



# KĀDANT

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## Investor Presentation

Kadant Inc. (NYSE: KAI)  
March 2026

# 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 our future financial and operating performance, demand for our products, and economic and industry outlook. These forward-looking statements represent our expectations as of February 23, 2026. 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 3, 2026, 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.

# Use of Non-GAAP Financial Measures & Company Estimates

In addition to the financial measures prepared in accordance with U.S. 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 gross profit, adjusted gross margin, adjusted SG&A, adjusted operating income, adjusted net income, adjusted EPS, earnings before interest, taxes, depreciation, and amortization (EBITDA), adjusted EBITDA, adjusted EBITDA margin, free cash flow, and adjusted free cash flow.

Specific non-GAAP financial measures have been marked with an \* (asterisk) within this presentation. A reconciliation of those numbers to the most directly comparable GAAP financial measures is shown in the Appendix and in our fourth quarter and full year 2025 earnings press release issued February 18, 2026 and our Form 8-K issued February 23, 2026, which is available in the Investors section of our website at [investor.kadant.com](http://investor.kadant.com).

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 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 an additional measure of our performance.

The non-GAAP financial measures included in this presentation 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 presentation 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.



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# Company Overview

# Company Attributes

## Kadant's DNA

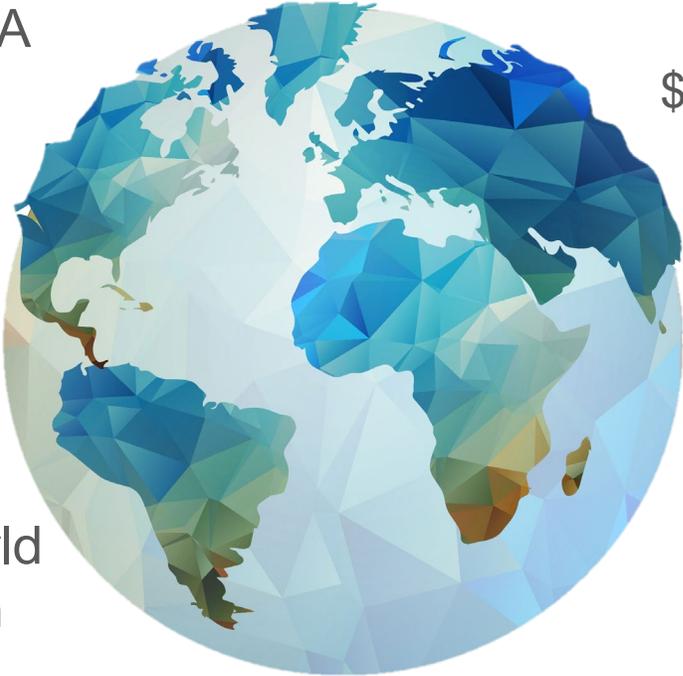
- Technologies that drive Sustainable Industrial Processing®
- Stable business model with recurring revenue of high-impact solutions with “sticky” customer relationships
- Over 70% of revenue from parts and consumables
- Growing end markets driven by global macro trends
- Decentralized structure, asset-light operating model
- Excellent financial performance and free cash flow\* generation
- Focused capital allocation and proven record of value-creating acquisitions
- Experienced management team

# Global Platform, Local Presence

Geographic revenue (FY 2025) is attributed to countries based on customer location

NORTH AMERICA  
\$656 million

EUROPE  
\$242 million



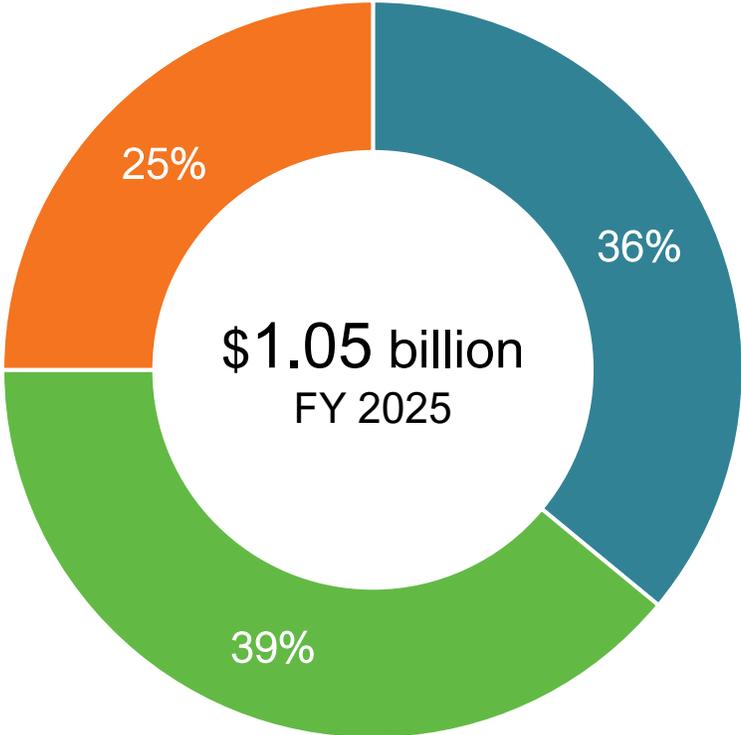
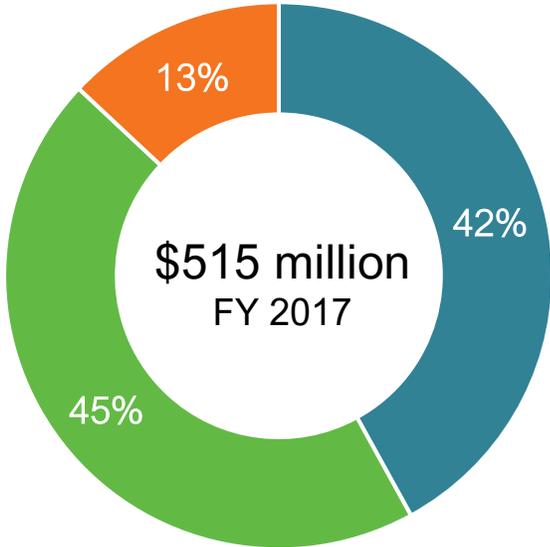
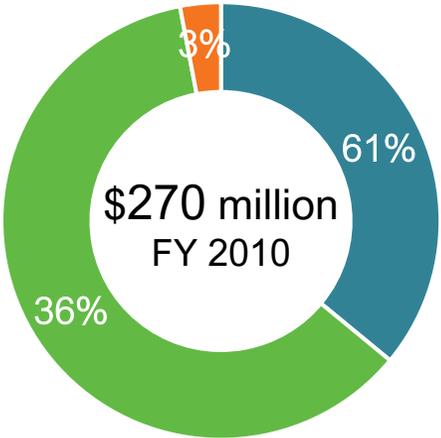
Rest of World  
\$66 million

ASIA  
\$88 million

# Accelerating Growth: Diversifying Our Strategic Mix

Aligning growth with long-term strategic vision

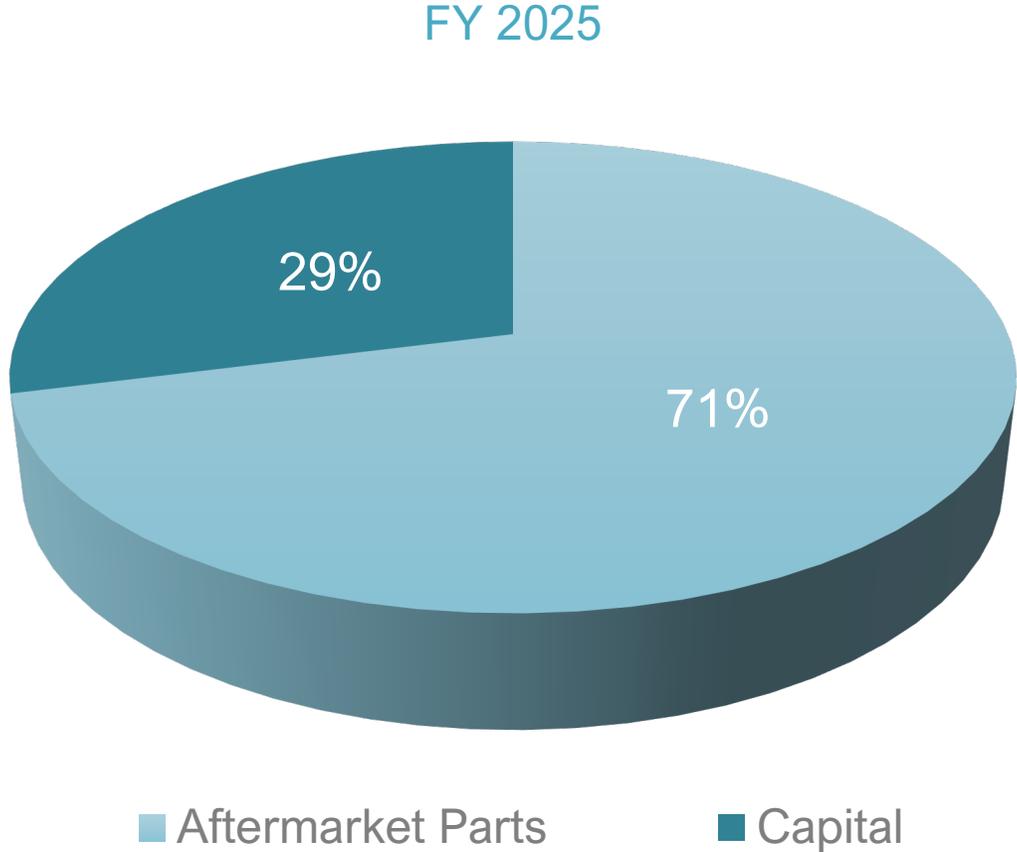
- Secular growth trends
- Infrastructure investment needs
- Global supply chain trends
- Evolution of the circular economy



■ Flow Control ■ Industrial Processing ■ Material Handling

# Revenue Mix

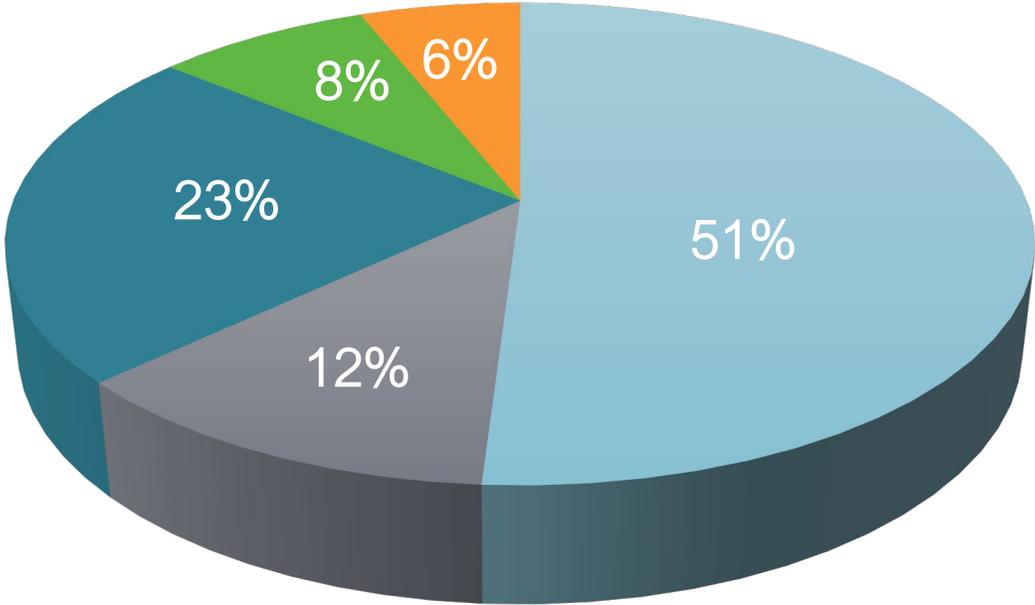
Business model supports higher margins and strong cash flows



# Revenue by Geographic Location

Global presence

FY 2025 REVENUE BY CUSTOMER LOCATION

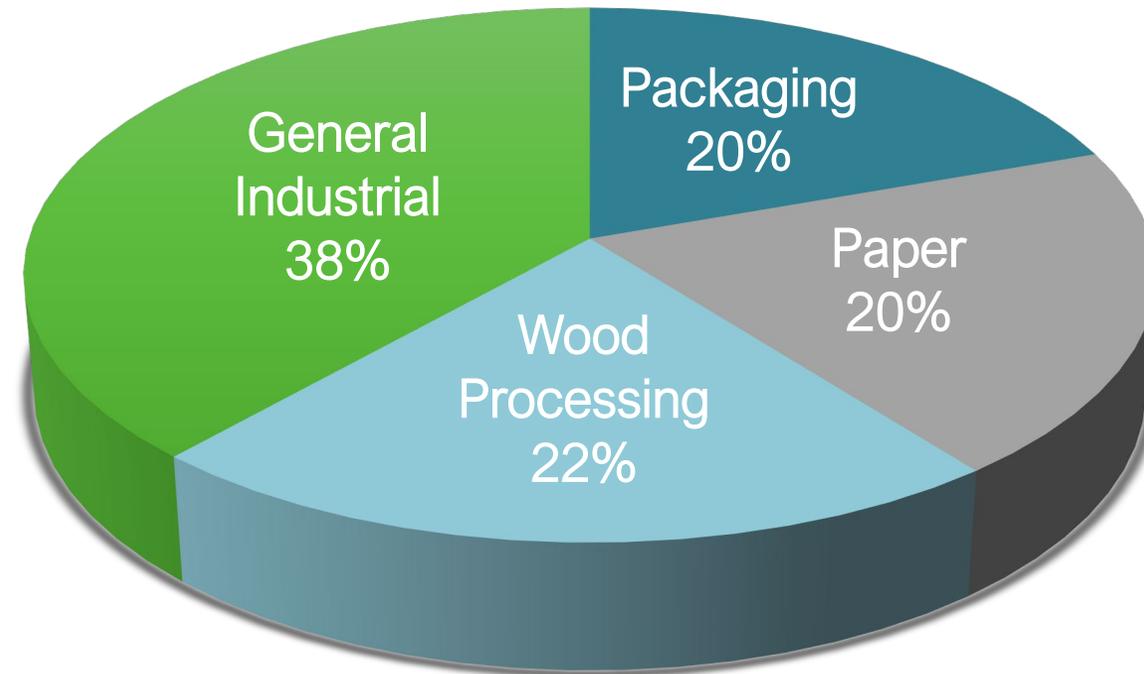


■ U.S. ■ Canada & Mexico ■ Europe ■ Asia ■ ROW

# Revenue by End Market

Balanced distribution across key markets

FY 2025 REVENUE BY MAJOR END MARKETS





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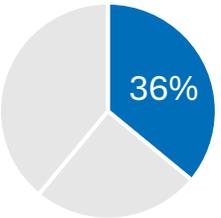
# Operating Segments

# Strategic Operating Segments

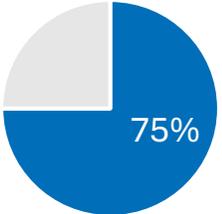
## FLOW CONTROL

Custom-engineered products and technologies that impact the flow of fluids.

% 2025 REVENUE

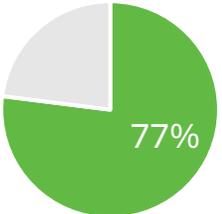
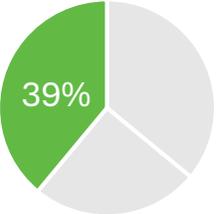


% 2025 AFTERMARKET



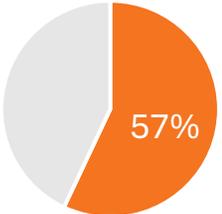
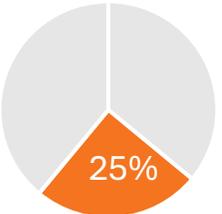
## INDUSTRIAL PROCESSING

Products and technologies used in the processing of wood, virgin and recycled fibers, food, and energy.



## MATERIAL HANDLING

Products and systems used to handle bulk and discrete materials for secondary processing.



# Primary Markets

## FLOW CONTROL

PACKAGING, PAPER, TISSUE



CONVERTING



ENERGY



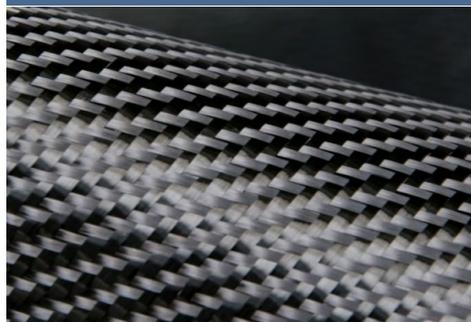
FOOD & BEVERAGE



DEFENSE & AEROSPACE



SYNTHETIC/ CARBON FIBER



FACTORY AUTOMATION



SPECIALTY MACHINERY



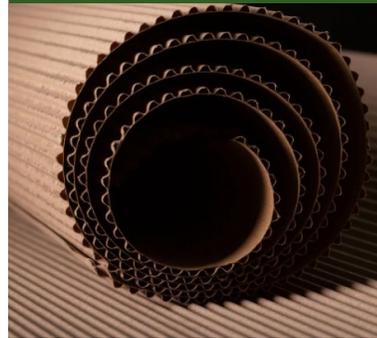
# Primary Markets

## INDUSTRIAL PROCESSING

PACKAGING



CORRUGATED



TISSUE & TOWEL



KRAFT PULP



ORIENTED STRAND BOARD (OSB)



DIMENSIONAL LUMBER



MASS TIMBER



# Primary Markets

## MATERIAL HANDLING

AGGREGATE



CEMENT



COPPER



FOOD



RECYCLERS &  
WASTE MANAGEMENT



WASTE-TO-ENERGY



PAPER & PACKAGING



PHARMA



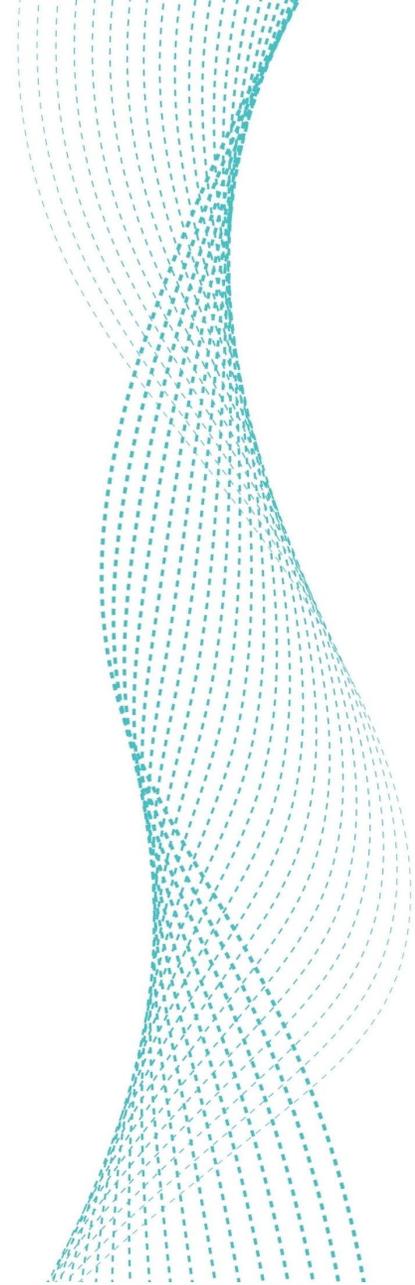


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# Growth Trends

# Global Trends Supporting Growth Opportunities

- **Decarbonization and electrification** driving demand for energy-optimized systems and new technologies utilizing green energy
- **Disruptive technologies** enabling new applications by increasing adoption of automation, advanced robotics, artificial intelligence, and rapidly expanding connectivity within process industries
- **Population growth and demographic shifts** creating opportunities, compounded by labor shortages, aging workforce, and skills gaps
- **Urbanization and aging infrastructure** stimulating demand for convenience goods; recycling and waste management; and investments in infrastructure
- **Sustainability and environmental responsibility** fueling demand for increased use of recyclable (cellulose) materials to preserve and secure natural resources



# Key Market Drivers Enabling Kadant's Growth

- Home delivery increasing demand for packaging and containerboard
- Growing consumer demand for sustainable materials
- Demographics and housing demand driving wood industry
- Need for global infrastructure to support economic growth
- Smart technology increasing industrial connectivity



# Home Delivery Driving Packaging & Containerboard Demand

- U.S. e-commerce sales are expected to grow 9% annually through 2029<sup>1</sup>
- Increase in demand for containerboard used to produce corrugated boxes
- Fiber-based packaging materials are a core element of the circular economy

E-commerce Sales as a Percent of Global Retail Sales<sup>1</sup>



# Consumer Demand for Sustainable Materials

- Greenhouse gas emissions and plastic pollution are driving markets toward more environmentally friendly alternatives
- Increase in European and U.S. regulations reducing demand for select single-use plastics
- Migration from plastic to cellulose-based material in packaging, bags, straws, water bottles, etc. is underway
- Societal preference shift leading to greater demand for cellulose-based, recyclable materials



# Demand for Lumber and Engineered Wood

- Long-term demand remains robust
- Wood-based buildings offer lower carbon footprint versus concrete or steel
- Growing use of cross-laminated timber (CLT) in taller buildings
- Housing construction in Europe starting to transition from concrete block and brick to wood



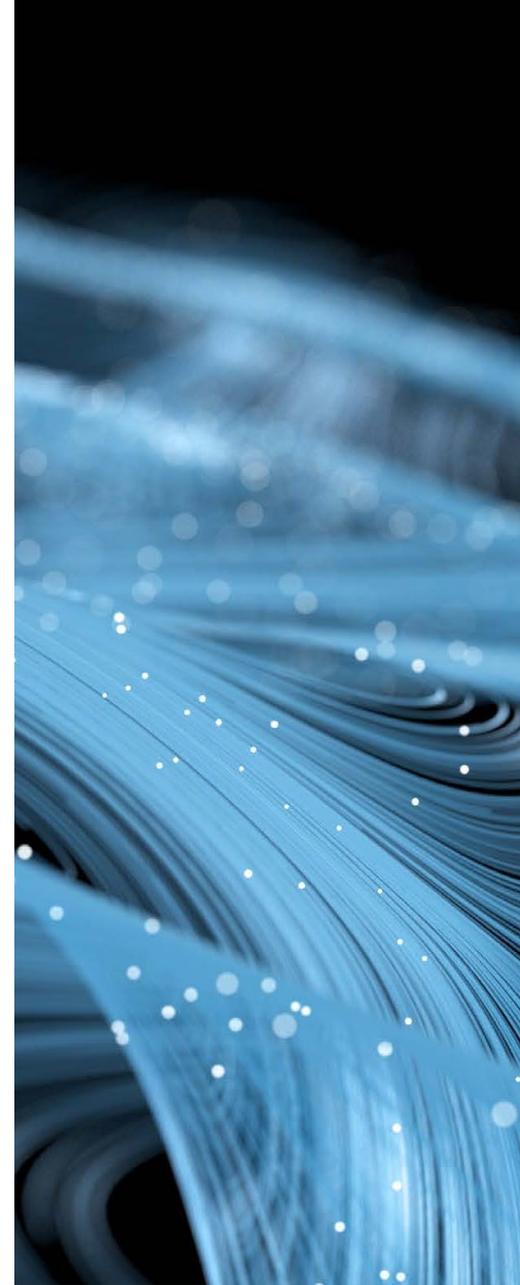
# Infrastructure Build-out

- The Federal Government has allocated \$350 billion for heavy infrastructure investments in the U.S.<sup>2</sup>
- Building infrastructure requires material and minerals, driving demand for efficient mining and material processing equipment
- Our material handling products increase efficiency in mining and material processing leading to considerably less water and electricity used in the process



# Digitalization, Automation, and Smart Technology

- Smart technology is enabling industrial processes optimization across multiple systems and physical locations, delivering real-time data analysis and actionable insights.
- Digital ecosystems are gaining traction across industrial enterprises as interconnectivity grows.
- Our digital platform, illum.X, is a framework for industrial digitalization that combines products, data, and analytics to enhance plant productivity and improve efficiencies.



# Our Sustainability-Driven Culture Enables Responsible Growth



## Our People and Our Communities

We focus our efforts on providing the best solutions possible to benefit our customers and invest in our people and the communities in which we operate.



## Our Systems and Products

Our products are designed to reduce waste, use resources more efficiently, and allow our customers to create more value with fewer inputs.



## Our Use of Renewable Resources and Materials

Our products maximize the use of renewable and biodegradable materials which, in turn, can help our customers achieve their sustainability goals.



Named one of America's Greatest Companies



Named one of America's Greatest Workplaces for Families and Parents



Named one of America's Most Responsible Companies for six consecutive years



Named one of America's Greenest Companies

Source: Newsweek

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# Acquisition Strategy

# Acquisition Criteria

Accelerate growth through acquisitions aligned with strategic vision

- Enhances our offering of highly engineered products serving critical process roles
- Serves end markets with attractive profiles; market-leading positions
- Broadens and strengthens our culture
- Demonstrates a history of consistent revenue with significant aftermarket exposure
- Established long-standing, deep customer relationships



# Proven Track Record of Successful M&A



# Acquisition Performance

Average adjusted ROIC<sup>3</sup> for 2025: 12%

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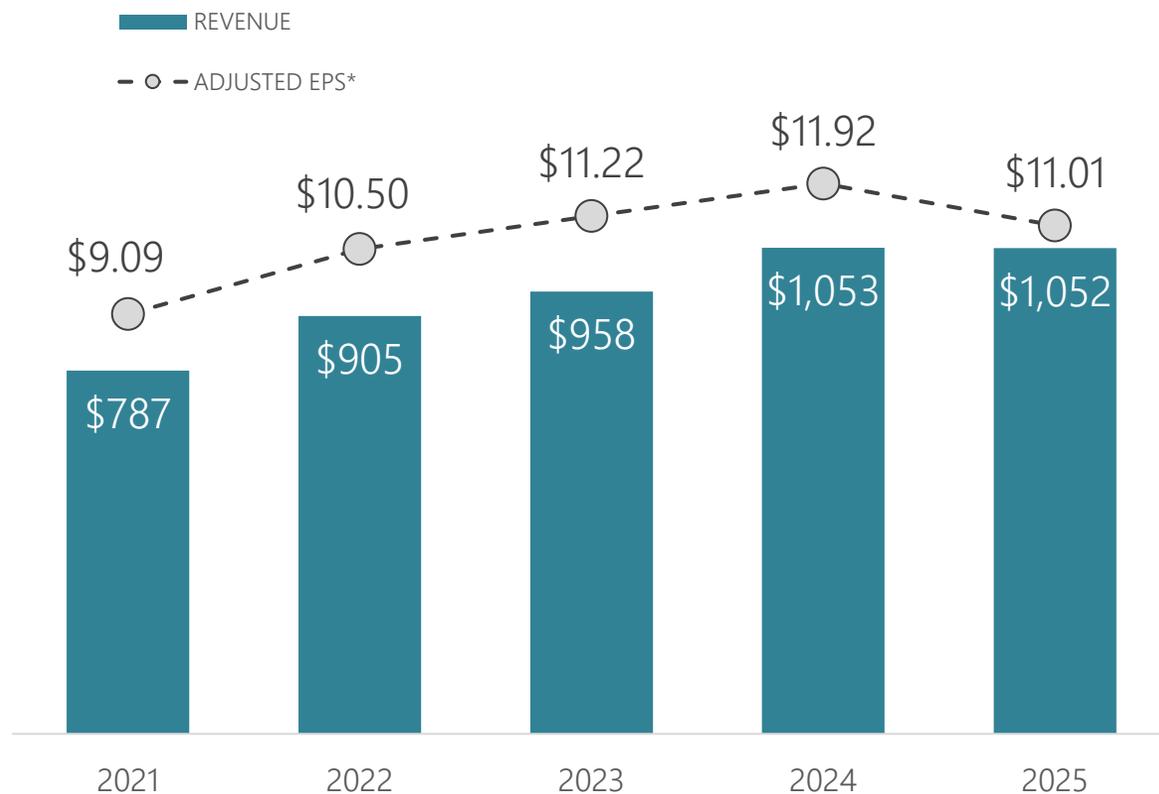




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# Financial Performance

# Revenue and Adjusted EPS\*

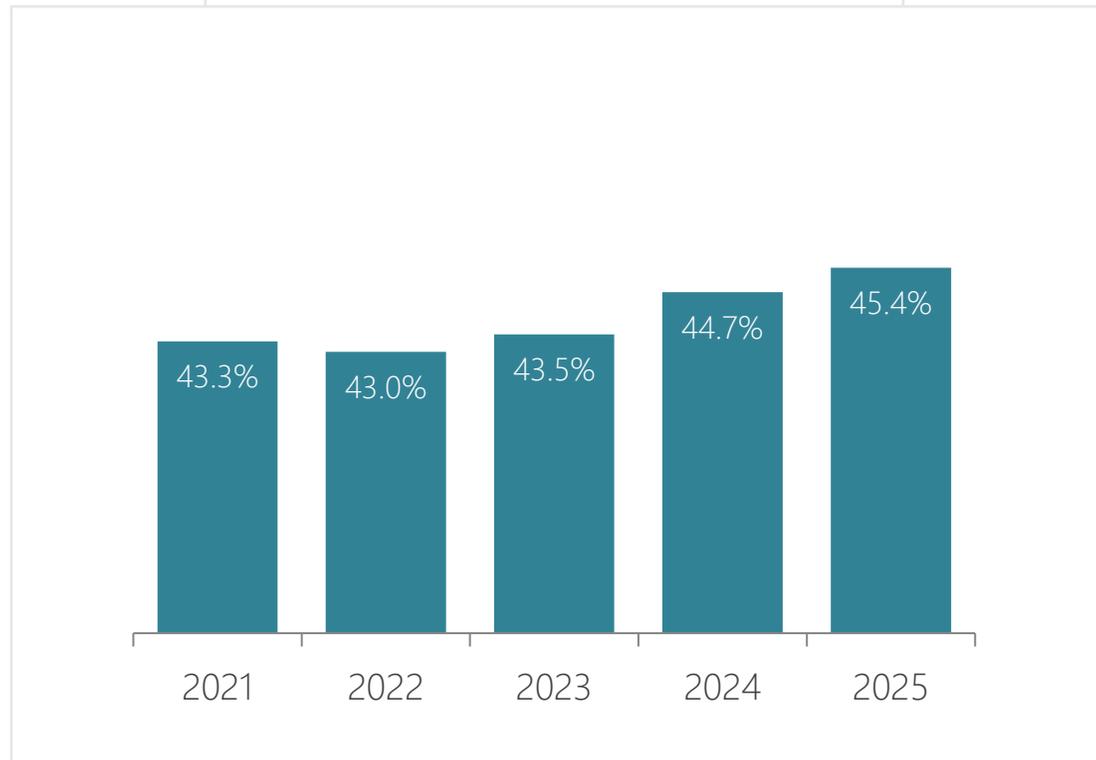


## CAGR 2021-2025

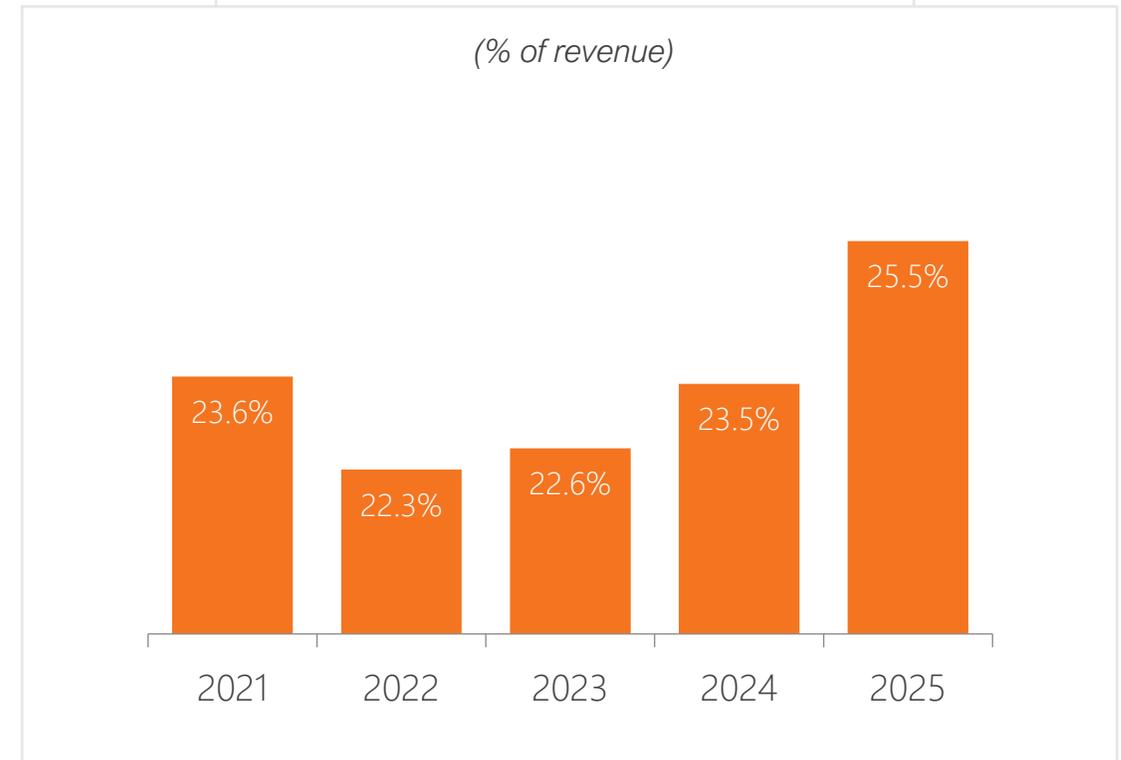
Metric	CAGR 2021-2025
Revenue	7.5%
Adjusted EPS*	4.9%

# Adjusted Gross Margin\* and Adjusted SG&A\* Metrics

Adjusted Gross Margin\*

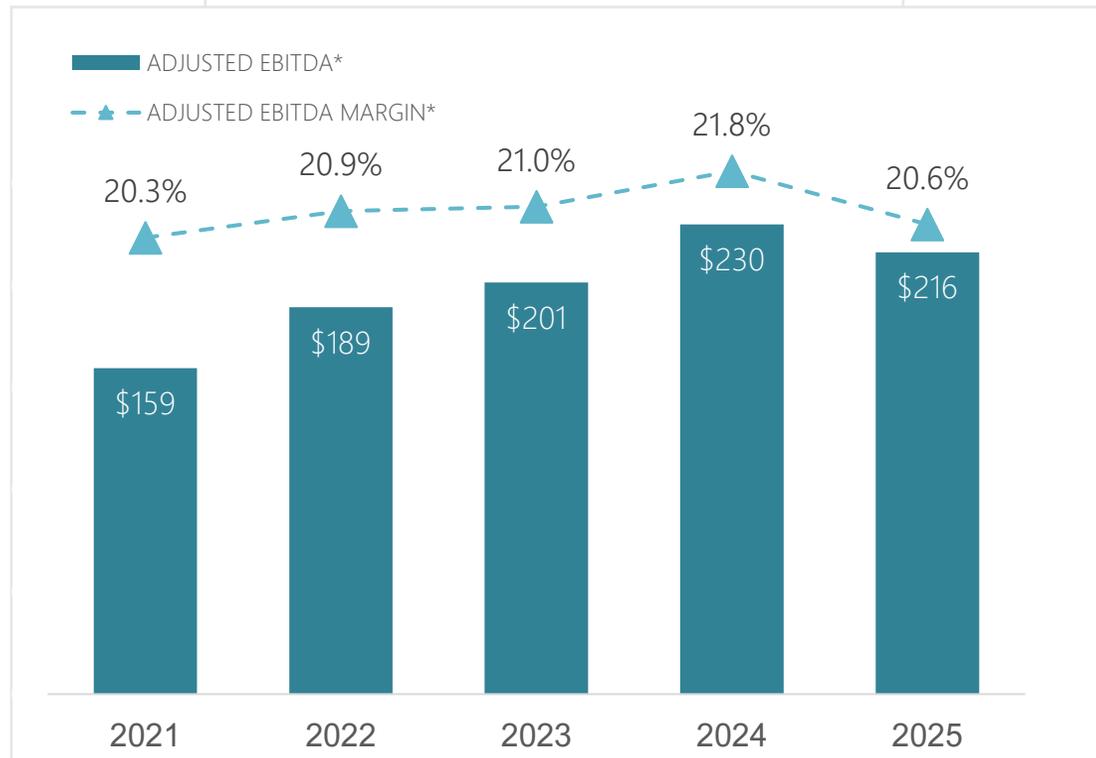


Adjusted SG&A\*

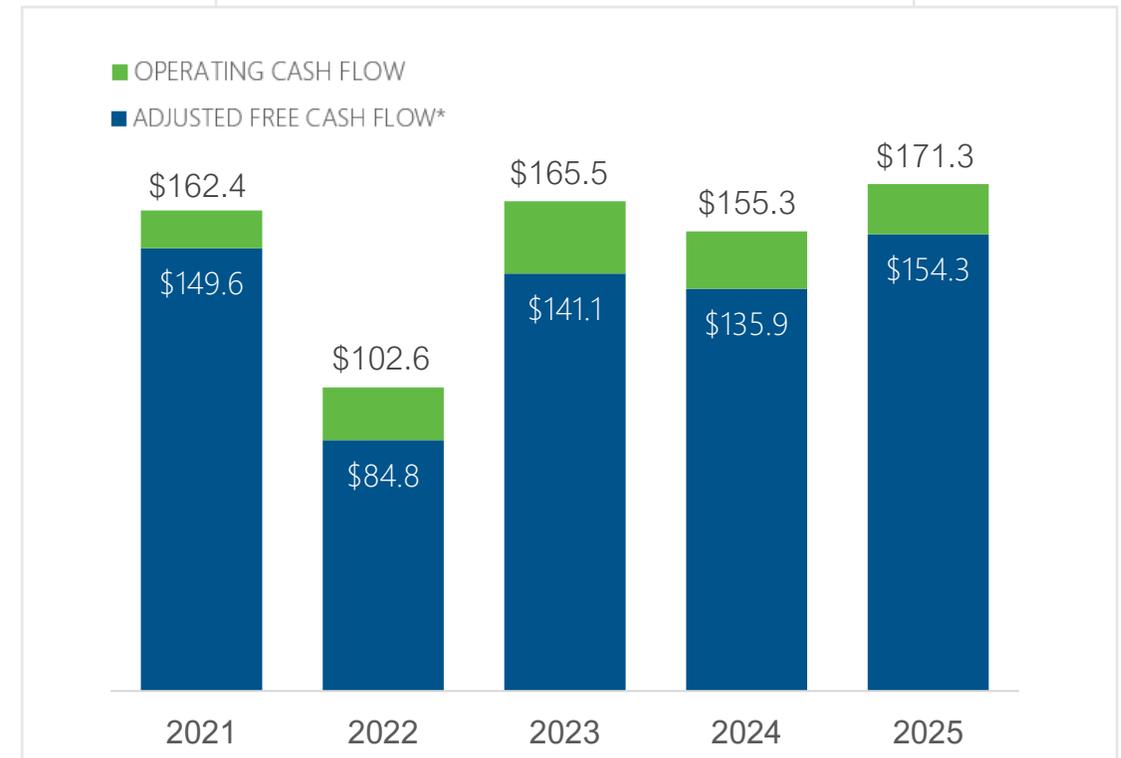


# Adjusted EBITDA\* and Cash Flow

## Adjusted EBITDA\*



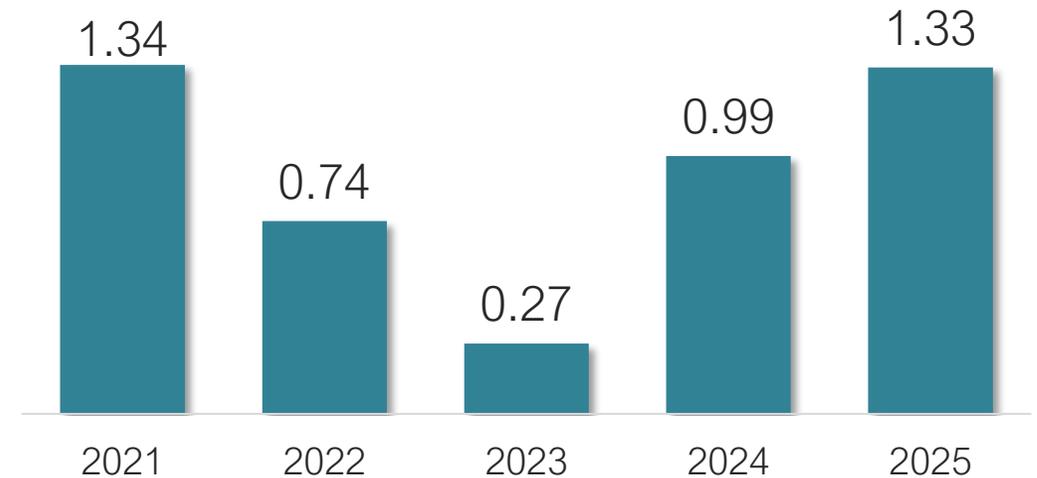
## Cash Flow



# Leverage Ratio<sup>4</sup>

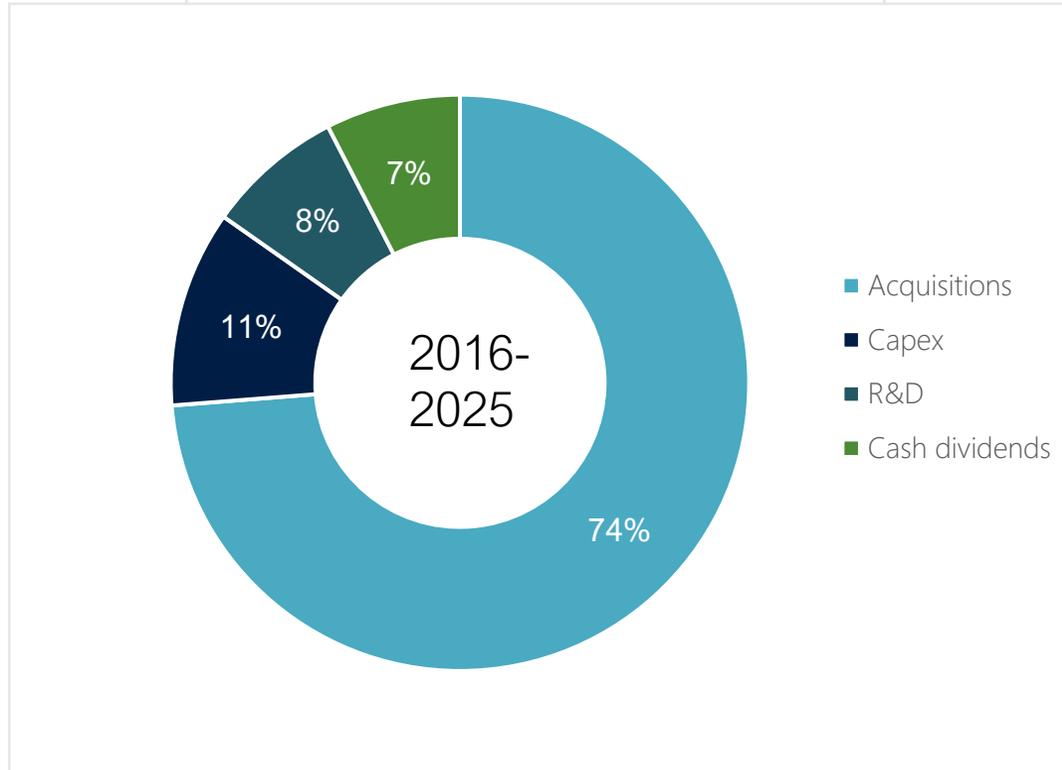
Our borrowing capacity at the end of 2025 includes:

- \$383 million under our revolving credit facility
- \$200 million of uncommitted borrowing capacity

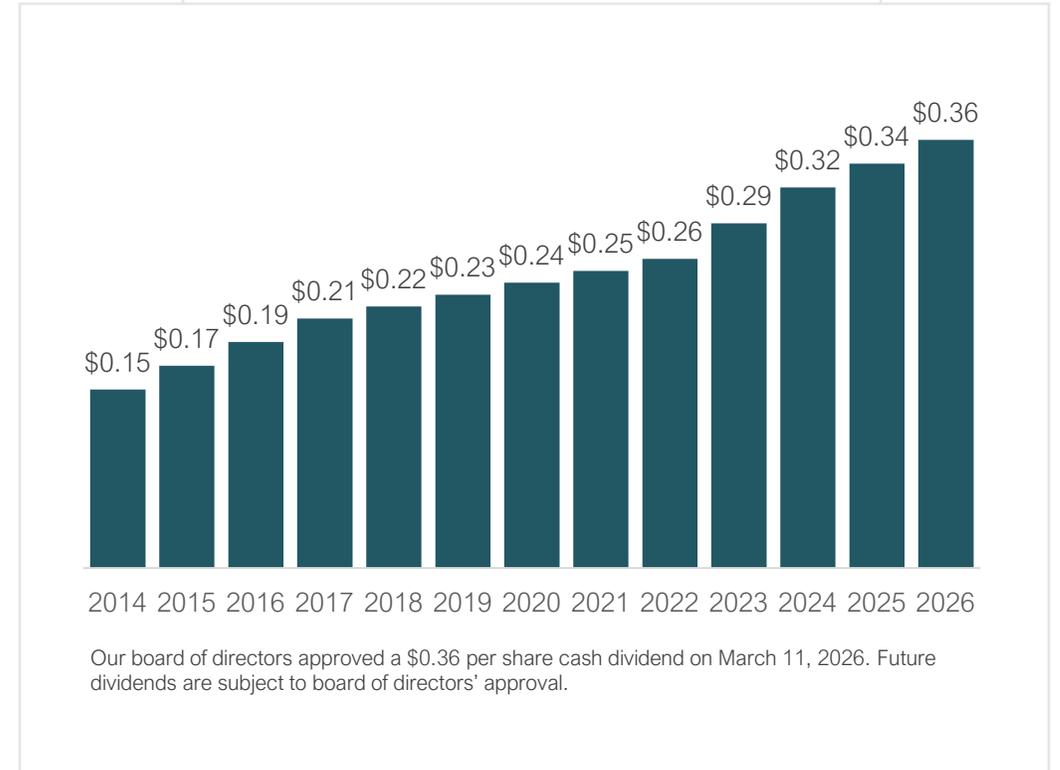


# Effective Capital Allocation

## Uses of Cash

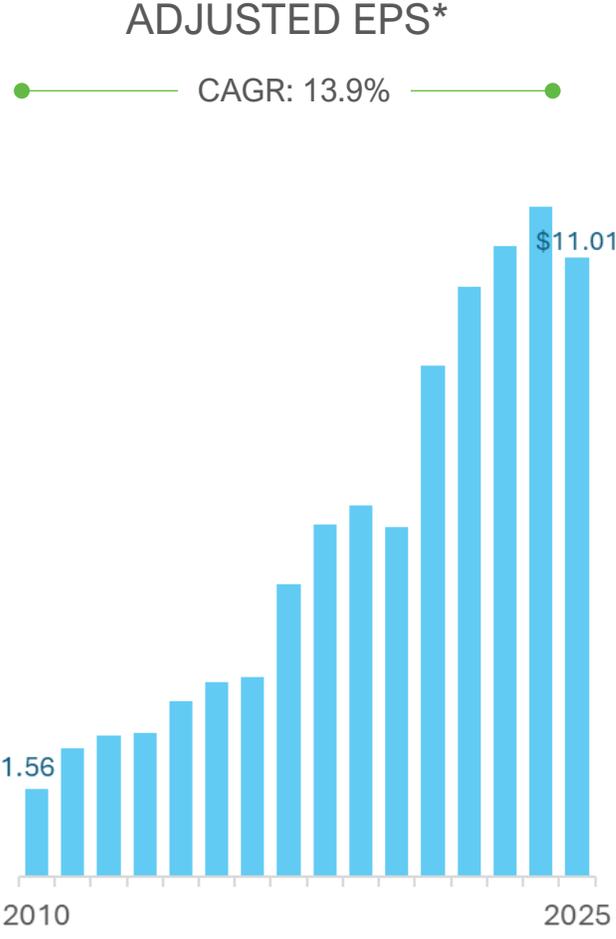
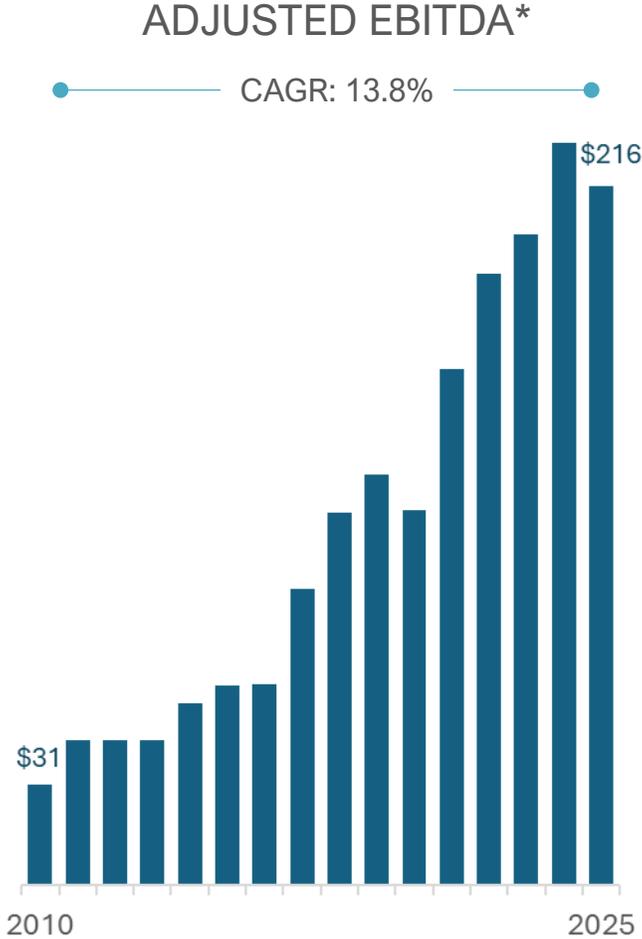
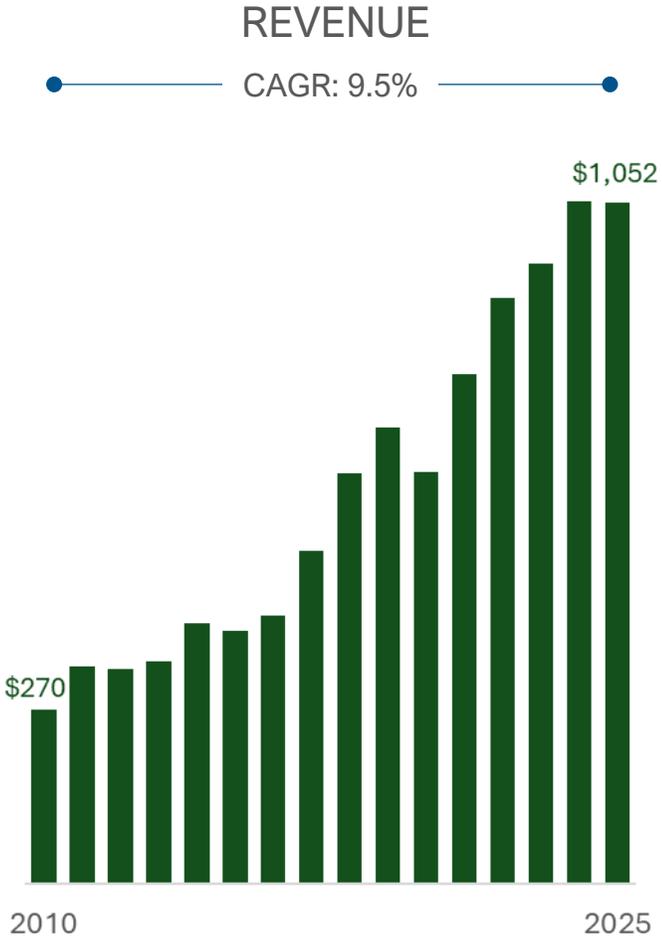


## Quarterly Dividends



# Value Creation for Kadant Shareholders

(\$ in millions, except per share amounts)



# Key Takeaways

## STRONG EARNINGS & PROFITABILITY

- Over 70% of revenue from aftermarket parts
- Excellent financial performance and free cash flow\* generation
- Strong business model with recurring revenue of high-impact solutions with “sticky” customer relationships

## PROVEN TRACK RECORD AS A SUSTAINABILITY LEADER

- Delivering engineered systems and technologies to enable sustainable industrial processing
- Helping customers advance toward sustainable manufacturing solutions
- Growing demand for environmentally friendly materials in end markets

## GROWTH-ORIENTED BUSINESS MODEL

- Growing end markets driven by global macro trends
- Focused capital allocation and proven record of accretive acquisitions
- Decentralized structure, asset-light operating model
- Focus on strategic innovation



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# Appendix

# Financial Highlights

(\$ in millions, except per share amounts)

	Q4 2025	Q4 2024	Change	2025	2024	Change
Bookings	\$270.0	\$240.6	12.2%	\$1,033.9	\$981.1	5.4%
Revenue	\$286.2	\$258.0	10.9%	\$1,052.2	\$1,053.4	-0.1%
Gross Margin	43.9%	43.4%	50 bps	45.2%	44.3%	90 bps
Net Income <sup>5</sup>	\$24.0	\$24.0	—%	\$102.0	\$111.6	-8.6%
Adjusted EBITDA*	\$58.0	\$52.4	10.6%	\$216.3	\$229.7	-5.8%
Adjusted EBITDA Margin*	20.3%	20.3%	— bps	20.6%	21.8%	-120 bps
GAAP EPS	\$2.04	\$2.04	—%	\$8.65	\$9.48	-8.8%
Adjusted EPS*	\$2.80	\$2.68	4.5%	\$11.01	\$11.92	-7.6%
Operating Cash Flow	\$60.8	\$51.9	17.1%	\$171.3	\$155.3	10.3%
Free Cash Flow*	\$54.7	\$46.3	18.1%	\$154.3	\$134.3	14.9%
Net Debt <sup>6</sup>	\$251.8	\$192.6	30.8%	\$251.8	\$192.6	30.8%

# FX Translation and Acquisition Impact

(\$ in millions)

	REVENUE	BOOKINGS	PARTS & CONSUMABLES REVENUE	PARTS & CONSUMABLES BOOKINGS	
2025	As Reported	\$1,052.2	\$1,033.9	\$748.4	\$742.8
	Growth	-0.1%	5.4%	7.9%	7.4%
	Growth excluding FX	-0.8%	4.9%	7.5%	7.0%
	Growth excluding FX and Acquisitions	-4.3%	1.4%	3.4%	2.7%
2024	As Reported	\$1,053.4	\$981.1	\$693.6	\$691.8
	Growth	10.0%	6.9%	15.9%	17.0%
	Growth excluding FX	10.5%	7.4%	16.4%	17.5%
	Growth excluding FX and Acquisitions	-1.6%	-5.3%	-0.3%	0.4%

Growth is the year-over-year percent change between the current period and the comparable prior period.

Growth Excluding FX represents the year-over-year percent change excluding the impact of current period versus prior period exchange rates.

Growth Excluding FX and Acquisitions represents the year-over-year percent change excluding the impact of acquisitions and current period versus prior period exchange rates. Acquired businesses are classified as Acquisitions for the first four quarters after acquisition.

# Balance Sheet Data

(\$ in millions)

	Jan. 3, 2026	Dec. 28, 2024
Cash, Cash Equivalents, and Restricted Cash	\$122.7	\$95.9
Accounts Receivable, net	158.6	142.5
Inventories	206.9	146.1
Contract Assets	6.6	18.4
Property, Plant, and Equipment, net	196.6	170.3
Intangible Assets	350.4	279.5
Goodwill	555.6	479.2
Other Assets	114.8	98.4
<b>Total Assets</b>	<b>\$1,712.2</b>	<b>\$1,430.3</b>
Accounts Payable	\$53.4	\$51.1
Debt Obligations	372.7	286.5
Other Borrowings	1.8	2.0
Other Liabilities	293.2	232.6
<b>Total Liabilities</b>	<b>\$721.1</b>	<b>\$572.2</b>
Stockholders' Equity	\$991.1	\$858.1
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$1,712.2</b>	<b>\$1,430.3</b>

# Adjusted EPS\* Reconciliation

	2021	2022	2023	2024	2025	Q4 2024	Q4 2025
GAAP EPS	\$ 7.21	\$ 10.35	\$ 9.90	\$ 9.48	\$ 8.65	\$ 2.04	\$ 2.04
Amortization of Acquired Intangible Assets, net of tax	1.26	1.27	1.18	1.65	1.75	0.43	0.53
Amortization of Acquired Profit in Inventory and Backlog, net of tax	0.34	0.03	-	0.54	0.15	0.14	0.07
Acquisition Costs, net of tax	0.26	0.04	0.10	0.20	0.38	0.02	0.10
Gain on Sale of Buildings and Other (Income) Costs, net of tax	(0.03)	(1.30)	-	0.06	0.06	0.06	0.06
Restructuring and Impairment Costs, net of tax	0.08	0.11	0.04	-	0.02	-	0.01
Discrete Tax Items	(0.04)	-	-	-	-	-	-
Adjusted EPS*	\$ 9.09	\$ 10.50	\$ 11.22	\$ 11.92	\$ 11.01	\$ 2.68	\$ 2.80

NOTE: Adjusted EPS\* for all periods presented reflects new methodology announced on February 19, 2026 to add back amortization of acquired intangible assets, net of tax, in this non-GAAP financial measure.

# Adjusted Free Cash Flow\* Reconciliation

(\$ in millions)

	2021	2022	2023	2024	2025	Q4 2024	Q4 2025
Operating Cash Flow	\$ 162.4	\$ 102.6	\$ 165.5	\$ 155.3	\$ 171.3	\$ 51.9	\$ 60.8
Capital Expenditures	(12.8)	(28.2)	(31.8)	(21.0)	(17.0)	(5.6)	(6.1)
Free Cash Flow*	\$ 149.6	\$ 74.4	\$ 133.7	\$ 134.3	\$ 154.3	\$ 46.3	\$ 54.7
Capital Expenditures for Facility Project	-	10.4	7.4	1.6	-	0.2	-
Adjusted Free Cash Flow*	\$ 149.6	\$ 84.8	\$ 141.1	\$ 135.9	\$ 154.3	\$ 46.5	\$ 54.7

# Adjusted EBITDA\* Reconciliation

(\$ in millions)

	2021	2022	2023	2024	2025	Q4 2024	Q4 2025
Net Income Attributable to Kadant	\$ 84.0	\$ 120.9	\$ 116.1	\$ 111.6	\$ 102.0	\$ 24.0	\$ 24.0
Net Income Attributable to Noncontrolling Interests	0.8	0.8	0.7	1.0	1.7	0.1	0.5
Provision for Income Taxes	27.2	43.9	42.2	40.5	39.9	8.7	10.5
Interest and Other Expense, net	4.7	5.7	6.8	18.2	13.7	4.1	4.7
Operating Income	\$ 116.7	\$ 171.3	\$ 165.8	\$ 171.3	\$ 157.3	\$ 36.9	\$ 39.7
Acquired Intangible Asset Amortization Expense	19.6	19.8	18.5	25.8	27.4	6.7	8.3
Acquired Profit in Inventory and Backlog Amortization Expense	5.6	0.5	-	8.4	2.4	2.2	1.1
Acquisition Costs	3.6	0.7	1.4	2.9	4.4	0.4	0.9
Gain on Sale of Buildings and Other (Income) Costs, net	(0.5)	(20.2)	(0.1)	0.7	0.9	0.7	0.9
Indemnification Asset Reversals	-	1.3	0.1	0.1	0.6	0.3	0.6
Restructuring and Impairment Costs	1.0	1.3	0.8	-	0.4	-	0.1
Adjusted Operating Income*	\$ 146.0	\$ 174.7	\$ 186.5	\$ 209.2	\$ 193.4	\$ 47.2	\$ 51.6
Depreciation Expense	13.4	14.4	14.8	20.5	22.9	5.2	6.4
Adjusted EBITDA*	\$ 159.4	\$ 189.1	\$ 201.3	\$ 229.7	\$ 216.3	\$ 52.4	\$ 58.0
Revenue	786.6	904.7	957.7	1,053.4	1,052.2	258.0	286.2
Adjusted EBITDA Margin*	20.3%	20.9%	21.0%	21.8%	20.6%	20.3%	20.3%

NOTE: Adjusted Operating Income\* for all periods presented reflects new methodology announced on February 19, 2026 to add back acquired intangible asset amortization expense in this non-GAAP financial measure.

# Adjusted Gross Margin\* Reconciliation

(\$ in millions)

	2021	2022	2023	2024	2025	Q4 2024	Q4 2025
Revenue	\$ 786.6	\$ 904.7	\$ 957.7	\$ 1,053.4	\$ 1,052.2	\$ 258.0	\$ 286.2
Cost of Revenue	(449.2)	(515.2)	(541.4)	(587.2)	(576.5)	(146.1)	(160.5)
Gross Profit	\$ 337.4	\$ 389.5	\$ 416.3	\$ 466.2	\$ 475.7	\$ 111.9	\$ 125.7
Gross Margin	42.9%	43.1%	43.5%	44.3%	45.2%	43.4%	43.9%
Gross Margin	\$ 337.4	\$ 389.5	\$ 416.3	\$ 466.2	\$ 475.7	\$ 111.9	\$ 125.7
Government Assistance Programs	(0.9)	-	-	-	-	-	-
Amortization of Acquired Profit in Inventory	4.3	(0.2)	-	5.1	1.5	1.1	1.0
Adjusted Gross Profit*	\$ 340.8	\$ 389.3	\$ 416.3	\$ 471.3	\$ 477.2	\$ 113.0	\$ 126.7
Adjusted Gross Margin*	43.3%	43.0%	43.5%	44.7%	45.4%	43.8%	44.3%

# Adjusted SG&A\* Reconciliation

(\$ in millions)

	2021	2022	2023	2024	2025	Q4 2024	Q4 2025
SG&A	\$ 208.8	\$ 224.4	\$ 236.3	\$ 279.9	\$ 301.9	\$ 70.6	\$ 80.9
Amortization of Acquired Intangible Assets	(19.6)	(19.8)	(18.5)	(25.8)	(27.4)	(6.7)	(8.3)
Acquisition Costs	(3.6)	(0.7)	(1.4)	(2.9)	(4.4)	(0.4)	(0.9)
Amortization of Acquired Backlog	(1.3)	(0.7)	-	(3.2)	(0.9)	(1.1)	(0.1)
Government Assistance Programs	1.4	-	-	-	-	-	-
Indemnification Asset Reversals	-	(1.3)	-	(0.1)	(0.6)	(0.3)	(0.6)
Adjusted SG&A*	\$ 185.7	\$ 201.9	\$ 216.4	\$ 247.9	\$ 268.6	\$ 62.1	\$ 71.0
Revenue	\$ 786.6	\$ 904.7	\$ 957.7	\$ 1,053.4	\$ 1,052.2	\$ 258.0	\$ 286.2
Adjusted SG&A* as a % of Revenue	23.6%	22.3%	22.6%	23.5%	25.5%	24.1%	24.8%

NOTE: Adjusted SG&A\* for all periods presented reflects new methodology announced on February 19, 2026 to exclude amortization of acquired intangible assets in this non-GAAP financial measure.

# Notes

## PRESENTATION NOTES

- All references to EPS (earnings per share) are to our EPS as calculated on a diluted basis. Certain per share amounts in the tables may not foot due to rounding.
- Percent change in slide 39 is calculated using numbers reported in our press releases dated February 18, 2026 and February 12, 2025, except for adjusted operating income and adjusted EPS which is calculated using numbers reported in our Form 8-K filed on February 23, 2026.

## FOOTNOTES

- 1) Source: Statista March 20, 2025.
- 2) Source: National Conference of State Legislators. Retrieved May 3, 2023 from <https://www.ncsl.org/state-federal/infrastructure-investment-and-jobs-act>.
- 3) Adjusted return on invested capital (ROIC) is calculated based on adjusted net income, excluding intangible amortization, over consideration paid net of cash acquired. Average adjusted ROIC is calculated using the adjusted ROIC for each acquisition represented on slide 29 weighted based on consideration paid net of cash acquired.
- 4) Leverage ratio is calculated by dividing total debt by EBITDA. For purposes of this calculation, EBITDA is calculated by adding or subtracting certain items from Adjusted EBITDA, as required by our amended and restated credit facility ("Credit Facility"). Our Credit Facility defines total debt as debt less worldwide cash of up to \$50 million.
- 5) Net income represents net income attributable to Kadant.
- 6) Net debt is calculated based on total debt less cash, cash equivalents and restricted cash.