UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended April 4, 2026

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________ to _________

Commission file number 001-11406

KADANT INC.

(Exact name of registrant as specified in its charter)

Delaware	**52-1762325**
(State or other jurisdiction of incorporation or organization)	(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)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.01 par value	KAI	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 1, 2026, the registrant had 11,808,462 shares of common stock outstanding.

Kadant Inc.
Report on Form 10-Q
For the Quarterly Period Ended April 4, 2026
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PART I – FINANCIAL INFORMATION

Item 1 – Financial Statements

KADANT INC.
Condensed Consolidated Balance Sheet
(Unaudited)

(In thousands, except share and per share amounts)	April 4, 2026	January 3, 2026
Assets		
Current Assets:		
Cash and cash equivalents	$ 117,025	$ 119,551
Restricted cash	2,792	3,130
Accounts receivable, net of allowances of $5,334 and $5,149	172,376	158,567
Inventories	214,831	206,854
Contract assets	5,921	6,599
Other current assets	49,698	47,232
Total Current Assets	562,643	541,933
Property, Plant, and Equipment, net of accumulated depreciation of $178,135 and $173,586	193,286	196,656
Other Assets	66,465	67,592
Intangible Assets, Net (Note 1)	341,170	350,376
Goodwill (Note 1)	551,088	555,621
Total Assets	$ 1,714,652	$ 1,712,178
Liabilities and Stockholders' Equity		
Current Liabilities:		
Current maturities of long-term obligations (Note 5)	$ 3,161	$ 3,129
Accounts payable	55,481	53,362
Accrued payroll and employee benefits	37,906	47,348
Accrued warranty costs	10,491	11,848
Customer deposits	64,466	56,867
Advanced billings	10,190	9,605
Other current liabilities	45,739	46,012
Total Current Liabilities	227,434	228,171
Long-Term Obligations (Note 5)	360,200	371,372
Long-Term Deferred Income Taxes	63,378	62,479
Other Long-Term Liabilities	57,491	59,089
Commitments and Contingencies (Note 10)		
Stockholders' Equity:		
Preferred stock, $.01 par value, 5,000,000 shares authorized; none issued	—	—
Common stock, $.01 par value, 150,000,000 shares authorized; 14,624,159 shares issued	146	146
Capital in excess of par value	136,360	138,844
Retained earnings	966,899	945,641
Treasury stock at cost, 2,815,702 and 2,835,165 shares	(68,996)	(69,473)
Accumulated other comprehensive items (Note 7)	(38,805)	(35,349)
Total Kadant Stockholders' Equity	995,604	979,809
Noncontrolling interests	10,545	11,258
Total Stockholders' Equity	1,006,149	991,067
Total Liabilities and Stockholders' Equity	$ 1,714,652	$ 1,712,178

The accompanying notes are an integral part of these condensed consolidated financial statements.

KADANT INC.
Condensed Consolidated Statement of Income
(Unaudited)

(In thousands, except per share amounts)	Three Months Ended April 4, 2026	Three Months Ended March 29, 2025
Revenue (Notes 1 and 9)	$ 281,505	$ 239,210
Costs and Operating Expenses:		
Cost of revenue	154,802	128,880
Selling, general, and administrative expenses	82,538	71,221
Research and development expenses	4,056	3,523
	241,396	203,624
Operating Income	40,109	35,586
Interest Income	351	517
Interest Expense	(4,484)	(3,822)
Other Expense, Net	(13)	(16)
Income Before Provision for Income Taxes	35,963	32,265
Provision for Income Taxes (Note 4)	10,142	7,828
Net Income	25,821	24,437
Net Income Attributable to Noncontrolling Interests	(312)	(374)
Net Income Attributable to Kadant	$ 25,509	$ 24,063
Earnings per Share Attributable to Kadant (Note 3)		
Basic	$ 2.16	$ 2.05
Diluted	$ 2.16	$ 2.04
Weighted Average Shares (Note 3)		
Basic	11,794	11,760
Diluted	11,802	11,776

The accompanying notes are an integral part of these condensed consolidated financial statements.

KADANT INC.

Condensed Consolidated Statement of Comprehensive Income

(Unaudited)

(In thousands)	Three Months Ended April 4, 2026	Three Months Ended March 29, 2025
Net Income	$ 25,821	$ 24,437
Other Comprehensive Items:		
Foreign currency translation adjustment	(3,486)	10,009
Pension and other post-retirement liability adjustments, net (net of tax (benefit) provision of $(2) and $1)	(5)	4
Other comprehensive items	(3,491)	10,013
Comprehensive Income	22,330	34,450
Comprehensive Income Attributable to Noncontrolling Interests	(277)	(443)
Comprehensive Income Attributable to Kadant	$ 22,053	$ 34,007

The accompanying notes are an integral part of these condensed consolidated financial statements.

KADANT INC.
Condensed Consolidated Statement of Cash Flows
(Unaudited)

(In thousands)	Three Months Ended April 4, 2026	Three Months Ended March 29, 2025
Operating Activities		
Net income attributable to Kadant	$ 25,509	$ 24,063
Net income attributable to noncontrolling interests	312	374
Net income	25,821	24,437
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	14,647	12,013
Stock-based compensation expense	2,916	2,757
Provision for (recovery of) losses on accounts receivable	272	(240)
Other items, net	3,509	2,337
Changes in assets and liabilities, net of effects of acquisitions:		
Accounts receivable	(14,323)	(1,068)
Contract assets	697	6,310
Inventories	(9,214)	(5,516)
Other assets	(1,635)	(1,368)
Accounts payable	2,522	(1,658)
Customer deposits	7,308	(827)
Other liabilities	(10,604)	(14,342)
Net cash provided by operating activities	21,916	22,835
Investing Activities		
Acquisition holdback payment (Note 2)	(1,157)	—
Purchases of property, plant, and equipment	(3,258)	(3,836)
Proceeds from sale of property, plant, and equipment	489	—
Net cash used in investing activities	(3,926)	(3,836)
Financing Activities		
Proceeds from issuance of long-term obligations	9,000	8,000
Repayment of short- and long-term obligations	(19,129)	(22,563)
Tax withholding payments related to stock-based compensation	(4,923)	(6,036)
Dividends paid	(4,008)	(3,762)
Proceeds from issuance of Company common stock	—	2,101
Dividends paid to noncontrolling interests	(990)	(825)
Net cash used in financing activities	(20,050)	(23,085)
Exchange Rate Effect on Cash, Cash Equivalents, and Restricted Cash	(804)	1,945
Decrease in Cash, Cash Equivalents, and Restricted Cash	(2,864)	(2,141)
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	122,681	95,946
Cash, Cash Equivalents, and Restricted Cash at End of Period	$ 119,817	$ 93,805

See Note 1, Nature of Operations and Summary of Significant Accounting Policies, under the heading *Supplemental Cash Flow Information* for further details.

The accompanying notes are an integral part of these condensed consolidated financial statements.

KADANT INC.

Condensed Consolidated Statement of Stockholders' Equity

(Unaudited)

Three Months Ended April 4, 2026

(In thousands, except share and per share amounts)	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	Retained Earnings	Treasury Stock Shares	Treasury Stock Amount	Accumulated Other Comprehensive Items	Noncontrolling Interests	Total Stockholders' Equity
Balance at January 3, 2026	14,624,159	$ 146	$ 138,844	$ 945,641	2,835,165	$ (69,473)	$ (35,349)	$ 11,258	$ 991,067
Net income	—	—	—	25,509	—	—	—	312	25,821
Dividend declared – Common Stock, $0.36 per share	—	—	—	(4,251)	—	—	—	—	(4,251)
Activity under stock plans	—	—	(2,484)	—	(19,463)	477	—	—	(2,007)
Dividends paid to noncontrolling interest	—	—	—	—	—	—	—	(990)	(990)
Other comprehensive items	—	—	—	—	—	—	(3,456)	(35)	(3,491)
Balance at April 4, 2026	14,624,159	$ 146	$ 136,360	$ 966,899	2,815,702	$ (68,996)	$ (38,805)	$ 10,545	$ 1,006,149

Three Months Ended March 29, 2025

(In thousands, except share and per share amounts)	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	Retained Earnings	Treasury Stock Shares	Treasury Stock Amount	Accumulated Other Comprehensive Items	Noncontrolling Interests	Total Stockholders' Equity
Balance at December 28, 2024	14,624,159	$ 146	$ 130,180	$ 859,693	2,878,080	$ (70,524)	$ (72,368)	$ 11,001	$ 858,128
Net income	—	—	—	24,063	—	—	—	374	24,437
Dividend declared – Common Stock, $0.34 per share	—	—	—	(4,004)	—	—	—	—	(4,004)
Activity under stock plans	—	—	(1,908)	—	(29,780)	729	—	—	(1,179)
Dividend paid to noncontrolling interest	—	—	—	—	—	—	—	(825)	(825)
Other comprehensive items	—	—	—	—	—	—	9,944	69	10,013
Balance at March 29, 2025	14,624,159	$ 146	$ 128,272	$ 879,752	2,848,300	$ (69,795)	$ (62,424)	$ 10,619	$ 886,570

The accompanying notes are an integral part of these condensed consolidated financial statements.

KADANT INC.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Kadant Inc. was incorporated in Delaware in November 1991 and trades on the New York Stock Exchange under the ticker symbol "KAI."

Kadant Inc. (together with its subsidiaries, the Company) is a global supplier of technologies and engineered systems that drive Sustainable Industrial Processing®. Its products and services play an integral role in enhancing efficiency, optimizing energy utilization, and maximizing productivity in process industries while helping customers advance their sustainability initiatives with products that reduce waste or generate more yield with fewer inputs, particularly fiber, energy, and water. Producing more while consuming less is a core aspect of Sustainable Industrial Processing and a major element of the strategic focus of the Company's three reportable segments consisting of the Flow Control segment, Industrial Processing segment, and Material Handling segment.

Interim Financial Statements

The interim condensed consolidated financial statements and related notes presented have been prepared by the Company, are unaudited, and, in the opinion of management, reflect all adjustments of a normal recurring nature necessary for a fair statement of the Company's financial position at April 4, 2026, its results of operations, comprehensive income, cash flows and stockholders' equity for the three-month periods ended April 4, 2026 and March 29, 2025. Interim results are not necessarily indicative of results for a full year or for any other interim period.

The condensed consolidated balance sheet presented as of January 3, 2026 has been derived from the consolidated financial statements contained in the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 2026 (Annual Report). The condensed consolidated financial statements and related notes are presented as permitted by the rules and regulations of the Securities and Exchange Commission (SEC) for Form 10-Q and do not contain certain information included in the annual consolidated financial statements and related notes of the Company. The condensed consolidated financial statements and notes included herein should be read in conjunction with the consolidated financial statements and related notes included in the Annual Report.

Use of Estimates and Critical Accounting Policies

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Although the Company makes every effort to ensure the accuracy of the estimates and assumptions used in the preparation of its condensed consolidated financial statements or in the application of accounting policies, if business conditions were different, or if the Company were to use different estimates and assumptions, it is possible that materially different amounts could be reported in the Company's condensed consolidated financial statements.

Note 1 to the consolidated financial statements in the Annual Report describes the significant accounting estimates and policies used in preparation of the consolidated financial statements. There have been no material changes in the Company's significant accounting policies during the three months ended April 4, 2026.

Supplemental Cash Flow Information

	Three Months Ended	
(In thousands)	April 4, 2026	March 29, 2025
Cash Paid for Interest	$ 4,253	$ 3,657
Cash Paid for Income Taxes, Net of Refunds	$ 9,457	$ 11,109
Non-Cash Investing Activities:		
Reduction in fair value of assets acquired	$ 1,490	$ —
Reduction in fair value of liabilities assumed	$ 1,490	$ —
Purchases of property, plant, and equipment in accounts payable	$ 1,296	$ 463
Non-Cash Financing Activities:		
Issuance of Company common stock upon vesting of restricted stock units	$ 5,626	$ 5,033
Dividends declared but unpaid	$ 4,251	$ 4,004

KADANT INC.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Restricted Cash

The Company's restricted cash generally serves as collateral for bank guarantees associated with providing assurance to customers that the Company will fulfill certain customer obligations entered into in the normal course of business and for certain banker's acceptance drafts issued to vendors. The majority of these restrictions will expire over the next twelve months.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the accompanying condensed consolidated balance sheet that are shown in aggregate in the accompanying condensed consolidated statement of cash flows:

(In thousands)	April 4, 2026	January 3, 2026	March 29, 2025	December 28, 2024
Cash and cash equivalents	$ 117,025	$ 119,551	$ 91,678	$ 94,660
Restricted cash	2,792	3,130	2,127	1,286
Total Cash, Cash Equivalents, and Restricted Cash	$ 119,817	$ 122,681	$ 93,805	$ 95,946

Inventories

The components of inventories are as follows:

(In thousands)	April 4, 2026	January 3, 2026
Raw Materials	$ 92,102	$ 92,674
Work in Process	51,760	44,455
Finished Goods (includes $5,095 and $3,556 at customer locations)	70,969	69,725
	$ 214,831	$ 206,854

Intangible Assets, Net

Acquired intangible assets by major asset class are as follows:

(In thousands)	Gross	Accumulated Amortization	Currency Translation	Net
April 4, 2026				
Definite-Lived				
Customer relationships	$ 414,746	$ (154,612)	$ (5,197)	$ 254,937
Product technology	96,744	(56,416)	(2,086)	38,242
Tradenames	23,926	(6,439)	(401)	17,086
Other	25,221	(22,535)	(563)	2,123
	560,637	(240,002)	(8,247)	312,388
Indefinite-Lived				
Tradenames	29,059	—	(277)	28,782
Acquired Intangible Assets	$ 589,696	$ (240,002)	$ (8,524)	$ 341,170
January 3, 2026				
Definite-Lived				
Customer relationships	$ 414,629	$ (148,139)	$ (4,483)	$ 262,007
Product technology	96,744	(54,929)	(2,076)	39,739
Tradenames	23,926	(6,106)	(366)	17,454
Other	25,221	(22,443)	(574)	2,204
	560,520	(231,617)	(7,499)	321,404
Indefinite-Lived				
Tradenames	29,059	—	(87)	28,972
Acquired Intangible Assets	$ 589,579	$ (231,617)	$ (7,586)	$ 350,376

Intangible assets are recorded at fair value at the date of acquisition. Subsequent impairment charges are reflected as a reduction in the gross balance, as applicable. Definite-lived intangible assets are stated net of accumulated amortization and currency translation in the accompanying condensed consolidated balance sheet. The Company amortizes definite-lived intangible assets over lives that have been determined based on the anticipated cash flow benefits of the intangible asset.

Goodwill

The changes in the carrying amount of goodwill by reportable segment are as follows:

(In thousands)	Flow Control	Industrial Processing	Material Handling	Total
Balance at January 3, 2026				
Gross balance	$ 139,759	$ 306,319	$ 195,081	$ 641,159
Accumulated impairment losses	—	(85,538)	—	(85,538)
Net balance	139,759	220,781	195,081	555,621
2026 Activity				
Measurement period adjustments for 2025 acquisitions	—	(1,566)	—	(1,566)
Currency translation	(1,223)	(1,258)	(486)	(2,967)
Total 2026 activity	(1,223)	(2,824)	(486)	(4,533)
Balance at April 4, 2026				
Gross balance	138,536	303,495	194,595	636,626
Accumulated impairment losses	—	(85,538)	—	(85,538)
Net balance	$ 138,536	$ 217,957	$ 194,595	$ 551,088

Warranty Obligations

The Company's contracts covering the sale of its products include warranty provisions that provide assurance to its customers that the products will comply with agreed-upon specifications during a defined period of time. The Company provides for the estimated cost of product warranties at the time of sale based on historical occurrence rates and repair costs, as well as knowledge of any specific warranty problems that indicate projected warranty costs may vary from historical patterns. The Company negotiates the terms regarding warranty coverage and length of warranty depending on the products and applications.

The changes in the carrying amount of product warranty obligations are as follows:

	Three Months Ended	
(In thousands)	April 4, 2026	March 29, 2025
Balance at Beginning of Year	$ 11,848	$ 10,664
Provision charged to expense	522	1,009
Usage	(1,854)	(1,728)
Currency translation	(25)	171
Balance at End of Period	$ 10,491	$ 10,116

Revenue Recognition

Most of the Company’s revenue relates to products and services that require minimal customization and is recognized at a point in time for each performance obligation under the contract when the customer obtains control of the goods or service. The remaining portion of the Company’s revenue is recognized over time based on an input method that compares the costs incurred to date to the total expected costs required to satisfy the performance obligation. Contracts are accounted for on an over time basis when they include products which have no alternative use and an enforceable right to payment over time. Most of the contracts recognized on an over time basis are for large capital equipment projects. These projects are highly customized for the customer and, as a result, would include a significant cost to rework in the event of cancellation.

The following table presents revenue by revenue recognition method:

	Three Months Ended			
(In thousands)	April 4, 2026		March 29, 2025	
Point in Time	$	266,160	$	217,668
Over Time		15,345		21,542
	$	281,505	$	239,210

The Company disaggregates its revenue from contracts with customers by reportable segment, product type and geography as this best depicts how its revenue is affected by economic factors.

The following table presents the disaggregation of revenue by product type and geography:

	Three Months Ended			
(In thousands)	April 4, 2026		March 29, 2025	
Revenue by Product Type:				
Parts and consumables	$	209,499	$	179,308
Capital		72,006		59,902
	$	281,505	$	239,210
Revenue by Geography (based on customer location):				
North America	$	166,563	$	159,870
Europe		62,202		49,341
Asia		30,756		18,702
Rest of world		21,984		11,297
	$	281,505	$	239,210

See Note 9, Business Segment Information, for information on the disaggregation of revenue by reportable segment.

The following table presents contract balances from contracts with customers:

(In thousands)	April 4, 2026		January 3, 2026	
Contract Assets	$	5,921	$	6,599
Contract Liabilities	$	76,852	$	69,093

Contract assets represent unbilled revenue associated with revenue recognized on contracts accounted for on an over time basis, which will be billed in future periods based on the contract terms. Contract liabilities consist of short- and long-term customer deposits, advanced billings, and deferred revenue. Deferred revenue is included in other current liabilities, and long-term customer deposits are included in other long-term liabilities in the accompanying condensed consolidated balance sheet. Contract liabilities will be recognized as revenue in future periods once the revenue recognition criteria are met. The majority of the contract liabilities relate to advance payments on contracts accounted for at a point in time. These advance payments will be recognized as revenue when the Company's performance obligations have been satisfied, which typically occurs when the product has shipped and control of the asset has transferred to the customer.

The Company recognized revenue of $32,008,000 in the first quarter of 2026 and $17,559,000 in the first quarter of 2025 that was included in the contract liabilities balance at the beginning of 2026 and 2025, respectively. The majority of the Company's contracts for capital equipment products have an original expected duration of one year or less. Certain capital equipment product contracts require longer lead times and could take up to 24 months to complete. For contracts with an original expected duration of over one year, the aggregate amount of the transaction price allocated to the remaining unsatisfied or partially unsatisfied performance obligations was $26,575,000 as of April 4, 2026. The Company will recognize revenue for these performance obligations as they are satisfied, approximately 80% of which is expected to occur within the next twelve months and the remaining 20% thereafter.

Note Receivable

The Company entered into several agreements with the local government in China, which became effective in 2022, to sell its then-existing manufacturing building and land use rights at one of its subsidiaries in China and relocate to a new facility. The Company received a 31% down payment, with the remaining balance due on the earlier of the sale of the property by the local government or two years from the effective date of the agreements. To date, the local government in China has made various interim payments and the outstanding receivable was $13,795,000 at April 4, 2026, which is included in other current assets in the accompanying condensed consolidated balance sheet. The Company expects this receivable will be repaid in full, although the timing is uncertain.

Banker's Acceptance Drafts Included in Accounts Receivable

The Company's Chinese subsidiaries may receive banker's acceptance drafts from customers as payment for their trade accounts receivable. The drafts are non-interest bearing obligations of the issuing bank and generally mature within six months of the origination date. The Company's Chinese subsidiaries may sell the drafts at a discount to a third-party financial institution or transfer the drafts to vendors in settlement of current accounts payable prior to the scheduled maturity date. These drafts, which totaled $9,294,000 at April 4, 2026 and $9,115,000 at January 3, 2026, are included in accounts receivable in the accompanying condensed consolidated balance sheet until the subsidiary sells the drafts to a bank and receives a discounted amount, transfers the banker's acceptance drafts in settlement of current accounts payable prior to maturity, or obtains cash payment on the scheduled maturity date.

Income Taxes

In accordance with Accounting Standards Codification (ASC) 740, *Income Taxes* (ASC 740), the Company recognizes deferred income taxes based on the expected future tax consequences of differences between the financial statement basis and the tax basis of assets and liabilities, calculated using enacted tax rates in effect for the year in which these differences are expected to reverse. A tax valuation allowance is established, as needed, to reduce deferred tax assets to the amount expected to be realized. In the period in which it becomes more likely than not that some or all of the deferred tax assets will be realized, the valuation allowance will be adjusted.

It is the Company's policy to provide for uncertain tax positions and the related interest and penalties based upon management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. The Company recognizes accrued interest and penalties related to unrecognized tax benefits in the provision for income taxes. At April 4, 2026, the Company believes that it has appropriately accounted for any liability for unrecognized tax benefits. To the extent the Company prevails in matters for which a liability for an unrecognized tax benefit is established, the statute of limitations expires for a tax jurisdiction year, or the Company is required to pay amounts in excess of the liability, its effective tax rate in a given financial statement period may be affected.

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released model rules introducing a new 15% global minimum tax for large multinational enterprises with an annual global revenue exceeding 750,000,000 euros (Pillar Two Rules). Since the release of the Pillar Two Rules, the OECD has issued multiple tranches of administrative guidance, as well as guidance on transitional safe harbor relief. Various countries, including the member states of the European Union, have adopted the Pillar Two Rules into their domestic laws, with certain rules coming into effect for fiscal years beginning in fiscal 2024. While the Pillar Two Rules serve as a framework for implementing the minimum tax, countries may enact domestic laws that vary slightly from the Pillar Two Rules and may also adjust domestic tax incentives to align with the Pillar Two Rules on different timelines.

In January 2026, the OECD released additional administrative guidance (Side-by-Side package) introducing new safe harbors. The package includes an elective Side-by-Side safe harbor that, subject to adoption into local law, may exempt eligible U.S. parented multinational groups from the application of certain aspects of the global minimum tax regime for fiscal years beginning on or after January 1, 2026. The Company continues to evaluate the applicability of available safe harbors, monitor developments in OECD guidance and related local-country implementation, and assess the potential impact on the Company’s future Pillar Two compliance obligations and effective tax rate.

On July 4, 2025, the One Big Beautiful Bill Act (OBBBA) was enacted in the United States. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions, including 100% bonus depreciation, domestic research cost expensing pursuant to Internal Revenue Code Section 174, and changes to the calculation of the interest expense limitation. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. There was no material impact from the OBBBA provisions during the three months ended April 4, 2026. The Company will continue to monitor the impact of the OBBBA and any additional clarifications or interpretive guidance related to the OBBBA as it is released.

Recent Accounting Pronouncements

Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosure (Topic 220). In November 2024, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2024-03, to disaggregate operating expense into specific categories to provide enhanced transparency into the nature and function of expenses. This ASU is effective for fiscal year-end 2027 and interim periods beginning in fiscal 2028, with early adoption permitted and may be applied retrospectively. The Company is currently evaluating the effect that the adoption of this ASU will have on its consolidated financial statements.

Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. In July 2025, the FASB issued ASU No. 2025-05, to provide for a practical expedient permitting an entity to assume that conditions at the balance sheet date remained unchanged over the life of the asset when estimating expected credit losses for current accounts receivable and current contract assets accounted for under ASC 606, *Revenue from Contracts with Customers.* The Company adopted this ASU during the first quarter of 2026, which did not have an impact on its consolidated financial statements.

Intangibles - Goodwill and Other-Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. In September 2025, FASB issued ASU No. 2025-06 which improves the practicality of the guidance by removing all references to software development project stages so that the guidance is neutral to different software development methods. Under this ASU, eligible software development costs will begin capitalization when management has authorized and committed to funding the software project, it is probable that the project will be completed, and the software will be used to perform the function intended. This ASU is effective for fiscal year 2028, with early adoption permitted and may be applied retrospectively. The Company is currently evaluating the effect that the adoption of this ASU will have on its consolidated financial statements.

Interim Reporting (Topic 270): Narrow-Scope Improvements. In December 2025, the FASB issued ASU No. 2025-11, which clarifies the guidance to improve the consistency of interim reporting. This ASU provides a comprehensive list of required interim disclosures and introduces a disclosure principle requiring entities to disclose events since the end of the last annual reporting period that have had a material impact on the entity. This ASU is effective for fiscal year 2028, with early adoption permitted. The Company is currently evaluating the effect that the adoption of this ASU will have on its consolidated financial statements.

2. Acquisitions

The Company's acquisitions are accounted for using the acquisition method of accounting and the results of the acquired businesses are included in its condensed consolidated financial statements from the date of acquisition. Historically, acquisitions have been made at prices above the fair value of identifiable net assets, resulting in goodwill. Acquisition costs were $674,000 in the first quarter of 2026 and are included in selling, general and administrative (SG&A) expenses in the accompanying condensed consolidated statement of income.

2026

See Note 11, Subsequent Events, for information regarding the Company's April 2026 acquisition.

2025

During the three months ended April 4, 2026, the Company recorded measurement period adjustments related to its acquisitions of Babbini S.p.A. and G.P.S. Engineering S.r.l (collectively, Babbini), acquired on July 9, 2025, and Clyde Industries Holdings, Inc. and its subsidiaries (collectively, Clyde Industries), acquired on October 7, 2025. These adjustments reflect new information obtained about facts and circumstances that existed as of the respective acquisition dates and resulted in revisions to the preliminary purchase price allocations. The measurement period adjustments were not material to the Company's financial position or results of operations for the three months ended April 4, 2026.

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The following table summarizes the aggregate estimated fair values of assets acquired and liabilities assumed in connection with the acquisitions of Babbini and Clyde Industries.

(In thousands)	Total
Cash and Cash Equivalents	$ 10,304
Accounts Receivable	22,991
Inventories	39,511
Other Current Assets	4,588
Property, Plant and Equipment	23,036
Other Assets	4,929
Definite-Lived Intangible Assets	
Customer relationships	80,580
Tradenames	7,390
Product technology	4,825
Goodwill	55,731
Total assets acquired	$ 253,885
Accounts Payable	$ 6,790
Customer Deposits	9,831
Other Current Liabilities	14,103
Long-Term Obligations	91
Deferred Income Taxes	17,054
Other Long-Term Liabilities	5,499
Total liabilities assumed	53,368
Net assets acquired	$ 200,517
Purchase Price:	
Cash Paid	$ 200,517

The Company is continuing to evaluate certain components of the purchase price allocations related to its acquisitions of Babbini and Clyde Industries, and may record additional measurement period adjustments in future periods as new information becomes available. The Company expects the remaining purchase price adjustments will primarily relate to the valuation of deferred income taxes and inventory. The measurement period will not exceed one year from the respective acquisition dates.

2024

On August 21, 2024, the Company acquired a technology company, which is included in its Material Handling segment. The total purchase price was approximately $11,785,000, which included cash paid of $8,843,000, net of cash acquired, a post-closing holdback payment of $1,157,000, which was paid during the first quarter of 2026, and contingent consideration with a fair value of $1,785,000 as of the acquisition date. The contingent consideration is payable upon the achievement of certain revenue performance targets earned between June 30, 2025 and June 30, 2027. The maximum future value of the contingent consideration subject to payment is approximately $12,079,000, calculated using the foreign currency spot rate at April 4, 2026. The valuation of the contingent consideration is dependent on the following assumptions: the probability of successful achievement of certain revenue targets, forecasted revenue, revenue volatility, and discount rate. See Note 8, Fair Value Measurements and Fair Value of Financial Instruments, for additional information related to the fair value of the contingent consideration assumed in the acquisition.

3. Earnings per Share

Basic and diluted earnings per share (EPS) were calculated as follows:

(In thousands, except per share amounts)	Three Months Ended April 4, 2026	Three Months Ended March 29, 2025
Net Income Attributable to Kadant	$ 25,509	$ 24,063
Basic Weighted Average Shares	11,794	11,760
Effect of Restricted Stock Units and Employee Stock Purchase Plan Shares	8	16
Diluted Weighted Average Shares	11,802	11,776
Basic Earnings per Share	$ 2.16	$ 2.05
Diluted Earnings per Share	$ 2.16	$ 2.04

The effect of outstanding and unvested restricted stock units (RSUs) of the Company's common stock totaling 46,000 shares in the first quarter of 2026 and 26,000 shares in the first quarter of 2025 were not included in the computation of diluted EPS for the respective periods as the effect would have been antidilutive or, for unvested performance-based RSUs, the performance conditions had not been met as of the end of the respective reporting periods.

4. Provision for Income Taxes

The provision for income taxes was $10,142,000 in the first quarter of 2026 and $7,828,000 in the first quarter of 2025.

The effective tax rate of 28.2% in the first quarter of 2026 was higher than the Company's statutory rate of 21% primarily due to the distribution of the Company's worldwide earnings, nondeductible expenses, and state taxes.

The effective tax rate of 24.3% in the first quarter of 2025 was higher than the Company's statutory rate of 21% primarily due to nondeductible expenses, the distribution of the Company's worldwide earnings, and state taxes. These items were offset in part by net excess income tax benefits from stock-based compensation arrangements, the reversal of tax reserves associated with uncertain tax positions, and foreign tax credits.

5. Long-Term Obligations

Long-term obligations are as follows:

(In thousands)	April 4, 2026	January 3, 2026
Revolving Credit Facility, due 2030	$ 355,411	$ 366,707
Senior Promissory Notes, due 2026 to 2028	4,990	4,990
Finance Leases, due 2026 to 2029	2,105	1,781
Other Borrowings, due 2026 to 2031	855	1,023
Total	363,361	374,501
Less: Current Maturities of Long-Term Obligations	(3,161)	(3,129)
Long-Term Obligations	$ 360,200	$ 371,372

See Note 8, Fair Value Measurements and Fair Value of Financial Instruments, for the fair value information related to the Company's long-term obligations.

Revolving Credit Facility

The Company's unsecured multi-currency revolving credit facility dated as of March 1, 2017 (as amended and restated to date, the Credit Agreement) matures on September 26, 2030 and has a borrowing capacity of $750,000,000, in addition to an uncommitted, unsecured incremental borrowing facility of $200,000,000. Interest on borrowings outstanding under the Credit Agreement accrues and is payable in arrears calculated at one of the following rates selected by the Company: (i) the Base Rate, as defined, plus an applicable margin of 0.25% to 1.25%, or (ii) Eurocurrency Rate, Term SOFR, Term CORRA, AUD Rate, and RFR, as applicable and defined, plus an applicable margin of 1.25% to 2.25%. The margin is determined based upon the ratio of the Company's total debt, net of unrestricted cash up to $50,000,000, to earnings before interest, taxes, depreciation, and amortization as defined in the Credit Agreement. Additionally, the Credit Agreement requires the payment of a commitment fee payable in arrears on the available committed borrowing capacity under the Credit Agreement, which ranges from 0.150% to 0.350%.

Obligations under the Credit Agreement, which includes customary events of default under such financing arrangements, may be accelerated upon the occurrence of an event of default. In addition, the Credit Agreement contains negative covenants applicable to the Company and its subsidiaries, including financial covenants requiring the Company to maintain a maximum consolidated leverage ratio of 3.75 to 1, or, if the Company elects, for the quarter during which a material acquisition occurs and for the three fiscal quarters thereafter, 4.25 to 1, and limitations on making certain restricted payments (including dividends and stock repurchases).

Loans under the Credit Agreement are guaranteed by certain domestic subsidiaries of the Company.

As of April 4, 2026, the outstanding balance under the Credit Agreement was $355,411,000, which included $78,411,000 of euro-denominated borrowings. The Company had $394,600,000 of committed borrowing capacity available as of April 4, 2026, which was primarily calculated by translating its foreign-denominated borrowings using the administrative agent's borrowing date foreign exchange rates, in addition to the $200,000,000 uncommitted, unsecured incremental borrowing facility. See Note 11, Subsequent Events, for details on the Company's borrowings to fund its April 2026 acquisition.

The weighted average interest rate for the outstanding balance under the Credit Agreement was 4.52% as of April 4, 2026 and 4.49% as of January 3, 2026.

Senior Promissory Notes

In 2018, the Company entered into an uncommitted, unsecured Multi-Currency Note Purchase and Private Shelf Agreement (Note Purchase Agreement). Simultaneously with the execution of the Note Purchase Agreement, the Company issued senior promissory notes (Initial Notes) in an aggregate principal amount of $10,000,000, with a per annum interest rate of 4.90% payable semiannually, and a maturity date of December 14, 2028. The Company is required to prepay a portion of the principal of the Initial Notes beginning on December 14, 2023 and each year thereafter, and may optionally prepay the principal on the Initial Notes, together with any prepayment premium, at any time in accordance with the Note Purchase Agreement. The obligations of the Initial Notes may be accelerated upon an event of default as defined in the Note Purchase Agreement, which includes customary events of default under such financing arrangements.

The Initial Notes are *pari passu* with the Company’s indebtedness under the Credit Agreement, and any other senior debt of the Company, subject to certain specified exceptions, and participate in a sharing agreement with respect to the obligations of the Company and its subsidiaries under the Credit Agreement. The Initial Notes are guaranteed by certain of the Company’s domestic subsidiaries.

Debt Compliance

As of April 4, 2026, the Company was in compliance with the covenants related to its debt obligations.

6. Stock-Based Compensation

The Company recognized stock-based compensation expense of $2,916,000 in the first quarter of 2026 and $2,757,000 in the first quarter of 2025 within SG&A expenses in the accompanying condensed consolidated statement of income. The Company recognizes compensation expense for all stock-based awards granted to employees and directors based on the grant date estimate of fair value for those awards. The fair value of RSUs is based on the grant date price of the Company's common stock, reduced by the present value of estimated dividends foregone during the requisite service period. For time-based RSUs, compensation expense is recognized ratably over the requisite service period for the entire award based on the grant date fair value, and net of actual forfeitures recorded when they occur. For performance-based RSUs, compensation expense is recognized ratably over the requisite service period for each separately vesting portion of the award based on the grant date fair value, net of actual forfeitures recorded when they occur, and remeasured each reporting period until the total number of RSUs to be issued is known. Unrecognized compensation expense related to stock-based compensation totaled $17,329,000 at April 4, 2026, which will be recognized over a weighted average period of 2.0 years.

Non-Employee Director RSUs

On March 11, 2026, the Company granted an aggregate of 2,565 RSUs to its non-employee directors with an aggregate grant date fair value of $850,000. Twenty-five percent of the RSUs vest on the last day of each fiscal quarter in 2026, subject to the director's continued service through the applicable vesting date.

Performance-based RSUs

On March 10, 2026, the Company granted performance-based RSUs to certain of its officers, which represented, in aggregate, the right to receive 18,665 shares (target RSU amount), with an aggregate grant date fair value of $6,186,000. The RSUs are subject to adjustment based on the achievement of the performance measure selected for the fiscal year, which is a specified target for adjusted earnings before interest, taxes, depreciation, and amortization (target adjusted EBITDA) generated from operations for the fiscal year. The RSUs are adjusted by comparing the actual adjusted EBITDA for the performance period to the target adjusted EBITDA. Actual adjusted EBITDA between 50% and 100% of the target adjusted EBITDA results in an adjustment of 50% to 100% of the target RSU amount. Actual adjusted EBITDA between 100% and 115% of the target adjusted EBITDA results in an adjustment using a straight-line linear scale between 100% and 150% of the target RSU amount. Actual adjusted EBITDA in excess of 115% results in an adjustment capped at 150% of the target RSU amount. If actual adjusted EBITDA is below 50% of the target adjusted EBITDA for the 2026 fiscal year, these performance-based RSUs will be forfeited. The Company recognizes compensation expense based on the probable number of performance-based RSUs expected to vest. Following the adjustment, the performance-based RSUs will be subject to additional time-based vesting, and will vest in three equal annual installments on March 10 of 2027, 2028, and 2029, provided that the officer is employed by the Company on the applicable vesting dates.

Time-based RSUs

On March 10, 2026, the Company granted time-based RSUs representing 13,658 shares to certain of its officers and employees with an aggregate grant date fair value of $4,526,000. These time-based RSUs vest in three equal annual installments on March 10 of 2027, 2028, and 2029, provided that a recipient is employed by the Company on the applicable vesting dates.

7. Accumulated Other Comprehensive Items

Comprehensive income combines net income and other comprehensive items, which represent certain amounts that are reported as components of stockholders' equity in the accompanying condensed consolidated balance sheet.

Changes in each component of accumulated other comprehensive items (AOCI), net of tax, are as follows:

(In thousands)	Foreign Currency Translation Adjustment	Pension and Other Post-Retirement Benefit Liability Adjustments	Total
Balance at January 3, 2026	$ (35,369)	$ 20	$ (35,349)
Other comprehensive items before reclassifications	(3,451)	(2)	(3,453)
Reclassifications from AOCI	—	(3)	(3)
Net current period other comprehensive items	(3,451)	(5)	(3,456)
Balance at April 4, 2026	$ (38,820)	$ 15	$ (38,805)

8. Fair Value Measurements and Fair Value of Financial Instruments

Fair value measurement is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy is established, which prioritizes the inputs used in measuring fair value into three broad levels as follows:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Inputs, other than quoted prices in active markets, that are observable either directly or indirectly.
- Level 3—Unobservable inputs based on the Company's own assumptions.

The following table presents the fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis:

	Fair Value as of April 4, 2026			
(In thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds and time deposits (a)	$ 9,679	$ —	$ —	$ 9,679
Banker's acceptance drafts (b)	$ —	$ 9,294	$ —	$ 9,294
Liabilities:				
Contingent consideration (c)	$ —	$ —	$ 2,002	$ 2,002

	Fair Value as of January 3, 2026			
(In thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds and time deposits (a)	$ 14,139	$ —	$ —	$ 14,139
Banker's acceptance drafts (b)	$ —	$ 9,115	$ —	$ 9,115
Liabilities:				
Contingent consideration (c)	$ —	$ —	$ 1,941	$ 1,941

(a) Included in cash and cash equivalents in the accompanying condensed consolidated balance sheet.
(b) Included in accounts receivable in the accompanying condensed consolidated balance sheet.
(c) Included in other long-term liabilities in the accompanying condensed consolidated balance sheet.

The Company uses the market approach technique to value its Level 1 and Level 2 financial assets and liabilities, and there were no changes in valuation techniques during the first quarter of 2026. Banker's acceptance drafts are carried at face value, which approximates their fair value due to the short-term nature of the negotiable instrument.

The Company uses the income approach technique to estimate the fair value of its Level 3 contingent consideration, including valuation models that incorporate probability adjusted assumptions and simulations related to the achievement of milestones and the likelihood of making the related payment. The unobservable inputs used in the fair value measurements include the probability of successful achievement of certain revenue targets, forecasted revenue, revenue volatility, and discount rates. These assumptions were estimated based on a review of historical and projected results. Projected contingent consideration related to revenue-based payments are discounted back to the current period using a discounted cash flow model. Changes to the fair value of contingent consideration can result from changes to one or multiple inputs, including the discount rate, projected revenue, revenue volatility, and the assumed probabilities of successful achievement of certain revenue targets. There were no changes in the valuation techniques or significant unobservable inputs used in measuring the contingent consideration during the first quarter of 2026.

The following table provides a rollforward of the change in the fair value of the contingent consideration as determined by Level 3 inputs:

	Three Months Ended	
(In thousands)	April 4, 2026	March 29, 2025
Balance at Beginning of Year	$ 1,941	$ 1,678
Currency translation	61	21
Balance at End of Period	$ 2,002	$ 1,699

The carrying value and fair value of debt obligations, excluding lease obligations, are as follows:

	April 4, 2026		January 3, 2026	
(In thousands)	Carrying Value	Fair Value	Carrying Value	Fair Value
Debt Obligations:				
Revolving credit facility	$ 355,411	$ 355,411	$ 366,707	$ 366,707
Senior promissory notes	4,990	5,058	4,990	4,981
Other	855	855	1,023	1,023
	$ 361,256	$ 361,324	$ 372,720	$ 372,711

The carrying value of the Company's revolving credit facility approximates the fair value as the obligation bears variable rates of interest, which adjust frequently, based on prevailing market rates. The fair value of the revolving credit facility is based on observable market interest rates and credit spreads available for similar instruments, which represent Level 2 measurements. The fair value of the senior promissory notes is primarily calculated based on quoted market rates plus an applicable margin available to the Company at the respective period end, which represent Level 2 measurements.

9. Business Segment Information

The Company is a global supplier of technologies and engineered systems that drive Sustainable Industrial Processing and operates in three reportable segments consisting of its Flow Control segment, Industrial Processing segment, and Material Handling segment. The Company aggregates its operating segments into its reportable segments where they contain similar products and economic characteristics, and share similar types of customers, and production and distribution methods. The Flow Control segment is comprised of its fluid-handling and its doctoring, cleaning, & filtration operating segments, and the Industrial Processing segment is comprised of its wood processing and its fiber processing operating segments.

Each of the Company's reportable segments is led by a segment vice president, who reports directly to the Chief Executive Officer (CEO). The Company has determined that its CEO is its Chief Operating Decision Maker (CODM) who is responsible for assessing performance and allocating resources. The CODM utilizes segment gross profit margin and segment operating income margin to evaluate the performance of each segment and allocate resources effectively. The CODM primarily reviews these profit measures in comparison to forecasts, trends, key performance targets, and results of industry peers to assess profitability, identify areas for improvement, and make strategic decisions regarding investments and resource allocation within each segment.

A description of each reportable segment follows:

- *Flow Control* – Custom-engineered products, systems, and technologies that control the flow of fluids used in industrial and commercial applications to keep critical processes running efficiently in the packaging, paper and tissue, food, energy, defense, and numerous other industrial sectors. The Company's primary products include rotary sealing devices, steam systems, expansion joints, doctor systems, roll and fabric cleaning devices, and filtration and fiber recovery systems.
- *Industrial Processing* – Equipment, machinery, and technologies used to recycle paper and paperboard, process timber, and optimize industrial steam boiler efficiency in the packaging, paper, tissue, wood products and food processing industries, among others. The Company's primary products include fiber processing systems and recycling equipment, chemical pulping equipment, debarkers, stranders, chippers, custom-engineered knife systems, industrial boiler cleaning technologies, and continuous dewatering equipment.
- *Material Handling* – Products and engineered systems used to handle bulk and discrete materials for secondary processing or transport in the aggregates, mining, food, and waste management industries, among others. The Company's primary products include conveying and vibratory equipment and balers. In addition, the Company manufactures and sells biodegradable, absorbent granules used as carriers in agricultural, home lawn and garden, professional lawn, turf and ornamental applications, and for oil and grease absorption.

The following tables present financial information for the Company's reportable segments:

Three Months Ended April 4, 2026				
(In thousands)	Flow Control	Industrial Processing	Material Handling	Total
Revenue	$ 98,608	$ 123,038	$ 59,859	$ 281,505
Cost of revenue	46,642	70,747	37,413	154,802
Gross Profit	51,966	52,291	22,446	126,703
Gross Profit Margin	*52.7%*	*42.5%*	*37.5%*	*45.0%*
Operating Expenses:				
Selling expenses	15,190	13,877	7,092	36,159
General and administrative expenses	10,008	11,826	4,765	26,599
Research and development expenses	1,395	2,084	577	4,056
Intangible asset amortization expense	1,270	4,427	2,688	8,385
Other segment items	(101)	164	(142)	(79)
Segment Operating Income	$ 24,204	$ 19,913	$ 7,466	$ 51,583
Segment Operating Income Margin	*24.5%*	*16.2%*	*12.5%*	
Corporate Expenses (a)				(11,474)
Interest Expense, Net (b)				(4,133)
Other Expense, Net (b)				(13)
Income Before Provision for Income Taxes				$ 35,963

(In thousands)	Flow Control	Industrial Processing	Material Handling	Corporate	Total
Other Segment Disclosures					
Depreciation expense (c)	$ 1,927	$ 3,110	$ 1,212	$ 13	$ 6,262
Capital expenditures	$ 1,022	$ 863	$ 1,236	$ 137	$ 3,258

Three Months Ended March 29, 2025				
(In thousands)	Flow Control	Industrial Processing	Material Handling	Total
Revenue	$ 92,441	$ 89,524	$ 57,245	$ 239,210
Cost of revenue	43,168	50,076	35,636	128,880
Gross Profit	49,273	39,448	21,609	110,330
Gross Profit Margin	*53.3%*	*44.1%*	*37.7%*	*46.1%*
Operating Expenses:				
Selling expenses	14,779	10,177	6,468	31,424
General and administrative expenses	8,813	8,387	4,241	21,441
Research and development expenses	1,351	1,606	566	3,523
Intangible asset amortization expense	1,493	2,378	2,828	6,699
Other segment items	85	68	(29)	124
Segment Operating Income	$ 22,752	$ 16,832	$ 7,535	$ 47,119
Segment Operating Income Margin	*24.6%*	*18.8%*	*13.2%*	
Corporate Expenses (a)				(11,533)
Interest Expense, Net (b)				(3,305)
Other Expense, Net (b)				(16)
Income Before Provision for Income Taxes				$ 32,265

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Three Months Ended March 29, 2025 (continued)					
(In thousands)	Flow Control	Industrial Processing	Material Handling	Corporate	Total
Other Segment Disclosures					
Depreciation expense (c)	$ 1,798	$ 2,347	$ 1,158	$ 11	$ 5,314
Capital expenditures	$ 1,509	$ 1,325	$ 999	$ 3	$ 3,836

(In thousands)	April 4, 2026	January 3, 2026
Total Assets (d)		
Flow Control	$ 459,804	$ 450,911
Industrial Processing	824,425	826,062
Material Handling	410,957	411,813
Corporate (e)	19,466	23,392
	$ 1,714,652	$ 1,712,178

(a) Primarily consists of general and administrative expenses.
(b) The Company does not allocate interest expense, net and other expense, net to its segments.
(c) Depreciation expense by reportable segment is included within cost of revenue and selling, general and administrative, and research and development expenses.
(d) Excludes intercompany receivables or payables and investment in subsidiary balances as the CODM uses total assets excluding these amounts as the measurement for the Company's segment assets.
(e) Corporate assets primarily consist of cash and cash equivalents, tax assets, right-of-use assets, and property, plant, and equipment, net.

10. Commitments and Contingencies

Right of Recourse

In the ordinary course of business, the Company's Chinese subsidiaries may receive banker's acceptance drafts from customers as payment for their trade accounts receivable. The drafts are non-interest bearing obligations of the issuing bank and generally mature within six months of the origination date. The Company's Chinese subsidiaries may use these banker's acceptance drafts prior to the scheduled maturity date to settle outstanding accounts payable with vendors. Banker's acceptance drafts transferred to vendors are subject to customary right of recourse provisions prior to their scheduled maturity dates. The Company had $8,482,000 at April 4, 2026 and $9,556,000 at January 3, 2026 of banker's acceptance drafts subject to recourse, which were transferred to vendors and had not reached their scheduled maturity dates. Historically, the banker's acceptance drafts have settled upon maturity without any claim of recourse against the Company.

Litigation

From time to time, the Company is subject to various claims and legal proceedings covering a range of matters that arise in the ordinary course of business. Such litigation may include, but is not limited to, claims and counterclaims by and against the Company for breach of contract or warranty, canceled contracts, product liability, or bankruptcy-related claims. For legal proceedings in which a loss is probable and estimable, the Company accrues a loss based on the low end of the range of estimated loss when there is no better estimate within the range. If the Company were found to be liable for any of the claims or counterclaims against it, the Company would incur a charge against earnings for amounts in excess of legal accruals.

11. Subsequent Events

Acquisition

On January 29, 2026, the Company entered into a definitive agreement to acquire the shares of voestalpine BÖHLER Profil GmbH & Co KG and voestalpine BÖHLER Profil VerwaltungsGmbH. The acquisition was completed on April 30, 2026 for 157,000,000 euros in cash, subject to certain customary adjustments. At closing, the company names were changed to Kadant Profil GmbH & Co KG and Kadant Profil Verwaltungs GmbH (collectively, Kadant Profil). Kadant Profil is a manufacturer of customized rolled profiles and industrial knife solutions for demanding industrial applications and is part of the

Company's Industrial Processing segment. The Company expects several synergies in connection with this acquisition, including expanding product sales into new markets by leveraging its global sales network and relationships, broadening its product portfolio, strengthening its position in the markets it serves, leveraging the acquired workforce, and achieving internal production efficiencies.

The excess of the purchase price for this acquisition over the fair value of the net assets acquired will be recorded as goodwill. The Company has not yet completed its preliminary assessment of the fair value of the assets acquired and liabilities assumed in this acquisition, including the valuation of intangible assets and goodwill, due to the proximity of the acquisition to the issuance of these condensed consolidated financial statements.

Borrowings Under the Credit Agreement

In April 2026, the Company borrowed 155,000,000 euros under its revolving credit facility, pursuant to the terms of the Credit Agreement, to fund the Kadant Profil acquisition.

Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations

When we use the terms "we," "us," "our," and the "Company," we mean Kadant Inc., a Delaware corporation, and its consolidated subsidiaries, taken as a whole, unless the context otherwise indicates.

This Quarterly Report on Form 10-Q and the documents we incorporate by reference in this report include forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act), and Section 27A of the Securities Act of 1933, as amended. These forward-looking statements are not statements of historical fact and may include statements regarding possible or assumed future results of operations. Forward-looking statements are subject to risks and uncertainties and are based on the beliefs and assumptions of our management, using information currently available to our management. When we use words such as "believes," "expects," "anticipates," "intends," "plans," "estimates," "seeks," "should," "likely," "will," "would," "may," "continue," "could," or similar expressions, we are making forward-looking statements.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties, and assumptions. Our future results of operations may differ materially from those expressed in the forward-looking statements. Many of the important factors that will determine these results are beyond our ability to control or predict. You should not put undue reliance on any forward-looking statements. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. For a discussion of important factors that may cause our actual results to differ materially from those suggested by the forward-looking statements, you should read carefully the section captioned *Risk Factors*, included in Part I, Item 1A, of our Annual Report on Form 10-K for the fiscal year ended January 3, 2026 (Annual Report), as further amended in Part II, Item 1A, within this report, and as may be further amended and/or restated in subsequent filings with the SEC.

Overview

Company Background

We are a global supplier of technologies and engineered systems that drive Sustainable Industrial Processing®. Our products and services play an integral role in enhancing efficiency, optimizing energy utilization, and maximizing productivity in process industries while helping our customers advance their sustainability initiatives with products that reduce waste or generate more yield with fewer inputs, particularly fiber, energy, and water. Producing more while consuming less is a core aspect of Sustainable Industrial Processing and a major element of the strategic focus of our business.

Our financial results are presented in three reportable segments consisting of our Flow Control segment, Industrial Processing segment, and Material Handling segment. A description of each reportable segment is as follows:

- *Flow Control* – Custom-engineered products, systems, and technologies that control the flow of fluids used in industrial and commercial applications to keep critical processes running efficiently in the packaging, paper and tissue, food, energy, defense, and numerous other industrial sectors. Our primary products include rotary sealing devices, steam systems, expansion joints, doctor systems, roll and fabric cleaning devices, and filtration and fiber recovery systems.
- *Industrial Processing* – Equipment, machinery, and technologies used to recycle paper and paperboard, process timber, and optimize industrial steam boiler efficiency in the packaging, paper, tissue, wood products, and food processing industries, among others. Our primary products include fiber processing systems and recycling equipment, chemical pulping equipment, debarkers, stranders, chippers, custom-engineered knife systems, industrial boiler cleaning technologies, and continuous dewatering equipment.
- *Material Handling* – Products and engineered systems used to handle bulk and discrete materials for secondary processing or transport in the aggregates, mining, food, and waste management industries, among others. Our primary products include conveying and vibratory equipment and balers. In addition, we manufacture and sell biodegradable, absorbent granules used as carriers in agricultural, home lawn and garden, professional lawn, turf and ornamental applications, and for oil and grease absorption.

See Note 9, Business Segment Information, in the accompanying condensed consolidated financial statements for financial information on our reportable segments.

Industry and Business Overview

Consolidated bookings increased 19% to a record $320.8 million in the first quarter of 2026 compared to the fourth quarter of 2025 with increased demand across all three segments. Parts and consumables product bookings also reached a record level, increasing 15% compared to the fourth quarter of 2025, due in part to increased demand in anticipation of annual maintenance shutdowns. Capital equipment product bookings increased 29% sequentially, reflecting improved customer confidence as tariff-related uncertainty eased. Customers, however, remain cautious with approvals for large capital projects pending greater clarity regarding input costs and broader economic conditions, which has more recently been impacted by the conflicts in the Middle East, resulting in a lengthening of quote-to-order times. This dynamic is more pronounced in our Industrial Processing segment, where average capital order values are significantly higher than in our other segments. We ended the quarter with a healthy backlog of $325.7 million.

Overall, we expect bookings in 2026 to exceed 2025 levels, largely driven by our Industrial Processing segment, where customer delays associated with pending orders from 2025 have resulted in a number of capital orders in the pipeline, combined with incremental contributions from our recent acquisitions. We continue to see long-term strength in our end markets as customers rely on our products to enhance productivity through more efficient production processes. Additionally, we anticipate incremental growth opportunities resulting from proposed and enacted legislation in the United States and internationally that is intended to stimulate investment.

An overview of our business by reportable segment is as follows:

- *Flow Control* – Our Flow Control segment bookings increased 19% compared to the fourth quarter of 2025, reflecting strong demand for both parts and consumables, as well as capital equipment products across all regions. This performance follows the last three quarters of 2025, where bookings were constrained as customers remained cautious regarding their capital spending decisions amid market uncertainty. We expect demand for both aftermarket parts and capital equipment products to increase in 2026 and continue to see long-term strength in our end markets.
- *Industrial Processing* – Our Industrial Processing segment bookings increased 19% compared to the fourth quarter of 2025, driven by strong demand for aftermarket parts. Demand for our capital equipment products also increased sequentially, but was negatively impacted by the volatility in capital project timing. Overall, we expect demand for our capital equipment products to strengthen in 2026, supported by the anticipated receipt of several large capital orders currently in the pipeline. In addition, we expect demand for our aftermarket parts to remain steady in 2026.
- *Material Handling* – Our Material Handling segment bookings increased 17% compared to the fourth quarter of 2025, primarily driven by higher demand for aftermarket parts primarily in North America. We expect steady demand for aftermarket parts and increased demand for capital equipment products in this segment in 2026.

Our global operations have been and continue to be impacted by complex market conditions fueled by tariff-related uncertainty, inflationary pressures, and geopolitical tensions. We expect our operating environment to continue to be challenging, especially for large capital equipment projects where the order timing is uncertain. However, we believe that the fundamentals of our business remain strong, supported by our solid market position in key product lines, experienced global operations teams, and long-term strength of our end markets. For more information related to these challenges, and other factors impacting our business, please see *Risk Factors,* included in Part I, Item 1A, of our Annual Report, as further amended in Part II, Item 1A, within this report, and as may be further amended and/or restated in subsequent filings with the SEC.

International Sales

Approximately half of our sales are to customers outside the United States, mainly in Europe, Asia, and Canada. As a result, our financial performance can be materially affected by currency exchange rate fluctuations between the U.S. dollar and foreign currencies. To mitigate the impact of foreign currency transaction fluctuations, we generally seek to charge our customers in the same currency in which our operating costs are incurred. Additionally, we may enter into forward currency exchange contracts to hedge certain firm purchase and sale commitments denominated in currencies other than our subsidiaries' functional currencies. We currently do not use derivative instruments to hedge our exposure to exchange rate fluctuations created by the translation into the U.S. dollar of our foreign subsidiaries' results that are in functional currencies other than the U.S. dollar.

Global Trade

The United States has imposed tariffs in the past and more recently proposed and implemented new tariffs on certain imports, which has and will continue to increase the cost of some of the parts and equipment we import. In addition, foreign countries have implemented and may in the future implement additional retaliatory tariffs in response to these actions by the United States, which have negatively impacted and may in the future negatively impact our operations. Although we are working to mitigate the impact of tariffs through pricing and sourcing strategies, we cannot be sure these strategies will effectively mitigate the impact of these costs. For more information on risks associated with our global operations, including tariffs, please see *Risk Factors,* included in Part I, Item 1A, of our Annual Report, as further amended in Part II, Item 1A, within this report, and as may be further amended and/or restated in subsequent filings with the SEC.

Acquisitions

We expect that a significant driver of our long-term growth will be through the acquisition of businesses and technologies that complement or augment our existing products and services or may involve entry into a new process industry. We have acquired several businesses in recent years and continue to pursue acquisition opportunities.

On April 30, 2026, we completed the acquisition of voestalpine BÖHLER Profil GmbH & Co KG and voestalpine BÖHLER Profil VerwaltungsGmbH for 157.0 million euros, subject to certain customary adjustments. At closing, the company names were changed to Kadant Profil GmbH & Co KG and Kadant Profil Verwaltungs GmbH (collectively, Kadant Profil). Kadant Profil is a manufacturer of customized rolled profiles and industrial knife solutions for demanding industrial applications and is part of our Industrial Processing segment.

Results of Operations

First Quarter 2026 Compared with First Quarter 2025

Revenue

The following table presents the change in revenue by segment between the first quarters of 2026 and 2025, and those changes excluding the effect of acquisitions and foreign currency translation which we refer to as change in organic revenue. Organic revenue excludes the effect of acquisitions for the four quarterly reporting periods following the date of the acquisition. The presentation of the change in organic revenue is a non-GAAP measure. We believe this non-GAAP measure helps investors gain an understanding of our underlying operations consistent with how management measures and forecasts its performance, especially when comparing such results to prior periods. This non-GAAP measure should not be considered superior to or a substitute for the corresponding U.S. generally accepted accounting principles (GAAP) measure.

Revenue by reportable segment in the first quarters of 2026 and 2025 is as follows:

	Three Months Ended						*(Non-GAAP)* Change in Organic Revenue	
(In thousands, except percentages)	April 4, 2026	March 29, 2025	Increase	% Change	Acquisitions	Currency Translation	Increase (Decrease)	% Change
Flow Control	$ 98,608	$ 92,441	$ 6,167	7%	$ —	$ 4,795	$ 1,372	1 %
Industrial Processing	123,038	89,524	33,514	37%	33,984	3,487	(3,957)	(4)%
Material Handling	59,859	57,245	2,614	5%	—	1,556	1,058	2 %
Consolidated	$ 281,505	$ 239,210	$ 42,295	18%	$ 33,984	$ 9,838	$ (1,527)	(1)%

Consolidated revenue increased 18% in the first quarter of 2026, including a 14% increase from acquisitions. Organic revenue decreased 1%, as modest growth from aftermarket parts was offset by lower sales of capital equipment products. Demand for our parts and consumables products remained steady and represented 74% of total revenue in the first quarter of 2026. Customers continue to exercise caution with respect to approvals of large capital projects, reflecting uncertainty related to trade policy, cost visibility, and interest rates. This environment was further impacted by the economic effects from the conflicts in the Middle East. As a result, quote-to-order times for large capital equipment projects have lengthened. Geographically, volatility in tariffs and trade policies contributed to weaker organic performance in North America, which was partially offset by increased demand in China, driven by government-led initiatives aimed at stimulating domestic demand and manufacturing activity.

Revenue at our Flow Control segment increased 7% in the first quarter of 2026, primarily driven by higher demand for parts and consumables products across all regions. In addition, capital equipment product revenue increased in China due to the completion of several large projects that had previously been delayed.

Revenue at our Industrial Processing segment increased 37% in the first quarter of 2026 due to acquisitions and the favorable effect of foreign currency translation. Organic revenue decreased 4% reflecting constrained market conditions. While some of the tariff-related uncertainty that began in 2025 has moderated, more recent geopolitical tensions have continued to influence our customers' decision-making process. Organic revenue from parts and consumables products decreased 3%, with the most significant decline in North America, and organic revenue from capital equipment products decreased 10%. Despite these declines, quotation activity remains healthy, and bookings increased 19% in this segment compared to the fourth quarter of 2025.

Revenue at our Material Handling segment increased 5% in the first quarter of 2026, driven by strong demand for our parts and consumables products across all regions.

Gross Profit Margin

Gross profit margin by reportable segment in the first quarters of 2026 and 2025 is as follows:

	Three Months Ended		
	April 4, 2026	March 29, 2025	Basis Point Change
Flow Control	52.7%	53.3%	(60) bps
Industrial Processing	42.5%	44.1%	(160) bps
Material Handling	37.5%	37.7%	(20) bps
Consolidated	45.0%	46.1%	(110) bps

Consolidated gross profit margin decreased to 45.0% in the first quarter of 2026 from 46.1% in the first quarter of 2025. This decrease was primarily attributable to the inclusion of $1.4 million of amortization expense related to acquired profit in inventory in the first quarter of 2026, which reduced gross profit margin by 0.5 percentage points, and a lower gross margin profile associated with the product mix.

Within our reportable segments, gross profit margin:

- Decreased to 52.7% at our Flow Control segment from 53.3% in the 2025 period primarily due to lower margins achieved on our parts and consumables products.
- Decreased to 42.5% at our Industrial Processing segment from 44.1% in the 2025 period due to the inclusion of $1.4 million of amortization expense related to acquired profit in inventory in the 2026 period, which decreased gross profit margin in 2026 by 1.1 percentage points, and a decrease in the proportion of higher-margin parts and consumables product revenue, which decreased to 76% of consolidated revenue in the first quarter of 2026 compared to 80% in the prior year period.
- Decreased to 37.5% at our Material Handling segment from 37.7% in the 2025 period due to lower margins achieved on our capital equipment products.

Selling, General, and Administrative Expenses

Selling, general, and administrative (SG&A) expenses by reportable segment and Corporate in the first quarters of 2026 and 2025 are as follows:

	Three Months Ended			
(In thousands, except percentages)	April 4, 2026	March 29, 2025	Increase (Decrease)	% Change
Flow Control	$ 26,367	$ 25,170	$ 1,197	5%
Industrial Processing	30,294	21,010	9,284	44%
Material Handling	14,403	13,508	895	7%
Corporate	11,474	11,533	(59)	(1)%
Consolidated	$ 82,538	$ 71,221	$ 11,317	16%
Consolidated as a Percentage of Revenue	29.3%	29.8%		

Consolidated SG&A expenses increased $11.3 million, or 16%, in the first quarter of 2026 compared to the first quarter of 2025. This increase was primarily attributable to $7.9 million of SG&A expenses from acquisitions and an unfavorable impact from foreign currency translation of $2.8 million.

Within our reportable segments and Corporate, SG&A expenses:

- Increased $1.2 million at our Flow Control segment primarily due to a $1.4 million unfavorable impact from foreign currency translation.
- Increased $9.3 million at our Industrial Processing segment primarily due to $7.9 million of SG&A expenses from acquisitions, a $0.9 million unfavorable impact from foreign currency translation and $0.3 million in incremental acquisition-related costs.
- Increased $0.9 million at our Material Handling segment primarily due to a $0.5 million unfavorable impact from foreign currency translation and incremental selling-related costs.

Interest Expense

Interest expense increased to $4.5 million in the first quarter of 2026 from $3.8 million in the first quarter of 2025 due to increased borrowings under our revolving credit facility, partially offset by a lower weighted-average interest rate. We expect interest expense will be higher for the remainder of 2026 compared to prior periods, primarily as a result of the borrowings used to finance our April 2026 acquisition of Kadant Profil.

Provision for Income Taxes

Provision for income taxes increased to $10.1 million in the first quarter of 2026 from $7.8 million in the first quarter of 2025.

The effective tax rate of 28.2% in the first quarter of 2026 was higher than our statutory rate of 21% primarily due to the distribution of our worldwide earnings, nondeductible expenses, and state taxes.

The effective tax rate of 24.3% in the first quarter of 2025 was higher than our statutory rate of 21% primarily due to nondeductible expenses, the distribution of our worldwide earnings, and state taxes. These items were offset in part by net excess income tax benefits from stock-based compensation arrangements, the reversal of tax reserves associated with uncertain tax positions, and foreign tax credits.

Net Income

Net income increased to $25.8 million in the first quarter of 2026 from $24.4 million in the first quarter of 2025 primarily due to a $4.5 million increase in operating income, offset in part by a $0.7 million increase in interest expense and a $2.3 million increase in provision for income taxes (see discussions above for further details).

Non-GAAP Key Performance Indicators

In addition to the financial measures prepared in accordance with GAAP, we use certain non-GAAP financial measures, including organic revenue (defined as revenue excluding the effect of acquisitions and foreign currency translation), adjusted operating income, earnings before interest, taxes, depreciation, and amortization (EBITDA), adjusted EBITDA, adjusted EBITDA margin (defined as adjusted EBITDA divided by revenue), and free cash flow (defined as cash flow provided by operations less capital expenditures).

We use organic revenue to understand our trends and to forecast and evaluate our financial performance and compare revenue to prior periods (see discussion in *Revenue* above). Adjusted operating income, adjusted EBITDA, and adjusted EBITDA margin exclude amortization expense related to acquired intangible assets, profit in inventory, and backlog (collectively, purchase accounting expenses); acquisition costs; and other income or expense, as indicated. We exclude purchase accounting expenses and acquisition costs to provide a more meaningful and consistent comparison of our operating results over time and with peer companies. While we have a history of acquisition activity, such transactions do not occur on a predictable cycle, and the size and nature of these transactions will vary. We believe it is important for investors to understand that these intangible assets were recorded as part of purchase accounting and that they contribute to revenue generation. We also exclude other items when 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.

Our non-GAAP financial measures 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, our non-GAAP financial measures 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.

KADANT INC.

A reconciliation of adjusted operating income, adjusted EBITDA, and adjusted EBITDA margin from net income attributable to Kadant is as follows:

(In thousands, except percentages)	Three Months Ended April 4, 2026	Three Months Ended March 29, 2025
Net Income Attributable to Kadant	$ 25,509	$ 24,063
Net Income Attributable to Noncontrolling Interests	312	374
Provision for Income Taxes	10,142	7,828
Interest Expense, Net	4,133	3,305
Other Expense, Net	13	16
Operating Income	40,109	35,586
Intangible Asset Amortization Expense	8,385	6,320
Profit in Inventory Amortization Expense (a)	1,409	11
Backlog Amortization Expense (b)	—	379
Acquisition Costs	674	337
Indemnification Asset Provision (c)	—	(29)
Adjusted Operating Income (d) *(non-GAAP measure)*	50,577	42,604
Depreciation Expense	6,262	5,314
Adjusted EBITDA *(non-GAAP measure)*	$ 56,839	$ 47,918
Adjusted EBITDA Margin *(non-GAAP measure)*	20.2%	20.0%

(a) Represents amortization expense within cost of revenue associated with acquired profit in inventory.
(b) Represents intangible amortization expense associated with acquired backlog.
(c) Represents the net indemnification asset provision related to the establishment of tax reserves associated with uncertain tax positions.
(d) Reflects new methodology, announced on February 19, 2026, to exclude intangible amortization expense.

A reconciliation of free cash flow from cash flow provided by operating activities is as follows:

(In thousands)	Three Months Ended April 4, 2026	Three Months Ended March 29, 2025
Cash Provided by Operating Activities	$ 21,916	$ 22,835
Capital Expenditures	(3,258)	(3,836)
Free Cash Flow *(non-GAAP measure)*	$ 18,658	$ 18,999

Liquidity and Capital Resources

Consolidated working capital was $335.2 million at April 4, 2026, compared with $313.8 million at January 3, 2026. Cash and cash equivalents were $117.0 million at April 4, 2026, compared with $119.6 million at January 3, 2026, which included cash and cash equivalents held by our foreign subsidiaries of $107.2 million at April 4, 2026 and $100.3 million at January 3, 2026.

Cash Flow

Cash flow information in the first quarters of 2026 and 2025 is as follows:

(In thousands)	Three Months Ended April 4, 2026	Three Months Ended March 29, 2025
Net Cash Provided by Operating Activities	$ 21,916	$ 22,835
Net Cash Used in Investing Activities	(3,926)	(3,836)
Net Cash Used in Financing Activities	(20,050)	(23,085)
Exchange Rate Effect on Cash, Cash Equivalents, and Restricted Cash	(804)	1,945
Decrease in Cash, Cash Equivalents, and Restricted Cash	$ (2,864)	$ (2,141)

Operating Activities

Cash provided by operating activities decreased to $21.9 million in the first quarter of 2026 from $22.8 million in the first quarter of 2025. Our operating cash flows are primarily generated from cash received from customers, offset by cash payments for items such as inventory, employee compensation, operating leases, income taxes, and interest payments on outstanding debt obligations.

Significant operating cash outflows associated with working capital in the first quarter of 2026 related to accounts receivable, inventory and other liabilities. An increase in accounts receivable used cash of $14.3 million due to the timing of shipments, and purchases of inventory used cash of $9.2 million. In addition, a decrease in other liabilities used cash of $10.6 million, primarily related to incentive compensation payments. These uses of cash were offset in part by cash received from customer deposits of $7.3 million due to the timing of capital equipment product orders.

Significant cash outflows associated with working capital in the first quarter of 2025 related to other liabilities and inventory. Decreases in other liabilities used cash of $14.3 million primarily related to incentive compensation payments, and purchases of inventory used cash of $5.5 million. These uses of cash were offset in part by cash provided from the reduction in contract assets of $6.3 million related to contracts accounted for on an over time basis.

Investing Activities

Cash used in investing activities was $3.9 million in the first quarter of 2026, compared with $3.8 million in the first quarter of 2025. Cash used in investing activities in the first quarter of 2026 included capital expenditures of $3.3 million and a post-closing holdback payment of $1.2 million related to a 2024 acquisition. Cash used in investing activities in the first quarter of 2025 consisted of capital expenditures of $3.8 million.

Financing Activities

Cash used in financing activities was $20.1 million in the first quarter of 2026, compared with $23.1 million in the first quarter of 2025. Borrowings under our revolving credit facility were $9.0 million and repayments of short- and long-term obligations were $19.1 million in 2026 compared with borrowings under our revolving credit facility of $8.0 million and repayments of short- and long-term obligations of $22.6 million in 2025. Cash dividends paid to stockholders were $4.0 million in 2026 and $3.8 million in 2025. In addition, taxes paid related to the vesting of equity awards were $4.9 million in 2026 and $6.0 million in 2025.

Exchange Rate Effect on Cash, Cash Equivalents, and Restricted Cash

The exchange rate effect on cash, cash equivalents, and restricted cash represents the impact of translation of cash balances at our foreign subsidiaries. The $0.8 million decrease in cash, cash equivalents, and restricted cash in the first quarter of 2026 related to exchange rates was primarily attributable to the strengthening of the U.S. dollar against several European currencies, offset in part by the weakening of the U.S. dollar against the Chinese renminbi. The $1.9 million increase in cash, cash equivalents, and restricted cash in the first quarter of 2025 related to exchange rates was primarily attributable to the weakening of the U.S. dollar against the euro, the Swedish krona, and the Brazilian real.

Borrowing Capacity and Debt Obligations

Our unsecured multi-currency revolving credit facility entered into on March 1, 2017 (as amended and restated to date, the Credit Agreement) matures on September 26, 2030 and has a borrowing capacity of $750.0 million.

As of April 4, 2026, our outstanding balance under the Credit Agreement was $355.4 million, which included $78.4 million of euro-denominated borrowings, and we had $394.6 million of available committed borrowing capacity, in addition to a $200.0 million uncommitted, unsecured incremental borrowing facility. Under our debt agreements, our leverage ratio must be less than 3.75 to 1 or, if we elect, for the quarter during which a material acquisition occurs and for the three fiscal quarters thereafter, must be less than 4.25 to 1. As of April 4, 2026, our leverage ratio was 1.27 and we were in compliance with our debt covenants.

In April 2026, we borrowed 155.0 million euros under our revolving credit facility at an initial interest rate of 3.2% to fund our acquisition of Kadant Profil. Borrowings under our revolving credit facility bear variable rates of interest and adjust frequently based on prevailing market rates and the terms of our Credit Agreement. Following this acquisition, we had available committed borrowing capacity of approximately $211.8 million under our revolving credit facility, in addition to the uncommitted, unsecured incremental borrowing facility of $200.0 million.

See Note 5, Long-Term Obligations in the accompanying condensed consolidated financial statements for additional information regarding our debt obligations.

Additional Liquidity and Capital Resources

On May 15, 2025, our board of directors approved the repurchase of up to $50.0 million of our equity securities during the period from May 15, 2025 to May 15, 2026. We have not repurchased any shares of our common stock under this authorization.

We paid cash dividends of $4.0 million in the first quarter of 2026. On March 11, 2026, we declared a quarterly cash dividend of $0.36 per share totaling $4.3 million that will be paid on May 13, 2026. Future declarations of dividends are subject to our board of directors' approval and may be adjusted as business needs or market conditions change. The declaration of cash dividends is subject to our compliance with the covenant in our Credit Agreement related to our consolidated leverage ratio.

We plan to make expenditures of approximately $20.0 to $24.0 million during the remainder of 2026 for property, plant, and equipment.

As of April 4, 2026, we had approximately $153.6 million of total unremitted foreign earnings. It is our intent to indefinitely reinvest $87.4 million of these earnings to support the current and future capital needs of our foreign operations, including debt repayments, if any. In the first quarter of 2026, we recorded withholding taxes on the earnings in certain foreign subsidiaries that we plan to repatriate in the foreseeable future. The foreign withholding taxes that would be required if we were to remit the indefinitely-reinvested foreign earnings to the United States would be approximately $2.7 million.

We believe that existing cash and cash equivalents, along with future cash generated from operations, and our existing borrowing capacity will be sufficient to meet the capital requirements of our operations for the next 12 months and the foreseeable future.

Application of Critical Accounting Policies and Estimates

Management's discussion and analysis of financial condition and results of operations is based upon our condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities, and the reported amounts of revenue and expenses during the reporting period. Our critical accounting policies are defined as those that entail significant judgments and uncertainties, and could potentially result in materially different results under different assumptions and conditions. Management evaluates its estimates on an ongoing basis based on historical experience, current economic and market conditions, and other assumptions management believes are reasonable. We believe that our most critical accounting policies which are significant to our consolidated financial statements, and which involve the most complex or subjective decisions or assessments, are those described in Management's Discussion and Analysis of Financial Condition and Results of Operations under the heading *Application of Critical Accounting Estimates* in Part II, Item 7, of our Annual Report. There have been no material changes to these critical accounting policies since the end of fiscal 2025 that warrant disclosure.

Recent Accounting Pronouncements

See Note 1, under the heading *Recent Accounting Pronouncements*, in the accompanying condensed consolidated financial statements for details.

Item 3 – Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk from changes in interest rates and foreign currency exchange rates has not changed materially from our exposure as disclosed in Part II, Item 7A, of our Annual Report.

Item 4 – Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of April 4, 2026. The term "disclosure controls and procedures," as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based upon the evaluation of our disclosure controls and procedures as of April 4, 2026, our Chief Executive Officer and Chief Financial Officer concluded that as of April 4, 2026, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

Management's assessment of the effectiveness of internal control over financial reporting includes internal controls over financial reporting systems and internal processes at Clyde Industries and Babbini, which were excluded from management's assessment in 2025. There have not been any changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) during the fiscal quarter ended April 4, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1A – Risk Factors

Careful consideration should be given to the factors discussed in Part I, Item 1A, *Risk Factors*, in our Annual Report for the fiscal year ended January 3, 2026, which could materially affect our business, financial condition or future results, in addition to the information set forth in this Quarterly Report on Form 10-Q. Except for the revised risk factor below regarding "*Operating globally subjects us to changes in government regulations and policies in multiple jurisdictions around the world, including those related to tariffs and trade barriers, taxation, exchange controls and political risks,*" there have been no material changes from the risk factors disclosed in our Annual Report.

Operating globally subjects us to changes in government regulations and policies in multiple jurisdictions around the world, including those related to tariffs and trade barriers, taxation, exchange controls and political risks.

Changes in government policies, political unrest, economic sanctions, trade embargoes, or other adverse trade regulations can negatively impact our business. Non-U.S. markets contribute a substantial portion of our revenues, and we intend to continue expanding our presence in these regions. For example, we operate businesses in Mexico and Canada and benefit from the United States-Mexico-Canada Agreement (USMCA). If the United States were to withdraw from or materially modify the USMCA or impose significant tariffs or taxes on goods imported into the United States, the cost of our products could significantly increase or no longer be priced competitively, which in turn could have a material adverse effect on our business and results of operations.

In 2025, the Trump Administration imposed a series of tariffs against U.S. trading partners pursuant to the International Emergency Economic Powers Act (IEEPA). On February 20, 2026, the Supreme Court ruled these tariffs unlawful. The Trump Administration immediately imposed new global tariffs pursuant to Section 122 of the Trade Act of 1974, which allows for tariffs of up to 15% for a period of up to 150 days. The Section 122 tariffs were also challenged and held unlawful by the U.S. Court of International Trade in a decision issued May 7, 2026. Our business has been negatively affected by these tariffs, and the timing and availability of refunds is uncertain. We may be negatively affected in the future by the quickly evolving tariff situation and the economic uncertainty created thereby.

Our business is also affected by various product or sector-specific tariffs that the United States imposes on trading partners. Certain products imported from China, including pulp and paper machinery, are subject to tariffs imposed by the Office of the United States Trade Representative, pursuant to Section 301 of the Trade Act of 1974. The tariffs on pulp and paper machinery are set at 25%. In addition, the U.S. Department of Commerce has imposed tariffs of 50% on numerous categories of steel, and aluminum, and copper products, under Section 232 of the Trade Expansion Act of 1962, and has expanded these tariffs to include certain derivative products subject to a 25% tariff. We import products that are impacted by these tariffs. While we try to mitigate the impact of the existing and other proposed tariffs by the Trump Administration, we cannot be certain if our actions will be successful. The tariffs have and could in the future negatively affect our ability to compete against competitors who do not manufacture in China and/or are not subject to the tariffs.

The United States has tightened trade sanctions targeting countries like China and Russia. For example, since 2018 the United States has imposed various trade and economic sanctions targeting certain persons in Russia and certain types of business with Russia. The United States has continued to expand export control restrictions applicable to certain Chinese firms and continued its assessment of new controls for "emerging foundational technologies," escalating U.S.-China tension concerning technology. Moreover, tensions between the United States and China have increased and future actions by the United States or Chinese governments may impact our operations in and imports from China, as well as sales to and from China. In response, Russia and China have begun considering and, in some cases, implementing trade sanctions that could affect U.S.-owned businesses. The imposition of trade sanctions has and may in the future continue to make it generally more difficult to do business in Russia and China and cause delays or prevent shipment of products or services performed by our personnel, or to receive payment for products or services.

Additionally, the military conflict between Russia and Ukraine and the global response to it has and may in the future adversely impact our revenues, gross margins and financial results. The United States, the European Union, and many other countries have imposed sanctions on Russia, individuals in Russia and Russian businesses, including several large banks. In 2025, our sales to Russia were minimal at $1.9 million. As a result of the international sanctions regime in place against Russia, it has become extremely difficult to sell any of our equipment or services into Russia. Any proposed sales into Russia are evaluated on a case-by-case basis, taking into account the risks related to the sale, the costs associated with ensuring compliance with applicable sanctions and the likelihood of receiving payment from either party's banks. It is not possible to predict the broader or longer-term consequences of this conflict, which could include further sanctions, embargoes, regional instability, geopolitical shifts and adverse effects on macroeconomic conditions, security conditions, currency exchange rates and financial markets. Such geopolitical instability and uncertainty has and could continue to have in the future a negative impact on our ability to sell to, ship products to, collect payments from, and support customers in certain regions based on trade restrictions, embargoes and export control law restrictions, and logistics restrictions, and could increase the costs, risks and adverse impacts from these new challenges. The conflict between Russia and Ukraine, as well as other conflicts such as those in the Middle East, may also have the effect of heightening other risks disclosed in our Annual Report, any of which could materially and adversely affect our business and results of operations. Such risks include, but are not limited to, adverse effects on macroeconomic conditions, including inflation and business and consumer spending; disruptions to our global technology infrastructure, including through cyberattack, ransomware attack, or cyber-intrusion; adverse changes in international trade policies and relations; our ability to maintain or increase our prices, including any fuel surcharges in response to rising fuel costs; the energy crisis resulting from the Russia-Ukraine conflict, particularly in Europe; our ability to implement and execute our business strategy; disruptions in global supply chains; our exposure to foreign currency fluctuations; and constraints, volatility, or disruption in the capital markets. Such restrictions have and may in the future continue to have a material adverse impact on our business and operating results.

Item 5 – Other Information

Insider Trading Arrangements

None of our directors or officers adopted or terminated a Rule 10b5-1 trading arrangement or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the quarter ended April 4, 2026.

Item 6 – Exhibits

Exhibit Number	Description of Exhibit
10.1*	Cash Incentive Plan of the Registrant, Amended and Restated as of March 11, 2026.
10.2*	Summary of Non-Employee Director Compensation of the Registrant, effective March 2026.
31.1	Certification of the Principal Executive Officer of the Registrant Pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.
31.2	Certification of the Principal Financial Officer of the Registrant Pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.
32	Certification of the Chief Executive Officer and the Chief Financial Officer of the Registrant Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Management contract or compensatory plan or arrangement.

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 thereunto duly authorized.

	KADANT INC.
Date: May 13, 2026	/s/ Michael J. McKenney
	Michael J. McKenney Executive Vice President and Chief Financial Officer (Principal Financial Officer)

Exhibit 10.1

KADANT INC.
CASH INCENTIVE PLAN

(As amended and restated effective as of March 11, 2026)

1. Purpose

The purpose of the Cash Incentive Plan of Kadant Inc. is to enable the Company to attract, retain, motivate and reward employees by providing an opportunity to earn incentive compensation under the Plan related to the performance of the Company and its subsidiaries.

2. Definitions

Terms used in the Plan, and not otherwise defined, are defined as follows:

"Award" means a contingent award made to a Participant in accordance with the Plan that provides the Participant with the opportunity to earn cash compensation based on the relative level of attainment of Performance Goals established by the Committee for a Performance Period and on such other terms and conditions as the Committee shall determine.

"Board" means the Board of Directors of the Company.

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Committee" means the Compensation Committee of the Board, or any other committee appointed by the Board to administer the Plan.

"Company" means Kadant Inc., a Delaware corporation, or any successor to all or substantially all of the Company's business.

"Eligible Employee" means each executive officer, officer, or other key employee of the Company or any Subsidiary designated from time to time by the Committee as eligible to participate in the Plan.

"Participant" means any Eligible Employee who receives an Award under the Plan for a specified Performance Period.

"Performance Goals" means any one or a combination of the following: (i) earnings per share, (ii) return on average shareholders' equity or average assets, (iii) earnings, (iv) earnings or earnings per share growth, (v) earnings before interest, taxes and amortization (EBITA), (vi) earnings before interest, taxes, depreciation and amortization (EBITDA), (vii) operating income, (viii) operating margins, (ix) division income, (x) revenues, (xi) expenses, (xii) stock price, (xiii) market share, (xiv) return on sales, assets, equity, or investment, (xv) achievement of balance sheet or income statement objectives, (xvi) cash provided from operations, (xvii) stock price appreciation, (xviii) shareholder return, (xix) strategic initiatives, (xx) cost control, (xxi) net operating profit after tax, (xxii) pre-tax or after-tax income, (xxiii) cash flow, (xxiv) financial ratios contained in the Company's debt instruments, and (xxv) any other objective or discretionary goals established by the Committee.

"Performance Period" for an Award means the fiscal year of the Company, unless another period of time for the measurement of the extent to which the applicable Performance Goals are attained is designated by the Committee at the time the Award is made.

"Plan" means the Kadant Inc. Cash Incentive Plan, as amended from time to time.

"Subsidiary" means (i) a corporation or other entity with respect to which the Company, directly or indirectly, has the power, whether through the ownership of voting securities, by contract or otherwise, to elect at least a majority of the members of such corporation's board of directors or analogous governing body or (ii) any other corporation or other entity in which the Company, directly or indirectly, has at least a majority equity or similar interest.

3. Administration

The Plan shall be administered by the Committee which shall have full power and authority, in its discretion, but subject to the express provisions of this Plan, to:

a. select Participants from Eligible Employees;
b. establish the terms and conditions of Awards, including the times at which Awards are made, the Performance Period to which an Award relates, and the Performance Goals to which an Award is subject;
c. determine the extent to which cash payments are actually earned pursuant to Awards and the amounts to be paid;
d. prescribe, amend and rescind rules and regulations relating to the Plan; and
e. interpret this Plan and make all determinations necessary or advisable for the administration of the Plan.

The determinations of the Committee pursuant to its authority under the Plan shall be conclusive, final and binding. No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Award.

4. Eligibility

Awards may be granted to any Eligible Employee.

5. Awards

The Committee shall, in its sole discretion, determine which Eligible Employees shall receive Awards and shall determine the Performance Period relating to each Award. For each Performance Period applicable to an Award, the Committee shall establish one or more Performance Goals, or any combination of Performance Goals, applicable to such Award and the other terms and conditions of the Award. Such Performance Goals and other terms and conditions shall be established by the Committee in its sole discretion as it shall deem appropriate and in the best interests of the Company.

Performance Goals may take the form of absolute goals or goals relative to past performance of the Company or the current or past performance of one or more other companies comparable or similarly situated to the Company or of an index covering multiple companies. The Committee may specify that the Performance Goals exclude or be adjusted to reflect any one or more of (i) extraordinary items or other unusual or non-recurring items, (ii) discontinued operations, (iii) gains or losses on the dispositions of operations, (iv) effects of changes in accounting principles, (v) the write down of any asset or other impairment, (vi) intangible amortization expense, (vii) the effect of foreign currency fluctuations, (viii) charges for restructuring and rationalization programs, and (ix) any other adjustment or exclusion established by the Committee. The Committee may establish Performance Goals that are particular to a Participant, or the department, branch, line of business, subsidiary, segment or other unit in which the Participant is employed or for which the Participant has supervisory responsibility and may cover such Performance Period as specified by the Committee.

After the end of each Performance Period for which the Committee has granted Awards, the Committee shall certify in writing the extent to which the Performance Goals established by the Committee for the Performance Period have been achieved and shall authorize the Company to make Award payments to Participants in accordance with the terms of the Awards. Award payments shall be made to a Participant only upon the achievement of the applicable Performance Goals, except that the Committee may waive the achievement of Performance Goals in the event of the death, disability, a change in control of the Company or such other event as the Committee may deem appropriate. Award payments to a Participant with respect to a Performance Period shall be made no later than the 15th day of the third month following the end of the taxable year of the Participant within which the last day of such Performance Period occurs.

The Committee may at any time, in its sole discretion, cancel an Award or eliminate or reduce (but not increase) the amount payable pursuant to the terms of an Award without the consent of a Participant.

The Committee shall have the power to impose such other restrictions on Awards as it may deem necessary or appropriate.

6. Transferability

Awards shall not be subject to the claims of creditors and may not be assigned, alienated, transferred or encumbered in any way other than by will or the laws of descent and distribution.

7. Required Withholding

The Company may withhold or cause to be withheld from any and all cash payments made under this Plan such amounts as are necessary to satisfy all applicable tax and other required withholdings related to Awards or in accordance with the Company's payroll practices as from time to time in effect.

8. Amendment and Termination

The Committee may amend, modify or terminate the Plan in any respect at any time without the consent of Participants, provided that no amendment or termination of the Plan may adversely affect any previously granted Award without the consent of the affected Participant, except to the extent necessary to comply with Section 409A of the Code.

9. Effective Date and Term of the Plan

This Plan shall be effective when approved by the Board and shall remain in effect for future years unless and until amended, terminated, or replaced at the direction of the Board.

Termination of the Plan shall not affect any Awards outstanding on the date of the termination and such Awards shall continue to be subject to the terms of the Plan, notwithstanding its termination. Upon termination of the Plan, no further Awards may be granted under the Plan.

10. Miscellaneous

(a) No Rights to Awards or Employment. This Plan is not an employment contract between the Company and an Eligible Employee or Participant. No Eligible Employee shall have any claim or right to receive Awards under the Plan. Nothing in the Plan shall confer upon any employee of the Company any right to continued employment with the Company or any Subsidiary or interfere in any way with the right of the Company or a Subsidiary to terminate the employment of any of its employees at any time, with or without cause, including, without limitation, any individual who is then a Participant in the Plan.

(b) Other Compensation. Nothing in this Plan shall preclude or limit the ability of the Company to pay any compensation to a Participant under any other additional compensation and benefits plans, programs and arrangements, including, without limitation, any employee benefit plan, equity plan, or bonus plan, program or arrangement.

(c) Severability. If any provision of this Plan is held unenforceable, the remainder of the Plan shall continue in full force and effect without regard to such unenforceable provision and shall be applied as though the unenforceable provision were not included in the Plan.

(d) Governing Law. The Plan and all actions taken under the Plan shall be governed by and construed in accordance with the laws of the State of Delaware.

As reapproved and in effect March 11, 2026.

Exhibit 10.2

SUMMARY OF NON-EMPLOYEE DIRECTOR COMPENSATION
(Effective March 2026)

Cash Compensation

Directors of Kadant Inc. (the “company”) who are not employees are paid the following fees for serving on our board of directors:

- An annual retainer of $70,000.
- An additional annual retainer for our non-executive chairman of the board of $85,000.
- An additional annual retainer for chairmen of the following committees:
  - audit committee - $20,000;
  - compensation committee - $15,000;
  - nominating and corporate governance committee - $10,000; and
  - risk oversight and sustainability committee - $10,000.
- Reimbursement of out-of-pocket expenses incurred in attending or participating in meetings of our board of directors or its committees.

We do not provide any meeting fees to our directors for their board service. All annual retainers are paid in equal monthly installments and may be prorated to the next full month based on applicable service.

Restricted Stock Units

Each of our non-employee directors also receives an annual award, as determined by the Board of Directors, of stock-settled restricted stock units (“RSUs”), distributable in shares of common stock upon vesting. The RSUs vest as determined by the Board of Directors.

All awards are made under our company’s stockholder-approved equity incentive plans. The vesting of all awards accelerates in the event of a change in control of our company. Any awards, to the extent not previously vested, are forfeited if the recipient is no longer a member of our board of directors on the vesting dates for any reason other than a change in control of the company. The terms and conditions governing these awards are stated in the form of restricted stock unit award agreement for non-employee directors filed as an exhibit to the company’s periodic reports filed with the Securities and Exchange Commission.

Stock Ownership Guidelines

Under our stock ownership guidelines, as amended, our directors are required to hold shares of our company’s common stock equivalent in value to five times their annual cash retainer. Compliance with the guidelines is measured annually following the close of the fiscal year, and directors have five years from the later of adoption or revision of our stock ownership guidelines or their appointment as a director to attain compliance.

Exhibit 31.1

CERTIFICATION

I, Jeffrey L. Powell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended April 4, 2026 of Kadant Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 13, 2026

/s/ Jeffrey L. Powell
Jeffrey L. Powell
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Michael J. McKenney, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended April 4, 2026 of Kadant Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 13, 2026

/s/ Michael J. McKenney

Michael J. McKenney
Executive Vice President and Chief Financial Officer

Exhibit 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, Jeffrey L. Powell, Chief Executive Officer, and Michael J. McKenney, Chief Financial Officer, of Kadant Inc., a Delaware corporation (the "Company"), do hereby certify, to our best knowledge and belief, that:

The Quarterly Report on Form 10-Q for the period ended April 4, 2026 of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the information contained in this Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 13, 2026	/s/ Jeffrey L. Powell
	Jeffrey L. Powell
	President and Chief Executive Officer
	/s/ Michael J. McKenney
	Michael J. McKenney
	Executive Vice President and Chief Financial Officer

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Exchange Act. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.