



Kadant Provides Business Update on COVID-19

March 19, 2020

WESTFORD, Mass., March 19, 2020 (GLOBE NEWSWIRE) -- Kadant Inc. (NYSE: KAI) President and CEO Jeffrey L. Powell today issued the following statement around the coronavirus (COVID-19) outbreak and its impact on Kadant's operations around the globe:

"In recent weeks, the public health response to the COVID-19 outbreak has significantly escalated, and our thoughts remain with the healthcare workers, individuals, and communities most deeply affected by the disease.

"As we continue to navigate this evolving situation, we believe providing additional context for the impact COVID-19 is having on our business is appropriate and helpful to our stakeholders. We believe the impact to our business is temporary and would like to proactively share information on our situation.

"Our bookings performance to date is ahead of forecast which is consistent with the robust spending typically seen in the first quarter as our customers prepare for annual maintenance outages that take place in the spring. We have observed some softening in order volumes in Europe and a more pronounced decline in China, as expected, as a result of the coronavirus. That said, most of our customers are operating and many of our packaging and tissue customers are seeing a surge in demand for their products.

"To date, no Kadant employees have tested positive for COVID-19, and currently all 20 of our manufacturing locations around the globe are fully operational, including our three plants in China. Our strong footing in China gave us early insights into the outbreak allowing us to better prepare action plans at our manufacturing facilities located in other regions. At this unprecedented time, our decentralized structure and global footprint benefits us with the ability to react quickly to events as they develop. We continue to take additional precautions to not only protect the health and safety of our employees and their families, but also to continue to meet the needs and expectations of our customers and other business partners.

"All employees who are able to work from home are now doing so and we have put into place stringent daily sanitizing measures within our facilities. Like many other businesses, we also have travel restrictions in place. Our commercial and operations teams continue to engage with our customers and suppliers via video, telephone, and other means of communication as a normal course of business leveraging the deep relationships we have with our business partners. By implementing these and other measures, we are seeking to minimize contact with others over the coming weeks to lessen the potential spread of any infectious diseases across our facilities.

"As part of our regular contact with our key suppliers we have been assessing potential supply disruptions or material shortages that may affect us. At this time, we believe disruption or shortages will be minimal, but the risk varies by supplier. Restrictions in freight movement are growing, and we are closely monitoring this development. We will continue to evaluate the situation and take the necessary steps to minimize any supply chain interruptions to our customers as maintaining our customer responsiveness will continue to be a primary focus.

"As a company with market-leading brands and businesses going back well over 150 years, we take the long view and are confident in our business model that promotes local decision-making to quickly respond to any situation that may unfold around the world.

"Thank you for trusting Kadant and for your continued support, and please stay safe during these unprecedented times."

About Kadant

Kadant is a global supplier of high-value, critical components and engineered systems used in process industries worldwide. The Company's products, technologies, and services play an integral role in enhancing process efficiency, optimizing energy utilization, and maximizing productivity in resource-intensive industries. Kadant is based in Westford, Massachusetts, with approximately 2,800 employees in 20 countries worldwide. For more information, visit www.kadant.com.

Safe Harbor Statement

The following constitutes a "Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995: This press release contains forward-looking statements that involve a number of risks and uncertainties, including forward-looking statements about our future financial and operating performance, demand for our products, and economic and industry outlook. These forward-looking statements represent our expectations as of the date of this press release. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. These forward-looking statements are subject to known and unknown risks and uncertainties that may cause our actual results to differ materially from these forward-looking statements as a result of various important factors, including those set forth under the heading "Risk Factors" in Kadant's annual report on Form 10-K for the year ended December 28, 2019 and subsequent filings with the Securities and Exchange Commission. These include risks and uncertainties relating to adverse changes in global and local economic conditions; the variability and difficulty in accurately predicting revenues from large capital equipment and systems projects; our customers' ability to obtain financing for capital equipment projects; international sales and operations; health epidemics; changes to government regulations and policies around the world; policies of the Chinese government; the variability and uncertainties in sales of capital equipment in China; levels of residential construction activity; reductions by our wood processing customers of their capital spending or production of oriented strand board; changes to the global timber supply; cyclical economic conditions affecting the global mining industry; development and use of digital media; currency fluctuations; demand for coal, including economic and environmental risks associated with coal; price increases or shortages of raw materials; dependence on certain suppliers; our acquisition strategy; failure of our information systems or breaches of data security and cybertheft; compliance with government regulations and policies and compliance with laws; implementation of our internal growth strategy; competition; soundness of suppliers and customers; changes in our tax provision or exposure to additional tax liabilities; our ability to successfully manage our manufacturing operations; disruption in production; future restructurings; economic conditions and regulatory changes caused by the United Kingdom's exit from the European Union; our debt obligations; restrictions in our credit agreement and note purchase agreement; substitution of an alternative index for LIBOR; loss of key personnel and effective succession planning; protection of intellectual property; fluctuations in our share price; soundness of financial institutions; environmental laws and

regulations; climate change; environmental, health and safety laws and regulations; adequacy of our insurance coverage; anti-takeover provisions; and reliance on third-party research.

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