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: September 30, 2026

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)

325 Corporate Drive, Portsmouth, New Hampshire
(Address of principal executive offices)

14-0462060
(IRS Employer Identification No.)

03801
(Zip Code)

603-330-5800
(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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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 28.4 million shares of Class A Common Stock outstanding as of October 15, 2026.

ALBANY INTERNATIONAL CORP.
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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 September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net revenues	$ 349,539	$ 261,434	$ 990,354	$ 861,607
Cost of goods sold	209,161	311,372	642,281	717,552
Gross profit/(loss)	140,378	(49,938)	348,073	144,055
Selling, general, and administrative expenses	61,501	51,905	175,868	164,219
Technical and research expenses	12,186	11,467	36,865	35,915
Restructuring expenses, net	7,293	3,197	18,431	9,895
Operating income/(loss)	59,398	(116,507)	116,909	(65,974)
Interest expense, net	5,337	5,897	16,872	14,702
Other expense/(income), net	(1,727)	(347)	(4,881)	4,170
Income/(loss) before income taxes	55,788	(122,057)	104,918	(84,846)
Income tax expense/(benefit)	13,902	(24,419)	29,879	(13,889)
Net income (loss)	41,886	(97,638)	75,039	(70,957)
Net income attributable to the noncontrolling interest	189	122	647	265
Net income (loss) attributable to the Company	$ 41,697	$ (97,760)	$ 74,392	$ (71,222)
Earnings/(loss) per share attributable to Company shareholders - Basic	$ 1.47	$ (3.37)	$ 2.62	$ (2.38)
Earnings /(loss) per share attributable to Company shareholders - Diluted	$ 1.46	$ (3.37)	$ 2.60	$ (2.38)
Shares of the Company used in computing earnings per share:				
Basic	28,377	29,012	28,353	29,914
Diluted	28,596	29,012	28,570	29,914
Dividends declared per Class A share	$ 0.28	$ 0.27	$ 0.84	$ 0.81

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net income/(loss)	$ 41,886	$ (97,638)	$ 75,039	$ (70,957)
Other comprehensive income, before tax:				
Foreign currency translation and other adjustments	(3,635)	2,676	(5,990)	55,948
Pension settlement/curtailment	—	—	—	(1,600)
Amortization of pension liability adjustments:				
Prior service credit	(39)	(38)	(117)	(112)
Net actuarial loss	366	315	1,100	908
Payments and amortization related to interest rate swaps included in earnings	(100)	(53)	(386)	(324)
Derivative valuation adjustment	5,156	169	6,834	(425)
Income taxes related to items of other comprehensive income:				
Pension settlement/curtailment	—	—	—	422
Amortization of prior service credit	11	11	34	34
Amortization of net actuarial loss	(106)	(97)	(319)	(278)
Payments and amortization related to interest rate swaps included in earnings	14	17	146	51
Derivative valuation adjustment	(1,814)	(7)	(2,588)	67
Comprehensive income/(loss)	41,739	(94,645)	73,753	(16,266)
Comprehensive income attributable to the noncontrolling interest	49	212	556	300
Comprehensive income/(loss) attributable to the Company	$ 41,690	$ (94,857)	$ 73,197	$ (16,566)

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) September 30, 2026	December 31, 2025
Assets		
Cash and cash equivalents	$ 79,125	$ 112,350
Accounts receivable, net	277,692	235,084
Contract assets, net	164,438	87,102
Inventories	165,537	121,589
Income taxes prepaid and receivable	34,803	43,937
Prepaid expenses and other current assets	42,439	34,990
Assets held for sale	—	293,783
Total current assets	764,034	928,835
Property, plant and equipment, net	544,559	482,568
Intangibles, net	30,411	21,428
Goodwill	182,011	162,507
Deferred income taxes	57,059	68,499
Other assets	107,543	54,872
Total assets	$ 1,685,617	$ 1,718,709
Liabilities and Shareholders' Equity		
Accounts payable	$ 87,394	$ 64,499
Accrued liabilities	207,062	139,385
Income taxes payable	22,929	35,090
Liabilities held for sale	—	203,323
Total current liabilities	317,385	442,297
Long-term debt	422,087	455,663
Other noncurrent liabilities	142,450	86,850
Deferred income taxes	15,581	1,797
Total liabilities	897,503	986,607
Commitments and Contingencies (Note 17)		
Shareholders' Equity:		
Preferred stock, par value per share; authorized shares; issued	—	—
Class A Common Stock, par value $0.001 per share; authorized 100,000,000 shares; 41,071,328 issued in 2026 and 40,989,106 in 2025	41	41
Additional paid in capital	466,578	460,472
Retained earnings	1,026,863	976,373
Accumulated items of other comprehensive income:		
Translation adjustments	(125,373)	(119,008)
Pension and postretirement liability adjustments	(22,838)	(23,911)
Derivative valuation adjustment	3,387	(619)
Treasury stock (Class A), at cost; 12,685,782 shares in 2026 and 12,685,782 in 2025	(566,993)	(567,139)
Total shareholders' equity	781,665	726,209
Noncontrolling interest	6,449	5,893
Total equity	788,114	732,102
Total liabilities and shareholders' equity	$ 1,685,617	$ 1,718,709

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

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

	Nine Months Ended September 30,	
	2026	**2025**
Cash flows from operating activities:		
Net income/ (loss)	$ 75,039	$ (70,957)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	61,218	61,577
Amortization	3,845	3,903
Change in deferred taxes	13,863	(21,864)
Loss/(gain) on disposal of property, plant and equipment	616	(390)
Non-cash interest expense	694	777
Contract loss provision (recovery)	(52,514)	139,665
Compensation and benefits paid or payable in Class A Common Stock	7,750	9,882
Provision for credit losses from uncollected receivables and contract assets	110	553
Foreign currency remeasurement loss/(gain) on intercompany loans	(5,740)	7,587
Gain on sale of assets	—	(1,566)
Changes in operating assets and liabilities that provided/(used) cash:		
Accounts receivable	(16,468)	2,152
Contract assets	(9,169)	(7,952)
Inventories	(28,559)	(5,105)
Prepaid expenses and other current assets	(6,742)	(3,286)
Income taxes prepaid and receivable	9,010	(13,825)
Accounts payable	6,568	18,684
Accrued liabilities	5,109	(22,887)
Income taxes payable	(12,608)	(13,022)
Other noncurrent liabilities	(1,451)	(4,307)
Other, net	1,052	(847)
Net cash provided by operating activities	51,623	78,772
Cash flows from investing activities:		
Purchases of property, plant and equipment	(33,277)	(47,559)
Purchased software	(55)	(1,250)
Proceeds received from sale of assets	—	3,243
Proceeds from sale of investment	1,660	—
Other investing activities	1,119	—
Net cash used in investing activities	(30,553)	(45,566)
Cash flows from financing activities:		
Proceeds from borrowings	172,000	231,999
Repayment of borrowings	(202,000)	(82,044)
Purchase of Treasury shares	—	(170,964)
Taxes paid in lieu of share issuance	(1,644)	(2,521)
Dividends paid	(23,810)	(24,738)
Net cash used in financing activities	(55,454)	(48,268)
Effect of exchange rate changes on cash and cash equivalents	1,159	8,089
Decrease in cash and cash equivalents	(33,225)	(6,973)
Cash and cash equivalents at beginning of period	112,350	115,283
Cash and cash equivalents at end of period	$ 79,125	$ 108,310

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

Supplemental disclosure of cash flow information:				
Cash paid for interest, net	$	18,144	$	17,333
Cash paid for income taxes	$	22,080	$	33,462

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 normally required for the annual financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). All such adjustments are of a normal recurring nature, unless otherwise disclosed in this report. 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, 2025.

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 credit losses, rebates and sales allowances, inventory allowances, financial instruments, including derivatives, pension and other postretirement benefits, stock-based compensation, assets and liabilities held for sale, 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 Not Yet Adopted

In December 2025, the FASB issued ASU No. 2025-11, Interim Reporting (Topic 270): Narrow Scope Improvements. The ASU clarifies the applicability of Topic 270 and the form and content of interim financial statements. In addition, it requires entities to disclose material events occurring since the last annual reporting period. The guidance will be effective for interim periods beginning January 1, 2028 and can be applied on a prospective or retrospective basis. We are evaluating the disclosure impact of this guidance; however, the standard is not expected to have an impact on the Company's consolidated financial position, results of operations or cash flows.

In November 2025, the FASB issued ASU No. 2025-09, Derivatives and Hedging (Topic 815): Hedge Accounting Improvements. The ASU makes targeted amendments to hedge accounting guidance intended to better align hedge accounting results with an entity's risk management activities, including changes related to cash flow hedges, forecasted transactions, and certain debt-related hedging strategies. The guidance is effective for the Company for fiscal years beginning after December 15, 2026, and interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU No. 2025-06 to improve the accounting for costs related to internal-use software. The new guidance eliminates project stages and requires capitalizing software costs to begin when (1) management has authorized and committed to funding the software project and (2) it is probable that the project will be completed and the software will be used to perform the function intended. Additionally, disclosures for property, plant and equipment will be required for all capitalized software costs. The guidance is effective in the first quarter of 2028 with early adoption permitted as of the beginning of an annual reporting period. Upon adoption, the guidance may be applied prospectively, retrospectively or using a modified transition approach. The Company is currently evaluating the impact of this guidance on our consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03 to improve the disclosure of expenses in commonly presented expense captions. The new guidance requires a public entity to provide tabular disclosure, on an annual and interim basis, of amounts for the following expense categories: (1) purchases of inventory, (2) employee compensation, (3) depreciation and (4) intangible asset amortization, as included in each relevant expense caption. Additionally, on an annual and interim basis, a qualitative description is required for amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. A relevant expense caption is an expense caption presented on the

face of the income statement that contains any of the expense categories noted. The guidance also requires certain amounts that are currently required to be disclosed to be included in the same tabular disclosure as these disaggregation requirements. Furthermore, on an annual and interim basis, a public entity is required to separately disclose selling expenses and annually, disclose a description of the selling expenses. The guidance is effective for 2027 annual reporting, and in the first quarter of 2028 for interim reporting, with early adoption permitted, to be applied on a prospective basis, with retrospective application permitted. We are evaluating the impact of this guidance on our consolidated financial statements.

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. The Company has not aggregated operating segments for purposes of identifying reportable segments.

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 solutions 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.

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, 2025, approximately 35% 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):

	Three Months Ended September 30, 2026			
(in thousands)	**MC**	**AEC**	**Corporate**	**Total**
Net revenues	**$ 169,802**	**$ 179,737**	**$ —**	**$ 349,539**
Cost of goods sold	**94,434**	**114,727**	**—**	**209,161**
Gross profit	**75,368**	**65,010**	**—**	**140,378**
Selling, general and administrative expenses	**30,971**	**17,166**	**13,364**	**61,501**
Technical and research expenses	**6,412**	**4,498**	**1,276**	**12,186**
Restructuring expenses, net	**6,827**	**—**	**466**	**7,293**
Operating income/(loss)	**$ 31,158**	**$ 43,346**	**$ (15,106)**	**$ 59,398**

(in thousands)	Three Months Ended September 30, 2025			
	MC	AEC	Corporate	Total
Net revenues	$ 174,950	$ 86,484	$ —	$ 261,434
Cost of goods sold	92,880	218,492	—	311,372
Gross profit	82,070	(132,008)	—	(49,938)
Selling, general and administrative expenses	30,291	12,218	9,396	51,905
Technical and research expenses	6,716	3,673	1,078	11,467
Restructuring expenses, net	1,960	113	1,124	3,197
Operating income/(loss)	$ 43,103	$ (148,012)	$ (11,598)	$ (116,507)

(in thousands)	Nine Months Ended September 30, 2026			
	MC	AEC	Corporate	Total
Net revenues	**$ 514,464**	**$ 475,890**	**$ —**	**$ 990,354**
Cost of goods sold	**283,087**	**359,194**	**—**	**642,281**
Gross profit	**231,377**	**116,696**	**—**	**348,073**
Selling, general and administrative expenses	**97,710**	**40,067**	**38,091**	**175,868**
Technical and research expenses	**19,960**	**13,256**	**3,649**	**36,865**
Restructuring expenses, net	**15,892**	**—**	**2,539**	**18,431**
Operating income/(loss)	**$ 97,815**	**$ 63,373**	**$ (44,279)**	**$ 116,909**

(in thousands)	Nine Months Ended September 30, 2025			
	MC	AEC	Corporate	Total
Net revenues	$ 530,573	$ 331,034	$ —	$ 861,607
Cost of goods sold	284,842	432,710	—	717,552
Gross profit	245,731	(101,676)	—	144,055
Selling, general and administrative expenses	98,841	34,121	31,257	164,219
Technical and research expenses	21,332	11,472	3,111	35,915
Restructuring expenses, net	6,322	1,801	1,772	9,895
Operating income/(loss)	$ 119,236	$ (149,070)	$ (36,140)	$ (65,974)

Schedule of Depreciation and Amortization Expenses:

(in thousands)	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Depreciation and amortization				
Machine Clothing	**$ 8,372**	$ 8,604	**$ 25,096**	$ 24,283
Albany Engineered Composites	**22,503**	13,479	**39,852**	40,229
Corporate	**41**	355	**115**	968
Consolidated depreciation and amortization	**$ 30,916**	$ 22,438	**$ 65,063**	$ 65,480

As a result of the Amelia Earhart Drive facility meeting the held-for-sale accounting criteria, the facility's assets and liabilities were classified as held-for-sale in the consolidated balance sheets as of December 31, 2025. Upon classification as held for sale, the Company ceased depreciation and amortization of the related long-lived assets in accordance with applicable accounting guidance. As of September 30, 2026, the Company concluded the net assets at the site no longer met the criteria to be classified as held for sale and therefore, resumed depreciation and amortization of the long-lived assets including catch-up on unrecognized expense from earlier in the year. See Note 19, *Held for Sale,* of the Notes to the Consolidated Financial Statements for further details.

Reconciliation of Operating Income/(loss) to Income before income taxes:

(in thousands)	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Operating income/(loss)				
Machine Clothing	**$ 31,158**	$ 43,103	**$ 97,815**	$ 119,236
Albany Engineered Composites	**43,346**	(148,012)	**63,373**	(149,070)
Corporate	**(15,106)**	(11,598)	**(44,279)**	(36,140)
Consolidated Operating income/(loss)	**$ 59,398**	$ (116,507)	**$ 116,909**	$ (65,974)
Reconciling items:				
Interest income	**(1,167)**	(1,114)	**(2,742)**	(4,157)
Interest expense	**6,504**	7,011	**19,614**	18,859
Other (income)/expense, net	**(1,727)**	(347)	**(4,881)**	4,170
Income before income taxes	**$ 55,788**	$ (122,057)	**$ 104,918**	$ (84,846)

The following table presents assets by reportable segment:

(in thousands)	September 30, 2026	December 31, 2025
Segment assets		
Machine Clothing	**$ 623,751**	$ 618,476
Albany Engineered Composites	**740,898**	491,802
Reconciling items:		
Cash	**79,125**	112,350
Income taxes prepaid and receivable, and Deferred income taxes	**91,862**	112,436
Prepaid expenses and other current assets, and Other assets	**149,981**	89,862
Assets held for sale	$ —	$ 293,783
Consolidated total assets	**1,685,617**	1,718,709

The following table presents capital expenditures by reportable segment:

(in thousands)	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Capital expenditures and purchased software		
Machine Clothing	**$ 16,280**	$ 20,387
Albany Engineered Composites	**14,938**	28,422
Corporate	**2,114**	—
Total capital expenditures and purchased software	**$ 33,332**	$ 48,809

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.

The LEAP engine is used on the Airbus A320neo, A321neo, Boeing 737 MAX, and COMAC C919 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) were $53.8 million and $46.4 million for the three months ended September 30, 2026 and 2025, respectively and $155.9 million and $130.2 million for the nine months ended September 30, 2026 and 2025. The total of Accounts receivable and Contract assets due from SAFRAN amounted to $53.4 million and $60.8 million as of September 30, 2026 and December 31, 2025, respectively.

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 projections, 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 increased revenue by $3.5 million during the third quarter of 2026 and $2.0 million for the first nine months of 2026. The cumulative changes in the estimated profitability of long-term contracts increased operating income by $37.9 million which includes a cumulative catch up of depreciation and amortization of assets previously held for sale of $11.0 million during the third quarter of 2026, and increased operating income by $36.3 million which includes a cumulative catch up of depreciation and amortization of assets previously held for sale of $11.0 million for the nine months ended September 30, 2026. The increases in profitability during the three and nine months ended September 30, 2026 were primarily driven by a few large complex programs, including adjustments of $46.7 million and $44.5 million, respectively, for various CH-53K programs, primarily based on increases to the contract value partially offset by changes to future overhead rates over the remainder of the contract.

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 September 30, 2026:

	Three months ended September 30, 2026		
(in thousands)	**Point in Time Revenue Recognition**	**Over Time Revenue Recognition**	**Total**
Machine Clothing	**$ 168,750**	**$ 1,052**	**$ 169,802**
Albany Engineered Composites:			
ASC	**—**	**53,096**	**53,096**
Other AEC	**3,336**	**123,305**	**126,641**
Total Albany Engineered Composites	**$ 3,336**	**$ 176,401**	**$ 179,737**
Total revenues	**$ 172,086**	**$ 177,453**	**$ 349,539**

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

	Three months ended September 30, 2025		
(in thousands)	**Point in Time Revenue Recognition**	**Over Time Revenue Recognition**	**Total**
Machine Clothing	$ 173,929	$ 1,021	$ 174,950
Albany Engineered Composites:			
ASC	—	44,873	44,873
Other AEC	3,084	38,527	41,611
Total Albany Engineered Composites	$ 3,084	$ 83,400	$ 86,484
Total revenues	$ 177,013	$ 84,421	$ 261,434

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:

	Nine months ended September 30, 2026		
(in thousands)	**Point in Time Revenue Recognition**	**Over Time Revenue Recognition**	**Total**
Machine Clothing	**$ 511,308**	**$ 3,156**	**$ 514,464**
Albany Engineered Composites:			
ASC	**—**	**152,454**	**152,454**
Other AEC	**10,380**	**313,056**	**323,436**
Total Albany Engineered Composites	**$ 10,380**	**$ 465,510**	**$ 475,890**
Total revenues	**$ 521,688**	**$ 468,666**	**$ 990,354**

	Nine months ended September 30, 2025		
(in thousands)	**Point in Time Revenue Recognition**	**Over Time Revenue Recognition**	**Total**
Machine Clothing	$ 527,509	$ 3,064	$ 530,573
Albany Engineered Composites:			
ASC	—	128,639	128,639
Other AEC	10,221	192,174	202,395
Total Albany Engineered Composites	$ 10,221	$ 320,813	$ 331,034
Total revenues	$ 537,730	$ 323,877	$ 861,607

	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	**2026**	**2025**	**2026**	**2025**
Americas PMC	**$ 83,199**	$ 92,171	**$ 242,043**	$ 262,505
Eurasia PMC	**68,510**	67,128	**215,560**	206,486
Engineered Fabrics	**18,093**	15,651	**56,861**	61,582
Total Machine Clothing Net revenues	**$ 169,802**	$ 174,950	**$ 514,464**	$ 530,573

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 $877.4 million and $1.1 billion as of September 30, 2026 and 2025 related primarily to firm fixed price contracts in the AEC segment. Of the remaining performance obligations as of September 30, 2026, we expect to recognize as revenue approximately $64.3 million during 2026, $196.3 million during 2027, $176.9 million during 2028, 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 nine months ended September 30, 2026 and 2025, was as follows:

	Pension plans		Other postretirement benefits	
(in thousands)	**2026**	**2025**	**2026**	**2025**
Components of net periodic benefit cost/(income):				
Service cost	**$ 711**	$ 836	**$ 28**	$ 30
Interest cost	**4,570**	4,505	**995**	1,060
Expected return on assets	**(2,109)**	(3,427)	**—**	—
Curtailment cost/(income)	**—**	(3,770)	**—**	—
Settlement cost/(income)	**—**	2,170	**—**	—
Amortization of prior service cost/(income)	**(25)**	(20)	**(92)**	(92)
Amortization of net actuarial loss	**1,088**	932	**12**	(24)
Net periodic benefit cost	**$ 4,235**	$ 1,226	**$ 943**	$ 974

The amount of net periodic 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. There were no material curtailments or settlements during the nine months ended September 30, 2026. In the first nine months of 2025, we took action to settle certain pension plan liabilities related to an MC pension plan in Switzerland, resulting in a net gain totaling $1.6 million.

Service cost for defined benefit pension and postretirement plans is 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 2026 and 2025 to consolidate production activities across multiple facilities. For the three and nine months ended September 30, 2026, Restructuring expenses, net were related to transfers of fixed assets to other locations including overseas, workforce reductions, and manufacturing expenses related to ceased production. For the three months ended September 30, 2025, these actions were related to workforce reductions of $2.0 million. For the nine months ended September 30, 2025, restructuring charges were related to workforce reductions, fixed asset impairments and related costs and inventory write-off costs of $8.1 million offset by a $1.8 million pension curtailment gain.

At AEC, restructuring activities in the prior year were related to reorganizational and workforce reduction costs, which resulted in Restructuring expenses, net of $0.1 million and $1.8 million for the three and nine months ended September 30, 2025, respectively. AEC did not incur any restructuring costs for the three and nine months ended September 30, 2026.

At Corporate, for the three and nine months ended September 30, 2026, Restructuring expenses, net were primarily related to workforce reductions and legal structure optimization.

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

(in thousands)	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Machine Clothing	$ 6,827	$ 1,960	$ 15,892	$ 6,578
Albany Engineered Composites	—	113	—	1,801
Corporate	466	1,124	2,539	1,772
Total	$ 7,293	$ 3,197	$ 18,431	$ 10,151

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":

Nine months ended September 30, 2026 (in thousands)	Total restructuring costs incurred	Termination and other costs	Asset Transfer Costs
Machine Clothing	$ 15,892	$ 8,677	$ 7,215
Albany Engineered Composites	—	—	
Corporate	2,539	2,539	
Total	$ 18,431	$ 11,216	$ 7,215

Nine months ended September 30, 2025 (in thousands)	Total restructuring costs incurred	Termination and other costs	Impairment of assets	Pension Curtailment (Gain)/Loss
Machine Clothing	$ 6,578	$ 7,615	$ 723	$ (1,760)
Albany Engineered Composites	1,801	1,801	—	—
Corporate	1,772	1,772	—	—
Total	$ 10,151	$ 11,188	$ 723	$ (1,760)

The table below presents the year-to-date changes in restructuring liabilities for 2026 and 2025:

(in thousands)	December 31, 2025	Restructuring charges accrued	Payments and other	September 30, 2026
Total restructuring and other liabilities	$ 2,766	$ 18,431	$ (19,855)	$ 1,342

(in thousands)	December 31, 2024	Restructuring charges accrued	Payments and other	September 30, 2025
Total restructuring and other liabilities	$ 4,996	$ 11,188	$ (12,878)	$ 3,306

6. Other (Income)/Expense, net

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

(in thousands)	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Currency transaction losses/(gains)	$ (2,101)	$ (1,054)	$ (4,792)	$ 7,751
Derivative instruments losses/(gains)	(119)	(95)	(1,573)	(3,357)
Components of net periodic pension and postretirement cost other than service cost	1,478	1,011	4,439	1,334
Other losses/(gains)	(985)	(209)	(2,955)	(1,558)
Total other (income)/expense, net	$ (1,727)	$ (347)	$ (4,881)	$ 4,170

Currency transaction losses/(gains), included within other (income)/expense, net were primarily the result of both realized and unrealized losses/(gains) on intercompany loans. In addition, changes in the fair value of derivative instruments included gains driven by currency rate movements, most notably the Brazilian Real and British Pound Sterling.

7. Income Taxes

The Company's effective income tax rate for the three and nine months ended September 30, 2026 and 2025, is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	**2025**	**2026**	**2025**
Effective income tax rate	**24.9 %**	20.0 %	**28.5 %**	16.4 %

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

Our 2026 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 28.5% and 16.4% for the nine months ended September 30, 2026 and 2025, respectively.

The effective tax rate for the nine months ended September 30, 2026 was higher than the effective tax rate for the nine months ended September 30, 2025, primarily due to the Company being in a loss position in prior year. Discrete tax items increased the effective tax rate by 0.2% and 0.5% for the three and nine months ended September 30, 2026, respectively, compared to increases of 0.6% and 2.7% for the three and nine months ended September 30, 2025, respectively.

Company is subject to audit in the U.S. and various foreign jurisdictions. Our open tax years for major jurisdictions generally range from 2020-2025. 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.

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:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands, except earnings per share)	**2026**	**2025**	**2026**	**2025**
Net income attributable to the Company	**$ 41,697**	$ (97,760)	**$ 74,392**	$ (71,222)
Weighted average number of shares:				
Weighted average number of shares used in calculating basic net income per share	**28,377**	29,012	**28,353**	29,914
Effect of dilutive stock-based compensation plans:				
Restricted stock units and multi-year awards	**219**	—	**217**	—
Weighted average number of shares used in calculating diluted net income per share	**28,596**	29,012	**28,570**	29,914
Net income attributable to the Company per share:				
Basic	**$ 1.47**	$ (3.37)	**$ 2.62**	$ (2.38)
Diluted	**$ 1.46**	$ (3.37)	**$ 2.60**	$ (2.38)

9. Accumulated Other Comprehensive Income ("AOCI")

The table below presents changes in the components of AOCI for the period from December 31, 2025 to September 30, 2026:

(in thousands)	Translation adjustments	Pension and postretirement liability adjustments	Derivative valuation adjustment	Total Accumulated Other Comprehensive Income/(Loss)
December 31, 2025	$ (119,008)	$ (23,911)	$ (619)	$ (143,538)
Foreign currency translation and other adjustments	(6,365)	375	4,246	(1,744)
Interest (expense)/income related to swaps reclassified to the Consolidated Statements of Income/(Loss), net of tax	—	—	(240)	(240)
Pension and postretirement liability adjustments reclassified to Consolidated Statements of Income/(Loss), net of tax	—	698	—	698
Net current period other comprehensive income/(loss)	(6,365)	1,073	4,006	(1,286)
September 30, 2026	**$ (125,373)**	**$ (22,838)**	**$ 3,387**	**$ (144,824)**

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

(in thousands)	Translation adjustments	Pension and postretirement liability adjustments	Derivative valuation adjustment	Total Accumulated Other Comprehensive Income/(Loss)
December 31, 2024	$ (181,555)	$ (14,328)	$ (106)	$ (195,989)
Foreign currency translation and other adjustments	58,366	(2,418)	(358)	55,590
Pension settlement expense, net of tax	—	(1,178)	—	(1,178)
Interest (expense)/income related to swaps reclassified to the Consolidated Statements of Income/(Loss), net of tax	—	—	(273)	(273)
Pension and postretirement liability adjustments reclassified to Consolidated Statements of Income/(Loss), net of tax	—	552	—	552
Net current period other comprehensive income/(loss)	58,366	(3,044)	(631)	54,691
September 30, 2025	**$ (123,189)**	**$ (17,372)**	**$ (737)**	**$ (141,298)**

The components of AOCI that are reclassified to the Consolidated Statements of Income/(Loss) 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/(Loss) that were affected for the three and nine months ended September 30, 2026, and the Consolidated Statements of Income/(Loss) for the three and nine months ended September 30, 2025:

(in thousands)	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Pre-tax Derivative valuation reclassified from Accumulated Other Comprehensive Income/(Loss):				
Interest (income)/expense, net related to interest rate swaps included in Income/(loss) before taxes[a]	**$ (100)**	$ (53)	**$ (386)**	$ (324)
Income tax effect	**14**	17	**146**	51
Effect on net income due to items reclassified from Accumulated Other Comprehensive Income/(Loss)	**$ (86)**	$ (36)	**$ (240)**	$ (273)
Pre-tax pension and postretirement liabilities reclassified from Accumulated Other Comprehensive Income:				
Pension settlement/curtailment	**$ —**	$ —	**$ 0**	$ (1,600)
Amortization of prior service credit	**$ (39)**	$ (38)	**$ (117)**	$ (112)
Amortization of net actuarial loss	**366**	315	**1,100**	908
Total pre-tax amount reclassified[b]	**327**	277	**983**	(804)
Income tax effect	**(95)**	(86)	**(285)**	178
Effect on net income due to items reclassified from Accumulated Other Comprehensive Income	**$ 232**	$ 191	**$ 698**	$ (626)

(a) Reported as Interest expense, net in our Consolidated Statements of Income, are payments related to the interest rate swap agreements and amortization of swap buyouts (see Note 15, *Financial Instruments*, and Note 16, *Fair-Value Measurements*, of the Notes to the Consolidated Financial Statements).

(b) Reported as Other (income)/expense, net in our Consolidated Statements of Income, the accumulated other comprehensive income components are included in the computation of net periodic pension cost (see Note 4, *Pension, Postretirement, and Other Benefit Plans*, of the Notes to the Consolidated Financial Statements).

10. Noncontrolling Interest

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 noncontrolling 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 three and nine months ended September 30, 2026.

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

ASC Noncontrolling Interest	Nine months ended September 30,	
(in thousands, except percentages)	2026	2025
Net income of Albany Safran Composites (ASC)	$ 7,769	$ 4,857
Less: Return attributable to the Company's preferred holding	1,299	1,352
Net income of ASC available for common ownership	$ 6,470	$ 3,505
Ownership percentage of noncontrolling shareholder	10 %	10 %
Net income attributable to the noncontrolling interest	$ 647	$ 351
Noncontrolling interest, beginning of year	$ 5,893	$ 4,983
Net income attributable to noncontrolling interest	647	351
Changes in other comprehensive income attributable to the noncontrolling interest	(91)	376
ASC Noncontrolling interest, end of interim period	$ 6,449	$ 5,709
Arcari Noncontrolling interest, end of interim period	$ 0	$ —
Total Noncontrolling interest, end of interim period	$ 6,449	$ 5,709

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 September 30, 2026 and December 31, 2025, Accounts receivable consisted of the following:

(in thousands)	September 30, 2026	December 31, 2025
Trade and other accounts receivable	$ 264,425	$ 221,592
Bank promissory notes	17,396	17,844
Allowance for expected credit losses	(4,129)	(4,352)
Accounts receivable, net	$ 277,692	$ 235,084

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 payment 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 September 30, 2026 and December 31, 2025, Contract assets and Contract liabilities consisted of the following:

(in thousands)	September 30, 2026	December 31, 2025
Contract assets	$ 165,296	$ 87,573
Allowance for expected credit losses	(858)	(471)
Contract assets, net	$ 164,438	$ 87,102
Contract liabilities	$ 28,185	$ 33,397

Contract assets, net increased $77.3 million during the nine months ended September 30, 2026, primarily due to the conclusion of the Amelia Earhart Drive strategic review upon which $68.6 million was reclassified from Assets held for sale back into Contract assets, net. The remaining increase in unbilled revenue is related to commercial and defense programs. There were no impairment losses related to our Contract assets during the nine months ended September 30, 2026 and September 30, 2025.

Contract liabilities decreased $5.2 million for the period ended September 30, 2026 compared to December 31, 2025, primarily due to revenue recognized from satisfied performance obligations for contracts that were in a contract liability position partially offset by amounts reclassified from Liabilities held for sale back into Accrued liabilities upon the conclusion of the Amelia Earhart Drive strategic review. Revenue recognized for the nine months ended September 30, 2026 and 2025 that was included in the Contract liability balance at the beginning of the year was $23.8 million and $5.6 million, respectively.

13. Inventories

As of September 30, 2026 and December 31, 2025, Inventories consisted of the following:

(in thousands)	September 30, 2026	December 31, 2025
Raw materials	**$ 89,490**	$ 60,311
Work in process	**56,009**	46,952
Finished goods	**20,038**	14,326
Total inventories	**$ 165,537**	$ 121,589

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 September 30, 2026 and December 31, 2025:

		September 30, 2026		
(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**	**$ (208)**	**$ —**
AEC Technology	**10-15**	**6,322**	**(4,437)**	**1,885**
AEC Intellectual property	**15**	**1,250**	**(569)**	**681**
AEC Customer relationships	**8-15**	**69,446**	**(53,507)**	**15,939**
Heimbach Developed technology	**9**	**8,712**	**(3,041)**	**5,671**
Total Finite-lived intangible assets		**$ 85,938**	**$ (61,762)**	**$ 24,176**
Indefinite-lived intangible assets:				
Heimbach Trade name		**$ 6,235**	**$ —**	**$ 6,235**
MC Goodwill		**68,216**	**—**	**68,216**
AEC Goodwill		**113,795**	**—**	**113,795**
Total Indefinite-lived intangible assets:		**$ 188,246**	**$ —**	**$ 188,246**

(in thousands)	Amortization life in years	December 31, 2025 Gross carrying amount	Accumulated amortization and other	Net carrying amount
Finite-lived assets:				
AEC Trademarks and trade names	6-15	$ 208	$ (208)	$ —
AEC Technology	10-15	6,530	(4,114)	2,416
AEC Intellectual property	15	1,250	(505)	745
AEC Customer relationships	8-15	69,560	(64,331)	5,229
Heimbach Developed technology	9	9,291	(2,709)	6,582
Total Finite-lived assets		$ 86,839	$ (71,867)	$ 14,972
Indefinite-lived intangible assets:				
Heimbach Trade name		$ 6,456	$ —	$ 6,456
MC Goodwill		69,911	—	69,911
AEC Goodwill		114,428	(21,832)	92,596
Total Indefinite-lived intangible assets:		$ 190,795	$ (21,832)	$ 168,963

As of December 31, 2025, $13.4 million of finite-lived assets and $21.8 million of AEC goodwill related to the Amelia Earhart Drive facility were reclassified to held for sale. As of September 30, 2026, these amounts were reclassified back into their respective line items on the balance sheet.

The changes in intangible assets, net and goodwill from December 31, 2025 to September 30, 2026, were as follows:

(in thousands)	December 31, 2025	Reclassified from Assets Held for Sale	Amortization	Currency Translation	September 30, 2026
Finite-lived intangible assets:					
AEC Trademarks and trade names	$ —	$ —	$ —	$ —	**$ —**
AEC Technology	2,416	—	(446)	(85)	**1,885**
AEC Intellectual property	745	—	(64)	—	**681**
AEC Customer relationships	5,229	13,384	(2,618)	(56)	**15,939**
Heimbach Developed technology	6,582	—	(717)	(194)	**5,671**
Total Finite-lived intangible assets	$ 14,972	$ 13,384	$ (3,845)	$ (335)	**$ 24,176**
Indefinite-lived intangible assets:					
Heimbach Trade name	$ 6,456	$ —	$ —	$ (221)	**$ 6,235**
MC Goodwill	69,911	—	—	(1,695)	**68,216**
AEC Goodwill	92,596	21,829	—	(630)	**113,795**
Total Indefinite-lived assets:	$ 168,963	$ 21,829	$ —	$ (2,546)	**$ 188,246**

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.

15. Financial Instruments

The following table represents the Company's outstanding debt:

(in thousands, except interest rates)	September 30, 2026	December 31, 2025
Borrowings under the Amended Credit Agreement		
USD borrowings	**$ 320,000**	$ 350,000
EUR borrowings	**102,087**	105,663
Total bank debt	**422,087**	455,663

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 September 30, 2026, 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 September 30, 2026, there was $422.1 million of borrowings outstanding under the Amended Credit Agreement and we had borrowings available of $377.9 million, based on our maximum leverage ratio and our Consolidated EBITDA (as defined in the Amended Credit Agreement).

As of September 30, 2026 and December 31, 2025, the USD interest rate in effect was 5.61% and 5.56%, respectively, including the effect of interest rate swaps; at the end of September 30, 2026 and December 31, 2025, the EUR interest rate in effect was 3.96% and 3.73%, respectively, including the effect of interest rate swaps.

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 September 30, 2026, our leverage ratio was 1.68 to 1.00 and our interest coverage ratio was 7.68 to 1.00. As of September 30, 2026, 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 the second and third quarters of 2026, the Company entered into three USD and two EUR forward starting interest rate swap agreements with starting dates of November 15, 2026 and November 14, 2026, respectively. These instruments are intended to replace the Company's existing interest rate swap agreements upon their maturity on those same dates and are entered into for the purpose of managing the Company's exposure to variability in cash flows attributable to changes in benchmark interest rates. Changes in fair value during the forward period, from the trade date through the respective starting dates, will be recorded in other comprehensive income (loss).

The three USD forward starting interest rate swap agreements have three-year tenors and mature on November 15, 2029. The swaps have the effect of fixing the SOFR portion of the interest rate on a total of $175 million of USD indebtedness drawn under the Amended Credit Facility. Under these interest rate swap agreements, the Company pays a fixed rate and the counterparty pays a floating rate based on the one-month term SOFR rate, reset monthly. The two EUR forward starting interest rate swap agreements have three-year tenors and mature on November 14, 2029. The swaps have the effect of fixing the EURIBOR portion of the interest rate on a total of €45 million of EUR

indebtedness drawn under the Amended Credit Facility. Under this agreement, the Company pays a fixed rate and the counterparty pays a floating rate based on the one-month EURIBOR rate, reset monthly.

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.

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 September 30, 2026 or at December 31, 2025, other than certain pension assets as indicated in our December 31, 2025 Annual Report on Form 10-K.

Debt is carried at cost, which approximates fair value.

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:

	September 30, 2026		December 31, 2025	
(in thousands)	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	**$ 4,138**	**$ —**	$ 10,584	$ —
Other Assets:				
Common stock of unaffiliated foreign public company (a)	**—**	**—**	1,098	—
Interest rate swaps	**—**	**5,677**	—	768
Liabilities:				
Foreign currency option contracts	**—**	**353**	—	—

(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 are recorded as a component of Derivative valuation adjustment in the Shareholders' equity section of the Consolidated Balance Sheets. As of September 30, 2026, 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 $(0.4) million for the nine months ended September 30, 2026 and $(0.3) million for the nine months ended September 30, 2025.

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:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	**2026**	**2025**	**2026**	**2025**
Derivatives not designated as hedging instruments:				
Foreign currency options (gains)/losses	**$ (13)**	$ (95)	**$ (1,187)**	$ (3,356)

17. 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 3,662 claims as of September 30, 2026.

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**
Twelve months ended December 31, 2025	3,646	28	59	3,677	$ 173
Nine months ended September 30, 2026	**3,677**	**47**	**32**	**3,662**	**$ 100**

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 September 30, 2026, we had resolved, by means of settlement or dismissal, 38,126 claims at a total cost of $11 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 7,676 claims as of September 30, 2026, 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 tables summarize changes in Shareholders' Equity for the three and nine month periods ended September 30, 2026:

	Class A Common Stock					Class A Treasury Stock			
	Shares	Amount	Additional paid-in capital	Retained earnings	Accumulated items of other comprehensive income	Shares	Amount	Noncontrolling Interest	Total Shareholders' Equity
June 30, 2026	**41,057**	**41**	**464,148**	**993,170**	**(144,677)**	**12,686**	**(566,993)**	**6,400**	**752,089**
Net income				41,697				189	41,886
Stock issued under incentive compensation plans	14								—
Taxes paid in lieu of share issuance			(311)						(311)
Stock-based compensation			2,741						2,741
Dividends declared on Class A Common Stock, $0.28 per share				(7,948)					(7,948)
Cumulative translation adjustments					(3,630)			(140)	(3,770)
Pension and postretirement liability adjustments					227				227
Derivative valuation adjustment and other				(56)	3,256				3,200
September 30, 2026	41,071	$ 41	$ 466,578	$ 1,026,863	$ (144,824)	12,686	$ (566,993)	$ 6,449	$ 788,114

	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, 2025	40,989	$ 41	$ 460,472	$ 976,373	$ (143,538)	12,686	$ (567,139)	$ 5,893	$ 732,102
Net income	—	—	—	74,392	—	—	—	647	75,039
Stock issued under incentive compensation plans	67	—	—	—	—	—	—	—	—
Taxes paid in lieu of share issuance	—	—	(1,644)	—	—	—	—	—	(1,644)
Stock-based compensation	—	—	6,868	—	—	—	—	—	6,868
Shares issued to Directors	15	—	882	—	—	—	—	—	882
Share repurchase excise tax adjustment	—	—	—	—	—	—	146	—	146
Dividends declared on Class A Common Stock, $0.84 per share	—	—	—	(23,831)	—	—	—	—	(23,831)
Cumulative translation adjustments	—	—	—	—	(6,365)	—	—	(91)	(6,456)
Pension and postretirement liability adjustments	—	—	—	—	1,073	—	—	—	1,073
Derivative valuation adjustment and other	—	—	—	(71)	4,006	—	—	—	3,935
September 30, 2026	41,071	$ 41	$ 466,578	$ 1,026,863	$ (144,824)	12,686	$ (566,993)	$ 6,449	$ 788,114

The following tables summarize changes in Shareholders' Equity for the three month and nine month periods ended September 30, 2025:

(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		
June 30, 2025	**40,984**	**41**	**456,587**	**1,075,934**	**(144,292)**	**11,516**	**(499,658)**	**5,497**	**894,109**
Net income	—	—	—	(97,760)	—	—	—	122	(97,638)
Stock issued under incentive compensation plans	5	—	—	—	—	—	—	—	—
Taxes paid in lieu of share issuance	—	—	(137)	—	—	—	—	—	(137)
Stock-based compensation	—	—	3,844	—	—	—	—	—	3,844
Purchase of Treasury shares (a)	—	—	—	—	—	810	(50,516)	—	(50,516)
Dividends declared on Class A Common Stock, $0.27 per share	—	—	—	(7,739)	—	—	—	—	(7,739)
Cumulative translation adjustments	—	—	—	—	2,395	—	—	90	2,485
Pension and postretirement liability adjustments	—	—	—	—	473	—	—	—	473
Derivative valuation adjustment and other	—	—	—	—	126	—	—	—	126
September 30, 2025	40,989	$ 41	$ 460,294	$ 970,435	$ (141,298)	12,326	$ (550,174)	$ 5,709	$ 745,007

(in thousands)	Class A Common Stock Shares	Class A Common Stock Amount	Additional paid-in capital	Retained earnings	Accumulated items of other comprehensive income	Class A Treasury Stock Shares	Class A Treasury Stock Amount	Noncontrolling Interest	Total Shareholders' Equity
December 31, 2024	40,917	$ 41	$ 452,933	$ 1,065,763	$ (195,989)	9,845	$ (379,210)	$ 5,409	$ 948,947
Net income	—	—	—	(71,222)	—	—	—	265	(70,957)
Stock issued under incentive compensation plans	61	—	(1,067)	—	—	—	—	—	(1,067)
Taxes paid in lieu of share issuance	—	—	(1,454)	—	—	—	—	—	(1,454)
Stock-based compensation	—	—	9,122	—	—	—	—	—	9,122
Shares issued to Directors'	11	—	760	—	—	—	—	—	760
Purchase of Treasury shares (a)	—	—	—	—	—	2,481	(170,964)	—	(170,964)
Dividends declared on Class A Common Stock, $0.81 per share	—	—	—	(24,025)	—	—	—	—	(24,025)
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(88)	(88)
Cumulative translation adjustments	—	—	—	—	58,366	—	—	35	58,401
Pension and postretirement liability adjustments	—	—	—	—	(3,044)	—	—	—	(3,044)
Derivative valuation adjustment and other	—	—	—	(81)	(631)	—	—	88	(624)
September 30, 2025	40,989	$ 41	$ 460,294	$ 970,435	$ (141,298)	12,326	$ (550,174)	$ 5,709	$ 745,007

(a) 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.

19. Held for Sale

During the fourth quarter of 2025, we announced plans to commence a strategic review of the Amelia Earhart Drive facility in Salt Lake City. As of December 31, 2025, the Company determined that the Amelia Earhart Drive facility met held-for-sale accounting criteria, and the facility's assets and liabilities were classified as held-for-sale in the consolidated balance sheet. Upon classification as held for sale, the Company ceased depreciation and amortization of the related long-lived assets in accordance with applicable accounting guidance. At the time of the decision, fair value exceeded carrying value and therefore no impairment loss was recorded.

In the third quarter of 2026, we determined that we would no longer pursue the previously planned sale of the facility following the conclusion of the strategic review. This decision was made following new business wins, a renegotiated contract for the Boeing 787 program, and amended contract terms with Sikorsky, a Lockheed Martin Company, on the CH-53K program. Upon making this decision, the Company reclassified the assets and liabilities held-for-sale back into their respective line items on the balance sheet. Additionally, the Company resumed depreciation and amortization of the long-lived assets including catch-up on unrecognized expense from earlier in the year. As fair value continues to exceed carrying value, no impairment loss was recorded, and the reclassification was made using carrying value with this catch-up depreciation and amortization.

The following table presents the assets and liabilities classified as held-for-sale at September 30, 2026 and December 31, 2025:

(in thousands)	September 30, 2026	December 31, 2025
Accounts receivable, net	$ —	$ 27,159
Contract assets, net	—	68,550
Inventories	—	16,422
Prepaid expenses and other current assets	—	697
Property, plant and equipment, net	—	93,525
Intangibles, net	—	13,384
Goodwill	—	21,829
Other assets	—	52,217
Total assets held for sale	$ —	$ 293,783

Accounts payable	$ —	$ 16,408
Accrued liabilities	—	115,448
Other noncurrent liabilities	—	59,724
Deferred income taxes	—	11,743
Total liabilities held for sale	$ —	$ 203,323

20. 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. These forward-looking statements are qualified in their entirety by the specific cautionary factors identified below and the more detailed risk factor discussions contained in those filings. Investors should not place undue reliance on any forward-looking statement.

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;
- 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;
- 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, and unanticipated reductions in demand, delays, technical difficulties or cancellations in aerospace programs that are expected to generate revenue and drive long-term growth;
- Inability of our Machine Clothing or Albany Engineered Composites 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;
- Failure to achieve or maintain anticipated profitable growth;
- 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 from 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;

- Changes in trade policy, tariffs, or import/export restrictions that may significantly and adversely impact our results of operations;
- 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 governmental agencies;
- Costly and disruptive legal disputes and settlements;
- Future levels of indebtedness and capital expenditures;
- Adverse impacts from changes in tax legislation or challenges to our tax positions;
- Cybersecurity incidents or significant computer system compromises or data breaches;
- Significant problems with information systems or networks;
- Failure to successfully integrate the Heimbach Group 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; 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. The risk factors enumerated above and in those filings are intended to be meaningful cautionary statements for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, and such factors are specifically incorporated by reference herein. 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.

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, 2025. 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.

Global, economic, and political conditions, changes in raw material and commodity prices and supply, labor availability and costs, inflation, interest rates, potential changes in U.S. government policy positions, including changes in

Department of Defense policies or priorities, geopolitical conflicts and strained international relations, U.S. and non-U.S. tax law changes, foreign currency exchange rates, sanctions, tariffs, energy costs and supply, and the impact from natural disasters and weather conditions create uncertainties that could impact our businesses.

Machine Clothing Segment

The MC segment continues to deliver resilient performance, with several areas performing well despite uneven market dynamics. In Asia, softer demand—across Paper Machine Clothing & Engineered Fabrics—continues to contribute to regional pressure. Packaging and Tissue continue to perform well, supported by growth across most regions. Looking ahead to the remainder of 2026, we expect Packaging and Tissue to remain positive contributors, with sales in Europe holding broadly stable, while trajectory in the Americas is impacted by cyclical moderation tied to customer consolidations. Publication grades remained under structural pressure, and the MC segment expects publication grade paper demand to continue declining through 2026 and beyond, offset by growing demand for tissue grade products.

We believe the MC segment is well-positioned in key markets, with high-quality, low-cost production, 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. Despite pricing and demand pressures on revenue growth, the MC segment is expected to improve earnings in the future through technological innovations, manufacturing productivity efficiencies, global footprint optimization, and cost controls.

The MC segment has been a significant generator of operating cash inflows for the Company. The Company seeks to maintain the cash-generating potential of this business by vigorously using our differentiated and technically superior products to reduce our customers' total cost of operation while improving their paper quality, and by maintaining lower costs through a continued focus on cost-reduction initiatives and strategic investment.

Albany Engineered Composites Segment

The AEC segment's strategy is to continue to build on its global brand by leveraging its industry leading performance to drive future growth through technology differentiation. This includes continued investment in AEC's proprietary 3D-woven technology to accelerate solutions that can be offered across a set of broader applications, and by leveraging AEC's non-3D technology capabilities and capacity, on high-value aerospace (both commercial and defense) applications, and other emerging markets such as space and advanced air mobility ("AAM"). The AEC segment provides longer-term growth potential for the Company as it ramps current production programs and captures new commercial and defense opportunities.

The AEC segment (including Albany Safran Composites, LLC ("ASC"), in which our customer SAFRAN Group owns a 10% noncontrolling interest) supplies a number of customers in the aerospace industry. AEC's largest aerospace customer is the SAFRAN Group ("SAFRAN") and sales to SAFRAN, through ASC, (consisting primarily of fan blades and cases for CFM International's LEAP engine) accounted for approximately 15% of the Company's consolidated Net revenues in 2025. The AEC segment, through ASC, also supplies 3D-woven composite fan cases for the GE9X engine. Outside of ASC, the AEC segment also supplies 3D-woven composite vanes for the F-35 Liftfan.

The AEC segment's current portfolio of non-3D programs includes components for the CH-53K helicopter, components for the F-35, missile bodies for Lockheed Martin's JASSM air-to-surface missiles, fuselage components for the Boeing 787 aircraft, vacuum waste tanks for Boeing commercial aircraft and components and structures for other commercial, defense, and space and AAM programs. In 2025, approximately 35% of AEC net revenues were related to U.S. government contracts or programs.

The AEC segment is dependent on global supply chains and has experienced disruptions in recent years. In addition, higher inflation levels increased material costs, higher labor rates and other supplier costs that have impacted the AEC segment's results of operations. The AEC segment attempts to mitigate raw material and supplier costs by entering into long-term supply agreements. However, in some cases, higher raw material and supplier costs adversely impacted certain firm-fixed price programs resulting in lower program gross margins. In addition, as the AEC segment ramps-up larger complex programs, such as those associated with the CH-53 program, it continues to face challenges in staffing and training its workforce to support production rates, which has impacted operational productivity, particularly at its Salt Lake City facility, and contributed to increased labor and scrap costs.

During the fourth quarter of 2025, we announced plans to commence a strategic review of the Amelia Earhart Drive facility in Salt Lake City. In the third quarter of 2026, we determined that we would no longer pursue the previously planned sale of the facility following the conclusion of the strategic review. This decision was made following new business wins, a renegotiated contract for the Boeing 787 program, and amended contract terms with Sikorsky, a Lockheed Martin Company, on the CH-53K program. We continue to engage closely with our customers in connection with the retained operations.

Consolidated Results of Operations

Net Revenues and Gross Profit

The following table summarizes our Consolidated Net revenues and Gross profit:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands, except percentages)	**2026**	**2025**	**2026**	**2025**
Net revenues	**$ 349,539**	$ 261,434	**$ 990,354**	$ 861,607
Gross profit	**140,378**	(49,938)	**348,073**	144,055
Gross profit margin	**40.2 %**	(19.1)%	**35.1 %**	16.7 %

Three Month Comparison

Net revenues for the three months ended September 30, 2026 increased $88.1 million or 33.7% as compared to the three months ended September 30, 2025, primarily driven by negative CH-53K program adjustments of $46.0 million recorded in the prior year period compared to the reversal of $11.6 million of those adjustments in the current year period due to a contract renegotiation resulting in additional transaction price, as well as higher other program activity levels in the AEC segment. This is partially offset by softness in the MC business as a result of reduced activity levels in the Americas region.

The increase in gross profit of $190.3 million for the three months ended September 30, 2026, as compared to the three months ended September 30, 2025, was primarily driven by negative CH-53K program adjustments of $147.3 million recorded in the prior year period compared to the reversal of $44.4 million of these adjustments in the current year period due to the contract renegotiation. Additionally, higher AEC sales volume contributed to the increase in gross profit. These increases were partially offset by $11.0 million of catch-up depreciation and amortization recorded in the current year period upon reclassification of the Amelia Earhart Drive assets out of held for sale. Gross profit margin increased to 40.2% from (19.1)% for the three months ended September 30, 2026 and September 30, 2025, respectively.

Nine Month Comparison

Net revenues for the nine months ended September 30, 2026 increased $128.7 million or 14.9% as compared to the nine months ended September 30, 2025, primarily driven by negative CH-53K program adjustments of $54.3 million recorded in the prior year period compared to positive adjustments of $11.6 million in the current year period due to a contract renegotiation resulting in additional transaction price, as well as higher other program activity levels in the AEC segment. This is partially offset by softness in the MC business as a result of reduced activity levels in the Americas region. Additionally, changes in currency translation rates increased comparative segment net revenues by $14.0 million as compared to the prior year.

The increase in gross profit of $204.0 million for the nine months ended September 30, 2026, as compared to the nine months ended September 30, 2025, was primarily driven by changes in the estimated profitability of our CH-53K and other long-term contracts recognized in both periods. These adjustments were a negative $157.6 million in the prior year period, primarily related to an estimated loss reserve on CH-53K, compared to a positive $36.3 million in the current year period, primarily related to the CH-53K contract renegotiation. Additionally, higher AEC sales volume contributed to the increase in gross profit. Gross profit margin increased to 35.1% from 16.7% for the nine months ended September 30, 2026 and September 30, 2025, respectively.

Operating Expenses

The following table summarizes Consolidated Operating expenses by classification:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands, except percentages)	**2026**	**2025**	**2026**	**2025**
Selling, general and administrative expenses	**$ 61,501**	$ 51,905	**$ 175,868**	$ 164,219
Technical and research expenses	**12,186**	11,467	**36,865**	35,915
Restructuring expenses, net	**7,293**	3,197	**18,431**	9,895
Total operating expenses	**$ 80,980**	$ 66,569	**$ 231,164**	$ 210,029
Total operating expenses as a % of net revenues	**23.2 %**	25.5 %	**23.3 %**	24.4 %

Three Month Comparison

Consolidated Selling, general and administrative ("SG&A") expenses increased $9.6 million or 18.5% as compared to the three months ended September 30, 2025. The overall changes are primarily the result of costs incurred related to the strategic review of the Amelia Earhart Drive facility and an increase in compensation costs.

Consolidated Technical and research expenses increased by $0.7 million as compared to the three months ended September 30, 2025, driven by increased costs to assist with continued innovation primarily within the AEC segment.

Restructuring expenses, net of $7.3 million in the three months ended September 30, 2026, increased by $4.1 million compared to $3.2 million in the three months ended September 30, 2025. The increase in restructuring expenses for the three month period is primarily a result of higher asset transfer costs related to site consolidations and higher consulting costs.

Nine Month Comparison

Consolidated Selling, general and administrative ("SG&A") expenses increased $11.6 million or 7.1% as compared to the nine months ended September 30, 2025. The overall changes are primarily the result of costs incurred related to the strategic review of the Amelia Earhart Drive facility and an increase in compensation costs.

Consolidated Technical and research expenses increased by $1.0 million as compared to the nine months ended September 30, 2025, driven by increased costs to assist with continued innovation primarily within the AEC segment.

Restructuring expenses, net of $18.4 million in the nine months ended September 30, 2026, increased by $8.5 million compared to $9.9 million in the nine months ended September 30, 2025. The increase in restructuring expenses for the nine month period is primarily a result of higher asset transfer costs related to site consolidations and higher consulting costs.

Operating Income

See the Segment Results of Operations section of this Management's Discussion and Analysis of Financial Condition and Results of Operations for significant drivers of Operating income/(loss) for each business segment.

Other Earnings Items

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands, except percentages)	**2026**	**2025**	**2026**	**2025**
Interest expense, net	**$ 5,337**	$ 5,897	**$ 16,872**	$ 14,702
Other (income)/expense, net	**(1,727)**	(347)	**(4,881)**	4,170
Income tax expense	**13,902**	(24,419)	**29,879**	(13,889)
Net income attributable to the noncontrolling interest	**189**	122	**647**	265

Interest Expense, net

Interest expense, net, increased $2.2 million as compared to the nine months ended September 30, 2025 due to higher average debt balances as well as a lower amount of interest income earned on cash equivalents during the current year.

Other (Income)/Expense, net

Other (income)/expense, net, included foreign currency related activity which resulted in gains of $2.1 million and $4.8 million in the three and nine months ended September 30, 2026, as compared to gains of $1.1 million and losses of $7.8 million in the same periods last year. These changes were primarily the result of unrealized gains and losses on intercompany loans. In addition, changes in the fair value of derivative instruments included gains of $0.1 million and $1.6 million in the three and nine months ended September 30, 2026, as compared to gains of $0.1 million and $3.4 million for the three and nine months ended September 30, 2025. Unrealized gains and losses on both derivative instruments and intercompany loans were driven by currency rate movements, most notably the Brazilian Real and British Pound Sterling. Components of net periodic pension and postretirement costs other than service costs constituted expenses of $1.5 million and $4.4 million in the three and nine months ended September 30, 2026, as compared to expenses of $1.0 million for the three months ended September 30, 2025 and $1.3 million for the nine months ended September 30, 2025. See *Note 6, Other (Income)/Expense, net,* in the Notes to the Consolidated Financial Statements in Item 1, which is incorporated herein by reference.

Effective Income Tax Rate

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Effective income tax rate	**24.9 %**	20.0 %	**28.5 %**	16.4 %

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 nine months ended September 30, 2026 was 28.5%, compared to 16.4% for the same period in 2025, primarily due to the Company being in a loss position in prior year. For more information, see *Note 7, Income Taxes,* in the Notes to the Consolidated Financial Statements in Item 1, which is incorporated herein by reference.

The Organization for Economic Co-operation and Development has issued Pillar Two model rules introducing a new global minimum tax of 15 percent effective on January 1, 2024. The U.S. has not adopted the Pillar Two rules; however, various other governments around the world are enacting legislation. As currently designed, Pillar Two will ultimately apply to our worldwide operations. Certain foreign subsidiaries subject to the Pillar Two regime file reports to comply with locally enacted guidance. On January 1, 2026, the Pillar Two Side-by-Side (SbS) Safe Harbor agreement became effective, and the US is a Qualified SbS Regime. Therefore, a qualified US-headquartered multinational corporation may elect the SbS Safe Harbor and be exempt from minimum top-up tax. AIC intends to make the election. We do not expect the Pillar Two rules to materially increase our global tax costs in 2026, though uncertainty remains as the rules develop. We will continue to monitor U.S. and global legislative action related to Pillar Two for potential impacts.

Segment Results of Operations

Machine Clothing Segment

A summary of MC's selected financial results is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands, except percentages)	**2026**	**2025**	**2026**	**2025**
Net revenues	**$ 169,802**	$ 174,950	**$ 514,464**	$ 530,573
Gross profit	**75,368**	82,070	**231,377**	245,731
% of net revenues	**44.4 %**	46.9 %	**45.0 %**	46.3 %
SG&A expenses	**30,971**	30,291	**97,710**	98,841
Technical and research expenses	**6,412**	6,716	**19,960**	21,332
Restructuring expenses, net	**6,827**	1,960	**15,892**	6,322
Operating income	**31,158**	43,103	**97,815**	119,236
% of net revenues	**18.3 %**	24.6 %	**19.0 %**	22.5 %

Net revenues

Net revenues for the three months ended September 30, 2026 decreased 2.9% as compared to the three months ended September 30, 2025, driven by reduced demand in the Americas region partially offset by strong performance within the European market and stable performance in Asia.

Net revenues for the nine months ended September 30, 2026 decreased 3.0% as compared to the nine months ended September 30, 2025, driven by reduced demand in the Americas region offset by strong performance within the European market and stable performance in Asia. Further, changes in currency translation rates had the effect of increasing Net revenues by $8.4 million for the nine months ended September 30, 2026, as compared to this period in 2025.

Gross Profit

Gross profit for the three months ended September 30, 2026 decreased by $6.7 million as compared to the three months ended September 30, 2025, driven by the volume declines noted above as well as under absorbed costs related to lower production rates, with gross profit margin decreasing from 46.9% to 44.4% in the three months ended September 30, 2025 and 2026, respectively.

Gross profit for the nine months ended September 30, 2026 decreased by $14.4 million as compared to the nine months ended September 30, 2025, primarily driven by the volume declines noted above as well as under absorbed costs related to lower production rates, with gross profit margin decreasing slightly from 46.3% to 45.0% in the nine months ended September 30, 2025 and 2026, respectively.

Operating Income

Operating income for the three months ended September 30, 2026 decreased $11.9 million or 27.7% as compared to the three months ended September 30, 2025, primarily as a result of gross profit declines and higher restructuring costs. Incremental restructuring expenses were primarily a result of higher asset transfer costs related to site consolidations and higher consulting costs.

Operating income for the nine months ended September 30, 2026 decreased $21.4 million or 18.0% as compared to the nine months ended September 30, 2025, primarily as a result of gross profit declines and higher restructuring costs, partially offset by Selling, general, and administrative and Technical and research cost containment. Incremental restructuring expenses were primarily a result of higher asset transfer costs related to site consolidations and higher consulting costs.

Albany Engineered Composites Segment

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 this arrangement accounted for approximately 33% and 37% of segment revenue for the nine months ended September 30, 2026 and 2025, 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.

A summary of AEC's selected financial results is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands, except percentages)	**2026**	**2025**	**2026**	**2025**
Net revenues	**$ 179,737**	$ 86,484	**$ 475,890**	$ 331,034
Gross profit	**65,010**	(132,008)	**116,696**	(101,676)
% of net revenues	**36.2 %**	(152.6)%	**24.5 %**	(30.7)%
SG&A expenses	**17,166**	12,218	**40,067**	34,121
Technical and research expenses	**4,498**	3,673	**13,256**	11,472
Restructuring expenses, net	**—**	113	**—**	1,801
Operating income	**43,346**	(148,012)	**63,373**	(149,070)
% of net revenues	**24.1 %**	(171.1)%	**13.3 %**	(45.0)%

Net revenues

Net revenues for the three months ended September 30, 2026 increased $93.3 million, or 107.8%, primarily driven by negative CH-53K program adjustments of $46.0 million recorded in the prior year period compared to the reversal of $11.6 million of those adjustments in the current year period due to a contract renegotiation resulting in additional transaction price, as well as higher other program activity levels, primarily LEAP.

Net revenues for the nine months ended September 30, 2026 increased $144.9 million, or 43.8%, primarily driven by negative CH-53K program adjustments of $54.3 million recorded in the prior year period compared to positive adjustments of $11.6 million in the current year period due to a contract renegotiation resulting in additional transaction price. Additionally, other program activities are higher in the current year period including LEAP platforms, B787 Frames, F-35, and BETA Technologies. Further, changes in currency translation rates had the effect of increasing Net revenues by $5.7 million for the nine months ended September 30, 2026, as compared to this period in 2025.

Gross Profit

Gross profit for the three months ended September 30, 2026 increased $197.0 million as compared to the three months ended September 30, 2025, and Gross profit margin increased from (152.6)% to 36.2% in the three months ended September 30, 2025 and 2026, respectively. The change was primarily driven by the absence of negative CH-53K program adjustments of $147.3 million recorded in the prior year period compared to the reversal of $44.4 million of these adjustments in the current year period due to the contract renegotiation. Additionally, higher sales volume contributed to the increase in gross profit. These increases were partially offset by $11.0 million of catch-up depreciation and amortization recorded in the current year period upon reclassification of the Amelia Earhart Drive assets out of held for sale.

Gross profit for the nine months ended September 30, 2026 increased $218.4 million as compared to the nine months ended September 30, 2025, and Gross profit margin increased from (30.7)% to 24.5% in the nine months ended September 30, 2025 and 2026, respectively. The change is primarily driven by changes in the estimated profitability of our CH-53K and other long-term contracts recognized in both periods. These adjustments were a negative $157.6 million in the prior year period, primarily related to an estimated loss reserve on CH-53K, compared to a positive $36.3 million in the current year period, primarily related to the CH-53K contract renegotiation. Additionally, higher sales volume contributed to the increase in gross profit.

Operating Income

Operating income for the three months ended September 30, 2026 increased $191.4 million as compared to the three months ended September 30, 2025, principally due to favorable changes to Gross profit as noted above and the conclusion of restructuring activities from 2025. This is partially offset by an increase in SG&A expenses of $4.9 million from the prior period as a result of increased compensation expenses.

Operating income for the nine months ended September 30, 2026 increased $212.4 million as compared to the nine months ended September 30, 2025, principally due to favorable changes to Gross profit as noted above and the conclusion of restructuring activities from 2025. This was slightly offset by an increase in SG&A expenses of $5.9 million from the prior period as a result of increased compensation expenses. Additionally, Technical and research expenses increased $1.8 million for the nine months ended September 30, 2026 as compared to the nine months ended September 30, 2025, driven by increased costs to assist with continued innovation within the segment.

Working Capital, Liquidity and Capital Structure

Cash Flow Summary

	Nine months ended September 30,	
(in thousands)	**2026**	**2025**
Net income	**$ 75,039**	$ (70,957)
Depreciation and amortization	**65,063**	65,480
Changes in working capital (a)	**(42,519)**	(15,108)
Changes in other noncurrent liabilities and deferred taxes	**12,412**	(26,171)
Other operating items	**(58,372)**	125,528
Net cash provided by operating activities	**51,623**	78,772
Net cash used in investing activities	**(30,553)**	(45,566)
Net cash used in financing activities	**(55,454)**	(48,268)
Effect of exchange rate changes on cash and cash equivalents	**1,159**	8,089
Decrease in cash and cash equivalents	**(33,225)**	(6,973)
Cash and cash equivalents at beginning of year	**112,350**	115,283
Cash and cash equivalents at end of period	**$ 79,125**	$ 108,310

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

Net cash provided by operating activities during the nine months ended September 30, 2026 was $51.6 million, compared to $78.8 million in the nine months ended September 30, 2025. The decrease was driven by lower cash generated by working capital primarily due to timing of customer collections and inventory growth in connection with timing of demand in both MC and AEC.

Net cash used in investing activities included capital expenditures totaling $33.3 million and $48.8 million for the nine months ended September 30, 2026 and September 30, 2025, respectively, with continued growth capital and capital designed to improve operating efficiencies across the Company.

Net cash used in financing activities was $55.5 million for the nine months ended September 30, 2026 as compared to net cash used of $48.3 million for the nine months ended September 30, 2025. During 2026, we had net repayments of debt of $30.0 million as compared to $150.0 million of borrowings in the prior year, which were offset by share repurchases of $171.0 million. Additionally, the Company has returned cash to shareholders through dividends of $23.8 million in the first nine months of 2026, compared to $24.7 million for the nine months ended September 30, 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. As of September 30, 2026, $422.1 million of borrowings were outstanding under our $800 million unsecured committed Amended Credit Agreement.

As of September 30, 2026, we had cash and cash equivalents of $79.1 million and borrowing capacity under our Amended Credit Agreement of $377.9 million, for a total liquidity of approximately $457.0 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.

As of September 30, 2026, $68.4 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 $161.5 million, as of September 30, 2026 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.

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 guarantees 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 third quarter of 2026.

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 $646.2 million. The potential loss in fair value resulting from a hypothetical 10% adverse change in quoted foreign currency exchange rates amounts to $64.6 million. Furthermore, related to foreign currency transactions, we have exposure to various nonfunctional currency balances totaling $305.0 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 $214.6 million of foreign currency assets as of September 30, 2026. 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 $21.5 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 September 30, 2026, 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 5.6%)		**195,000**
EUR borrowings (end of period all-in interest rate of 4.0%)		**51,044**
Total	**$**	**246,044**

Assuming borrowings were outstanding for an entire year, an increase of one percentage point in weighted average interest rates would increase interest expense by $2.5 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.

In the second and third quarters of 2026, the Company entered into three USD and two EUR forward starting interest rate swap agreements with starting dates of November 15, 2026 and November 14, 2026, respectively. These instruments are intended to replace the Company's existing interest rate swap agreements upon their maturity on those same dates and are entered into for the purpose of managing the Company's exposure to variability in cash flows attributable to changes in benchmark interest rates. Changes in fair value during the forward period, from the trade date through the respective starting dates, will be recorded in other comprehensive income (loss).

The three USD forward starting interest rate swap agreements have three-year tenors and mature on November 15, 2029. The swaps have the effect of fixing the SOFR portion of the interest rate on a total of $175 million of USD indebtedness drawn under the Amended Credit Facility. Under these interest rate swap agreements, the Company pays a fixed rate and the counterparty pays a floating rate based on the one-month term SOFR rate, reset monthly. The two EUR forward starting interest rate swap agreements have three-year tenors and mature on November 14, 2029. The swaps have the effect of fixing the EURIBOR portion of the interest rate on a total of €45 million of EUR indebtedness drawn under the Amended Credit Facility. Under this agreement, the Company pays a fixed rate and the counterparty pays a floating rate based on the one-month EURIBOR rate, reset monthly.

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, 2025.

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

Issuer Purchases of Equity Securities during the three months ended September 30, 2026

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)
July 1 to July 31, 2026	—	—	—	76,655
August 1 to August 31, 2026	—	—	—	76,655
September 1 to September 30, 2026	—	—	—	**76,655**
Total	—	—	—	$ 76,655

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. The Company has not repurchased shares in 2026. As of September 30, 2026, we were authorized to repurchase shares up to $76.7 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 nine months ended September 30, 2026, 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
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: October 29, 2026

By /s/ Sean Valashinas

Sean Valashinas
Acting Chief Financial Officer, Controller and Chief Accounting Officer
(Principal Financial Officer)

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: October 29, 2026

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, Sean Valashinas, 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: October 29, 2026

By /s/ Sean Valashinas

Sean Valashinas
Acting Chief Financial Officer, Controller and Chief Accounting Officer
(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 September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the Report), Gunnar Kleveland, President and Chief Executive Officer, and Sean Valashinas, Acting Chief Financial Officer, Controller and Chief Accounting Officer, 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: October 29, 2026

/s/ Gunnar Kleveland

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

/s/ Sean Valashinas

Sean Valashinas
Acting Chief Financial Officer, Controller and Chief Accounting Officer
(Principal Financial Officer)