Kadant to Acquire Key Knife, Inc.

December 28, 2023

WESTFORD, Mass., Dec. 28, 2023 (GLOBE NEWSWIRE) -- Kadant Inc. (NYSE: KAI) has entered into a definitive agreement to acquire Key Knife, Inc. and certain of its affiliates ("Key Knife") for approximately $156 million in cash, subject to certain customary adjustments. The acquisition is expected to close in early January 2024, subject to the satisfaction of customary closing conditions, and will be financed primarily through borrowings under Kadant's revolving credit facility.

Founded in 1986, Key Knife is a global supplier of engineered knife systems for custom chipping, planing, and flaking solutions for wood product industries. Its products enable wood processing mills to improve fiber recovery, product quality, and maximize production while lowering operating costs. The company is headquartered in Tualatin, Oregon with 141 employees located primarily in the United States and Canada. Key Knife's revenue for the trailing twelve months ended September 30, 2023 was approximately $65 million. Key Knife will become part of Kadant's Industrial Processing reporting segment.

"We have known and worked with Key Knife for over 20 years, and they are an excellent fit with Kadant," said Jeffrey L. Powell, president and chief executive officer of Kadant. "With its strong aftermarket business and focus on providing highly engineered knife systems, Key Knife will broaden our product portfolio and strengthen our position in wood processing industries. We look forward to welcoming the employees of Key Knife to the Kadant family."

Christopher W. McDonald, president and chief executive officer of Key Knife, commented, "We are proud of the strong brand Key Knife has built. As a process industry leader with a culture and values similar to ours, we believe Kadant is a great home for our company and employees, and we are excited for the opportunities to grow as a part of Kadant."

About Kadant
Kadant Inc. is a global supplier of technologies and engineered systems that drive Sustainable Industrial Processing. The Company's products and services play an integral role in enhancing efficiency, optimizing energy utilization, and maximizing productivity in process industries. Kadant is based in Westford, Massachusetts, with approximately 3,100 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 the financial and operating performance of Key Knife, the benefits of the proposed acquisition of Key Knife (the "Acquisition"), the probable timing and financing of the Acquisition, and the expected future business and financial performance of Key Knife and Kadant. 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 fiscal year ended December 31, 2022 and subsequent filings with the Securities and Exchange Commission. These include risks and uncertainties relating to the ability to consummate the Acquisition; the ability to obtain financing to complete the Acquisition; Kadant's ability to successfully integrate Key Knife and its operations and employees and realize anticipated benefits from the Acquisition; unanticipated disruptions to the business, general and regional economic conditions, and the future performance of Key Knife; the risk that the conditions to the closing of the Acquisition are not satisfied; potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the Acquisition; uncertainties as to the timing of the Acquisition; competitive, investor or customer responses to the Acquisition; the ability to realize anticipated synergies and cost savings; unexpected costs, charges or expenses resulting from the Acquisition; adverse changes in global and local economic conditions; the variability and difficulty in accurately predicting revenues from large capital equipment and systems projects; health epidemics and pandemics; our acquisition strategy; 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; development and use of digital media; cyclical economic conditions affecting the global mining industry; demand for coal, including economic and environmental risks associated with coal; failure of our information systems or breaches of data security and cybertheft; implementation of our internal growth strategy; supply chain constraints, inflationary pressure, price increases and shortages in raw materials; competition; changes in our tax provision or exposure to additional tax liabilities; our ability to successfully manage our manufacturing operations; disruption in production; future restructurings; loss of key personnel and effective succession planning; protection of intellectual property; climate change; adequacy of our insurance coverage; global operations; policies of the Chinese government; the variability and uncertainties in sales of capital equipment in China; currency fluctuations; changes to government regulations and policies around the world; compliance with government regulations and policies and compliance with laws; environmental laws and regulations; environmental, health and safety laws and regulations impacting the mining industry; our debt obligations; restrictions in our credit agreement and note purchase agreement; soundness of financial institutions; fluctuations in our share price; and anti-takeover provisions.

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