loss program;
- Adverse impacts from inflation, an economic slowdown or recession and by disruption in capital and credit markets that might impede our access to credit, increase our borrowing costs and impair the financial soundness of our customers and suppliers;
- Expectations regarding our ability to attract, motivate, and retain the workforce necessary to execute our business strategy and other goals;
- Adverse impacts from fluctuations in foreign currency exchange rates;
- Harm caused by customer purchase reductions, payment defaults or contract non-renewal;
- In the Albany Engineered Composites segment, future funding and compliance risks associated with our contracts with government entities, OEM customers or prime contractors on contracts with government entities;
- Costly and disruptive legal disputes and settlements and the Company's ability to provide adequate insurance coverage;
- Potential adverse outcomes from current or future patent infringement claims could materially affect our business operations and financial condition;
- Costs associated with defending or settling intellectual property disputes could be significant;
- Increasing operational and compliance costs associated with increasing environmental, social and governance regulatory requirements, as well as the risk of noncompliance;
- Future levels of indebtedness and capital expenditures;
- Impairment of goodwill and other intangible assets;
- Adverse impacts from changes in tax legislation or challenges to our tax positions;
- Cybersecurity incidents or significant computer system compromises or data breaches to our information technology systems, processes, sites and cloud-based providers;
- Disruptions or challenges arising from the implementation or upgrading of new information technology systems;
- Rapid advancements in artificial intelligence may introduce unforeseen regulatory, ethical, and operational challenges;
- Integration of AI technologies may involve data privacy, security, and compliance risks;
- Evolving legal frameworks around AI and IP protection could impact our competitive position and innovation strategies;
- Significant changes in critical estimates and assumptions related to pension and other post-retirement benefit costs and liabilities;
- Significant problems with information systems or networks;
- Failure to adequately integrate acquired companies into our business systems and processes within the expected timeframe or, failure to or delayed realization of anticipated benefits of the acquisition could adversely impact the Company's business, financial condition and results of operations;
- Failure to adequately protect our proprietary technology or intellectual property, which would allow competitors or others to take advantage of our research and development efforts;

- Impacts on our stock price and trading volume if securities or industry analysis do not publish research or publish inaccurate or unfavorable research about our business, or by future sales of shares by our existing stockholders and the impact of any changes in cash dividend payments;
- The impact of shareholder activism on our operations, strategy, and overall performance; and
- Other risks and uncertainties detailed in this report and other periodic reports.

Further information concerning important factors that could cause actual events or results to be materially different from the forward-looking statements can be found in the “Business Environment Overview and Trends” sections of this quarterly report, as well as in the Item 1A-“Risk Factors” section of our most recent Annual Report on Form 10-K. Although we believe the expectations reflected in our other forward-looking statements are based on reasonable assumptions, it is not possible to foresee or identify all factors that could have a material and negative impact on our future performance. The forward-looking statements included or incorporated by reference in this report are made on the basis of our assumptions and analyses, as of the time the statements are made, in light of our experience and perception of historical conditions, expected future developments, and other factors believed to be appropriate under the circumstances.

Except as otherwise required by the federal securities laws, we disclaim any obligations or undertaking to publicly release any updates or revisions to any forward-looking statement contained or incorporated by reference in this report to reflect any change in our expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

Business Environment Overview and Trends

We conduct our business under two reportable segments: Machine Clothing (“MC”) and Albany Engineered Composites (“AEC”) each rooted in similar materials sciences know-how that forms a common approach to customer value proposition in design and manufacturability. MC competes on the basis of its deep industry knowledge, customer reputation and customer service and global advanced textile manufacturing capabilities, which has enabled it to develop a robust and market leading product offering that can be tailored to customer-specific requirements. AEC competes on the basis of its innovative technology solutions, extensive composite manufacturing capabilities and capacity that enable it to offer high quality specific part and assembly solutions that achieve its customers’ application performance requirements.

Machine Clothing Segment

The MC segment expects revenues to continue to decline for publication grade paper and continued softness in Asia into 2025 and beyond, however, we see an offsetting effect due to growth in demand across Europe for packaging, and to a lesser degree, tissue grade products. The MC segment’s backlog continues to be stable.

MC believes it is well-positioned in key markets, with high-quality, low-cost production in growth markets, substantially lower fixed costs in mature markets, and continued strength in new product development, technical product support, and manufacturing technology. Some of the markets in which MC’s products are sold are expected to have volume trends that are in line with global GDP. MC continues to face pricing pressures in all markets. Despite these market pressures on revenue growth, the MC segment is expected to improve earnings in the future through cost controls and manufacturing productivity efficiencies.

Albany Engineered Composites Segment

The AEC segment continues to ramp-up production levels on commercial, defense, and space programs. In the first six months of 2025, the Company updated its labor, material input and scrap assumptions and estimates of certain long-term programs that resulted in a negative cumulative change in estimated profitability in the amount of \$7.2 million for the second quarter of 2025 and \$14.2 million for the six months June 30, 2025. The negative cumulative change in profitability during the second quarter of 2025 was primarily driven by a few large complex programs, including \$8.1 million for various CH-53K programs, \$0.8 million on our F-35 program, offset by a gain of \$1.6 million on our Gulfstream program and \$0.1 million, net gain on all other programs. The negative cumulative change in profitability during the six months ended June 2025 was driven by \$10.1 million for various CH-53K programs, \$2.1 million on our F-35 program, and \$2.0 million, net on all other programs.

Also, please refer to the Business Environment Overview and Trends in the Management’s Discussion and Analysis of

Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2024. The Annual Report on Form 10-K, along with the Company's other filings, can be found on the Securities and Exchange Commission's website, www.sec.gov, as well as on the Company's website: www.albint.com.

Consolidated Results of Operations

Net Revenues

The following table summarizes our Net revenues by business segment:

(in thousands, except percentages)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	% Change	2025	2024	% Change
Machine Clothing	\$ 180,926	\$ 193,578	(6.5)%	\$ 355,623	\$ 378,795	(6.1)%
Albany Engineered Composites	130,473	138,416	(5.7)%	244,550	266,529	(8.2)%
Total	\$ 311,399	\$ 331,994	(6.2)%	\$ 600,173	\$ 645,324	(7.0)%

The following tables provide a comparison of 2025 Net revenues, excluding currency translation effects, to 2024 Net revenues:

(in thousands, except percentages)	Net revenues as reported, Q2 2025	(Decrease)/ increase due to changes in currency translation rates	Q2 2025 revenues on same basis as Q2 2024 currency translation rates	Net revenues as reported, Q2 2024	% Change compared to Q2 2024, excluding currency rate effects
Machine Clothing	\$ 180,926	\$ (3,002)	\$ 177,924	\$ 193,578	(8.1)%
Albany Engineered Composites	130,473	(923)	129,550	138,416	(6.4)%
Total	\$ 311,399	\$ (3,925)	\$ 307,474	\$ 331,994	(7.4)%

(in thousands, except percentages)	Net revenues as reported, YTD 2025	(Decrease)/ increase due to changes in currency translation rates	YTD 2025 revenues on same basis as 2024 currency translation rates	Net revenues as reported, YTD 2024	% Change compared to 2024, excluding currency rate effects
Machine Clothing	\$ 355,623	\$ (509)	\$ 355,114	\$ 378,795	(6.3)%
Albany Engineered Composites	244,550	(437)	244,113	266,529	(8.4)%
Total	\$ 600,173	\$ (946)	\$ 599,227	\$ 645,324	(7.1)%

Three Month Comparison

Net revenues for the three months ended June 30, 2025 decreased 6.2% compared to the three months ended June 30, 2024, primarily driven by reduced demand in Asia, an unplanned equipment downtime in one of our production facilities within MC and a decrease in Net revenues in AEC due to a reduction in certain commercial and space programs.

MC's Net revenues for the three months ended June 30, 2025 decreased 6.5% compared to the three months ended June 30, 2024 primarily driven by reduced demand in Asia and an unplanned equipment downtime in one of our production facilities. In addition, changes in currency translation rates had the effect of decreasing Net revenues \$3.0 million.

AEC's Net revenues for the three months ended June 30, 2025 decreased 5.7% compared to the three months ended June 30, 2024, primarily driven by reductions on certain commercial and space programs, which was partially offset by higher revenues on CH-53K and other programs. Changes in currency translation rates had the effect of decreasing Net revenues \$0.9 million.

Six Month Comparison

Net revenues for the six months ended June 30, 2025 decreased 7.0% as compared to the six months ended June 30, 2024, primarily driven by reduced demand in Asia, an unplanned equipment downtime in one of our production facilities within MC and a decrease in Net revenues in AEC due to a reduction in certain commercial and space programs.

MC's Net revenues for the six months ended June 30, 2025 decreased 6.1% as compared to the six months ended June 30, 2024, primarily driven by reduced demand in Asia and an unplanned equipment downtime in one of our production facilities. In addition, changes in currency translation rates had the effect of decreasing Net revenues \$0.5 million.

AEC's Net revenues for the six months ended June 30, 2025 decreased 8.2% as compared to the six months ended June 30, 2024, primarily driven by reductions on certain commercial and space programs, which was partially offset by higher revenues on CH-53K and other programs. Changes in currency translation rates had the effect of decreasing Net revenues \$0.4 million.

Gross Profit

The following table summarizes Gross profit by business segment:

(in thousands, except percentages)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Machine Clothing	\$ 83,759	\$ 88,873	\$ 163,661	\$ 173,528
Albany Engineered Composites	13,748	23,510	30,332	47,541
Total	\$ 97,507	\$ 112,383	\$ 193,993	\$ 221,069
% of Net revenues	31.3 %	33.9 %	32.3 %	34.3 %

Three Month Comparison

The decrease in gross profit for the three months ended June 30, 2025, as compared to the three months ended June 30, 2024, was driven by increased cost assumptions that adjusted the expected profitability of certain long-term contracts in the AEC segment. Gross profit as a percentage of revenues by segment was as follows:

- MC's gross profit margin increased slightly from 45.9% in 2024 to 46.3% in 2025.
- AEC's gross profit margin decreased from 17.0% in 2024 to 10.5% in 2025, driven primarily by cumulative changes in the estimated profitability of long-term contracts, which decreased gross profit by \$7.0 million in 2025, as compared to a decrease of \$5.0 million in 2024.

Six Month Comparison

The decrease in gross profit for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, was driven by increased cost assumptions that adjusted the expected profitability of certain long-term contracts in the AEC segment. Gross profit as a percentage of revenues by segment was as follows:

- MC's gross profit margin has increased slightly over the the prior year, from 45.8% in 2024 to 46.0% in 2025.
- AEC's gross profit margin decreased from 17.8% in 2024 to 12.4% in 2025, driven primarily by cumulative changes in the estimated profitability of long-term contracts, which decreased gross profit by \$14.2 million in 2025, as compared to a decrease of \$7.6 million during the six months ended June 30, 2024.

Selling, General, and Administrative ("SG&A")

The following table summarizes SG&A expenses by business segment:

(in thousands, except percentages)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Machine Clothing	\$ 35,669	\$ 30,569	\$ 68,550	\$ 63,336
Albany Engineered Composites	11,777	12,786	21,903	24,326
Corporate expenses	11,056	12,160	21,861	22,688
Total	\$ 58,502	\$ 55,515	\$ 112,314	\$ 110,350
% of Net revenues	18.8 %	16.7 %	18.7 %	17.1 %

Three Month Comparison

Consolidated SG&A expenses increased 5.4% as compared to the three months ended June 30, 2024, as a percentage of Net revenues, SG&A expenses increased from 16.7% in 2024 to 18.8% in 2025.

- MC SG&A expenses increased \$5.1 million as compared to the three months ended June 30, 2024, primarily resulting from increases in unrealized gains and losses arising from the remeasurement of monetary assets and liabilities denominated in non-functional currencies (changes in currency translation rates), consulting costs and impacts of general inflationary pressures, offset by lower personnel-related costs.
- In AEC, SG&A expenses decreased \$1.0 million, compared to the three months ended June 30, 2024 primarily driven by lower incentive compensation and personnel-related costs.
- Corporate SG&A expenses decreased \$1.1 million, compared to the three months ended June 30, 2024 principally due to lower incentive compensation and personnel-related costs, offset by a increase in professional fees.

Six Month Comparison

Consolidated SG&A expenses increased 1.8% as compared to the six months ended June 30, 2024, as a percentage of Net revenues, SG&A expenses increased from 17.1% in 2024 to 18.7% in 2025.

- MC SG&A expenses increased \$5.2 million as compared to the six months ended June 30, 2024, primarily resulting from increases in unrealized gains and losses arising from the remeasurement of monetary assets and liabilities denominated in non-functional currencies (changes in currency translation rates), consulting costs and impacts of general inflationary pressures, offset by lower personnel-related costs.
- In AEC, SG&A expenses decreased \$2.4 million, compared to the six months ended June 30, 2024 primarily driven by lower incentive compensation and personnel-related costs.
- Corporate SG&A expenses decreased marginally \$0.8 million, compared to the six months ended June 30, 2024 principally due lower incentive compensation and personnel-related costs, offset by a increase in professional fees and information technology costs.

Technical and Research

The following table summarizes technical and research expenses by business segment:

(in thousands, except percentages)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Machine Clothing	\$ 7,373	\$ 7,504	\$ 14,616	\$ 15,024
Albany Engineered Composites	4,125	4,356	7,799	9,501
Corporate expenses	1,054	0	2,033	—
Total	\$ 12,552	\$ 11,860	\$ 24,448	\$ 24,525
% of Net revenues	4.0 %	3.6 %	4.1 %	3.8 %

Three Month Comparison

Consolidated Technical and research expenses increased 5.8% as compared to the three months ended June 30, 2024 and as a percentage of Net revenues increased from 3.6% in 2024 to 4.0% in 2025.

- MC Technical and research expenses decreased by \$0.1 million as compared to the three months ended June 30, 2024 due to higher personnel and development related costs, offset by allocated costs to Corporate.
- AEC Technical and research expenses decreased by \$0.2 million as compared to the three months ended June 30, 2024, due to increases in research material and labor costs, offset by allocated costs to Corporate.
- Corporate expenses in the three months ended June 30, 2025 relate primarily to new business ventures initiatives and allocated costs from MC and AEC in 2025.

Six Month Comparison

Consolidated Technical and research expenses remained relatively flat and increased by 0.3% compared to the six months ended June 30, 2024 and as a percentage of Net revenues increased from 3.8% in 2024 to 4.1% in 2025.

- MC Technical and research expenses decreased \$0.4 million as compared to the six months ended June 30, 2024 primarily due to increased allocated costs to Corporate.
- AEC Technical and research expenses decreased \$1.7 million as compared to the six months ended June 30, 2024, due to decreases in research material and labor costs and increased allocated costs to Corporate.
- Corporate expenses in the six months ended June 30, 2025 relate primarily to new business ventures initiatives and allocated costs from MC and AEC in 2025.

Restructuring Expense, net

In addition to the items discussed above affecting Gross profit, SG&A and Technical and research expenses, Operating income was affected by Restructuring expense, net, of \$4.2 million in the three months ended June 30, 2025, compared to \$2.1 million in the three months ended June 30, 2024; and \$6.7 million in the six months ended June 30, 2025, compared to \$4.3 million in the six months ended June 30, 2024.

The following table summarizes Restructuring expenses, net by business segment:

(in thousands, except percentages)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Machine Clothing	\$ 3,015	\$ 1,066	\$ 4,362	\$ 1,087
Albany Engineered Composites	520	922	1,688	3,110
Corporate expenses	648	115	648	115
Consolidated total	\$ 4,183	\$ 2,103	\$ 6,698	\$ 4,312

At MC, restructuring actions were taken in 2025 and 2024 to cease operations at five facilities.

For the three month ended June 30, 2025, these actions related to workforce reductions. For the three month ended June 30, 2024, these actions related to workforce reductions and inventory write-off costs.

For the six month ended June 30, 2025, these actions related to workforce reductions, fixed asset impairments and related costs and inventory write-off costs of \$6.1 million offset by a \$1.8 million pension curtailment gain. For the six month ended June 30, 2024 these actions related to workforce reductions and write-off of inventory of \$1.1 million.

At AEC, restructuring activities were related to reorganizational costs as well as a reduction in the workforce within AEC, which resulted in restructuring expenses of \$0.5 million for the three months ended June 30, 2025 and \$0.9 million for the three months ended June 30, 2024. For the six months ended June 30, 2025 and June 30, 2024, restructuring expenses were related to reductions in workforce and totaled \$1.7 million and \$3.1 million, respectively.

Operating Income

The following table summarizes operating income/(loss) by business segment:

(in thousands, except percentages)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Machine Clothing	\$ 37,702	\$ 49,734	\$ 76,133	\$ 94,081
Albany Engineered Composites	(2,674)	5,446	(1,058)	10,604
Corporate expenses	(12,758)	(12,275)	(24,542)	(22,803)
Total	\$ 22,270	\$ 42,905	\$ 50,533	\$ 81,882
% of Net revenues	7.2 %	12.9 %	8.4 %	12.7 %

Changes in operating income were primarily attributable to the drivers noted above.

Other Earnings Items

(in thousands)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Interest expense, net	\$ 5,150	\$ 2,950	\$ 8,805	\$ 6,269
Other (income)/expense, net	3,534	5,657	4,517	2,675
Income tax expense	4,254	9,578	10,530	20,849
Net income attributable to the noncontrolling interest	149	96	143	174

Interest Expense, net

Interest expense, net, increased over the prior year primarily due to higher average debt balances, in part offset by a larger amount of interest income earned on cash equivalents during the current year. See *Note 15. Financial Instruments* in the Notes to Consolidated Financial Statements for further discussion of borrowings and interest rates.

Other (Income)/Expense, net

Other (income)/expense, net, included foreign currency related transactions, which resulted in losses of \$5.7 million and \$8.8 million in the three and six months ended June 30, 2025, as compared to losses of \$0.2 million and gains of \$1.1 million in the same period last year. These changes were the result of unrealized losses on intercompany loans. In addition, changes in the fair value of derivative instruments included gains of \$0.7 million and \$3.3 million in the three and six months ended March 31, 2025, as compared to losses of \$4.4 million and \$4.3 million for the three and six months ended June 30, 2024, driven by currency rate movements, most notably the Brazilian Real and Mexican Peso. Other (income)/expense, net, also included net gains of \$1.6 million from the divestiture of Arcari during the three and six months ended June 30, 2025 along with amortization of debt issuance costs, and other non-operating expenses.

Effective Income Tax Rate

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Effective income tax rate	31.3 %	27.9 %	28.3 %	28.6 %

The Company has operations that constitute a taxable presence in 22 countries outside of the United States. The majority of these countries had income tax rates that were above the United States federal tax rate of 21 percent during the periods reported. The jurisdictional location of earnings is a significant component of our effective tax rate each year. The rate impact of this component is influenced by the specific location of non-U.S. earnings and the level of our total earnings. From period to period, the jurisdictional mix of earnings can vary as a result of operating fluctuations in the normal course of business, as well as the extent and location of other income and expense items, such as pension settlement and restructuring charges.

The tax rate is affected by recurring items, such as the income tax rate in the U.S. and non-U.S. jurisdictions and the mix of pre-tax income earned in those jurisdictions. The tax rate is also affected by U.S. tax costs on foreign pre-tax earnings, and by discrete items that may occur in any given year but are not consistent from year to year. The Company's effective tax rate for the second quarter of 2025 was 31.3%, higher compared to 27.9% for the same period in 2024, mainly due to favorable discrete tax adjustments in the prior period exceeding favorable discrete tax adjustments in the current period. For more information, see *Note 7, Income Taxes*, in the Notes to the Consolidated Financial Statements.

The Organization for Economic Co-operation and Development has issued Pillar Two model rules introducing a new global minimum tax of 15 percent intended to be effective on January 1, 2024. While the U.S. has not yet adopted the Pillar Two rules, various other governments around the world are enacting legislation. As currently designed, Pillar Two will ultimately apply to our worldwide operations. Although we do not expect these rules to materially increase our global tax costs in 2025, there remains uncertainty as to the final Pillar Two model rules. We will continue to monitor U.S. and global legislative action related to Pillar Two for potential impacts.

On July 4, 2025, the One Big Beautiful Bill (OB BB) Act, which includes a broad range of tax reform provisions, was signed into law in the United States and we continue to assess its impact.

Segment Results of Operations

Machine Clothing Segment

The MC segment accounted for 58% and 59% of our consolidated revenues during the three and six months ended June 30, 2025. A summary of selected financial results for MC is as follows:

Review of Operations

(in thousands, except percentages)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net revenues	\$ 180,926	\$ 193,578	\$ 355,623	\$ 378,795
Gross profit	83,759	88,873	163,661	173,528
% of Net revenues	46.3 %	45.9 %	46.0 %	45.8 %
SG&A expenses	35,669	30,569	68,550	63,336
Technical and research expenses	7,373	7,504	14,616	15,024
Operating income	37,702	49,734	76,133	94,081

Net Revenues

For the three months ended June 30, 2025, Net revenues decreased \$12.7 million or 6.5% as compared to the three months ended June 30, 2024, driven by reduced demand in Asia, and an unplanned equipment downtime in one of our production facilities. In addition, changes in currency translation rates had the effect of decreasing Net revenues \$(3.0) million.

For the six months ended June 30, 2025, Net revenues decreased \$23.2 million or 6.1% as compared to the six months ended June 30, 2024, driven by reduced demand in Asia, and an unplanned equipment downtime in one of our production facilities. In addition, changes in currency translation rates had the effect of decreasing Net revenues \$0.5 million.

Gross Profit

For the three months ended June 30, 2025, Gross profit decreased by \$5.1 million primarily the result of lower revenues during the second quarter of 2025, however the gross profit margin increased to 46.3% compared to 45.9% for the three months ended June 30, 2024.

For the six months ended June 30, 2025, Gross profit decreased by \$9.9 million primarily the result of lower revenues during the six months of 2025, however, the gross profit margin increased 46.0% compared to 45.8% for the six months ended June 30, 2024.

Operating Income

For the three months ended June 30, 2025, Operating income decreased as compared to the first three months of 2024, decreasing \$12.0 million or 24.2%. The weaker Gross profit performance was slightly offset by lower Technical and Research expenses. SG&A expenses increased \$5.1 million as compared to 2024, primarily due to increases in unrealized gains and losses arising from the remeasurement of monetary assets and liabilities denominated in non-functional currencies (changes in currency translation rates), consulting costs and impacts of general inflationary pressures, offset by lower personnel-related costs. Technical and research expenses decreased \$0.1 million as compared to 2024 due to lower personnel and development costs, along with an increase in allocated costs to Corporate.

For the six months ended June 30, 2025, Operating income decreased as compared to the first six months of 2024, decreasing \$17.9 million. The weaker Gross profit performance was impacted by higher SG&A expenses which increased \$5.2 million as compared to 2024, primarily due to increases in unrealized gains and losses arising from the remeasurement of monetary assets and liabilities denominated in non-functional currencies (changes in currency translation rates), consulting costs and impacts of general inflationary pressures, offset by lower personnel-related costs. Technical and research expenses decreased \$0.4 million as compared to 2024 due to lower personnel and

development costs, along with an increase in allocated costs to Corporate. In addition, Restructuring expenses increased \$0.6 million related to recent announcements to cease operations at multiple manufacturing facilities, further reducing Operating income.

Albany Engineered Composites ("AEC") Segment

The AEC segment accounted for 42% and 41% of our consolidated revenues during the three and six months ended June 30, 2025, respectively. A summary of selected financial results for AEC is as follows:

Review of Operations

(in thousands, except percentages)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net revenues	\$ 130,473	\$ 138,416	\$ 244,550	\$ 266,529
Gross profit	13,748	23,510	30,332	47,541
% of Net revenues	10.5 %	17.0 %	12.4 %	17.8 %
SG&A expenses	11,777	12,786	21,903	24,326
Technical and research expenses	4,125	4,356	7,799	9,501
Operating income	(2,674)	5,446	(1,058)	10,604

Net Revenues

For the three months ended June 30, 2025, Net revenues decreased \$7.9 million or 5.7% as compared to the three months ended June 30, 2024. This decrease is primarily driven by reductions on certain commercial and space programs, which was partially offset by higher revenues on CH-53K and other programs. Changes in currency translation rates had the effect of decreasing Net revenues \$0.9 million.

For the six months ended June 30, 2025, Net revenues decreased \$22.0 million or 8.2% as compared to the six months ended June 30, 2024. This decrease is primarily driven by reductions on certain commercial and space programs, which was partially offset by higher revenues on CH-53K and other programs. Changes in currency translation rates had the effect of decreasing Net revenues \$0.4 million.

AEC has contracts with certain customers, including its contract for the LEAP program, where revenue is determined by a cost-plus-fee agreement. Revenue earned under these arrangements accounted for approximately 34 percent and 40 percent of segment revenue for the first six months of 2025 and 2024, respectively.

In addition, AEC has long-term contracts in which the selling price is fixed. In accounting for those contracts, we estimate the profit margin expected at the completion of the contract and recognize a pro-rata share of that profit during the course of the contract using a cost-to-cost approach. Changes in estimated contract profitability will affect revenue and gross profit when the change occurs, which could have a significant favorable or unfavorable effect on revenue and gross profit in any reporting period. For contracts with anticipated losses, a provision for the entire amount of the estimated remaining loss is charged against income in the period in which the loss becomes known. Contract losses are determined considering all direct and indirect contract costs, exclusive of any selling, general or administrative cost allocations, which are treated as period expenses. Expected losses on projects include losses on contract options that are probable of exercise, excluding profitable options that often follow.

Gross Profit

For the three months ended June 30, 2025, gross profit decreased \$9.8 million as compared to the three months ended June 30, 2024, and as a percentage of revenues decreased from 17.0% in 2024 to 10.5% in 2025. This decrease in gross profit was driven primarily by changes in the estimated profitability of long-term contracts, which decreased gross profit by \$7.0 million in 2025 due to increased cost assumptions. For the three months ended June 30, 2024, adjustments in the estimated profitability of long-term contracts decreased gross profit \$5.0 million.

For the six months ended June 30, 2025, gross profit decreased \$17.2 million as compared to the six months ended June 30, 2024, and as a percentage of revenues decreased from 17.8% in 2024 to 12.4% in 2025. This decrease in gross profit was driven primarily by changes in the estimated profitability of long-term contracts, which decreased gross profit by \$14.2 million in 2025 due to increased cost assumptions. For the six months ended June 30, 2024, adjustments in the estimated profitability of long-term contracts decreased gross profit \$7.6 million.

Operating Income

For the three months ended June 30, 2025, Operating income decreased \$8.1 million, principally due to reduced gross profit as noted above. This was offset by a decrease in SG&A expenses of \$1.0 million, primarily driven by decreased incentive compensation and personnel-related costs. Technical and research expenses decreased \$0.2 million compared to the three months ended June 30, 2024, attributable to decreases in research and material costs, combined with allocations to Corporate. Further, restructuring expenses decreased \$0.4 million compared to the three months ended June 30, 2024.

For the six months ended June 30, 2025, Operating income decreased \$11.7 million, principally due to reduced gross profit as noted above. This was offset by a decrease in SG&A expenses of \$2.4 million, primarily driven by decreased incentive compensation and personnel-related costs. Technical and research expenses decreased \$1.7 million compared to the six months ended June 30, 2024, attributable to decreases in research and material costs, combined with allocations to Corporate. Further, restructuring expenses decreased \$1.4 million compared to the six months ended June 30, 2024.

Working Capital, Liquidity and Capital Structure

Cash Flow Summary

(in thousands)	Six months ended June 30,	
	2025	2024
Net income	\$ 26,681	\$ 52,089
Depreciation and amortization	43,042	44,693
Changes in working capital (a)	(24,434)	1,868
Changes in other noncurrent liabilities and deferred taxes	(5,688)	(3,315)
Other operating items	(4,768)	(2,346)
Net cash provided by operating activities	34,833	92,989
Net cash used in investing activities	(27,288)	(45,627)
Net cash used in financing activities	(24,508)	(98,225)
Effect of exchange rate changes on cash and cash equivalents	8,369	(6,118)
Decrease in cash and cash equivalents	(8,594)	(56,981)
Cash and cash equivalents at beginning of year	115,283	173,420
Cash and cash equivalents at end of period	\$ 106,689	\$ 116,439

(a) Includes Accounts receivable, Contract assets, Inventories, Accounts payable, and Accrued liabilities.

Net cash provided by operating activities during the six months ended June 30, 2025 was \$34.8 million, compared to \$93.0 million in the six months ended June 30, 2024. The decrease was primarily driven by a reduction in the gross profit of both segments, resulting in a lower net income compared to the first six months of 2024 and an increase in working capital.

Net cash used in investing activities included capital expenditures totaling \$30.5 million and \$46.6 million for the first six months ended June 30, 2025 and June 30, 2024, respectively, with investments focused on aerospace program support, continued maintenance capex and capital designed to improve operating efficiencies across the Company.

Net cash used in financing activities was \$24.5 million for the six months ended June 30, 2025 as compared to net cash used of \$98.2 million for the six months ended June 30, 2024. During 2025 we had net borrowings of \$113.9 million as compared to net repayments of \$79.6 million in the prior year. Additionally, the Company repurchased \$120.4 million of share repurchases and paid dividends of \$16.7 million in the first six months of 2025.

Liquidity and Capital Structure

We finance our business activities principally with cash generated from operations and borrowings, largely through our revolving credit agreement as discussed below.

Under our \$800 million unsecured committed Amended Credit Agreement, \$444.7 million of borrowings were outstanding as of June 30, 2025.

As of June 30, 2025, we had cash and cash equivalents of \$106.7 million and borrowing capacity under our Amended Credit Agreement of \$355.3 million, for a total liquidity of approximately \$462.0 million. We believe cash flows from operations and the availability of funds under our Amended Credit Agreement will be adequate to fund our operations and business needs over the next twelve months. For more information on credit agreements, see *Note 15. Financial Instruments* in the Notes to Consolidated Financial Statements.

As of June 30, 2025, \$85.3 million of our total cash and cash equivalents were held by non-U.S. subsidiaries. The accumulated undistributed earnings of the Company's foreign operations not targeted for repatriation to the U.S. were in excess of \$140.0 million, as of June 30, 2025 and are intended to remain indefinitely invested in foreign operations. Our cash planning strategy includes repatriating current earnings in excess of working capital requirements from certain countries in which our subsidiaries operate. While we have been successful in such endeavor to date, there can be no assurance that we will be able to cost effectively repatriate funds in the future. Repatriating such cash from certain jurisdictions, which is currently considered to be indefinitely reinvested in foreign operations, may also result in additional taxes.

We have also returned cash to shareholders through dividends and share repurchases. During the six months ended June 30, 2025, we paid \$16.7 million in dividends and repurchased 1,670,858 shares for a total cost including excise taxes and fees of \$120.4 million.

Earlier this year, the Company announced that it will be consolidating its corporate headquarters in Portsmouth, NH. This change impacts approximately 100 employees, will take place over the next year and a half, and will cost an estimated \$7.0 million over that period related to retention, relocation, severance, and professional costs.

Off-Balance Sheet Arrangements

The Company is party to certain off-balance sheet arrangements, including certain guarantees. The Company provides financial assurance, such as payment guarantee and letters of credit and surety bonds, primarily to support workers' compensation programs and customs clearance, of less than \$10 million. There were no material changes in the Company's off-balance sheet arrangements during the second quarter of 2025.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to changes in both foreign currency exchange rates and interest rates. From time to time, the Company enters into derivative agreements to manage these risks. The market risk is the potential loss arising from adverse changes in these rates as discussed below.

Foreign Currency Exchange Rate Risk

We have manufacturing plants and sales transactions worldwide and, therefore, are subject to foreign currency risk. Our operational results can be materially impacted depending on the volatility and magnitude of foreign rate changes. This risk is composed of both potential losses from the translation of foreign currency financial statements and the remeasurement of foreign currency transactions. To manage this risk, we periodically enter into forward exchange contracts either to hedge the net assets of a foreign investment or to provide an economic hedge against future cash flows. The total net assets of non-U.S. operations and long-term intercompany loans denominated in nonfunctional currencies subject to potential loss amount to approximately \$586.3 million. The potential loss in fair value resulting from a hypothetical 10% adverse change in quoted foreign currency exchange rates amounts to \$58.6 million. Furthermore, related to foreign currency transactions, we have exposure to various nonfunctional currency balances totaling \$143.4 million. This amount includes, on an absolute basis, exposures to assets and liabilities held in currencies other than our local entities' functional currencies. On a net basis, we had \$14.6 million of foreign currency assets as of June 30, 2025. As currency rates change, these nonfunctional currency balances are revalued, and the corresponding adjustment is recorded in the income statement. A hypothetical change of 10% in currency rates could result in an adjustment to the income statement of approximately \$1.5 million. Actual results may differ from these estimates.

Interest Rate Risk

We are exposed to interest rate fluctuations with respect to our variable rate debt, depending on general economic conditions.

On June 30, 2025, we had the following unhedged variable rate debt:

(in thousands, except interest rates)	
Long-term debt:	
Credit agreement borrowings outstanding (due in 2028):	
USD borrowings (end of period all-in interest rate of 6.0%)	214,000
EUR borrowings (end of period all-in interest rate of 3.5%)	52,843
Foreign bank debt	0
Total	\$ 266,843

Assuming borrowings were outstanding for an entire year, an increase of one percentage point in weighted average interest rates would increase interest expense by \$2.6 million. To manage interest rate risk, we may periodically enter into interest rate swap agreements to effectively fix the interest rates on variable debt to a specific rate for a period of time. See *Note 15. Financial Instruments* in the Notes to the Consolidated Financial Statements in Item 1, which is incorporated herein by reference.

Item 4. Controls and Procedures

a) Disclosure controls and procedures.

The principal executive officer and principal financial officer, based on their evaluation of disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Quarterly Report on Form 10-Q, have concluded that the Company's disclosure controls and procedures are effective for ensuring that information required to be disclosed in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in filed or submitted reports is accumulated

and communicated to the Company's management, including its principal executive officer and principal financial officer as appropriate, to allow timely decisions regarding required disclosure.

(b) Changes in internal control over financial reporting.

There was no change in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

The information set forth above under *Note 17. Commitments and Contingencies* in Item 1, Notes to Consolidated Financial Statements is incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities during the three months ended June 30, 2025

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced program	Approx. dollar value of shares that may yet be purchased under the program (in thousands)
April 1 to April 30, 2025	—	—	—	193,444
May 1 to May 31, 2025	422,279	66.46	422,279	165,381
June 1 to June 30, 2025	323,136	67.88	323,136	143,445
Total	745,415	67.08	745,415	\$ 143,445

On February 21, 2025, the Company's Board of Directors authorized the Company to repurchase shares up to \$250 million (excluding any fees, commissions, taxes or other expenses related to such purchases), which replaces the 2021 authorization. Share purchases may be made through open market purchases, privately negotiated transactions or otherwise. The program does not obligate the Company to acquire any particular amount of common stock, and it may be suspended or terminated at any time at the Company's discretion. The timing and amount of any share repurchases will be based on the Company's liquidity, general business and market conditions, debt covenant restrictions and other factors, including alternative investment opportunities and capital structure. In total, the Company has repurchased 1,670,858 shares in 2025 for a total cost including excise taxes and fees of \$120.4 million. As of June 30, 2025, we were authorized to repurchase shares up to \$143.4 million.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

Securities Trading Plans of Directors and Executive Officers

During the three months ended June 30, 2025, none of our directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Albany International Corp. securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Item 6. Exhibits

Exhibit No.	Description
10(u)(x)	Voluntary Separation Agreement and General Release, dated May 16, 2025, between the Company and Robert Starr.
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act.
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act.
32.1	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code).
101.INS	XBRL Instance Document- the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover page formatted as Inline XBRL and contained in Exhibit 101

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALBANY INTERNATIONAL CORP.
(Registrant)

Date: July 30, 2025

By /s/ Jairaj Chetnani

Jairaj Chetnani
Chief Financial Officer, Vice President Investor Relations and Treasurer
(Principal Financial Officer)

EXHIBIT (10(u)(x))
VOLUNTARY SEPARATION AGREEMENT

and

GENERAL RELEASE

THIS MUTUAL SEPARATION AGREEMENT and GENERAL RELEASE (the “Agreement”) is dated as of **May 16, 2025**, by and between **Albany International Corp.** its subsidiaries and affiliates (hereinafter collectively referred to as “Albany” or “the Company”) and **Robert Starr** (hereinafter referred to as “Employee”).

WITNESSETH

WHEREAS, Employee has been, and is currently, employed by Albany as Executive Vice President and Chief Financial Officer and interim Chief Accounting Officer; and

WHEREAS, Employee has informed Albany of his desire to voluntarily resign from his position to pursue other interests and opportunities; and

WHEREAS, Albany has requested, and Employee has agreed to remain in Albany’s employment through May 23, 2025, in order to transition his duties to an interim Chief Financial Officer and interim Chief Accounting Officer, and to be available for a period of eight (8) weeks thereafter to respond to any questions regarding the transition of his duties; and

WHEREAS, Employee and Albany each believe that it is in their best interests to set forth their agreement in writing and to provide Employee with the certain protections and consideration for his commitments, as stated herein.

Now, therefore, in consideration of the premises, covenants and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Albany and Employee hereby agree as follows:

1. Employee acknowledges that on **May 16, 2025**, he was given this Agreement and was afforded 21 days to consider same.
1. Employee was, and hereby is, advised to consult a lawyer before signing this Agreement and did in fact have the opportunity to obtain the advice of counsel.
1. Employee may accept this Agreement only by signing, dating and delivering the Agreement to Albany (in the manner set forth in Paragraph 22) on or before Albany’s normal close of business on **June 16, 2025**. **Time is of the essence with regard to this Paragraph 3.**
4. Employee may revoke this Agreement at any time within seven (7) days after signing and delivering it to Albany by notifying Albany in writing (in the manner set forth in Paragraph 22) of Employee’s decision to revoke. **Time is of the essence with regard to this Paragraph 4.** This Agreement shall become effective on the first day following the expiration of this revocation period (the “Effective Date”) provided Employee had not provided notice of revocation.

5. Employee's employment with Albany shall terminate on **May 23, 2025** (the "Separation Date").
6. From the date hereof until the Separation Date, Employee shall assist in the transition of his duties and responsibilities as directed by his supervisor. During the remainder of Employee's employment with Albany, Albany shall continue to pay Employee at his current rate of compensation less (i) applicable withholdings for taxes, (ii) deductions for premiums due from Employee for any health care or life insurance coverage provided by or through Albany, (iii) 401(k), profit-sharing or other Albany benefit plan contributions and (iv) any other applicable or agreed upon withholdings.
7. Employee agrees that on or after the Separation Date he shall execute an additional release in the form annexed hereto (the "Supplemental Release") covering the period from the date of Employee's execution of this Agreement through the Separation Date. Employee acknowledges and agrees that the obligations to be performed by Albany under this agreement after the Separation Date shall be contingent upon the execution of the Supplemental Release. Failure to execute the Supplemental Release, however, will not affect the validity of the release contained in Paragraph 12 of this Agreement.
8. Upon the termination of Employee's employment and after the irrevocability of this Agreement, Albany agrees to provide Employee the following benefits to which he otherwise would not be entitled. Employee acknowledges and agrees that these benefits constitute adequate legal consideration for the promises and representations made by him in this Agreement, including the covenants set forth in paragraphs 11, 12, 13 and 22, and are in lieu of any benefits payable under any severance plan or agreement now in existence or adopted prior to the Separation Date:
- (a) Albany will pay Employee the gross sum of **\$250,000.00**, less applicable withholdings and deductions required by law, or otherwise agreed to by the parties. Said payment will be made in a lump sum by check, or direct deposit, on the first normal pay date after the Effective Date (and may contain a pro rata payment to account for any partial or prepaid, but unearned salary). In the event Employee dies before such payment is made hereunder, the balance of such payment shall be paid to his spouse or, if he shall have no such spouse at that time, to his estate.
 - (b) Due to the voluntary nature of Employee's resignation, the daily pro rata vesting of the Performance Share Units granted pursuant to the multi-year Performance Bonus Agreements previously granted to Employee shall be suspended as of May 23, 2025, but the vested portions of the awards shall be paid in full (subject to performance) following the end of each three-year performance period. The Restricted Stock Units previously granted to Employee shall be forfeited and shall not vest.
 - (c) Should Employee elect, pursuant to the protections afforded by the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), to continue group health care coverage as is from time to time provided by or through the Company to all similarly situated eligible employees, Albany shall pay the employer portion of the continuation premium for the first six (6) months of coverage, or until Employee revokes such election, provided: (i) Employee timely elects continuation coverage pursuant to the Company's regular COBRA procedures and (ii) pays the employee portion of the contribution premium for the remaining months of eligibility, plus a 2% administration fee.
 - (d) Notwithstanding any prior agreement or policy to the contrary, upon the Effective Date of this Agreement, Albany shall waive and forgive Employee's obligation to repay any relocation expenses previously reimbursed by the Company.
 - (e) Effective on the date specified in Paragraph 1 above, Employee was no longer an employee of Albany, and ceased to accrue benefits under any pension, profit-sharing or other Albany employee welfare benefit plan.

9. Employee acknowledges and agrees that, except for this Agreement, Employee would have no right to receive all of the benefits described in Paragraph 8. Employee further acknowledges and agrees that in the event Albany terminates Employee's employment for Cause, he shall then not be entitled to any of the benefits described in Paragraph 8.

10. As used in this Agreement, the term "Albany" means, individually and collectively, Albany International Corp., and each of its subsidiaries and affiliates, as well as their respective employee welfare benefit plans, employee pension benefit plans, successors and assigns, as well as all present and former shareholders, directors, officers, fiduciaries, agents, representatives and employees of those companies and other entities.

11. By signing this Agreement Employee immediately gives up and releases Albany from, and respect to, any and all rights and claims that Employee may have against Albany, whether or not Employee presently is aware of such rights or claims. In addition, and without limiting the foregoing:

- (a) Employee on behalf of himself, his agents, spouse, representatives, assignees, attorneys, heirs, executors and administrators, fully releases Albany and Albany's past and present successors, assigns, parents, divisions, subsidiaries, affiliates, officers, directors, shareholders, employees, agents and representatives from any and all liability, claims, demands, actions, causes of action, suits, grievances, debts, sums of moneys, controversies, agreements, promises, damages, back and front pay, costs, expenses, attorneys fees, and remedies of any type, which Employee now has or hereafter may have, by reason of any matter, cause, act or omission arising out of or in connection with Employee's employment or the termination of her employment with Albany, including, without limiting the generality of the foregoing, any claims, demands or actions arising under the Age Discrimination in Employment Act of 1967, the Older Worker's Benefit Protection Act, the Employee Retirement Income Security Act of 1974, Title VII of the Civil Rights Act of 1964, the Civil Rights act of 1991, the Civil Rights Act of 1866, the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, and any other federal, state or local statute, ordinance or common law of any state regarding employment, discrimination in employment, or the termination of employment. Nothing herein, however, shall be deemed a waiver of any vested rights or entitlements Employee may have under any retirement or other employee benefit plans administered by Albany. Notwithstanding the foregoing, Employee is not waiving any right that cannot, as a matter of law, be voluntarily waived, including the right to file a claim, or participate in the adjudication of claim of discrimination filed with any state or federal administrative agency, though Employee expressly waives any right to recover any monetary damages as a result of any claim being filed with any state or federal administrative agency, except to the extent such waiver is improper or invalid, including as described in the immediately following sentence. Notwithstanding anything herein or in any other agreement with or policy (including without limitation any code of conduct or employee manual) of the Company, nothing herein or therein is intended to or shall: (i) prohibit Employee from making reports of possible violations of federal law or regulation (even if Employee participated in such violations) to, and cooperating with, any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002 or of any other whistleblower protection provisions of state or federal law or regulation; (ii) require notification to or prior approval by the Company of any such reporting or cooperation; or (iii) result in a waiver or other limitation of Employee's rights and remedies as a whistleblower, including to a monetary award; provided, however, that Employee is not authorized (and the above should not be read as permitting Employee) to disclose communications with counsel that were made for the purpose of receiving legal advice or that contain legal advice or that are protected by the attorney work product or similar privilege. Furthermore, Employee will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (1) in confidence to a federal, state or local government official, either directly or indirectly,

or to an attorney, in each case, solely for the purpose of reporting or investigating a suspected violation of law or (2) in a complaint or other document filed in a lawsuit or proceeding, if such filings are made under seal. Finally, neither party waives any right or claim to take legal action necessary to enforce this Agreement.

(b) If Employee breaches any obligation under this Agreement, including without limitation the obligations set forth in Paragraphs 12, 14, 15, 16, or 24, Employee agrees that Albany shall not be obligated to continue to make payments under Paragraph 9, and to reimburse Albany for all payments made pursuant to Paragraph 9.

12. This Agreement does not constitute an admission by Albany of any liability to Employee, and Employee understands and agrees that Albany denies any such liability to Employee.

13. Employee specifically agrees and promises that he will not disparage Albany, (as defined in Paragraph 11) or any of Albany's officers, directors, employees, attorneys, or representatives, or any of Albany's products or services to any person or entity. "Disparage" is defined as any utterance, either verbal or in writing, that is so disloyal, reckless, or maliciously untrue as to forfeit the protections afforded to Employee by Section 7 of the National Labor Relations Act. Nothing contained in this Paragraph is intended to restrict Employee from discussing the terms and conditions of his employment with fellow employees, any state or federal administrative agency, or cooperating with any investigation of Albany by the National Labor Relations Board.

14. Employee acknowledges that as a consequence of his employment by Albany, proprietary and confidential information relating to the business of Albany may be or have been disclosed to or developed or acquired by Employee which is not generally known to the trade or the general public and which is of considerable value to Albany. Such information includes, without limitation, information about trade secrets, inventions, patents, licenses, research projects, costs, profits, markets, sales, customer lists, computer programs, records, and software; plans for future development, and any other information not available to the trade or the general public, including information obtained from or developed in conjunction with a third party that is subject to a confidentiality or similar agreement between Albany and such third party. Employee acknowledges and agrees that his relationship with Albany with respect to such information is and shall be fiduciary in nature. During the remainder of, and after, his employment by Albany, Employee shall not use such information for his own benefit, or for the benefit of any other employer or for any other purpose whatsoever other than the performance of his work for Albany, and Employee shall maintain all such information in confidence and shall not disclose any thereof to any person other than employees of Albany authorized to receive such information. This obligation is in addition to any similar obligations of Employee pursuant to the other agreements. Employee further agrees to return any property belonging to Albany at the end of his employment.

15. This Agreement supersedes all prior oral or written understandings among the parties with respect to the subject matter herein and constitutes the entire agreement between Albany and Employee relating to the subject matter thereof. Neither this Agreement nor any provision thereof may be changed, waived, modified or amended orally, but only by a written instrument signed by the party against whom the enforcement of such change, waiver, modification or amendment is sought.

16. Employee acknowledges that he has read this entire Agreement, that he fully understands its meaning and effect, and that he has voluntarily signed this Agreement.

17. Employee understands that the release contained in paragraph 12 hereof is a general release, and represents that he has been advised to seek counsel on the legal and practical effect of a general release, and recognizes that he is executing and delivering this release, intending thereby to be legally bound by the terms and provisions thereof, of his own free will, without promises or

threats or the exertion of duress. He also acknowledges that he has had adequate time to review it, have it explained to him, and understands its provisions.

18. Employee and Albany intend for every provision of this Agreement to be fully enforceable. But, if a court with jurisdiction over this Agreement determines that all or part of any provision of this Agreement is unenforceable for any reason, Albany and Employee intend for each remaining provision and part to be fully enforceable as though the unenforceable provision or part had not been included in this Agreement.

19. The parties agree that a breach by either of them of the provisions of this Agreement may cause irreparable harm to the other which will be difficult to quantify and for which money damages will not be adequate. Accordingly, the parties agree that each shall have the right to obtain an injunction against the other, without any requirement for posting any bond or other security, enjoining any such breach or threatened breach in addition to any other rights or remedies available to them on account of any breach or threatened breach of this Agreement. Employee and Albany each further agree that if an action is commenced by any party alleging breach of this Agreement, the non-prevailing party shall be liable to the prevailing party for any and all available legal and equitable relief, as well as reasonable attorneys' fees and costs associated with pursuing or defending such legal action.

20. The terms of this agreement are binding upon and shall be for the benefit of Employee and Albany, as well as their respective heirs, executors, administrators, successors and assigns.

21. Notices or other deliveries required or permitted to be given or made under this Agreement by Employee to Albany shall, except to the extent otherwise required by law, be deemed given or made if delivered by hand or by express mail or overnight courier service to Albany International Corp., 455 Patroon Creek Blvd. Suite 206, Albany, New York 12206, Attention: Joseph M. Gaug or by email to Joseph M. Gaug, Joseph.Gaug@albint.com.

22. Employee understands and agrees that: (a) the existence and terms of this Agreement are strictly confidential; and (b) he will not to disclose the terms of this Agreement to any third party, including co-workers, unless required to do so by any state, federal or local regulatory, prosecutorial, or administrative agency or body of competent jurisdiction, or by a Court of competent jurisdiction. Employee and Albany each agree that if an action is commenced by any party alleging breach of this Agreement, the non-prevailing party shall be liable to the prevailing party for any and all available legal and equitable relief, as well as reasonable attorneys' fees and costs associated with pursuing or defending such legal action. However, nothing herein shall (1) preclude Employee from discussing the contents hereof with his family, accountant, tax advisor or legal advisor, or (2) preclude Albany from informing any third parties, including prospective employers, that Employee is bound to the restrictive covenant set forth in paragraphs 15 hereof. **Employee acknowledges that if he breaches any obligation under this Paragraph, Albany shall be relieved from making any further payments under paragraph 9 hereof, and further agrees to reimburse Albany for all payments previously made pursuant to paragraph 9.**

23. This Agreement shall be governed by and construed in accordance with the laws of the State of New Hampshire.

[Signatures on following page]

IN WITNESS WHEREOF, a duly authorized representative of Albany and Employee have signed this Agreement to be effective as of the day and year first set forth above.

Albany International Corp.

By: /s/ Joseph M. Gaug Date May 18, 2025

THE UNDERSIGNED FURTHER STATES THAT HE HAS CAREFULLY READ THE FOREGOING AGREEMENT AND KNOWS THE CONTENTS THEREOF AND SIGNS THE SAME AS HIS OWN FREE ACT. THIS AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

/s/ Robert Starr Date May 16, 2025

Robert Starr

FOR COMPANY USE ONLY

The foregoing Separation Agreement and General Release, signed and dated by Employee, was received by me on behalf of Albany International Corp. this 18th day of May, 2025.

/s/ Joseph M. Gaug

Joseph M. Gaug

SUPPLEMENTAL RELEASE

This supplemental release given to Albany International Corp. ("Albany") by Rob Starr ("Employee") is executed in consideration for the covenants made by Albany in a Mutual Separation Agreement and General Release dated as of May 19, 2025.

The Employee and his heirs, assigns, representatives and agents release, waive, and discharge Albany, its directors, officers, employees, subsidiaries, affiliates, representatives and agents from each and every claim, action or right of any sort, known or unknown, arising on or before the date of this Supplemental Release.

(1) The foregoing release includes, but is not limited to, any claim of discrimination on the basis of race, sex, religion, marital status, sexual orientation, national origin, handicap or disability, age, veteran status, special disabled veteran status, citizenship status; any other claim based on a statutory prohibition; any claim arising out of or related to an express or implied employment contract, any other contract affecting terms and conditions of employment, or a covenant of good faith and fair dealing; all tort claims; and all claims for attorney's fees or expenses.

(2) The Employee represents that he understands the foregoing release, that rights and claims under the Age Discrimination in Employment Act of 1967, as amended, are among the rights and claims against Albany he is releasing, and that he understands that he is not releasing any rights or claims arising after the date of this Supplemental Release.

EMPLOYEE

/s/ Robert D. Starr DATE: May 23, 2025

Rob Starr

EXHIBIT (31.1)
CERTIFICATION PURSUANT TO
RULE 13A-14 OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gunnar Kleveland, certify that:

1. I have reviewed this report on Form 10-Q of Albany International Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2025

By /s/ Gunnar Kleveland
Gunnar Kleveland
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT (31.2)
CERTIFICATION PURSUANT TO
RULE 13A-14 OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jairaj Chetnani, certify that:

1. I have reviewed this report on Form 10-Q of Albany International Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2025

By /s/ Jairaj Chetnani

Jairaj Chetnani
Chief Financial Officer, Vice President Investor Relations and Treasurer
(Principal Financial Officer)

EXHIBIT (32.1)
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Albany International Corp. (the Company) on Form 10-Q for the period ending June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the Report), Gunnar Kleveland, President and Chief Executive Officer, and Jairaj Chetnani, Chief Financial Officer, Vice President Investor Relations and Treasurer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 30, 2025

/s/ Gunnar Kleveland

Gunnar Kleveland
President and Chief Executive Officer
(Principal Executive Officer)

/s/ Jairaj Chetnani

Jairaj Chetnani
Chief Financial Officer and Vice President Investor Relations and
Treasurer
(Principal Financial Officer)