Q3 2016 Business Update

October 27, 2016

Forward-Looking Statements and Non-GAAP Reconciliations

Various statements herein and remarks that we may make today about Xerium's future expectations, plans and prospects are forward-looking statements which reflect our current views with respect to future events and financial performance. Statements which include the words "expect," "intend," "plan," "believe," "project," anticipate", and similar statements of a future or forward-looking nature identify forward-looking statements for the purposes of the Federal securities laws or otherwise. Our actual results may differ materially from these forward-looking statements and estimates as a result of various important factors, including those discussed in our earnings press release dated October 27, 2016, which is posted in the Investor Relations section of our website at www.xerium.com, and other factors discussed in our filings with the SEC, including our Form 10-Q for the quarter ended September 30, 2016, which is on file with the SEC and also available in the Investor Relations section of our website at www.xerium.com under the heading "SEC Filings." In addition, market data about the production volumes of our end-users is no guarantee of future production levels. Last, any forward-looking statements which we make in this presentation or in remarks today, represent our views only as of today. We disclaim any duty to update any such forward-looking statements.

We also plan to discuss supplementary non-GAAP financial measures, such as Adjusted EBITDA, that we use internally to assess financial performance, and therefore, believe will assist you in better understanding our company. Reconciliations of these measures to the comparable GAAP numbers are available in our most recent earnings press release, in this presentation and in an additional reconciliation schedule, all of which are posted in the Investor Relations section of our website at www.xerium.com.

Orders, Backlog and Success Rate of New Sales Growth Programs on Track; Some Temporary Production Issues; On-Track to Generate $25 to $30 Million of Free Cash Flow

- **Q3 2016 Sales of $119.2 million; up 1% compared to prior year**
  - Rolls & Service sales **up 6.5%** from prior year, driven by the acquisition of Spencer Johnston
  - Machine Clothing sales **down (2.1)%** from prior year, some production issues as we transition, especially machine clothing products
  - Markets, orders, and backlogs are → ***on-track***

- **Q3 2016 Adjusted EBITDA of $25.9 million compared to $28.3 million in Q3 2015, before giving effect to negative currency of $3.0 million**
  - Main issues for decline are production problems in 2 machine clothing plants (missed output) and margin compression in machine clothing, especially Latin America
  - Expect similar conditions in Q4 (which will be better than Q4 2015) and therefore revising 2016 full year Adjusted EBITDA guidance → ***approximately $100 million***

- **Refinanced all Senior Notes and Term Debt**
  - Extended maturities to August 2021
  - Company is committed to paying down debt

- **3rd quarter in a row of improved free cash flow after completion of repositioning projects**
  - Reiterate 2016 full year guidance → ***$25 to $30 million of free cash flow***

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Strategic Repositioning Update – Q3 Actions Were On Plan

Pivot into Growth Segments & Grow Sales

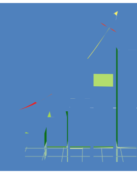
3Q16

- Several important projects underway including: board & packaging machine clothing, tissue products, pulp markets, shoe press belts, Chile
- Specialty rolls & service provider has been added to the rolls portfolio - JJ Plank/Spencer Johnston acquisition

Operational Excellence & Lower Costs

3Q16

- Lean Six Sigma program implemented at all 28 plants globally; 2nd year of plant projects aimed at waste reduction, leadtime reduction, quality improvement



Generate Cash & Pay Off Debt

3Q16

- 3rd quarter in a row of free cash flow generation even after acquisition costs of JJ Plank and one-time payments to refinance the company's debt

Going Forward

- $50 million of growth capacity installed and online
- Focus now is on filling capacity with new wins

2016 capex will be ~$16 million

Going Forward

- Cost-outs expected to offset inflation over next 5 years
- Moving certain production to low cost plant capacity that has been brought on line

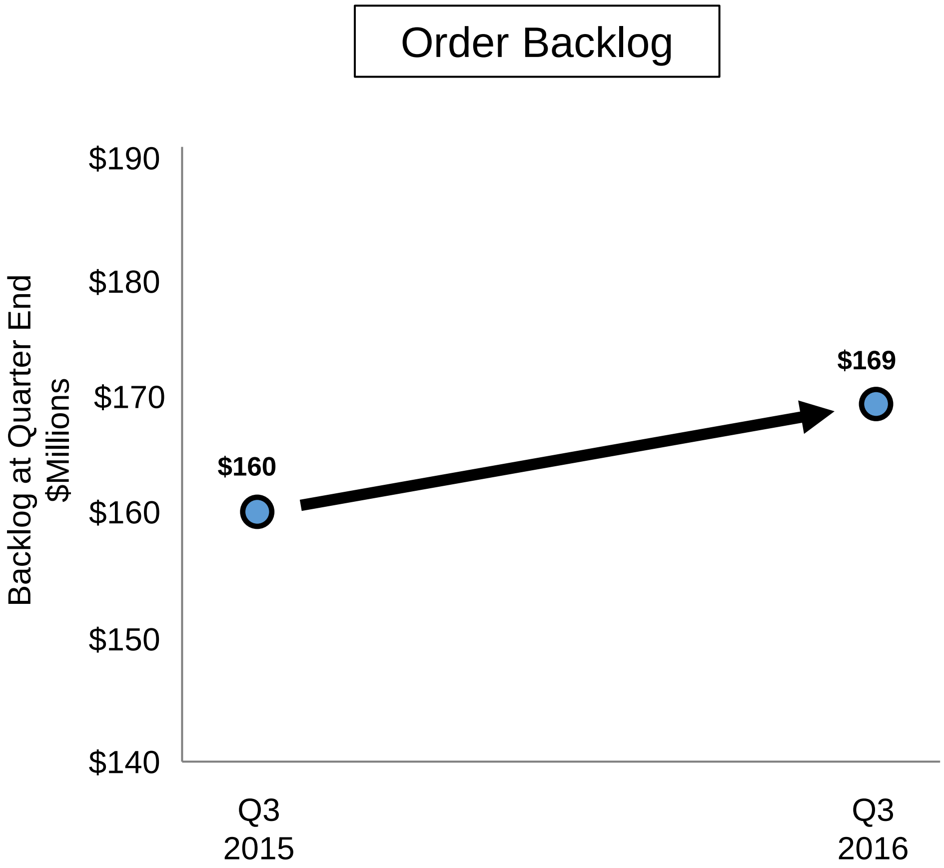
2016 Adjusted EBITDA expected to be ~$100 million

Going Forward

- Company is committed to debt reduction

2016 Free Cash Flow expected to be ~$25 to $30 million

Sales Repositioning is Working, Continue to Build Orders



- Increased Tissue business
- Increased Nonwoven & Fiber Cement business
- Increased Mechanical Services business
- Increased Press Felt business in China
- Increased Pulp business in South America

Second Half Margins are Compressed Due to Some Temporary Issues

Sales ✓

Gross Margins ✗

- Temporary Issues in 2 machine clothing plants
- Negative impact of foreign currency movements

SG&A ✓

Free Cash Flow ✓

- Tighter working capital management
- Tighter capital spending management

Q3 2016 Adjusted EBITDA $25.9 million, Before Negative Currency Effect of $3.0 million

Sales

- $119.2 million in Q3 2016 → 0.9% increase on a constant currency basis versus Q3 2015

Gross Margins

- 36.8% of sales in Q3 2016 → Main issues for decline are production problems in 2 machine clothing plants (missed output) and margin compression in machine clothing, especially Latin America

Adjusted EBITDA

- $25.9 million in Q3 2016 → Lower SG&A costs versus prior year, but lower gross margin dollars holding down EBITDA dollars

Currency

- Currency environment → The strong US dollar and strengthening Brazilian Real negatively impacting results

Free Cash Flow

- Company remains in a free cash flow generative mode, and is committed to generating $25 million of free cash flow per year for the next 4 years

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Reiterating Free Cash Flow and Sales Guidance for 2016
Adjusting EBITDA Guidance to ~$100 Million for 2016

- **Latin America full year Adjusted EBITDA expected to be down approximately $6M due to Brazilian inflation/higher costs and negative foreign exchange impact**

- **Having some production issues of high margin/good mix machine clothing products, which will be temporary as the company has already taken actions to move production to other global plants**

- **Have several game-changing new products in field-test to achieve higher New Win sales rate – shoe press belts, TAD tissue belts, board & packaging machine clothing products, Chile aftermarket rolls service plant**

- **North America legacy market positions are under pressure. Company is firmly pivoting into other areas and major spending has been completed in prior years. Will continue to generate cash on an ongoing basis.**
  - ***2016 Adjusted EBITDA will be ~ $100 million***
  - ***2016 Free Cash Flow will be ~ $25 to $30 million***

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Thank You!