KĀDANT

Investor Presentation

Kadant Inc. (NYSE: KAI)
September 2026

Forward-Looking Statements

The following constitutes a "Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995: This presentation contains forward-looking statements that involve a number of risks and uncertainties, including forward-looking statements about our future financial and operating performance, demand for our products, and economic and industry outlook. These forward-looking statements represent our expectations as of August 4, 2026. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. These forward-looking statements are subject to known and unknown risks and uncertainties that may cause our actual results to differ materially from these forward-looking statements as a result of various important factors, including those set forth under the heading "Risk Factors" in Kadant's annual report on Form 10-K for the fiscal year ended January 3, 2026, and subsequent filings with the Securities and Exchange Commission. These include risks and uncertainties relating to adverse changes in global and local economic conditions; the variability and difficulty in accurately predicting revenues from large capital equipment and systems projects; our acquisition strategy; levels of residential construction activity; reductions by our wood processing customers of their capital spending or production of oriented strand board; changes to the global timber supply; development and use of digital media; cyclical economic conditions affecting the global mining industry; demand for coal, including economic and environmental risks associated with coal; failure of our information systems or breaches of data security and cybersecurity incidents; implementation of our internal growth strategy; competition; our ability to successfully manage our manufacturing operations; supply chain constraints, inflationary pressure, price increases or shortages in raw materials; loss of key personnel and effective succession planning; future restructurings; protection of intellectual property; changes to tax laws and regulations; climate change; adequacy of our insurance coverage; global operations; policies of the Chinese government; the variability and uncertainties in sales of capital equipment in China; currency fluctuations; changes to government regulations and policies around the world; compliance with government regulations and policies and compliance with laws; environmental laws and regulations; environmental, health and safety laws and regulations impacting the mining industry; our debt obligations; restrictions in our credit agreement and note purchase agreement; soundness of financial institutions; fluctuations in our share price; and anti-takeover provisions.

Use of Non-GAAP Financial Measures & Company Estimates

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

Specific non-GAAP financial measures have been marked with an * (asterisk) within this presentation. A reconciliation of those numbers to the most directly comparable GAAP financial measures is shown in the Appendix and in our second quarter 2026 earnings press release issued August 4, 2026, which is available in the Investors section of our website at investor.kadant.com.

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

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

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Company Overview

Company Attributes

Kadant's DNA

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

Corporate Responsibility

Our sustainability-driven culture enables responsible growth

- Named one of America's Greatest Companies
- Named one of America's Greatest Workplaces for Families and Parents
- Named one of America's Most Responsible Companies for six consecutive years
- Named one of America's Greenest Companies

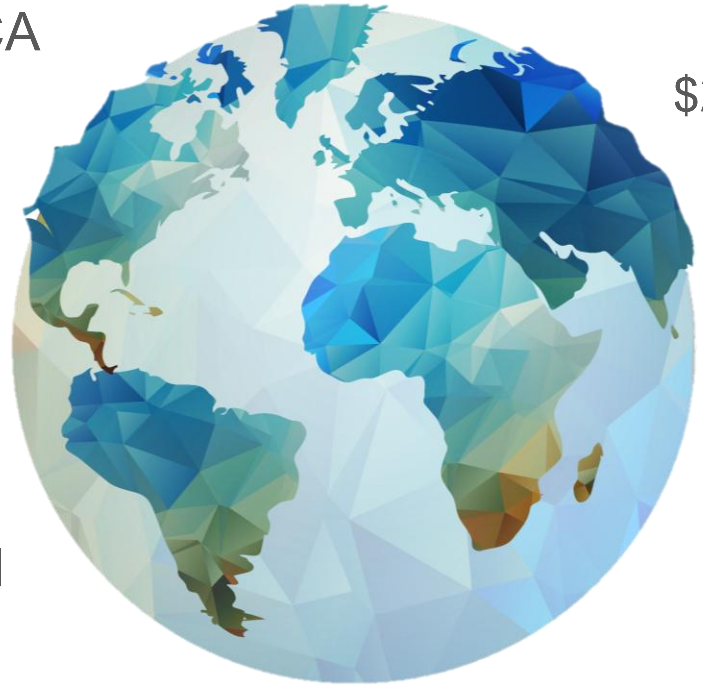
Source: Newsweek 2025, 2026

Global Platform, Local Presence

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

NORTH AMERICA
$656 million

EUROPE
$242 million



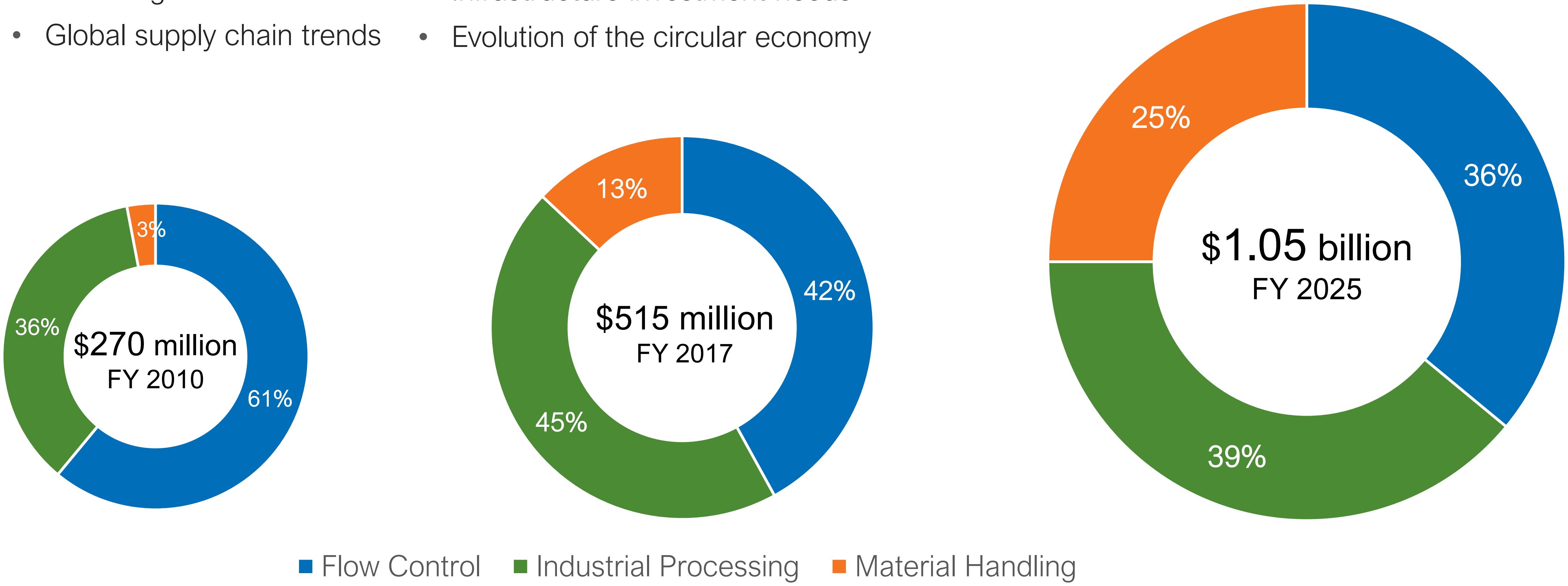
ASIA
$88 million

Rest of World
$66 million

Accelerating Growth: Diversifying Our Strategic Mix

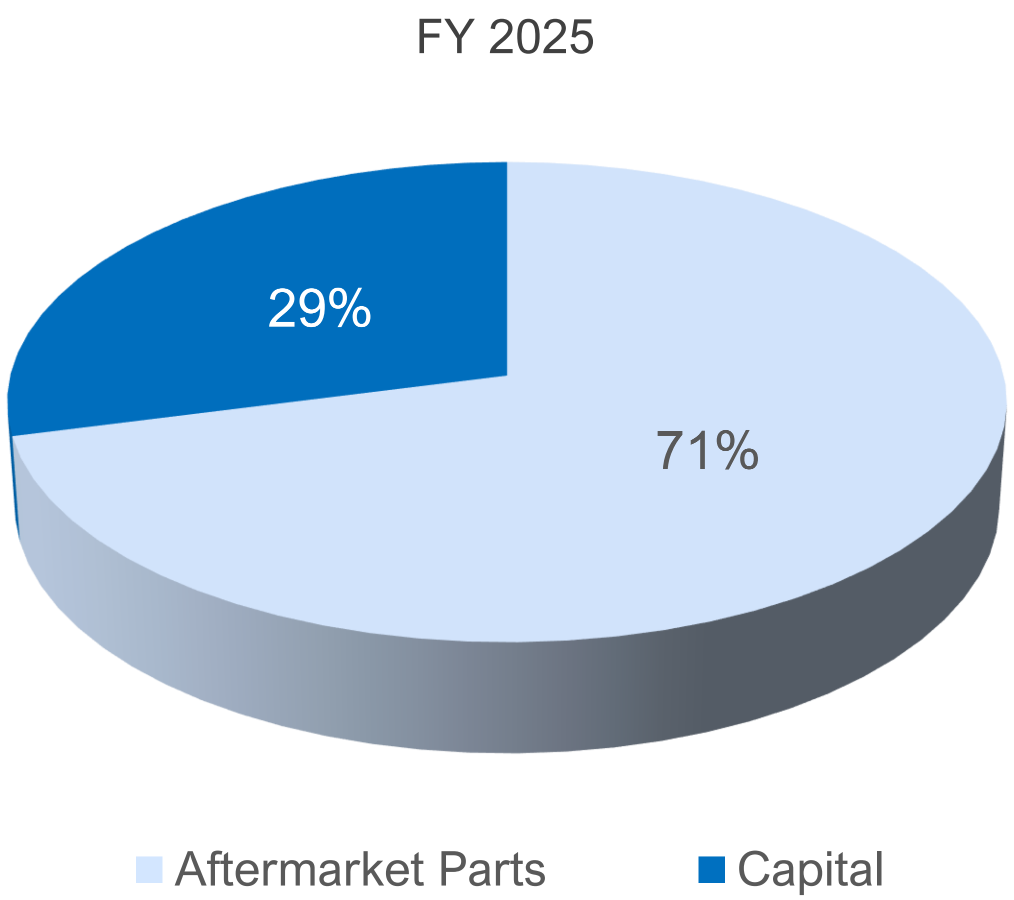
Aligning growth with long-term strategic vision

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

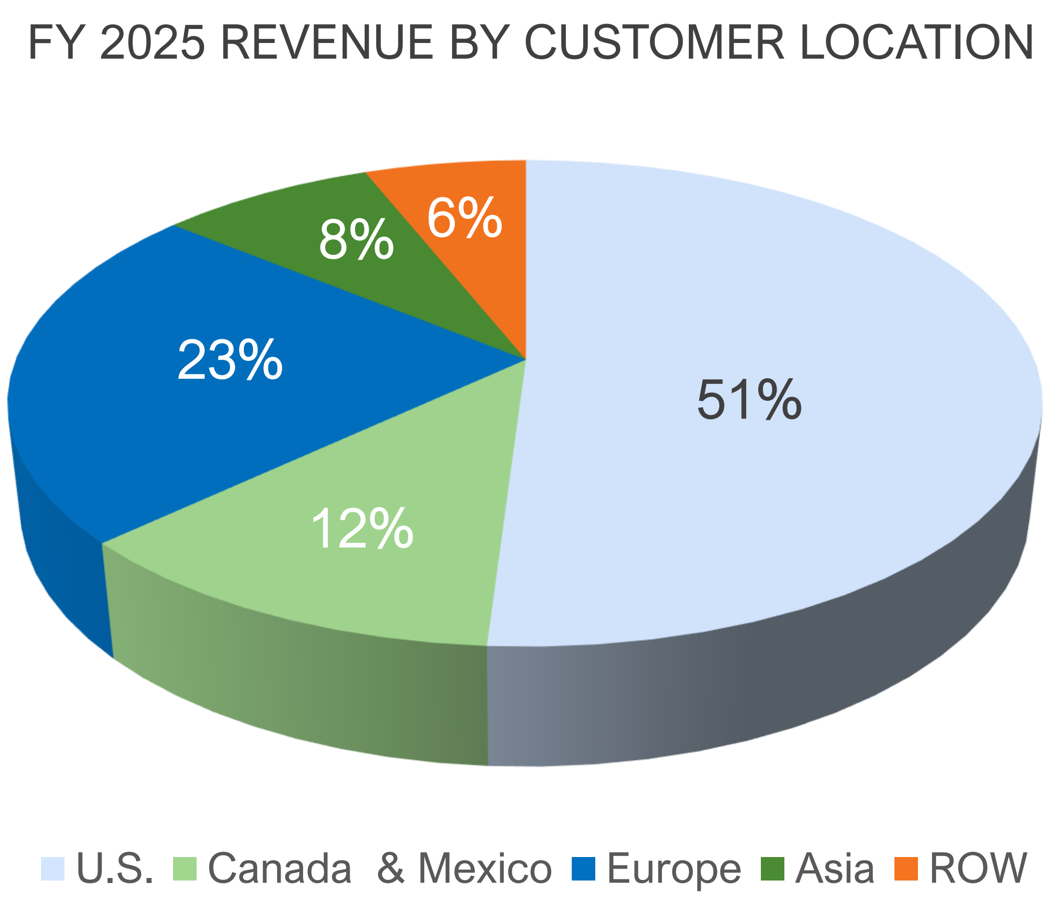


Revenue Mix

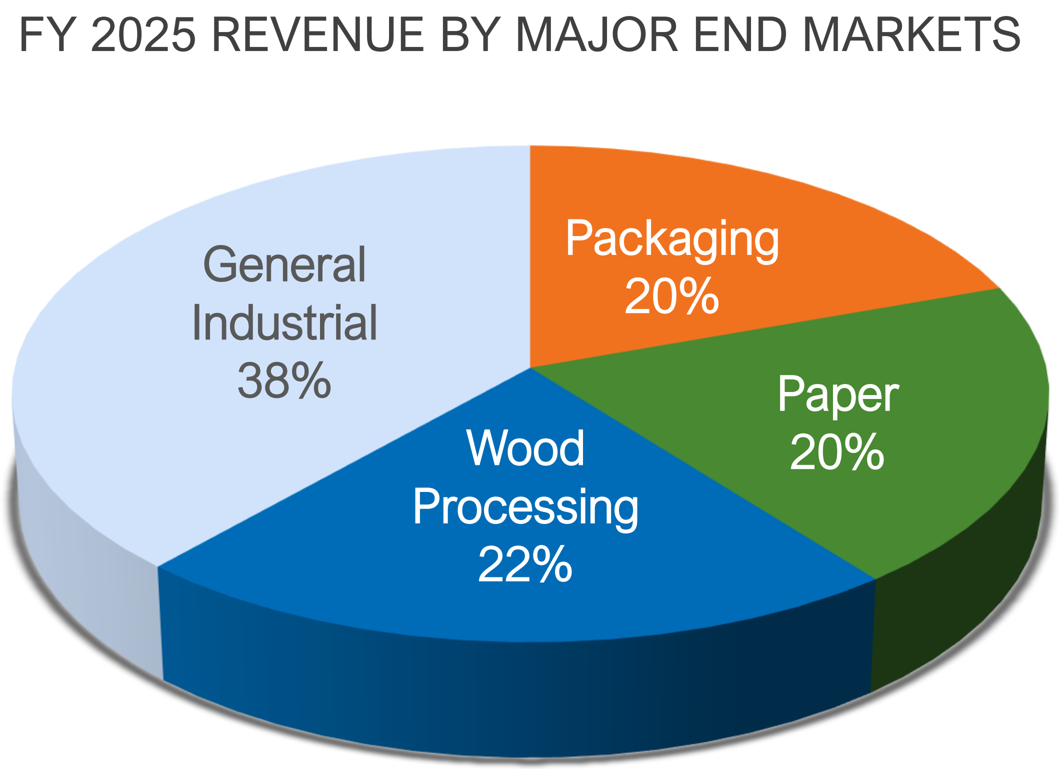
Business model supports higher margins and strong cash flows



Revenue by Geographic Location



Revenue by End Market



Operating Segments

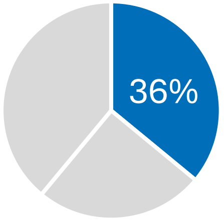
Strategic Operating Segments

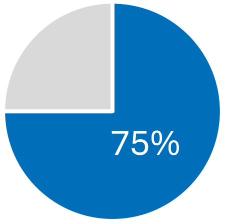
% 2025 REVENUE

% 2025 AFTERMARKET

FLOW CONTROL

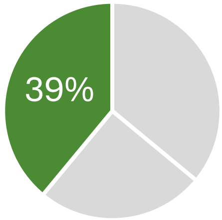
Custom-engineered products and technologies that impact the flow of fluids.

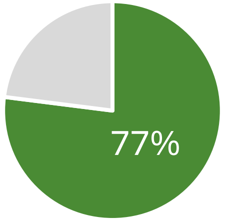




INDUSTRIAL PROCESSING

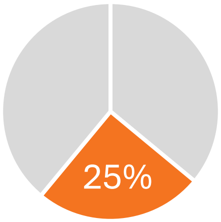
Products and technologies used in the processing of wood, virgin and recycled fibers, food, and energy.

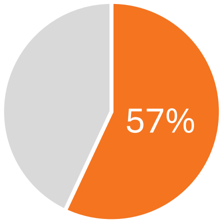




MATERIAL HANDLING

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





Primary Markets

FLOW CONTROL

PACKAGING, PAPER, TISSUE

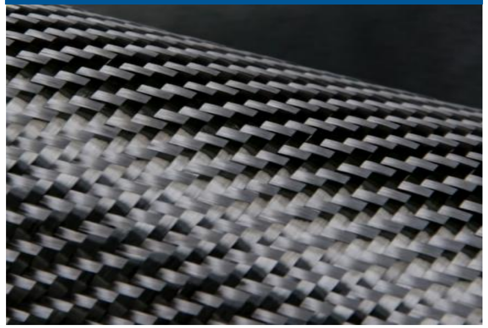
CONVERTING

ENERGY

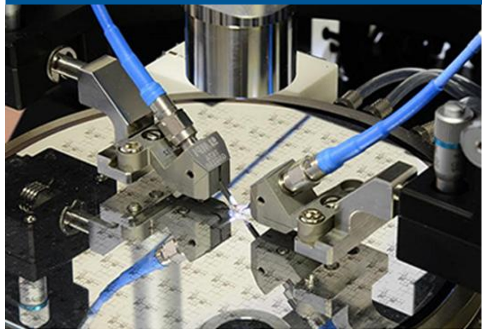
FOOD & BEVERAGE

DEFENSE & AEROSPACE

SYNTHETIC/CARBON FIBER



FACTORY AUTOMATION



SPECIALTY MACHINERY

Primary Markets

INDUSTRIAL PROCESSING

CORRUGATED & PACKAGING

TISSUE & TOWEL

KRAFT PULP

ENGINEERED WOOD

DIMENSIONAL LUMBER

MASS TIMBER

RECYCLING & WASTE

AGRICULTURE & BIOFUELS

Primary Markets

MATERIAL HANDLING

AGGREGATE

CEMENT

COPPER

FOOD

RECYCLERS & WASTE MGMT

WASTE-TO-ENERGY

PAPER & PACKAGING

PHARMACEUTICALS

Growth Trends

Global Trends Supporting Growth Opportunities

Growing energy demand increasing demand for energy-optimized systems

Disruptive technologies increasing adoption of automation, advanced robotics, artificial intelligence, and rapidly expanding connectivity within process industries

Urbanization and aging infrastructure stimulating demand for convenience goods; recycling and waste management; and investments in infrastructure

Sustainability and environmental responsibility fueling demand for increased use of recyclable (cellulose) materials to preserve and secure natural resources

Growing Energy Demand

Increasing demand for energy-optimized systems

Biofuels

Lithium-Ion Battery

Waste to Energy

Factory Modernization

Disruptive Technologies

Enabling new applications by increasing adoption of automation, advanced robotics, artificial intelligence, and rapidly expanding connectivity within process industries

Automation

Remote Monitoring

Digital Simulation

Artificial Intelligence

Urbanization and Demographic Shifts

Stimulating demand for convenience goods; recycling and waste management; and investments in infrastructure

Convenience Goods

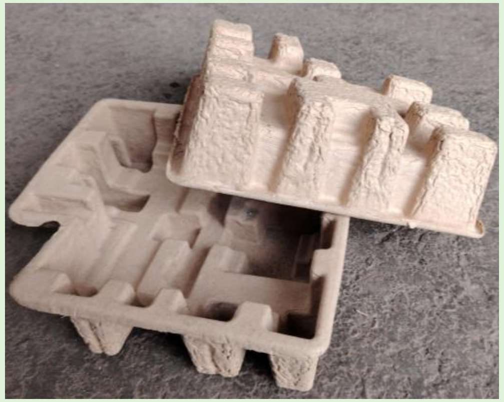
Recycling, Waste Mgmt

Timber, Engineered Wood

Aggregates

Sustainability and Environmental Responsibility

Fueling demand for increased use of recyclable (cellulose) materials to preserve and secure natural resources



Molded Pulp

Reuseable Fiber

Mill Waste Upcycling

Cellulose Coating

Acquisition Strategy

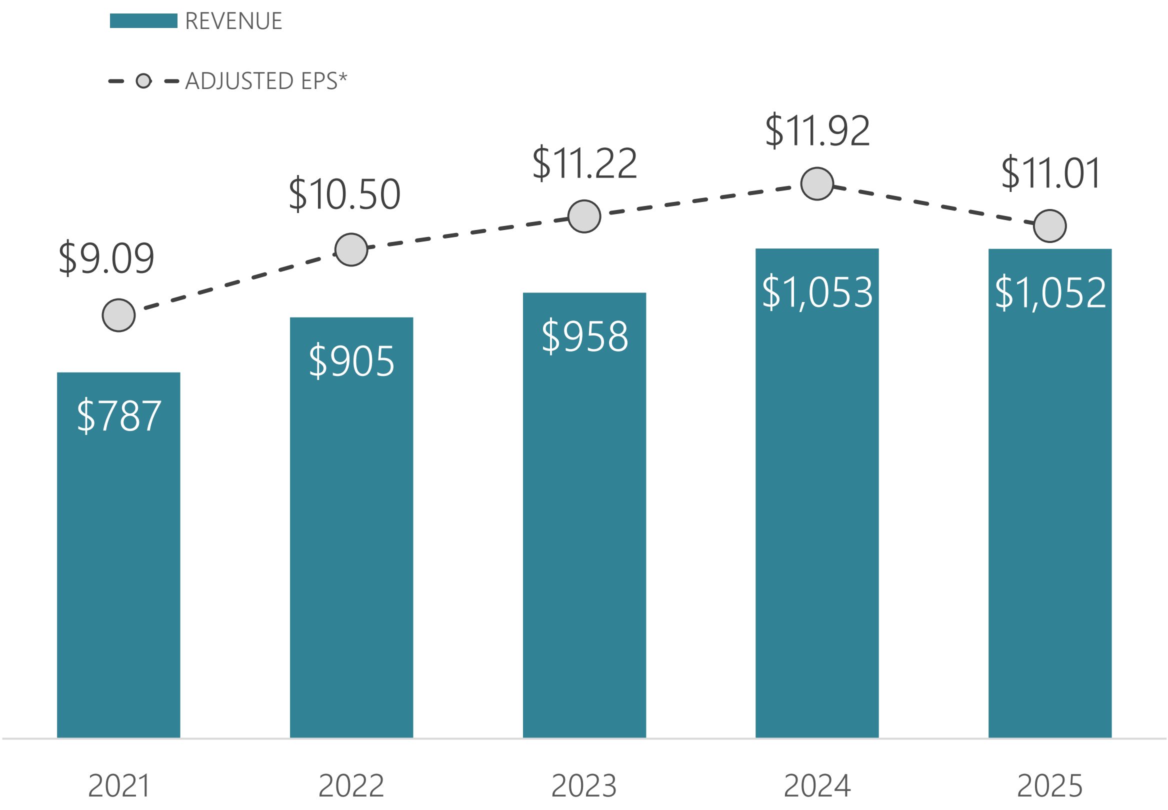
Acquisition Criteria

Accelerate growth through acquisitions aligned with strategic vision

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

Financial Performance

Revenue and Adjusted EPS*

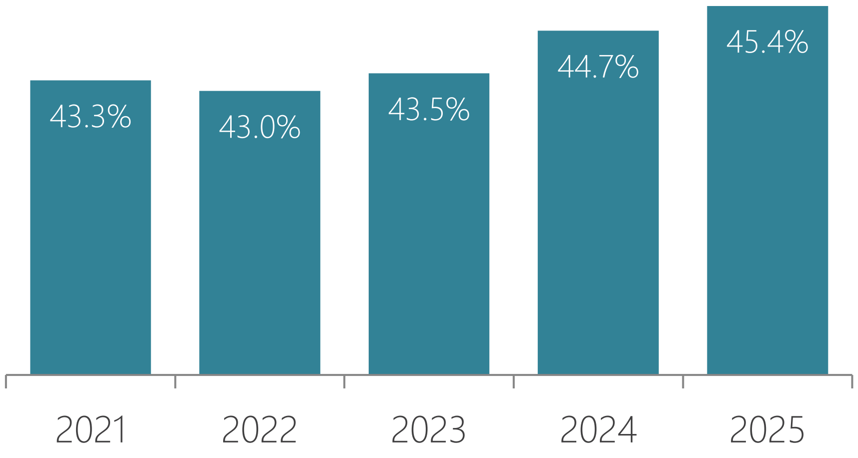


CAGR 2021-2025

Revenue	Adjusted EPS*
7.5%	4.9%

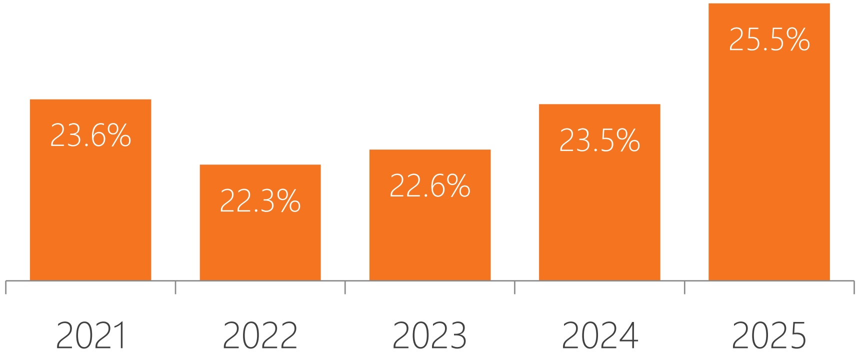
Adjusted Gross Margin* and Adjusted SG&A* Metrics

Adjusted Gross Margin*



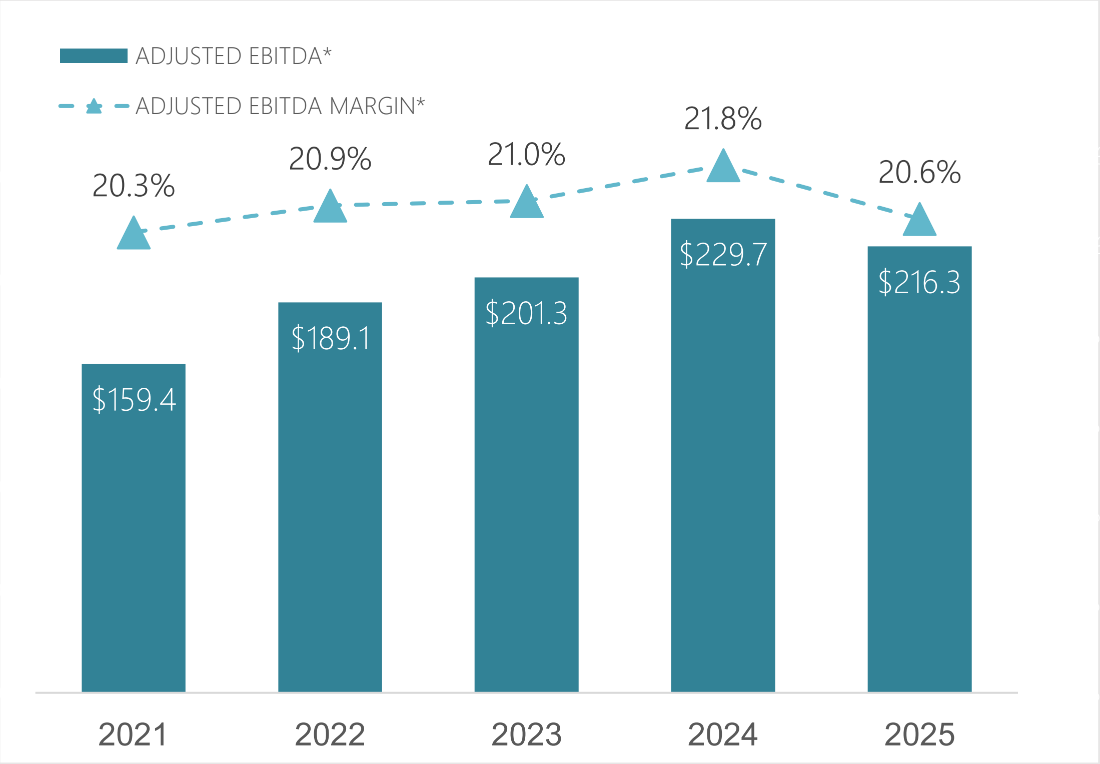
Adjusted SG&A*

(% of revenue)

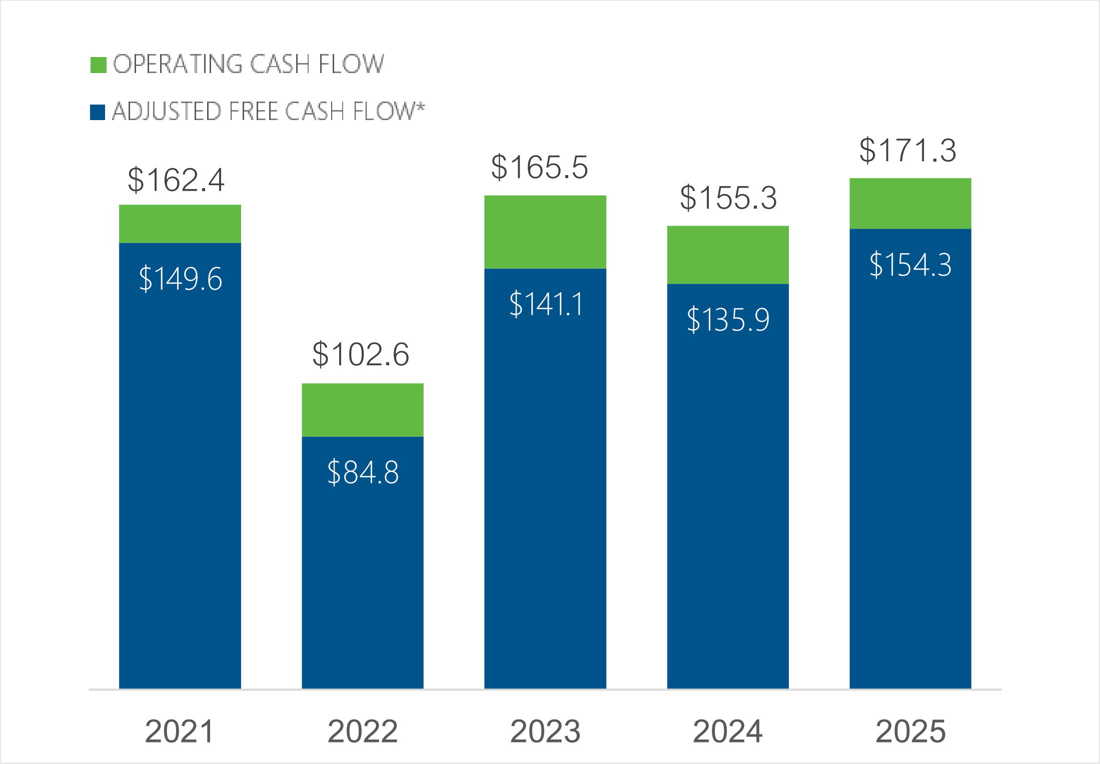


Adjusted EBITDA* and Cash Flow

Adjusted EBITDA*



Cash Flow



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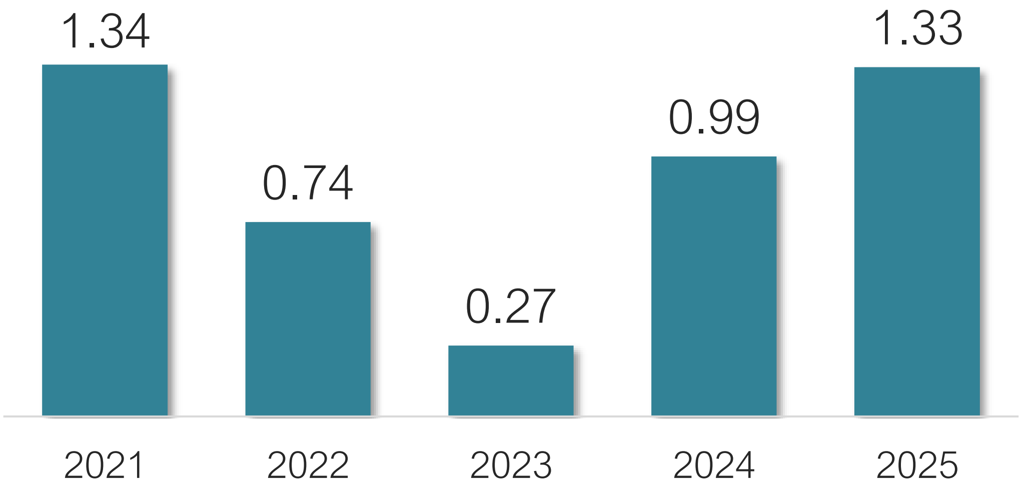
Leverage Ratio[1]

Our borrowing capacity at Q2 2026 includes:

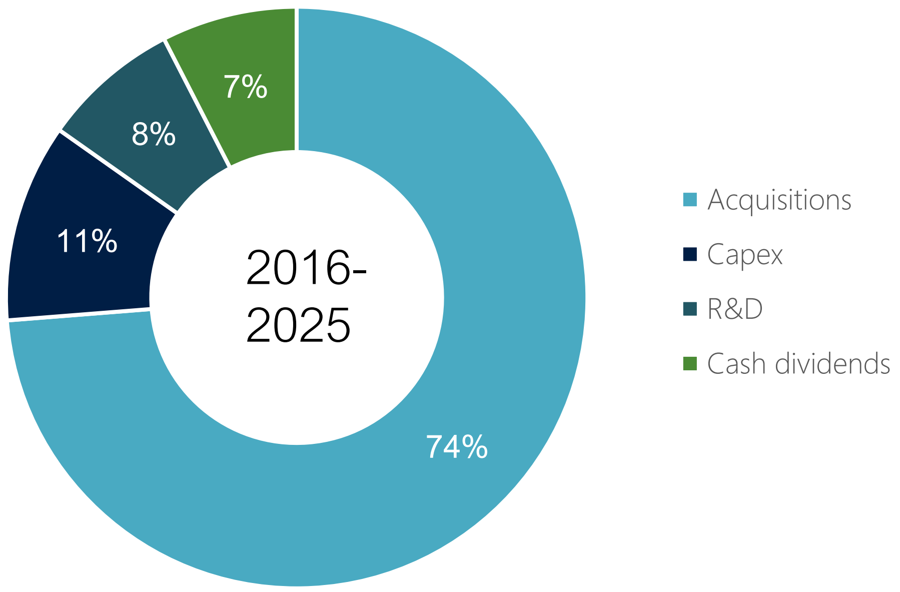
- $249 million under our revolving credit facility
- $200 million of uncommitted borrowing capacity

Leverage Ratio at Q2 2026 of 1.72

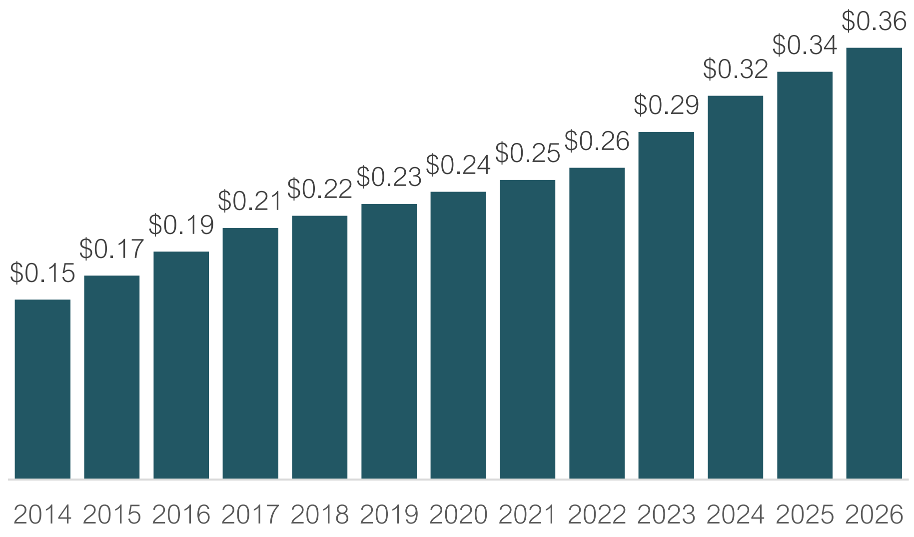


Effective Capital Allocation

Uses of Cash



Quarterly Dividends

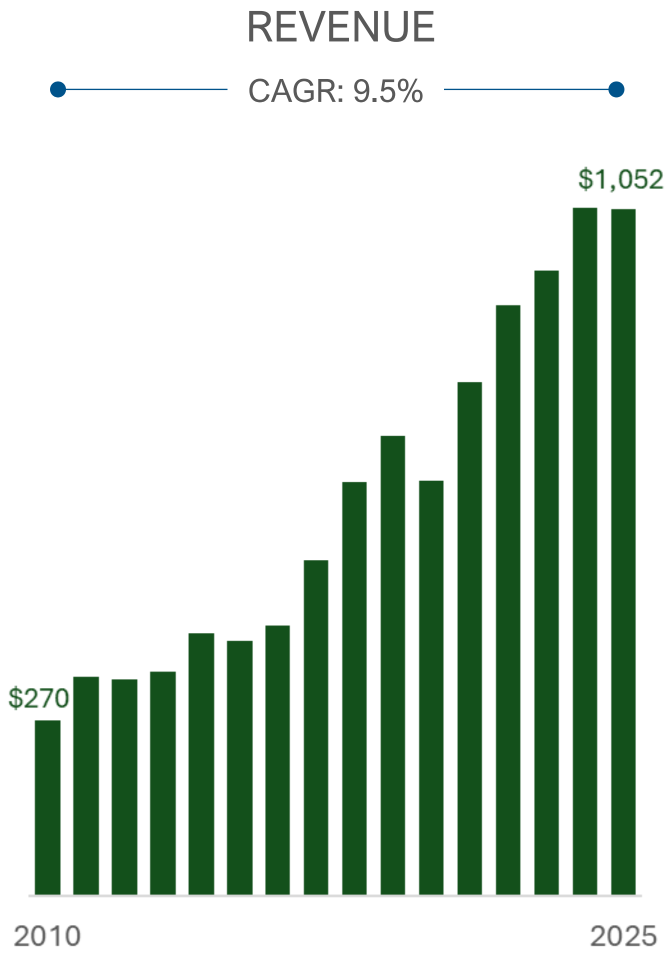


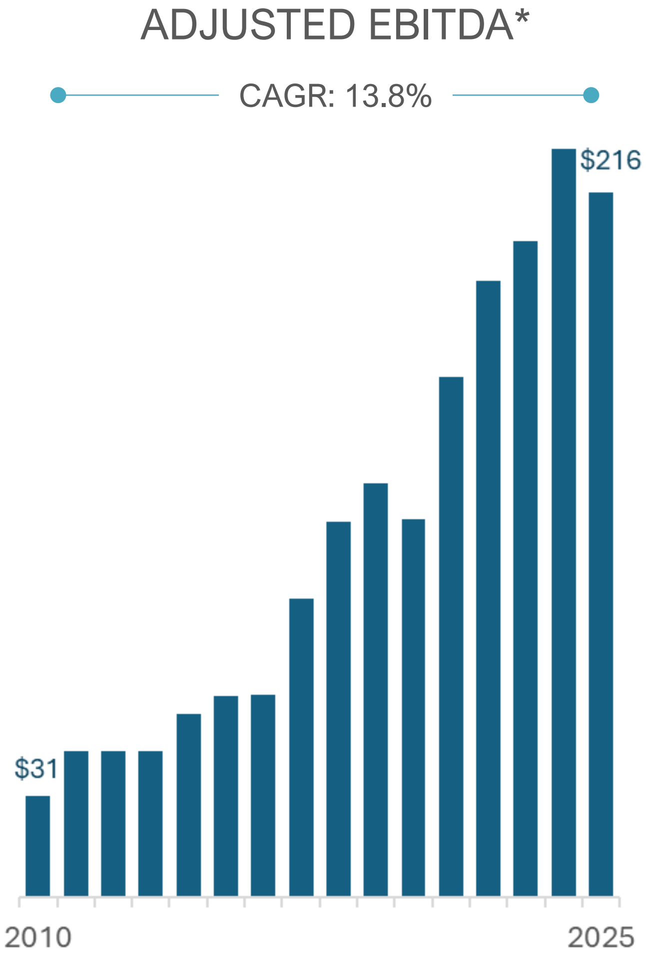
Our board of directors approved a $0.36 per share cash dividend to be paid on November 12, 2026. Future dividends are subject to board of directors' approval.

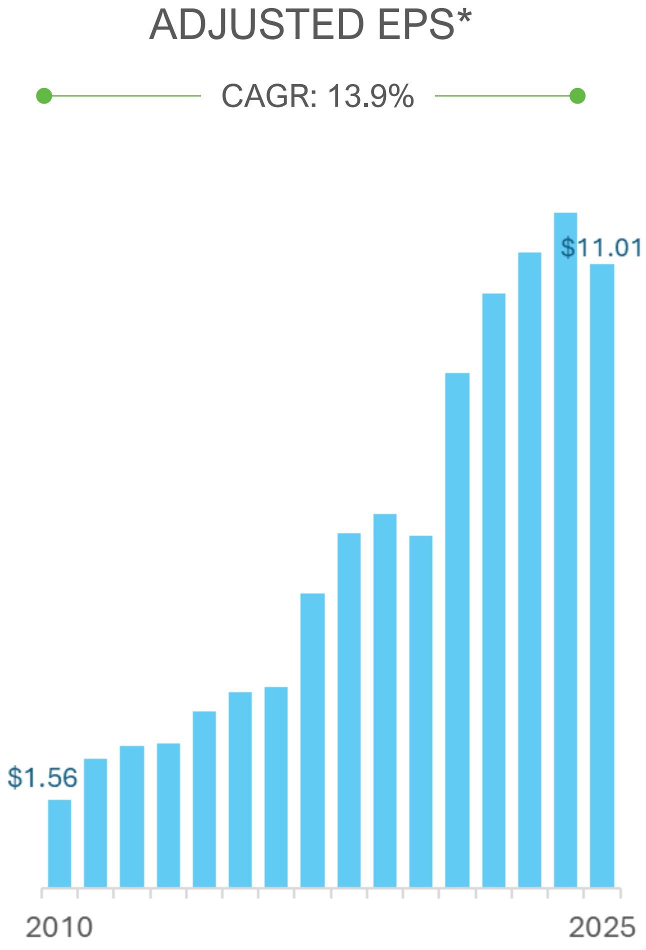
KADANT

Value Creation for Kadant Shareholders

($ in millions, except per share amounts)







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Key Takeaways

STRONG EARNINGS & PROFITABILITY

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

PROVEN TRACK RECORD AS A SUSTAINABILITY LEADER

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

GROWTH-ORIENTED BUSINESS MODEL

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

Appendix

Financial Highlights

($ in millions, except per share amounts)

	Q2 2026	Q2 2025	Change	Q2 2026 YTD	Q2 2025 YTD	Change
Bookings	$312.1	$269.4	15.9%	$632.9	$525.6	20.4%
Revenue	$312.9	$255.3	22.6%	$594.4	$494.5	20.2%
Gross Margin	43.8%	45.9%	-210 bps	44.4%	46.0%	-160 bps
Net Income[2]	$32.5	$26.2	24.1%	$58.0	$50.2	15.4%
Adjusted EBITDA*	$68.1	$52.4	30.0%	$124.9	$100.3	24.6%
Adjusted EBITDA Margin*	21.8%	20.5%	130 bps	21.0%	20.3%	70 bps
GAAP EPS	$2.75	$2.22	23.9%	$4.91	$4.26	15.3%
Adjusted EPS*	$3.42	$2.71	26.2%	$6.26	$5.21	20.2%
Operating Cash Flow	$53.5	$40.5	32.2%	$75.4	$63.3	19.1%
Free Cash Flow*	$42.6	$36.5	16.6%	$61.2	$55.5	10.3%
Net Debt[3]	$373.0	$151.7	145.8%	$373.0	$151.7	145.8%

FY 25 Financial Highlights

($ in millions, except per share amounts)

	2025	2024	Change
Bookings	$1,033.9	$981.1	5.4%
Revenue	$1,052.2	$1,053.4	-0.1%
Gross Margin	45.2%	44.3%	90 bps
Net Income[2]	$102.0	$111.6	-8.6%
Adjusted EBITDA*	$216.3	$229.7	-5.8%
Adjusted EBITDA Margin*	20.6%	21.8%	-120 bps
GAAP EPS	$8.65	$9.48	-8.8%
Adjusted EPS*	$11.01	$11.92	-7.6%
Operating Cash Flow	$171.3	$155.3	10.3%
Free Cash Flow*	$154.3	$134.3	14.9%
Net Debt[3]	$251.8	$192.6	30.8%

FX Translation and Acquisition Impact

($ in millions)

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

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

Balance Sheet Data

($ in millions)

	Jul. 4, 2026	Jan. 3, 2026
Cash, Cash Equivalents, and Restricted Cash	$137.6	$122.7
Accounts Receivable, net	168.7	158.6
Inventories	216.5	206.9
Contract Assets	9.0	6.6
Property, Plant, and Equipment, net	228.8	196.6
Intangible Assets	353.9	350.4
Goodwill	660.9	555.6
Other Assets	113.9	114.8
Total Assets	$1,889.3	$1,712.2
Accounts Payable	$56.3	$53.4
Debt Obligations	508.2	372.7
Other Borrowings	2.4	1.8
Other Liabilities	288.6	293.2
Total Liabilities	$855.5	$721.1
Stockholders' Equity	$1,033.8	$991.1
Total Liabilities and Stockholders' Equity	$1,889.3	$1,712.2

Adjusted EPS* Reconciliation

	2021	2022	2023	2024	2025	Q2 2025	Q2 2026	Q2 2025 YTD	Q2 2026 YTD
GAAP EPS	$ 7.21	$ 10.35	$ 9.90	$ 9.48	$ 8.65	$ 2.22	$ 2.75	$ 4.26	$ 4.91
Amortization of Acquired Intangible Assets, net of tax	1.26	1.27	1.18	1.65	1.75	0.40	0.55	0.81	1.08
Amortization of Acquired Profit in Inventory and Backlog, net of tax	0.34	0.03	-	0.54	0.15	0.01	0.08	0.04	0.17
Acquisition Costs, net of tax	0.26	0.04	0.10	0.20	0.38	0.08	0.05	0.10	0.11
Gain on Sale of Buildings and Other (Income) Costs, net of tax	(0.03)	(1.30)	-	0.06	0.06	-	-	-	-
Restructuring and Impairment Costs, net of tax	0.08	0.11	0.04	-	0.02	-	-	-	-
Discrete Tax Items	(0.04)	-	-	-	-	-	-	-	-
Adjusted EPS*	$ 9.09	$ 10.50	$ 11.22	$ 11.92	$ 11.01	$ 2.71	$ 3.42	$ 5.21	$ 6.26

Adjusted Free Cash Flow Reconciliation

($ in millions)

	2021	2022	2023	2024	2025	Q2 2025	Q2 2026	Q2 2025 YTD	Q2 2026 YTD
Operating Cash Flow	$ 162.4	$ 102.6	$ 165.5	$ 155.3	$ 171.3	$ 40.5	$ 53.5	$ 63.3	$ 75.4
Capital Expenditures	(12.8)	(28.2)	(31.8)	(21.0)	(17.0)	(4.0)	(10.9)	(7.8)	(14.2)
Free Cash Flow*	$ 149.6	$ 74.4	$ 133.7	$ 134.3	$ 154.3	$ 36.5	$ 42.6	$ 55.5	$ 61.2
Capital Expenditures for Facility Project	-	10.4	7.4	1.6	-	-	-	-	-
Adjusted Free Cash Flow*	$ 149.6	$ 84.8	$ 141.1	$ 135.9	$ 154.3	$ 36.5	$ 42.6	$ 55.5	$ 61.2

Adjusted EBITDA* Reconciliation

($ in millions)

	2021	2022	2023	2024	2025	Q2 2025	Q2 2026	Q2 2025 YTD	Q2 2026 YTD
Net Income Attributable to Kadant	$ 84.0	$ 120.9	$ 116.1	$ 111.6	$ 102.0	$ 26.2	$ 32.5	$ 50.2	$ 58.0
Net Income Attributable to Noncontrolling Interests	0.8	0.8	0.7	1.0	1.7	0.5	0.4	0.9	0.7
Provision for Income Taxes	27.2	43.9	42.2	40.5	39.9	9.8	13.2	17.7	23.3
Interest and Other Expense, net	4.7	5.7	6.8	18.2	13.7	2.9	4.8	6.2	9.0
Operating Income	$ 116.7	$ 171.3	$ 165.8	$ 171.3	$ 157.3	$ 39.4	$ 50.9	$ 75.0	$ 91.0
Acquired Intangible Asset Amortization Expense	19.6	19.8	18.5	25.8	27.4	6.3	8.6	12.6	17.0
Acquired Profit in Inventory and Backlog Amortization Expense	5.6	0.5	-	8.4	2.4	0.2	1.2	0.6	2.6
Acquisition Costs	3.6	0.7	1.4	2.9	4.4	0.9	0.6	1.2	1.3
Gain on Sale of Buildings and Other (Income) Costs, net	(0.5)	(20.2)	(0.1)	0.7	0.9	-	-	-	-
Indemnification Asset Reversals	-	1.3	0.1	0.1	0.6	-	(0.1)	-	(0.1)
Restructuring and Impairment Costs	1.0	1.3	0.8	-	0.4	-	-	-	-
Adjusted Operating Income*	$ 146.0	$ 174.7	$ 186.5	$ 209.2	$ 193.4	$ 46.8	$ 61.2	$ 89.4	$ 111.8
Depreciation Expense	13.4	14.4	14.8	20.5	22.9	5.6	6.9	10.9	13.1
Adjusted EBITDA*	$ 159.4	$ 189.1	$ 201.3	$ 229.7	$ 216.3	$ 52.4	$ 68.1	$ 100.3	$ 124.9
Revenue	786.6	904.7	957.7	1,053.4	1,052.2	255.3	312.9	494.5	594.4
Adjusted EBITDA Margin*	20.3%	20.9%	21.0%	21.8%	20.6%	20.5%	21.8%	20.3%	21.0%

Adjusted Gross Margin* Reconciliation

($ in millions)

	2021	2022	2023	2024	2025	Q2 2025	Q2 2026	Q2 2025 YTD	Q2 2026 YTD
Revenue	$ 786.6	$ 904.7	$ 957.7	$ 1,053.4	$ 1,052.2	$ 255.3	$ 312.9	$ 494.5	$ 594.4
Cost of Revenue	(449.2)	(515.2)	(541.4)	(587.2)	(576.5)	(138.2)	(175.9)	(267.1)	(330.7)
Gross Profit	$ 337.4	$ 389.5	$ 416.3	$ 466.2	$ 475.7	$ 117.1	$ 137.0	$ 227.4	$ 263.7
Gross Margin	42.9%	43.1%	43.5%	44.3%	45.2%	45.9%	43.8%	46.0%	44.4%
Gross Profit	$ 337.4	$ 389.5	$ 416.3	$ 466.2	$ 475.7	$ 117.1	$ 137.0	$ 227.4	$ 263.7
Government Assistance Programs	(0.9)	-	-	-	-	-	-	-	-
Amortization of Acquired Profit in Inventory	4.3	(0.2)	-	5.1	1.5	-	1.2	-	2.6
Adjusted Gross Profit*	$ 340.8	$ 389.3	$ 416.3	$ 471.3	$ 477.2	$ 117.1	$ 138.2	$ 227.4	$ 266.3
Adjusted Gross Margin*	43.3%	43.0%	43.5%	44.7%	45.4%	45.9%	44.2%	46.0%	44.8%

Adjusted SG&A* Reconciliation

($ in millions)

	2021	2022	2023	2024	2025	Q2 2025	Q2 2026	Q2 2025 YTD	Q2 2026 YTD
SG&A	$ 208.8	$ 224.4	$ 236.3	$ 279.9	$ 301.9	$ 73.9	$ 81.6	$ 145.2	$ 164.2
Amortization of Acquired Intangible Assets	(19.6)	(19.8)	(18.5)	(25.8)	(27.4)	(6.3)	(8.6)	(12.7)	(17.0)
Acquisition Costs	(3.6)	(0.7)	(1.4)	(2.9)	(4.4)	(0.9)	(0.6)	(1.2)	(1.3)
Amortization of Acquired Backlog	(1.3)	(0.7)	-	(3.2)	(0.9)	(0.2)	-	(0.6)	-
Government Assistance Programs	1.4	-	-	-	-	-	-	-	-
Indemnification Asset Reversals	-	(1.3)	-	(0.1)	(0.6)	-	0.1	-	0.1
Adjusted SG&A*	$ 185.7	$ 201.9	$ 216.4	$ 247.9	$ 268.6	$ 66.5	$ 72.5	$ 130.7	$ 146.0
Revenue	$ 786.6	$ 904.7	$ 957.7	$ 1,053.4	$ 1,052.2	$ 255.3	$ 312.9	$ 494.5	$ 594.4
Adjusted SG&A* as a % of Revenue	23.6%	22.3%	22.6%	23.5%	25.5%	26.1%	23.2%	26.4%	24.6%

Notes

PRESENTATION NOTES

- All references to EPS (earnings per share) are to our EPS as calculated on a diluted basis. Certain per share amounts in the tables may not foot due to rounding.
- Percent change in slide 35 for the second quarter and six-month period is calculated using numbers reported in our press release dated August 4, 2026. Percent change in slide 36 for the full year is calculated using numbers reported in our press release dated February 18, 2026, except for adjusted operating income and adjusted EPS which is calculated using numbers reported in our Form 8-K filed on February 23, 2026.
- Adjusted SG&A, adjusted operating income, and adjusted EPS reflect new methodology announced on February 19, 2026 to exclude amortization of acquired intangible assets in each of these non-GAAP financial measures.

FOOTNOTES

1) Leverage ratio is calculated by dividing total debt by EBITDA. For purposes of this calculation, EBITDA is calculated by adding or subtracting certain items from Adjusted EBITDA, as required by our amended and restated credit facility (“Credit Facility”). Our Credit Facility defines total debt as debt less worldwide cash of up to $50 million.
2) Net income represents net income attributable to Kadant.
3) Net debt is calculated based on total debt less cash, cash equivalents and restricted cash.