Albany International Corp. (AIN)

Updated February 26th, 2026, by Aristofanis Papadatos

Key Metrics

Current Price:	$57	**5 Year CAGR Estimate:**	5.9%	**Market Cap:**	$1.7 B
Fair Value Price:	$52	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date[1]:**	3/20/26
% Fair Value:	110%	**5 Year Valuation Multiple Estimate:**	-1.8%	**Dividend Payment Date:**	4/6/26
Dividend Yield:	2.0%	**5 Year Price Target**	$70	**Years Of Dividend Growth:**	8
Dividend Risk Score:	C	**Sector:** Industrials		**Rating:**	Hold

Overview & Current Events

Albany International is a leading developer and manufacturer of engineered components. It uses advanced materials processing and automation capabilities and operates in two segments: Machine Clothing and Engineered Composites. The former involves the production of consumable belts that are essential for the manufacture of all grades of paper products. The latter involves the production of advanced materials-based engineered components for demanding aerospace applications. The solutions of the company render aircraft lighter and improve the fuel efficiency of engines. Albany International operates 30 facilities in 13 countries. It was founded in 1895, it is headquartered in Rochester, New Hampshire, and trades with a market capitalization of $1.7 billion.

On February 24th, 2026, Albany International reported results for the fourth quarter of fiscal 2025. Revenue grew 12% over the prior year's quarter thanks to higher volume in the Engineered Composites business, partially offset by softness in the Asian markets of the Machine Clothing business. Adjusted earnings-per-share grew 12%, from $0.58 to $0.65, but missed the analysts' consensus by $0.05. The company has missed the analysts' estimates in 4 of the last 5 quarters. Management reiterated that it has initiated a strategic review of the structures assembly business, including a potential sale of the unit. Management also provided cautious guidance for the first quarter of 2026, expecting adjusted earnings-per-share of $0.50-$0.60. At the mid-point, this guidance implies a -25% decline year-over-year.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.64	$1.03	$2.57	$4.10	$3.05	$3.65	$3.89	$4.06	$3.18	$2.66	***$2.60***	***$3.48***
DPS	$0.68	$0.68	$0.69	$0.73	$0.77	$0.81	$0.88	$1.01	$1.05	$1.08	***$1.12***	***$1.42***
Shares[2]	32.2	32.2	32.3	32.3	32.4	32.5	31.3	31.3	31.4	28.7	***27.0***	***25.0***

As shown in the above table, Albany International has exhibited a volatile performance record. On the bright side, it has grown its earnings-per-share at a 5.5% average annual rate over the last decade. Even better, the company still has ample room for future growth thanks to some major growth drivers. Its Machine Clothing segment is likely to greatly benefit from the secular growth in the global demand for paper packaging amid the sustained boom in e-commerce. Its segment of Engineered Composites is likely to benefit from the recovery in the production rates of aircraft 737 MAX of Boeing and A320Neo of Airbus.

Albany International invests roughly 10% of its gross profit in R&D every year to create innovative solutions for its customers. Thanks to its innovations, it has steadily enhanced its EBITDA margin, from 25% in 2014 to 35%. It also pursues growth via acquisitions, such as the takeover of Heimbach for €153 million in late 2023, which enhanced the geographic footprint of the company in Europe and Asia and created material synergies. We expect similar acquisitions in the future. Given also a low comparison base this year, we expect Albany International to grow its earnings-per-share by 6.0% per year on average over the next five years. The company may exceed our expectations but we prefer to have a margin of safety given the volatile performance record of the industrial manufacturer.

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[1] Estimated date.

[2] In millions.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	24.6	50.7	26.1	19.1	19.1	22.7	22.4	22.7	27.0	24.4	***21.9***	***20.0***
Avg. Yld.	1.7%	1.3%	1.0%	0.9%	1.3%	1.0%	1.0%	1.1%	1.2%	1.7%	***2.0%***	***2.0%***

Excluding 2017, in which depressed earnings caused an abnormally high price-to-earnings ratio, Albany International has traded at an average price-to-earnings ratio of 23.1 over the last decade and 23.9 over the last five years. Given the cyclicality of this business, we assume a fair earnings multiple of 20.0. The stock is now trading at a price-to-earnings ratio of 21.9. If it trades at our assumed fair valuation level in five years, it will incur a -1.8% annualized valuation drag.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	41%	66%	27%	18%	25%	22%	23%	25%	33%	41%	***43%***	***41%***

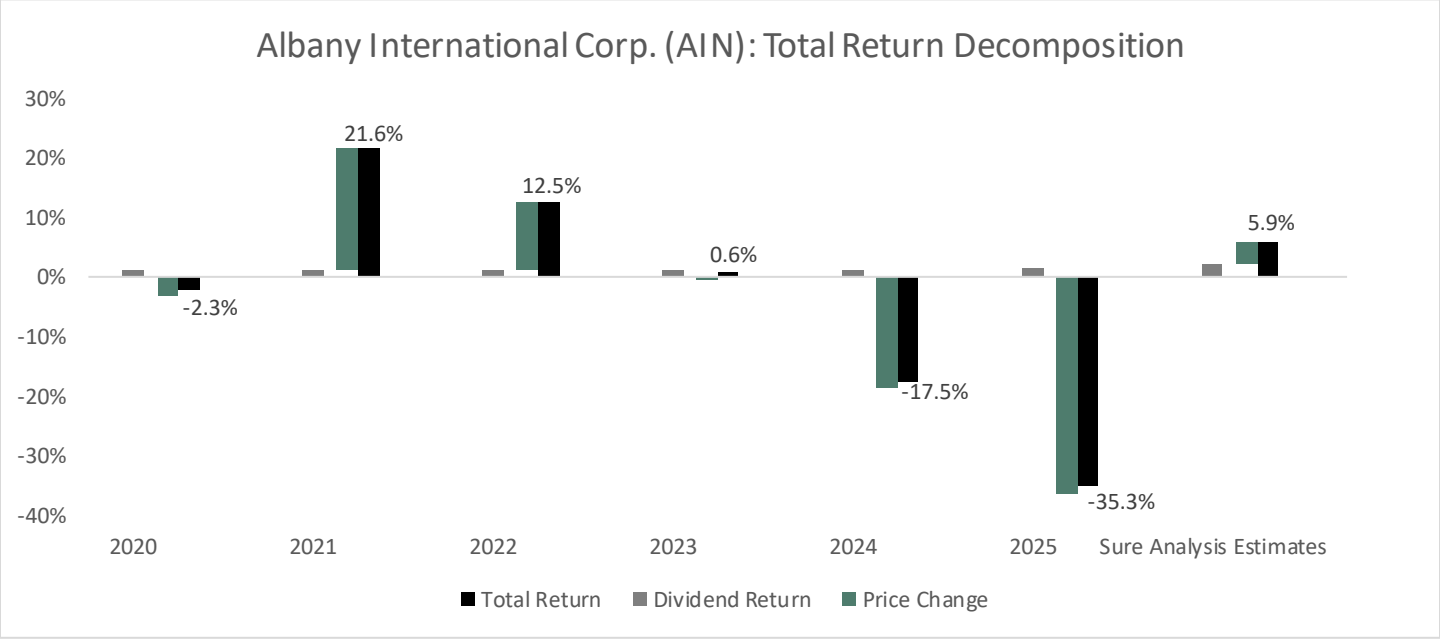
Albany International has raised its dividend for 8 consecutive years. Thanks to its healthy payout ratio of 43% and its promising growth prospects, the company can continue raising its dividend for many more years. On the other hand, the stock is offering a dividend yield of only 2.0% and hence it is not suitable for income-oriented investors.

On the bright side, Albany International has a rock-solid balance sheet. Management has repeatedly stated that it pursues a leverage ratio (Net Debt to EBITDA) below 3.0x but this metric is much better now (1.5x). The company also has net debt of $555 million, which is only 33% of the market cap. The rock-solid balance sheet is a testament to the strength of the business model and the quality of management. Nevertheless, investors should be aware of the cyclicality of this business and its sensitivity to recessions, mostly due to its exposure to the airline industry.

Final Thoughts & Recommendation

Albany International has dramatically underperformed the S&P 500 over the last 12 months (-29% vs. +17%) due to weak business performance. In addition, the business performance is likely to remain weak this year. The stock could offer a 5.9% total annual return over the next five years thanks to 6% growth of earnings and a 2.0% dividend, partly offset by a -1.8% valuation headwind. The stock receives a hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	780	864	982	1,054	901	929	1,035	1,148	1,231	1,183
Gross Profit	301	296	350	398	371	378	390	424	402	244
Gross Margin	38.6%	34.3%	35.6%	37.7%	41.2%	40.7%	37.7%	36.9%	32.6%	20.6%
SG&A Exp.	158	163	158	164	164	160	169	215	211	---
D&A Exp.	67	72	79	71	73	74	69	77	89	88
Operating Profit	103	92	151	196	172	185	181	168	145	-22
Operating Margin	13.2%	10.7%	15.4%	18.6%	19.1%	19.9%	17.5%	14.7%	11.8%	-1.9%
Net Profit	53	33	83	132	99	118	96	111	88	-57
Net Margin	6.8%	3.8%	8.4%	12.6%	10.9%	12.7%	9.3%	9.7%	7.1%	-4.8%
Free Cash Flow	7	(23)	50	132	98	164	32	64	137	81
Income Tax	25	22	32	45	42	47	35	49	29	-5

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,263	1,361	1,418	1,474	1,550	1,556	1,642	1,835	1,649	1,719
Cash & Equivalents	182	184	198	196	241	302	292	173	115	112
Accounts Receivable	146	152	211	201	167	168	180	272	231	322
Inventories	134	137	86	95	110	118	139	170	146	122
Goodwill & Int. Ass.	227	222	214	234	234	221	212	225	214	184
Total Liabilities	752	788	810	772	730	678	775	868	700	987
Accounts Payable	43	45	52	65	49	69	70	87	66	64
Long-Term Debt	485	516	525	424	398	350	439	457	319	456
Shareholder's Equity	508	570	605	699	816	874	863	961	944	726
LTD/E Ratio	0.96	0.91	0.87	0.61	0.49	0.40	0.51	0.48	0.34	0.63

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	4.6%	2.5%	6.0%	9.2%	6.5%	7.6%	6.0%	6.4%	5.0%	-3.4%
Return on Equity	10.4%	6.1%	14.0%	20.2%	13.0%	14.0%	11.0%	12.1%	9.1%	-6.8%
ROIC	6.0%	3.2%	7.5%	11.7%	8.4%	9.7%	7.6%	8.1%	6.5%	-4.5%
Shares Out.	32.2	32.2	32.3	32.3	32.4	32.5	31.3	31.3	31.3	29.6
Revenue/Share	24.24	26.79	30.42	32.64	27.83	28.62	32.90	36.70	39.27	40.01
FCF/Share	0.23	(0.73)	1.54	4.10	3.02	5.05	1.01	2.03	4.38	2.74

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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