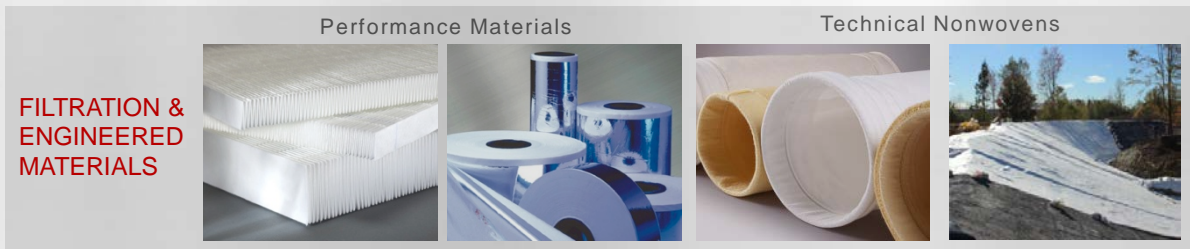


Annual Meeting of Stockholders

April 27, 2018



Forward-looking Statements

This presentation contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Any statements contained in this presentation that are not statements of historical fact, including statements about the outlook for 2018, 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,” “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, worldwide economic cycles that affect the markets that the Company’s businesses serve which could have an effect on demand for the Company’s products and impact the Company’s profitability, challenges encountered by the Company in the integration of the Texel and Gutsche acquisitions, including execution of restructuring programs, challenges encountered in combining that T/A Fibers and T/A Metals segments, 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 could have a negative impact on the 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 the factors that may cause actual results to differ materially from these forward-looking statements is available in our filings with the Securities and Exchange Commission, including the risks and uncertainties identified in Part II, Item 1A - Risk Factors of Lydall’s Annual Report on Form 10-K for the year ended December 31, 2017.

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.

This presentation contains non-GAAP financial measures, including organic sales growth, adjusted gross margin, adjusted operating margin, adjusted earnings per share, EBITDA, and adjusted EBITDA. The Appendix at the end of this presentation includes a reconciliation to the most comparable GAAP measures. We believe that the presentation of these non-GAAP financial measures, among other things, provides enhanced visibility into our performance. It is important to view each of these non-GAAP financial measures in addition to, rather than as a substitute for, the comparable GAAP measures.

Overview of Business – 2017^{1,2}

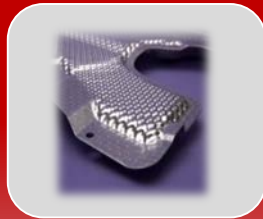
\$698M Total Sales
10.1% Adj. Operating Margin

Automotive

Sales: \$189M ↑ 7.8%
Profit: 6.3% ↓ 2.3%pts

Sales: \$158M ↑ 5.6%
Profit: 27.4% ↓ 0.3%pts

Thermal/Acoustical Metals
26% of total



Fabricated thermal barriers for vehicles

Global

N.A. 49% / EMEA 45% / Asia 6%

Thermal/Acoustical Fibers
21% of total



Fabricated acoustical barriers for vehicles

Primarily North America

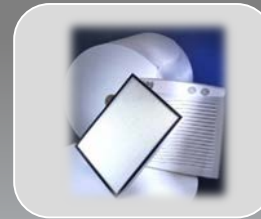
N.A. 95% / ROW 5%

Filtration & Engineered Materials

Sales: \$117M ↑ 5.0%
Profit: 10.3% ↓ 0.8%pts

Sales: \$269M ↑ 73.0%
Profit: 10.5% ↓ 0.8%pts

Performance Materials
16% of total



Filtration and insulation media, life sciences filtration media

Global

N.A. 56% / EMEA 34% / Asia 10%

Technical Nonwovens
37% of total



Industrial air filtration media and engineered materials

Global

N.A. 60% / EMEA 24% / Asia 16%

Lydall Thermal Acoustical Solutions

¹Reference Appendix for reconciliation between adjusted financials and GAAP financials ²Segment sales and percentages reflect gross sales including intercompany

Vision for Profitable Growth^{1,2}

Metric	Performance		Key Drivers
Revenue	2012 \$362M	→ 2017 \$698M	<ul style="list-style-type: none"> Organic growth of ~5% Focused inorganic growth
Operating Margin	2012 5.9%	→ 2017 10.1%	<p><u>Expansion evenly split between:</u></p> <ul style="list-style-type: none"> Product mix / New product development Lean / Productivity Leverage / Scale
EBITDA Margin	9.2%	13.7%	
Business Mix	<p>2012</p>	<p>→ 2017</p>	<ul style="list-style-type: none"> Support profitable organic growth in Automotive Invest at a greater rate inorganically in Filtration & Engineered Materials

¹ Reflects continuing operations; Reference Appendix for reconciliation between adjusted financials and GAAP financials ² Segment sales and percentages reflect gross sales including intercompany

Clear, Consistent Strategy For Profitable Growth

New Product Development

Develop and quickly deploy next generation product offerings

Lean Six Sigma

Drive revenue and margin expansion through operational excellence

Geographic Expansion

Evaluate opportunities to further strengthen global footprint

Select Acquisitions

Execute disciplined M&A for Filtration & Engineered Materials

Technical Nonwovens Acoustical panels

TAS Operating System

Thermal / Acoustical Metals China

Technical Nonwovens

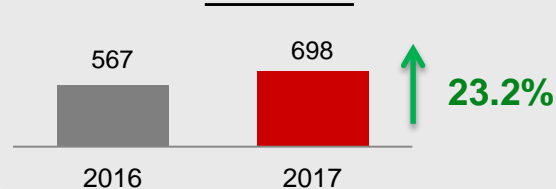
Key Accomplishments

2017 Was Another Good Year for Lydall

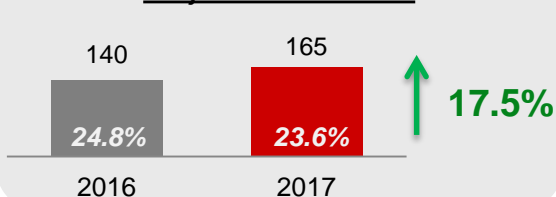
Financial

(\$ millions)

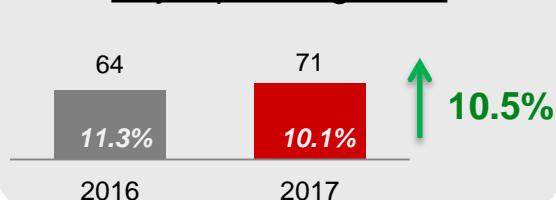
Revenue



Adj. Gross Profit



Adj. Operating Profit



Operational

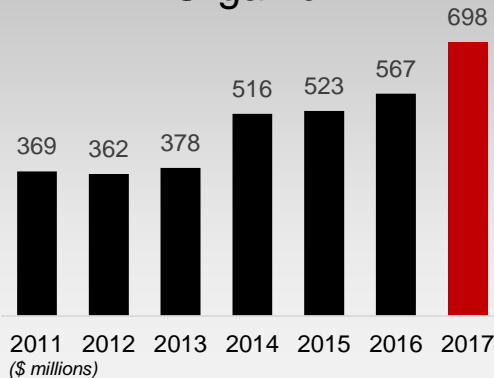
- Integration of Texel and Gutsche acquisitions that significantly improves our strategic position in Filtration & Engineered Materials
- Announced formation of new Thermal Acoustical Solutions business unit, combining Thermal / Acoustical Metals and Thermal / Acoustical Fibers operations
- Strong operating cash flow of \$62.9 million used to pay down debt and reinvest to position for future profitable growth
- Headwinds from higher commodity costs, inefficiencies, and pricing pressures mitigated by labor and material productivity
- Exciting pipeline of new products and customer applications

Reference Appendix for reconciliation between adjusted financials and GAAP financials

Execution of Strategy Driving Solid Financial Performance¹

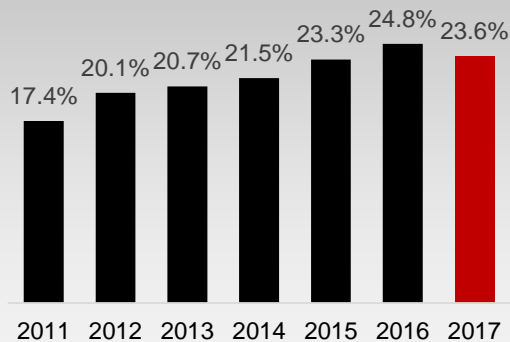
Revenue Growth

5 yr CAGR
14% Overall / 4%
Organic



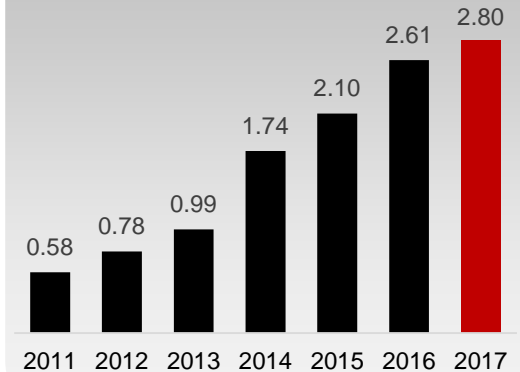
Gross Margin Expansion

Consistent margin
improvement



EPS Growth

Significant
expansion

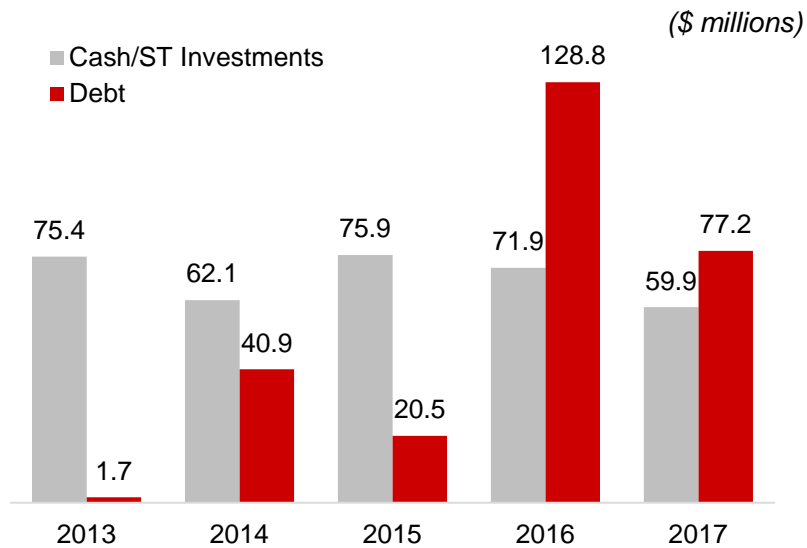


¹ Reflects continuing operations; Reference Appendix for reconciliation between adjusted and GAAP financials

Strong Liquidity Position and Clear Capital Allocation Strategy

Balance sheet provides opportunity to fund organic growth, capital investments and attractive acquisitions

Liquidity Position



- Net leverage of 0.2x; key items affecting change in liquidity
 - Acquisition of Andrew Filtration in 2014
 - Divestiture of Charter Medical in 2015
 - Acquisitions of Texel and Gutsche in 2016

Capital Allocation Priorities

Primary

- Support organic growth programs; fund capital investments
- Pursue attractive acquisitions

Secondary

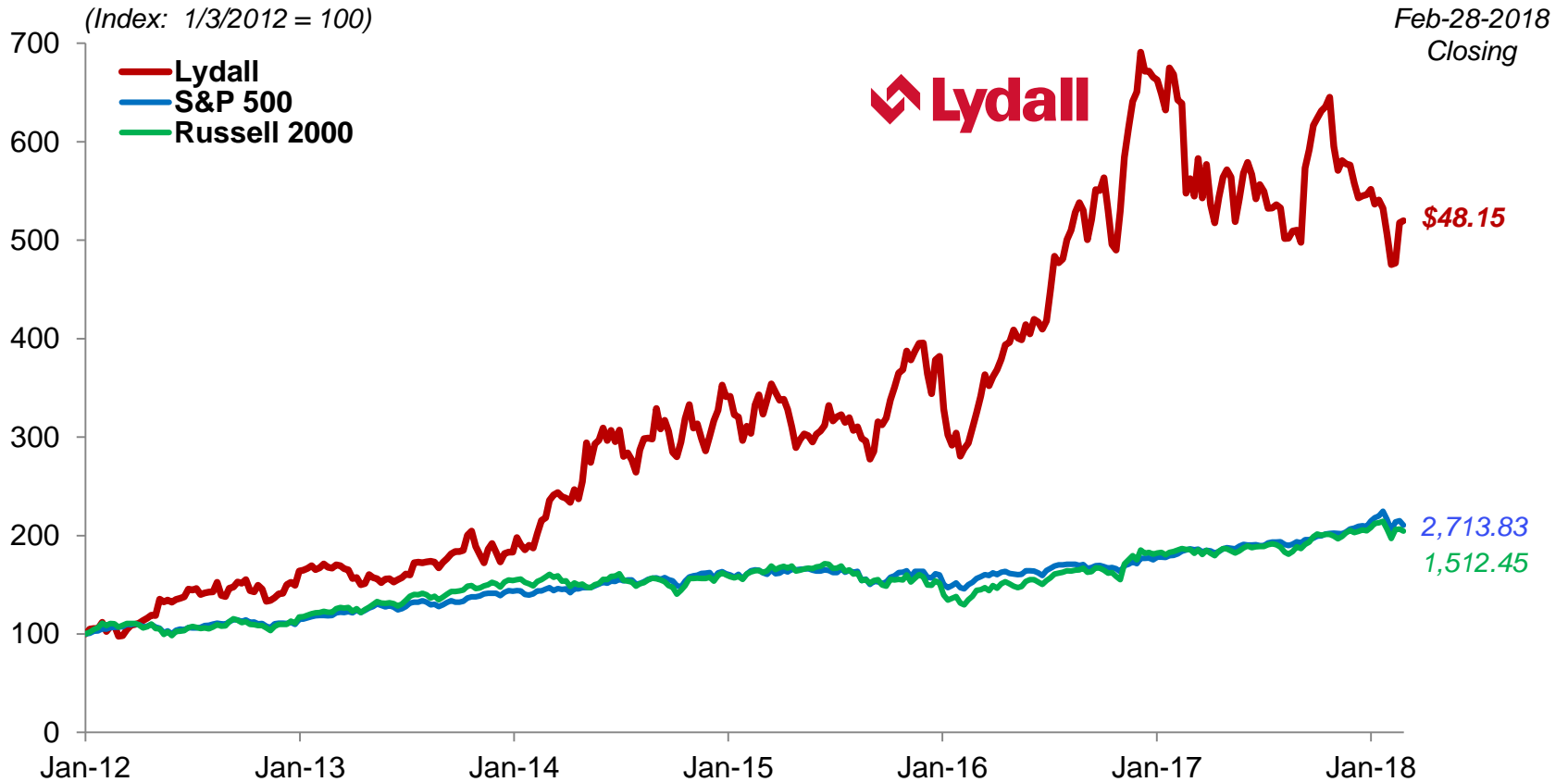
- Pay down debt / de-risk frozen pension

Tertiary

- Share repurchase is longer-term consideration

Historical Share Performance - Indexed

Lydall shares have significantly outperformed comparable market indices



Looking Ahead

Execute our long-term strategic initiatives to the benefit of our shareholders

- Continue to invest in new product development across all businesses and drive key organic growth initiatives
- Build a strong baseline of sustainable operating performance by driving continuous improvement
- Continue to assess, complete, and integrate select acquisitions

Contact

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Lydall, Inc. (NYSE:LDL)
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Manchester, CT 06042
860-646-1233

Appendix

Reconciliation Between Adjusted and Reported GAAP Financials

In millions except per share data	For the year ended December 31, 2017			For the year ended December 31, 2016		
	As Reported, Lydall, Inc	Adjustments	Adjusted Results	As Reported, Lydall, Inc	Adjustments	Adjusted Results
Net sales	\$ 698,437	\$ —	\$ 698,437	\$ 566,852	\$ —	\$ 566,852
Cost of sales	535,375	(2,083) (a)	533,292	428,310	(1,954) (d)	426,356
Gross profit	163,062	2,083	165,145	138,542	1,954	140,496
Gross margin	23.3%		23.6%	24.4%		24.8%
Selling, product development and administrative expenses	97,635	(3,146) (b)	94,489	83,750	(7,181) (e)	76,569
Operating income	65,427	5,229	70,656	54,792	9,135	63,927
Operating margin	9.4%		10.1%	9.7%		11.3%
Interest expense	2,720	—	2,720	1,068	—	1,068
Other expense (income), net	1,388	—	1,388	(1,215)	—	(1,215)
Income before income taxes	61,319	5,229	66,548	54,939	9,135	64,074
Income tax expense	11,974	5,998 (c)	17,972	17,821	1,283 (f)	19,104
Loss (income) from equity method investments	28	—	28	(69)	\$ —	(69)
Net income	\$ 49,317	\$ (769)	\$ 48,548	\$ 37,187	\$ 7,852	\$ 45,039
Earnings per share						
Basic	\$ 2.89		\$ 2.85	\$ 2.20		\$ 2.67
Diluted	\$ 2.85		\$ 2.80	\$ 2.16		\$ 2.61
Weighted average number of common shares outstanding						
Basic	17,045		17,045	16,871		16,871
Diluted	17,317		17,317	17,241		17,241

- (a) Exclude the inventory step-up purchase accounting adjustment of \$1.1 million related to the Texel and Gutsche acquisitions, severance expenses of \$0.5 million for reduction in force in the Thermal/Acoustical Metals segment, restructuring expenses of \$0.4 million related to the Technical Nonwovens segment and \$0.1 million related to the consolidation of the Thermal/Acoustical Metals and Thermal/Acoustical Fibers segments.
- (b) Exclude the expenses of \$1.6 million related to the consolidation of the Thermal/Acoustical Metals and Thermal/Acoustical Fibers segments, strategic initiative expenses of \$0.8 million, severance expenses of \$0.5 million for reduction in force in the Thermal/Acoustical Metals segment and restructuring expenses of \$0.3 million related to the Technical Nonwovens segment.
- (c) Exclude the tax benefit realized on the adjustments in (a) and (b) of \$1.6 million, the tax benefit of \$3.7 million related to the Tax Reform Act and discrete tax benefit of \$0.7 million.
- (d) Exclude the inventory step-up purchase accounting adjustment of \$2.0 million related to the Texel acquisition.
- (e) Exclude the strategic initiatives expenses of \$3.7 million related to the Texel and Gutsche acquisitions and the \$3.5 million German Cartel settlement.
- (f) Exclude the tax benefit realized on the adjustments in (d) and (e) of \$1.3 million.

