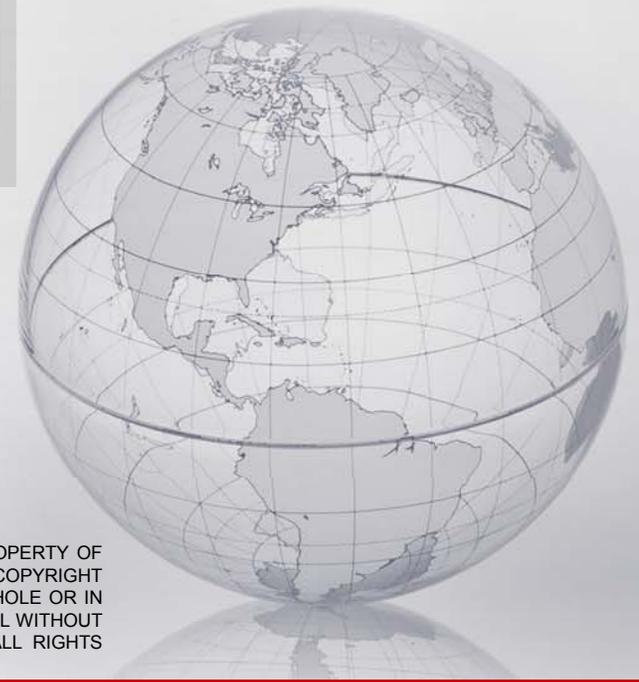


Investor Conference Call Lydall to Acquire Gutsche November 30, 2016



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This presentation contains “forward-looking statements” within the Private Securities Litigation Reform Act of 1995. Any statements contained in this presentation that are not statements of historical fact, including statements related to the expected timetable for completing and integrating the acquisition, expected benefits of the acquisition, Gutsche’s estimated financial results for 2016, estimated annual cost savings, estimated restructuring expenses, estimated impact of purchase accounting, expectations of the acquisition’s impact on Lydall’s earnings in 2017 and 2018, and Lydall’s plan for financing the acquisition, may be deemed to be forward-looking statements. All such forward-looking statements are intended to provide management’s current expectations for the future operating and financial performance of the Company based on current expectations and assumptions relating to the Company’s business, the economy and other future conditions. Forward-looking statements generally can be identified through the use of words such as “believes,” “anticipates,” “may,” “should,” “will,” “plans,” “projects,” “expects,” “expectations,” “estimates,” “forecasts,” “predicts,” “targets,” “prospects,” “strategy,” “signs,” and other words of similar meaning in connection with the discussion of future operating or financial performance. Because forward-looking statements relate to the future, they are subject to inherent risks, uncertainties and changes in circumstances that are difficult to predict. Such risks and uncertainties which include, among others, any delays in receiving merger control approval from Germany or in satisfying other closing conditions, worldwide economic cycles that affect the markets that each of the Company’s and Gutsche’s businesses serve which could have an effect on demand for their products and impact their profitability, challenges encountered by the Company in the integration of the Gutsche acquisition, disruptions in the global credit and financial markets, including diminished liquidity and credit availability, foreign currency volatility, swings in consumer confidence and spending, unstable economic growth, raw material pricing and supply issues, fluctuations in unemployment rates, retention of key employees, increases in fuel prices, and outcomes of legal proceedings, claims and investigations, that could have a negative impact on either company’s results of operations and financial condition. Accordingly, the Company’s actual results may differ materially from those contemplated by these forward-looking statements. Investors, therefore, are cautioned against relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. Additional information regarding factors that may cause actual results to differ materially from these forward-looking statements is available in Lydall’s filings with the Securities and Exchange Commission, including the risks and uncertainties identified in Part II, Item 1A - Risk Factors of Lydall’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 and Part I, Item 1A - Risk Factors of Lydall’s Annual Report on Form 10-K for the year ended December 31, 2015.

These forward-looking statements speak only as of the date of this presentation, and Lydall does not assume any obligation to update or revise any forward-looking statement made in this presentation or that may, from time to time, be made by or on behalf of the Company.



Transaction Details

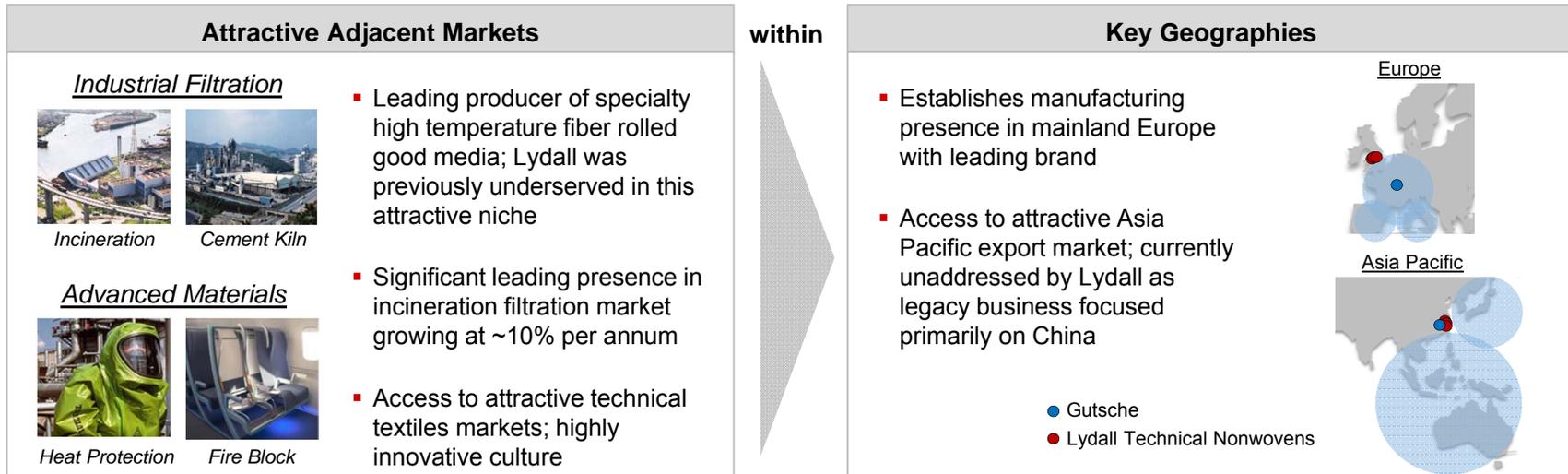
Acquisition is expected to be accretive to earnings, net of the effect of purchase accounting, restructuring and other non-recurring expenses by mid 2018

- MGF Gutsche GmbH & Co. KG., to be acquired for ~\$58 million in cash
 - Transaction expected to close at year end; subject to receipt of customary merger control approval from German competition authorities and completion of specified closing conditions
- Gutsche's fiscal year ends on December 31, 2016; revenue and EBITDA are forecasted by Gutsche to be approximately \$50 million and \$6 million
- Lydall expects to leverage its operating discipline, business efficiencies, and economies of scale to generate anticipated annual cost savings of \$3 million by 2019
- Lydall's financial results for the Fourth Quarter 2016 will include a small amount of transaction related expenses; ~\$1 million of non-recurring transaction and integration expenses will be incurred over 2017
- Restructuring related expenses as much as \$5 million will be incurred through 2018 with the majority in 2017
- Impact of purchase accounting related expenses estimated to be approximately \$3 million annually driven by inventory step-up, incremental intangibles amortization and fixed asset write-up
- Expected to be financed through a combination of cash on hand and borrowings from the Company's existing revolving credit facility

Overview



Solidifies Lydall as a global leader in industrial filtration markets; Gutsche brings access to attractive complementary adjacent markets within key geographies



Gutsche Company Overview

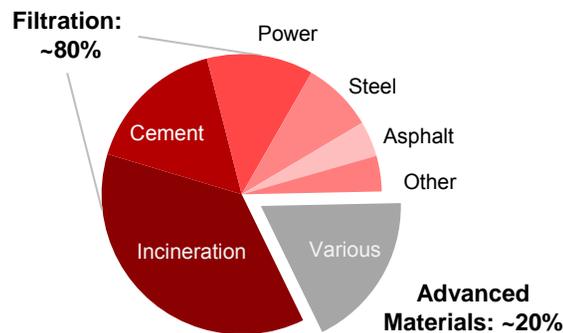
Leading needle felt nonwovens manufacturer with operations located in Germany & China

Facilities

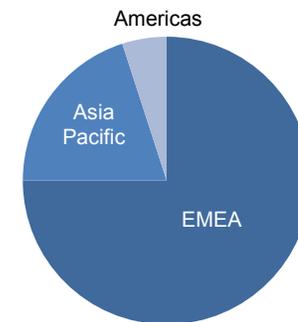
Fulda, Germany
Yixing, China

Seasoned leadership team and highly innovative culture with ~185 employees

Gutsche's End Markets



Gutsche's Destination Sales



Strategic Highlights

Key Objectives	Comments
Adjacent to existing products / segments	Diversifies Lydall's needle felt expertise into attractive adjacent incineration filtration segment and other high-performance applications such as fire block and acoustics
Deepens focus on filtration media	Establishes Lydall as a leading global producer of industrial filtration needle felt media with a leading brand
Expand global footprint	Establishes presence in Central Europe and brings access to Asia-Pacific market (outside of China) currently underrepresented by Lydall
Complementary / new technologies	Innovative culture driving new product development
Meaningful scale	Significantly increases existing needle felt capabilities and provides a step toward Lydall's revenue goal of \$800M by 2018
Accretive to Shareholders	Acquisition is expected to be accretive to earnings, net of the effect of purchase accounting, restructuring and other non-recurring expenses by mid-2018

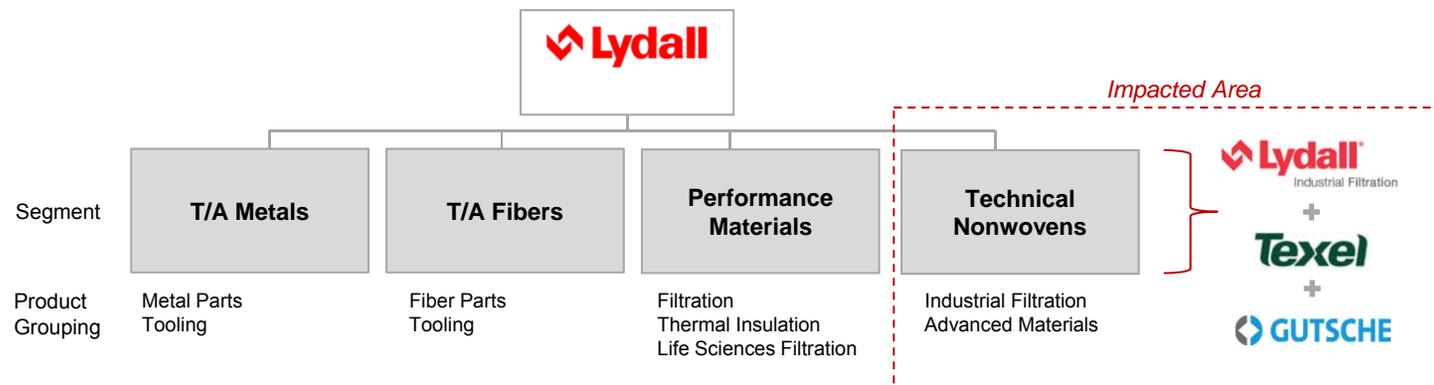
Business Structure & Financial Reporting

Gutsche to be integrated into Lydall's Technical Nonwovens segment

Key Considerations

- Gutsche sales to be reported under existing product groupings; Industrial Filtration and Advanced Materials
- Go-to-market strategy for Technical Nonwovens to remain unchanged; continue to leverage brand portfolio in the markets where brand is strongest

Business Structure & Financial Reporting



Closing Remarks and Q&A

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