



2020 SHAREHOLDER SPEECH TRANSCRIPT

AUGUST 26, 2020

Good morning. I would like to extend a warm welcome to our shareholders who have set aside time to join us today at Kewaunee's 2020 annual shareholder meeting. This year's meeting is being conducted virtually, a first for the Company, and I am looking forward to broader participation than normal due to the format of the meeting.

Before proceeding, the standard message from our attorneys regarding forward looking statements.

Today I will be sharing with you highlights from our most recently completed fiscal year ended April 30, 2020 as well as an update on our strategic direction and outlook. There will be time for questions at the end and we will take as many as time affords. If you have questions you may submit them online through the chat function throughout the presentation. Also, all materials will be posted to the investor relations section of our website for future reference.

To begin, we will kick things off with a brief overview of the Company.

Kewaunee is a leading global designer, manufacturer, and installer of specialized equipment and technical furniture products for laboratories across an array of industries, including life sciences, education, government, healthcare, and general research end-markets.

The industries served by Kewaunee continue to receive prioritization for investment as companies, governments, and institutions look to encourage discovery that requires infrastructure to perform research and development. The numbers presented are from the *2020 SEFA Laboratory Enclosures and Furniture Market Report* which was published pre-COVID-19. As an industry leader for technical furniture solutions, I believe Kewaunee is uniquely positioned to capitalize on favorable industry growth trends globally.

Kewaunee is active in multiple sectors and will continue to focus on increasing the Company's penetration within the healthcare and industrial markets. The application for our products is broad and we currently don't play in each of these segments to an equal degree, presenting growth opportunities.

Kewaunee's Domestic operating segment designs, manufactures, and installs laboratory, healthcare, and technical furniture principally within the US marketplace. While we are active in the Canadian and South American markets, the United States represents a large majority of Domestic segment sales on an annual basis. We sell the products we manufacture to end-users through our dealer network, direct sales

representatives and a stocking distributor. When we sell directly to the end-user, we often perform the installation on behalf of our customer or general contractor.

Our International operating segment participates more broadly across the laboratory furniture construction value chain based on the capabilities that have been developed, and market positioning of the Company as a leader in the provision of "turn-key" laboratory solutions. When we reference "turn-key" solutions, we refer to our ability to execute the design, manufacture, installation and maintenance of the laboratory. Currently, our International segment operates primarily within the Indian, Middle East and the Pan-Asian markets.

Fiscal Year 2020 Review

Now a discussion on fiscal year 2020:

As we look back at 2020, we can't start the discussion without acknowledging the impact COVID-19 had on our operations and business performance. I could not be more proud of how our Associates responded to and continue to respond to the situation, taking every step possible to create a safe environment for our Kewaunee Associates. When COVID broke in February, we immediately implemented a cross functional task force to tackle the challenges that the virus presented. This team continues to meet daily even now. We responded in a variety of ways, implementing new procedures for all Associates arriving on campus, new cleaning and hygiene procedures and assessments of office and operating activities to ensure we are putting the safety of our Associates first and complying with all external guidelines. I am thankful that on a daily basis I see Kewaunee's Associates living out our Core Values, which has not been more evident than during the past seven months.

As I noted in my shareholder letter, our financial performance in fiscal year 2020 was poor. Over the past two years the Company has experienced significant gross margin erosion resulting in a degradation in our financial performance. This erosion is a function of several factors including lower margin orders taken in previous periods, manufacturing operations that need to be operated more efficiently and a generally price competitive marketplace. The Company also incurred a significant number of "one-time" costs over the past 24 months related to positioning ourselves for the future, which we do not expect will be repeated.

Further, from a liquidity perspective, we made two significant decisions during the fiscal year to improve the Company's financial position and fund future investments. On December 16, 2019 we suspended the quarterly dividend, and in the second quarter of fiscal year 2020 we revoked our permanent reinvestment assertion in India to enable the repatriation of foreign earnings to the U.S. These decisions proved to be well timed considering the ongoing uncertainty brought globally by COVID-19.

With that being said, the good news is that nobody is more critical of our performance than the current management team and we are taking the steps necessary to build a firmer foundation on which to compete.

In preparing for this discussion, Don and I came to the conclusion that it would be beneficial to add some further context and transparency to how we report on and talk about our segments financial performance. Specifically, we will be introducing EBITDA and Segment EBITDA as non-GAAP measures which we feel will aid in the understanding of our operating performance. We will calculate EBITDA and Segment EBITDA as net earnings, less interest expense and interest income, income taxes, depreciation, and amortization. We believe EBITDA and segment EBITDA will allow our investors to compare our performance to other companies on a consistent basis without regard to depreciation and amortization, which can vary significantly between companies depending upon many factors.

It is common for companies to discuss non-GAAP performance measures which assist in providing investors a better understanding of the business and aligns with how management currently assesses the performance of the business. In discussing EBITDA at both the consolidated and segment level we look to provide a better understanding of the earnings generated from our two operating segments verses many of the expenses held in our corporate segment.

As you can see from the chart, corporate costs consist of expenses to run both segments including certain executive costs, corporate finance, treasury and reporting costs, public company costs, other governance costs, legacy perquisite costs including pension administration and service costs as well as other costs to run the Company's global operations.

You will find more information about these changes in the Appendix included within this presentation located in the investor relations section of our website and in our future SEC filings.

Moving on, Kewaunee's Domestic segment continues to operate in a highly competitive, price sensitive market. With this being said, Kewaunee's Domestic business is fairly stable from a top-line perspective, providing a solid foundation on which to make operating improvements. The Domestic team has established a strategy for a multi-year transformation, which is designed to lead to sustained profitability and a platform on which to grow. This includes launching a formal operational excellence program across the segment and investing to modernize our manufacturing capabilities and technology platform. This investment does include adding new, incremental talent to the organization to drive this change which will result in higher operating expenses in the near term. These efforts are underway, and patience will be rewarded with a significantly more competitive operating company in the spaces we play when completed.

As previously reported, fiscally 2020 had a number of headwinds, including a number of large, low margin projects awarded in previous fiscal years, inefficiently run manufacturing operations and a restructuring that was initiated in the second quarter. These, coupled with COVID-19 limitations, further reinforced the need for Kewaunee to invest in capabilities that result in increased flexibility, improved productivity and ultimately lower operating costs.

The Company's International operating segment was having a solid year through the first three quarters of fiscal year 2020 and then COVID struck, resulting in government mandated closures and travel restrictions that impacted our ability to operate. These limitations still exist and likely will

impact our International segment for some time as many countries are only now beginning to relax restrictions.

We continue to invest in our International business, expanding our capabilities to more comprehensively serve our customers. As an example, we successfully launched a business in India focused on laboratory equipment for the petroleum industry, recruiting an experienced team to join the start-up. We also received approval from the Saudi Arabian government for our Technical Service Office (TSO) registration which will enable us to better serve our customers in the Middle East.

Finally, we made the decision to close our China sales office during the fiscal year, as we never gained the traction necessary to maintain a viable presence in mainland China.

Now, on to our strategic outlook.

Strategic Direction and Outlook

Kewaunee was founded in 1906 and has faced challenging times throughout its 113 year history. A company does not survive this long without grit and the ability to look oneself in the mirror and make the changes necessary to not only survive, but to thrive. Kewaunee always has been and remains this kind of company.

Our current vision is “to be the global supplier of choice with customers in the laboratory furniture and infrastructure markets.” As I noted in my shareholder letter, I discussed with my leadership team a number of times over the past year that there is a difference between a company that is a "market leader" and a company that is actually "leading" the market. In 2015, Kewaunee became the market leader when the incumbent exited the market. While we benefited from increased volumes, we did not, at that time, prioritize the need for investment in scalable production capabilities and business processes to sustain the growth we experienced.

Recognizing this, we have committed to transform Kewaunee into the most competitive company in the laboratory furniture and infrastructure space. These efforts will result in multiple, multi-year investments within our operations to improve productivity and cost.

Guiding our actions and investments are four principles:

- We will be easy to do business with,
- We will get closer to our customer(s),
- We will do everything with excellence, and
- We will lead and not follow (we are innovators).

These principles will not change year to year, but rather will serve as the guide-rails as we turn Kewaunee into a company that is capable of truly "leading" the market. While we are not yet where we aspire to be, we have made excellent progress over the past year, recruiting fresh talent and establishing the business case and timelines to drive necessary change. Since joining Kewaunee in the fall of 2015, I have not seen the organization move with the pace and conviction that I observe today.

Our priorities are to fund our investments with operating cash flows, and we will allocate capital with the goal of improving our competitiveness in the marketplace, optimizing our debt level, addressing our underfunded pension plan (which was frozen in 2005) and investing in growth opportunities we expect will generate an appropriate return.

Near term, COVID-19 will continue to be a limiter on the pace at which business is awarded and construction activity executed. This will likely manifest itself in another challenging year for the Company as we continue to navigate the limitations COVID has placed on business in general, all while moving forward with our strategic initiatives.

As I close, note that Kewaunee will be releasing earnings for first quarter of the Company's fiscal year 2021 after the close of business on September 8, 2020.

I want to again thank our many loyal customers, our global dealer base, our direct sales representatives, and our national stocking distributor for their support. We want to recognize all of our Associates worldwide for their hard work, dedication, and valuable contributions. I would also like to thank our many shareholders for your continuing support and our Board of Directors for their ever-present wise counsel.

Our priorities remain to provide our shareholders with an excellent return on their investment, our customers with the best quality service and products, and our Associates with rewarding jobs and opportunities for advancement.

Thank you,

Thomas D. Hull III

August 26, 2020