

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

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FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): August 23, 2021

**KADANT INC.**

(Exact name of registrant as specified in its charter)

Commission file number 001-11406

**Delaware**  
(State or other jurisdiction of incorporation or organization)

**52-1762325**  
(I.R.S. Employer Identification No.)

**One Technology Park Drive  
Westford, Massachusetts 01886**

(Address of principal executive offices, including zip code)

**(978) 776-2000**

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class  
Common Stock, \$.01 par value

Trading Symbol(s)  
KAI

Name of each exchange on which registered  
New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 7.01 Regulation FD Disclosure.**

On August 23, 2021, Kadant Inc. ("Kadant" or the "Company") acquired all the outstanding equity securities of East Chicago Machine Tool Corporation ("Balemaster") and certain assets of affiliated entities for \$54 million in cash, subject to certain customary adjustments (the "Acquisition"). Balemaster is a leading U.S. manufacturer of horizontal balers and related equipment used primarily for recycling packaging waste at corrugated box plants and large retail and distribution centers and will become part of Kadant's Material Handling reporting segment. A copy of the press release issued by the Company in connection with the Acquisition is furnished with this Current Report on Form 8-K and attached hereto as Exhibit 99.1.

On August 24, 2021 the Company will hold a webcast and conference call to discuss the transaction described above at 9:30 a.m. eastern time. A copy of an investor presentation with an overview of the Acquisition that will be presented on the webcast and discussed in the conference call is furnished as Exhibit 99.2 to this Current Report on Form 8-K and is posted in the "Investors" section of the Company's website at [www.kadant.com](http://www.kadant.com).

The information contained in this Item 7.01 (including Exhibits 99.1 and 99.2) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Safe Harbor Statement**

The following constitutes a "Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995: This Current Report on Form 8-K contains forward-looking statements that involve a number of risks and uncertainties, including forward-looking statements about the financial and operating performance of Balemaster, the benefits of the Acquisition, and the expected future business and financial performance of Balemaster. 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 January 2, 2021 and subsequent filings with the Securities and Exchange Commission. These include risks and uncertainties relating to Kadant's ability to successfully integrate Balemaster 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 Balemaster; potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement of the Acquisition; competitive and/or investor responses to the Acquisition; uncertainty of the expected financial performance of the combined operations; the ability to realize anticipated synergies and cost savings; unexpected costs, charges or expenses resulting from the Acquisition; the impact of the COVID-19 pandemic on our operating and financial results; 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; 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; price increases or shortages of 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; economic conditions and regulatory changes caused by the United Kingdom's exit from the European Union; 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; substitution of an alternative index for LIBOR; soundness of financial institutions; fluctuations in our share price; and anti-takeover provisions.

**Item 9.01 Financial Statements and Exhibits.**

its

The following exhibits relating to Item 7.01 shall be deemed to be furnished and not filed.

Exhibit

No. Description of Exhibits

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99. [Press release issued by the Company on August 23, 2021.](#)

99. [Slides to be presented by the Company on August 24, 2021.](#)

104. Cover Page Interactive Data File (embedded within the Inline XBRL document).

KADANT INC.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KADANT INC.

Date: August 23, 2021

By /s/ Michael J. McKenney

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Michael J. McKenney  
Executive Vice President and Chief Financial Officer

**KADANT**

**KADANT INC.**  
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## PRESS RELEASE

### Kadant Acquires Leading U.S. Baler Manufacturer

WESTFORD, Mass., August 23, 2021 - Kadant Inc. (NYSE:KAI) today announced it has completed its acquisition of Balemaster for \$54 million in cash, subject to certain customary adjustments.

Balemaster is a leading U.S. manufacturer of horizontal balers and related equipment used primarily for recycling packaging waste at corrugated box plants and large retail and distribution centers. The company's revenue for the trailing twelve months ended June 30, 2021 was approximately \$22 million. Balemaster will become part of Kadant's Material Handling reporting segment.

"Our acquisition of Balemaster expands our presence in the secondary material processing sector and creates new opportunities for leveraging our high-performance balers produced in Europe," said Jeffrey L. Powell, president and chief executive officer of Kadant Inc. "The company is a market leader in North America and its strong aftermarket business fits well with Kadant. We are excited to welcome the employees of Balemaster to the Kadant family."

"We are proud of the strong brand and market presence Balemaster has built over the past 75 years," said Cornel Raab, president of Balemaster. "Kadant is a world-class company with a similar culture and values as our family-built business, and we believe it is a great home for our company and employees."

#### Conference Call

Kadant will hold a conference call and webcast on Tuesday, August 24, 2021 at 9:30 a.m. eastern time to discuss the acquisition. To listen to the call and view the webcast, go to the "Investors" section of the Company's website at [www.kadant.com](http://www.kadant.com). To participate in the question and answer session, dial 888-326-8410 within the U.S., or +1-704-385-4884 outside the U.S., and reference participant passcode 2987001. A replay of the webcast will be available on the Company's website through September 24, 2021.

#### About Kadant

Kadant Inc. 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 2,900 employees in 21 countries worldwide. For more information, visit [www.kadant.com](http://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 Balemaster, the benefits of the acquisition, and the expected future business and financial performance of Balemaster. 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 January 2, 2021 and subsequent filings with the Securities and Exchange Commission. These include risks and uncertainties relating to Kadant's ability to successfully integrate Balemaster 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 Balemaster; potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement of the acquisition; competitive and/or investor responses to the acquisition; uncertainty of the expected financial performance of the combined operations; the ability to realize anticipated synergies and cost savings; unexpected costs, charges or expenses resulting from the acquisition; the impact of the COVID-19 pandemic on our operating and financial results; 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; 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; price increases or shortages of 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; economic conditions and regulatory changes caused by the United Kingdom's exit from the European Union; 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; substitution of an alternative index for LIBOR; soundness of financial institutions; fluctuations in our share price; and anti-takeover provisions.

**Contacts**

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or

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**KADANT**

## Acquisition of Balemaster

Manufacturer of balers and related equipment

AUGUST 24, 2021



# Forward-Looking Statements

The following constitutes a "Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995: This presentation contains forward-looking statements that involve a number of risks and uncertainties, including forward-looking statements about the financial and operating performance of Balemaster, the benefits of the acquisition, and the expected future business and financial performance of Balemaster. These forward-looking statements represent Kadant's expectations as of the date of this presentation. 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 January 2, 2021 and subsequent filings with the Securities and Exchange Commission. These include risks and uncertainties relating to Kadant's ability to successfully integrate Balemaster 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 Balemaster; potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement of the acquisition; competitive and/or investor responses to the acquisition; uncertainty of the expected financial performance of the combined operations; the ability to realize anticipated synergies and cost savings; unexpected costs, charges or expenses resulting from the acquisition; the impact of the COVID-19 pandemic on our operating and financial results; 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; 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; price increases or shortages of 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; economic conditions and regulatory changes caused by the United Kingdom's exit from the European Union; 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; substitution of an alternative index for LIBOR; soundness of financial institutions; fluctuations in our share price; and anti-takeover provisions.





## Balemaster

Manufacturer of balers and related equipment

**KADANT**

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## Balemaster Acquisition Overview

- Manufacturer of balers and shredders used to recycle or process fiber waste
- Founded in 1946, built a solid reputation for quality balers and related equipment
- Based in Crown Point, Indiana with a sales presence throughout North America
- Strong market position in paper mills, box plants, and large retail and distribution centers
- Revenue for the trailing twelve months (TTM) ended June 30, 2021 was \$22 million
- Purchase price was approximately \$54 million, representing a 6.7x adjusted EBITDA multiple
- Closed August 23, 2021

## Balemaster Acquisition Rationale

- Stable business with leading position in core fiber-based markets
- Highly complementary product offering to Kadant PAAL balers
- Our leading European baler brand can leverage Balemaster's established sales network in the U.S.
- Favorable market conditions with growing ecommerce expected to continue to drive demand for balers from box plants and retail distribution centers
- Well-established brand with excellent financial metrics

## Kadant and Balemaster Together

- Complementary geographic coverage provides minimal overlap and broad global footprint
- Advances our ability to extend market coverage for our complementary performance-baler products
- Combination of two leading baler manufacturers in the U.S. and Europe



**KADANT**

## Integration

- Use multi-brand strategy retaining the strength of the Balemaster brand
- U.S. manufacturing operations will continue as part of our decentralized operating structure
- Anticipate sharing of best practices and collaboration
- Balemaster will become part of our Material Handling reporting segment



## Questions & Answers

To ask a question, please call **888-326-8410** within the U.S. or **+1 704-385-4884** outside the U.S. and reference **298 7001**.

Please mute the audio on your computer.

**KADANT**

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# KADANT



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AUGUST 24, 2021

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