



Kadant Reports Second Quarter 2025 Results

July 29, 2025

WESTFORD, Mass., July 29, 2025 (GLOBE NEWSWIRE) -- Kadant Inc. (NYSE: KAI) reported its financial results for the second quarter ended June 28, 2025.

Second Quarter Financial Highlights

- Bookings increased 7% to \$269 million
- Revenue decreased 7% to \$255 million
- Gross margin increased 150 basis points to 45.9%
- Net income decreased 16% to \$26 million
- GAAP EPS decreased 17% to \$2.22
- Adjusted EPS decreased 18% to \$2.31
- Adjusted EBITDA decreased 15% to \$52 million and represented 20.5% of revenue
- Operating cash flow increased 44% to \$40 million
- Free cash flow increased 58% to \$37 million
- Ending backlog was \$299 million

Note: Percent changes above are based on comparison to the prior year period. All references to earnings per share (EPS) are to our EPS as calculated on a diluted basis. Adjusted EPS, adjusted EBITDA, adjusted EBITDA margin, free cash flow, and changes in organic revenue are non-GAAP financial measures that exclude certain items as detailed later in this press release under the heading "Use of Non-GAAP Financial Measures."

Management Commentary

"We had strong cash flow and a solid improvement in our capital equipment bookings in the second quarter," said Jeffrey L. Powell, president and chief executive officer of Kadant Inc. "Our strong bookings, particularly notable in the current environment of evolving trade policies, demonstrate our customers' preference for Kadant equipment and technologies to help drive sustainable value in their operations."

Second Quarter 2025 Compared to 2024

Revenue decreased seven percent to \$255.3 million compared to \$274.8 million in 2024. Organic revenue decreased eight percent, which excludes a one percent increase from the favorable effect of foreign currency translation. Gross margin was 45.9 percent compared to 44.4 percent in 2024.

Net income was \$26.2 million, decreasing 16 percent compared to \$31.3 million in 2024. GAAP EPS decreased 17 percent to \$2.22 compared to \$2.66 in 2024, while adjusted EPS decreased 18 percent to \$2.31 compared to \$2.81 in 2024. Adjusted EPS excludes acquisition-related costs of \$0.09 in 2025 and \$0.15 in 2024.

Adjusted EBITDA decreased 15 percent to \$52.4 million and represented 20.5 percent of revenue compared to \$61.8 million and 22.5 percent of revenue in 2024. Operating cash flow increased 44 percent to \$40.5 million compared to \$28.1 million in 2024. Free cash flow increased 58 percent to \$36.5 million compared to \$23.1 million in 2024.

Bookings increased seven percent to \$269.4 million compared to \$251.7 million in 2024. Organic bookings increased six percent, which excludes a one percent increase from the favorable effect of foreign currency translation.

Summary and Outlook

"We have a healthy backlog and expect stronger bookings in the second half of 2025," continued Mr. Powell. "Capital project activity remains high and stable demand for our aftermarket parts is expected to continue. We are maintaining our revenue and adjusted EPS guidance for the full year and expect revenue of \$1.020 to \$1.040 billion and adjusted EPS of \$9.05 to \$9.25. The 2025 adjusted EPS guidance excludes \$0.16 of acquisition-related costs, revised from \$0.08 of acquisition-related costs in our previous guidance. We expect GAAP EPS of \$8.89 to \$9.09, revised from our previous GAAP EPS guidance of \$8.97 to \$9.17. For the third quarter of 2025, we expect revenue of \$256 to \$263 million, GAAP EPS of \$2.12 to \$2.22 and, after excluding \$0.01 of acquisition-related costs, adjusted EPS of \$2.13 to \$2.23."

Conference Call

Kadant will hold a webcast with a slide presentation for investors on Wednesday, July 30, 2025, at 11:00 a.m. Eastern Time to discuss its second quarter financial performance, as well as future expectations. To listen to the call live and view the webcast, go to the "Investors" section of the Company's website at [kadant.com](https://www.kadant.com). Participants interested in joining the call's live question and answer session are required to register by clicking [here](#) or selecting the Q&A link on our website to receive a dial-in number and unique PIN. It is recommended that you join the call 10 minutes prior to the start of the event. A replay of the webcast presentation will be available on our website through August 29, 2025.

Prior to the call, our earnings release and the slides used in the webcast presentation will be filed with the Securities and Exchange Commission and will be available at [sec.gov](https://www.sec.gov). After the webcast, Kadant will post its updated general investor presentation incorporating the second quarter results on its website at [kadant.com](https://www.kadant.com) under the "Investors" section.

Use of Non-GAAP Financial Measures

In addition to the financial measures prepared in accordance with generally accepted accounting principles (GAAP), we use certain non-GAAP financial measures, including increases or decreases in revenue excluding the effect of acquisitions and foreign currency translation (organic revenue), adjusted operating income, adjusted net income, adjusted EPS, earnings before interest, taxes, depreciation, and amortization (EBITDA),

adjusted EBITDA, adjusted EBITDA margin, and free cash flow.

We use organic revenue to understand our trends and to forecast and evaluate our financial performance and compare revenue to prior periods. Organic revenue excludes revenue from acquisitions for the four quarterly reporting periods following the date of the acquisition and the effect of foreign currency translation. Revenue in the second quarter of 2025 included \$0.8 million from acquisitions and a favorable foreign currency translation effect of \$2.1 million compared to the second quarter of 2024. Revenue in the first six months of 2025 included \$8.8 million from acquisitions and an unfavorable foreign currency translation effect of \$3.7 million compared to the first six months of 2024. Our other non-GAAP financial measures exclude amortization expense related to acquired profit in inventory and backlog, acquisition costs, and other income or expense, as indicated. Collectively, these items are excluded as they are not indicative of our core operating results and are not comparable to other periods, which have differing levels of incremental costs, expenditures or income, or none at all. Additionally, we use free cash flow in order to provide insight on our ability to generate cash for acquisitions and debt repayments, as well as for other investing and financing activities.

We believe these non-GAAP financial measures, when taken together with the corresponding GAAP financial measures, provide meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our core business, operating results, or future outlook. We believe that the inclusion of such measures helps investors gain an understanding of our underlying operating performance and future prospects, consistent with how management measures and forecasts our performance, especially when comparing such results to previous periods or forecasts and to the performance of our competitors. Such measures are also used by us in our financial and operating decision-making and for compensation purposes. We also believe this information is responsive to investors' requests and gives them additional measures of our performance.

The non-GAAP financial measures included in this press release are not meant to be considered superior to or a substitute for the results of operations or cash flows prepared in accordance with GAAP. In addition, the non-GAAP financial measures included in this press release have limitations associated with their use as compared to the most directly comparable GAAP measures, in that they may be different from, and therefore not comparable to, similar measures used by other companies.

Second Quarter

Adjusted operating income, adjusted EBITDA, and adjusted EBITDA margin exclude:

- Pre-tax amortization of acquired profit in inventory and backlog of \$0.2 million in 2025 and \$1.2 million in 2024.
- Pre-tax acquisition costs of \$0.9 million in both 2025 and 2024.
- Pre-tax indemnification asset provision of \$0.1 million in 2024.

Adjusted net income and adjusted EPS exclude:

- After-tax amortization of acquired profit in inventory and backlog of \$0.2 million in 2025 and \$0.9 million (\$1.2 million net of tax of \$0.3 million) in 2024.
- After-tax acquisition costs of \$0.9 million in 2025 and \$0.8 million (\$0.9 million net of tax of \$0.1 million) in 2024.

Free cash flow is calculated as operating cash flow less:

- Capital expenditures of \$4.0 million in 2025 and \$5.0 million in 2024.

First Six Months

Adjusted operating income, adjusted EBITDA, and adjusted EBITDA margin exclude:

- Pre-tax amortization of acquired profit in inventory and backlog of \$0.6 million in 2025 and \$4.4 million in 2024.
- Pre-tax acquisition costs of \$1.2 million in 2025 and \$2.1 million in 2024.

Adjusted net income and adjusted EPS exclude:

- After-tax amortization of acquired profit in inventory and backlog of \$0.5 million (\$0.6 million net of tax of \$0.1 million) in 2025 and \$3.3 million (\$4.4 million net of tax of \$1.1 million) in 2024.
- After-tax acquisition costs of \$1.2 million in 2025 and \$1.7 million (\$2.1 million net of tax of \$0.4 million) in 2024.

Free cash flow is calculated as operating cash flow less:

- Capital expenditures of \$7.8 million in 2025 and \$11.2 million in 2024.

Reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures are set forth in this press release.

Financial Highlights (unaudited)

(In thousands, except per share amounts and percentages)

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|------------------|------------------|------------------|
| | June 28, 2025 | June 29, 2024 | June 28, 2025 | June 29, 2024 |
| Consolidated Statement of Income | | | | |

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Revenue | \$ 255,267 | \$ 274,765 | \$ 494,477 | \$ 523,740 |
| Costs and Operating Expenses: | | | | |
| Cost of revenue | 138,225 | 152,878 | 267,105 | 290,891 |
| Selling, general, and administrative expenses | 73,941 | 70,004 | 145,162 | 140,309 |
| Research and development expenses | 3,724 | 3,482 | 7,247 | 7,212 |
| | <u>215,890</u> | <u>226,364</u> | <u>419,514</u> | <u>438,412</u> |
| Operating Income | 39,377 | 48,401 | 74,963 | 85,328 |
| Interest Income | 439 | 368 | 956 | 979 |
| Interest Expense | (3,338) | (5,201) | (7,160) | (9,870) |
| Other Expense, Net | (17) | (2) | (33) | (32) |
| Income Before Provision for Income Taxes | 36,461 | 43,566 | 68,726 | 76,405 |
| Provision for Income Taxes | 9,822 | 11,992 | 17,650 | 19,846 |
| Net Income | 26,639 | 31,574 | 51,076 | 56,559 |
| Net Income Attributable to Noncontrolling Interests | (480) | (283) | (854) | (579) |
| Net Income Attributable to Kadant | <u>\$ 26,159</u> | <u>\$ 31,291</u> | <u>\$ 50,222</u> | <u>\$ 55,980</u> |

Earnings per Share Attributable to Kadant:

| | | | | |
|---------|---------|---------|---------|---------|
| Basic | \$ 2.22 | \$ 2.66 | \$ 4.27 | \$ 4.77 |
| Diluted | \$ 2.22 | \$ 2.66 | \$ 4.26 | \$ 4.76 |

Weighted Average Shares:

| | | | | |
|---------|--------|--------|--------|--------|
| Basic | 11,776 | 11,743 | 11,768 | 11,734 |
| Diluted | 11,793 | 11,766 | 11,784 | 11,755 |

| | Three Months Ended | | Three Months Ended | |
|--|--------------------|----------------|--------------------|----------------|
| | June 28, 2025 | June 28, 2025 | June 29, 2024 | June 29, 2024 |
| Adjusted Net Income and Adjusted Diluted EPS (a) | | | | |
| Net Income and Diluted EPS Attributable to Kadant, as Reported | \$ 26,159 | \$ 2.22 | \$ 31,291 | \$ 2.66 |
| Adjustments, Net of Tax: | | | | |
| Acquired Profit in Inventory and Backlog Amortization | 170 | 0.01 | 929 | 0.08 |
| Acquisition Costs | 903 | 0.08 | 798 | 0.07 |
| Adjusted Net Income and Adjusted Diluted EPS (a) | <u>\$ 27,232</u> | <u>\$ 2.31</u> | <u>\$ 33,018</u> | <u>\$ 2.81</u> |

| | Six Months Ended | | Six Months Ended | |
|--|------------------|----------------|------------------|----------------|
| | June 28, 2025 | June 28, 2025 | June 29, 2024 | June 29, 2024 |
| Net Income and Diluted EPS Attributable to Kadant, as Reported | \$ 50,222 | \$ 4.26 | \$ 55,980 | \$ 4.76 |
| Adjustments, Net of Tax: | | | | |
| Acquired Profit in Inventory and Backlog Amortization | 466 | 0.04 | 3,298 | 0.28 |
| Acquisition Costs | 1,218 | 0.10 | 1,728 | 0.15 |
| Adjusted Net Income and Adjusted Diluted EPS (a) | <u>\$ 51,906</u> | <u>\$ 4.40</u> | <u>\$ 61,006</u> | <u>\$ 5.19</u> |

| Revenue by Segment | Three Months Ended | | Increase (Decrease) | Increase (Decrease) Excluding Acquisitions and FX (a,b) |
|-----------------------|--------------------|-------------------|---------------------|---|
| | June 28, 2025 | June 29, 2024 | | |
| Flow Control | \$ 95,947 | \$ 92,290 | \$ 3,657 | \$ 2,168 |
| Industrial Processing | 95,937 | 114,753 | (18,816) | (19,271) |
| Material Handling | 63,383 | 67,722 | (4,339) | (5,327) |
| | <u>\$ 255,267</u> | <u>\$ 274,765</u> | <u>\$ (19,498)</u> | <u>\$ (22,430)</u> |

Percentage of Parts and Consumables Revenue

| | | |
|--|------------|------------|
| | <u>71%</u> | <u>63%</u> |
|--|------------|------------|

| Six Months Ended | Increase (Decrease) | Increase (Decrease) Excluding |
|------------------|---------------------|-------------------------------|
|------------------|---------------------|-------------------------------|

| | June 28, 2025 | June 29, 2024 | | Acquisitions and FX (a,b) |
|-----------------------|-------------------|-------------------|--------------------|------------------------------|
| Flow Control | \$ 188,388 | \$ 178,972 | \$ 9,416 | \$ 2,948 |
| Industrial Processing | 185,461 | 220,614 | (35,153) | (32,775) |
| Material Handling | 120,628 | 124,154 | (3,526) | (4,608) |
| | <u>\$ 494,477</u> | <u>\$ 523,740</u> | <u>\$ (29,263)</u> | <u>\$ (34,435)</u> |

Percentage of Parts and Consumables Revenue 73% 66%

| Bookings by Segment | Three Months Ended | | | Increase (Decrease) | Increase (Decrease) Excluding Acquisitions and FX (b) |
|-----------------------|--------------------|-------------------|------------------|------------------------|---|
| | June 28, 2025 | June 29, 2024 | | | |
| Flow Control | \$ 93,055 | \$ 94,098 | \$ (1,043) | \$ (2,191) | |
| Industrial Processing | 105,374 | 96,714 | 8,660 | 8,575 | |
| Material Handling | 70,946 | 60,910 | 10,036 | 8,842 | |
| | <u>\$ 269,375</u> | <u>\$ 251,722</u> | <u>\$ 17,653</u> | <u>\$ 15,226</u> | |

Percentage of Parts and Consumables Bookings 67% 71%

| Flow Control | Six Months Ended | | | Increase (Decrease) | Increase (Decrease) Excluding Acquisitions and FX (b) |
|-----------------------|-------------------|-------------------|------------------|------------------------|---|
| | June 28, 2025 | June 29, 2024 | | | |
| Flow Control | \$ 193,042 | \$ 188,768 | \$ 4,274 | \$ (3,121) | |
| Industrial Processing | 197,740 | 186,591 | 11,149 | 14,074 | |
| Material Handling | 134,811 | 124,793 | 10,018 | 8,307 | |
| | <u>\$ 525,593</u> | <u>\$ 500,152</u> | <u>\$ 25,441</u> | <u>\$ 19,260</u> | |

Percentage of Parts and Consumables Bookings 70% 70%

| Additional Segment Information | Three Months Ended | | Six Months Ended | |
|--------------------------------|--------------------|------------------|------------------|------------------|
| | June 28, 2025 | June 29, 2024 | June 28, 2025 | June 29, 2024 |
| Gross Margin: | | | | |
| Flow Control | 53.8% | 53.0% | 53.6% | 53.4% |
| Industrial Processing | 42.6% | 41.3% | 43.3% | 41.5% |
| Material Handling | 38.7% | 37.8% | 38.2% | 36.8% |
| Consolidated | 45.9% | 44.4% | 46.0% | 44.5% |

| | | | | |
|-----------------------|------------------|------------------|------------------|------------------|
| Operating Income: | | | | |
| Flow Control | \$ 24,443 | \$ 23,530 | \$ 47,195 | \$ 45,240 |
| Industrial Processing | 15,486 | 24,092 | 32,318 | 44,091 |
| Material Handling | 9,939 | 11,188 | 17,474 | 16,729 |
| Corporate | (10,491) | (10,409) | (22,024) | (20,732) |
| | <u>\$ 39,377</u> | <u>\$ 48,401</u> | <u>\$ 74,963</u> | <u>\$ 85,328</u> |

| | | | | |
|----------------------------------|------------------|------------------|------------------|------------------|
| Adjusted Operating Income (a,c): | | | | |
| Flow Control | \$ 24,682 | \$ 24,563 | \$ 47,834 | \$ 46,475 |
| Industrial Processing | 16,358 | 24,443 | 33,324 | 46,237 |
| Material Handling | 9,962 | 11,902 | 17,661 | 19,790 |
| Corporate | (10,491) | (10,409) | (22,024) | (20,732) |
| | <u>\$ 40,511</u> | <u>\$ 50,499</u> | <u>\$ 76,795</u> | <u>\$ 91,770</u> |

| | | | | |
|-----------------------|----------|----------|----------|----------|
| Capital Expenditures: | | | | |
| Flow Control | \$ 1,380 | \$ 1,961 | \$ 2,889 | \$ 3,835 |
| Industrial Processing | 1,595 | 1,851 | 2,920 | 4,734 |

| | | | | |
|-------------------|-----------------|-----------------|-----------------|------------------|
| Material Handling | 993 | 1,157 | 1,992 | 2,663 |
| Corporate | — | 5 | 3 | 13 |
| | <u>\$ 3,968</u> | <u>\$ 4,974</u> | <u>\$ 7,804</u> | <u>\$ 11,245</u> |

| | Three Months Ended | | Six Months Ended | |
|---------------------------------------|--------------------|------------------|------------------|------------------|
| | June 28, 2025 | June 29, 2024 | June 28, 2025 | June 29, 2024 |
| Cash Flow and Other Data | | | | |
| Operating Cash Flow | \$ 40,482 | \$ 28,066 | \$ 63,317 | \$ 50,897 |
| Capital Expenditures | (3,968) | (4,974) | (7,804) | (11,245) |
| Free Cash Flow (a) | <u>\$ 36,514</u> | <u>\$ 23,092</u> | <u>\$ 55,513</u> | <u>\$ 39,652</u> |
| Depreciation and Amortization Expense | <u>\$ 12,069</u> | <u>\$ 11,991</u> | <u>\$ 24,082</u> | <u>\$ 23,730</u> |

| | June 28, 2025 | December 28, 2024 |
|---|---------------------|----------------------|
| Balance Sheet Data | | |
| Assets | | |
| Cash, Cash Equivalents, and Restricted Cash | \$ 97,188 | \$ 95,946 |
| Accounts Receivable, Net | 152,574 | 142,462 |
| Inventories | 168,588 | 146,092 |
| Contract Assets | 11,105 | 18,408 |
| Property, Plant, and Equipment, Net | 174,724 | 170,331 |
| Intangible Assets | 272,973 | 279,494 |
| Goodwill | 497,824 | 479,169 |
| Other Assets | 109,538 | 98,443 |
| | <u>\$ 1,484,514</u> | <u>\$ 1,430,345</u> |
| Liabilities and Stockholders' Equity | | |
| Accounts Payable | \$ 52,541 | \$ 51,062 |
| Debt Obligations | 247,219 | 286,504 |
| Other Borrowings | 1,704 | 2,023 |
| Other Liabilities | 245,757 | 232,628 |
| Total Liabilities | 547,221 | 572,217 |
| Stockholders' Equity | 937,293 | 858,128 |
| | <u>\$ 1,484,514</u> | <u>\$ 1,430,345</u> |

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|------------------|-------------------|-------------------|
| | June 28, 2025 | June 29, 2024 | June 28, 2025 | June 29, 2024 |
| Adjusted Operating Income and Adjusted EBITDA Reconciliation (a) | | | | |
| Consolidated | | | | |
| Net Income Attributable to Kadant | \$ 26,159 | \$ 31,291 | \$ 50,222 | \$ 55,980 |
| Net Income Attributable to Noncontrolling Interests | 480 | 283 | 854 | 579 |
| Provision for Income Taxes | 9,822 | 11,992 | 17,650 | 19,846 |
| Interest Expense, Net | 2,899 | 4,833 | 6,204 | 8,891 |
| Other Expense, Net | 17 | 2 | 33 | 32 |
| Operating Income | 39,377 | 48,401 | 74,963 | 85,328 |
| Acquired Profit in Inventory Amortization (d) | 24 | 529 | 35 | 2,860 |
| Acquired Backlog Amortization (e) | 202 | 695 | 581 | 1,494 |
| Acquisition Costs | 908 | 940 | 1,245 | 2,064 |
| Indemnification Asset (Provision) Reversal (f) | — | (66) | (29) | 24 |
| Adjusted Operating Income (a) | 40,511 | 50,499 | 76,795 | 91,770 |
| Depreciation and Amortization | 11,867 | 11,296 | 23,501 | 22,236 |
| Adjusted EBITDA (a) | <u>\$ 52,378</u> | <u>\$ 61,795</u> | <u>\$ 100,296</u> | <u>\$ 114,006</u> |
| Adjusted EBITDA Margin (a.g) | <u>20.5%</u> | <u>22.5%</u> | <u>20.3%</u> | <u>21.8%</u> |

| | | | | |
|---|-----------|-----------|-----------|-----------|
| Flow Control | | | | |
| Operating Income | \$ 24,443 | \$ 23,530 | \$ 47,195 | \$ 45,240 |
| Acquired Profit in Inventory Amortization (d) | 24 | 235 | 35 | 235 |
| Acquired Backlog Amortization (e) | 184 | 253 | 463 | 253 |
| Acquisition Costs | 31 | 566 | 39 | 566 |

| | | | | |
|--|-------------|-------------|-------------|-------------|
| Indemnification Asset (Provision) Reversal (f) | — | (21) | 102 | 181 |
| Adjusted Operating Income (a) | 24,682 | 24,563 | 47,834 | 46,475 |
| Depreciation and Amortization | 3,081 | 2,359 | 6,093 | 4,580 |
| Adjusted EBITDA (a) | \$ 27,763 | \$ 26,922 | \$ 53,927 | \$ 51,055 |
| Adjusted EBITDA Margin (a,g) | 28.9% | 29.2% | 28.6% | 28.5% |
| Industrial Processing | | | | |
| Operating Income | \$ 15,486 | \$ 24,092 | \$ 32,318 | \$ 44,091 |
| Acquired Profit in Inventory Amortization (d) | — | 294 | — | 1,585 |
| Acquisition Costs | 872 | 89 | 1,212 | 688 |
| Indemnification Asset Provision (f) | — | (32) | (206) | (127) |
| Adjusted Operating Income (a) | 16,358 | 24,443 | 33,324 | 46,237 |
| Depreciation and Amortization | 4,904 | 5,095 | 9,629 | 10,254 |
| Adjusted EBITDA (a) | \$ 21,262 | \$ 29,538 | \$ 42,953 | \$ 56,491 |
| Adjusted EBITDA Margin (a,g) | 22.2% | 25.7% | 23.2% | 25.6% |
| Material Handling | | | | |
| Operating Income | \$ 9,939 | \$ 11,188 | \$ 17,474 | \$ 16,729 |
| Acquired Profit in Inventory Amortization (d) | — | — | — | 1,040 |
| Acquired Backlog Amortization (e) | 18 | 442 | 118 | 1,241 |
| Acquisition Costs | 5 | 285 | (6) | 810 |
| Indemnification Asset (Provision) Reversal (f) | — | (13) | 75 | (30) |
| Adjusted Operating Income (a) | 9,962 | 11,902 | 17,661 | 19,790 |
| Depreciation and Amortization | 3,870 | 3,830 | 7,756 | 7,378 |
| Adjusted EBITDA (a) | \$ 13,832 | \$ 15,732 | \$ 25,417 | \$ 27,168 |
| Adjusted EBITDA Margin (a,g) | 21.8% | 23.2% | 21.1% | 21.9% |
| Corporate | | | | |
| Operating Loss | \$ (10,491) | \$ (10,409) | (22,024) | \$ (20,732) |
| Depreciation and Amortization | 12 | 12 | 23 | 24 |
| EBITDA (a) | \$ (10,479) | \$ (10,397) | \$ (22,001) | \$ (20,708) |

(a) Represents a non-GAAP financial measure.

(b) Represents the increase (decrease) resulting from the exclusion of acquisitions and from the conversion of current period amounts reported in local currencies into U.S. dollars at the exchange rate of the prior period compared to the U.S. dollar amount reported in the prior period.

(c) See reconciliation to the most directly comparable GAAP financial measure under "Adjusted Operating Income and Adjusted EBITDA Reconciliation."

(d) Represents amortization expense within cost of revenue associated with acquired profit in inventory.

(e) Represents intangible amortization expense associated with acquired backlog.

(f) Represents the provision for or reversal of indemnification assets related to the establishment or release of tax reserves associated with uncertain tax positions.

(g) Calculated as adjusted EBITDA divided by revenue in each period.

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 3,500 employees in 20 countries worldwide. For more information, visit 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 fiscal year ended December 28, 2024 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 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 cybersecurity incidents; implementation of our internal growth strategy; competition; our ability to successfully manage our manufacturing operations; supply chain constraints, inflationary pressure, price increases or shortages in raw materials; loss of key personnel and effective succession planning; future restructurings; protection of intellectual property; changes to tax laws and regulations; 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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