

KEWAUNEE  
Scientific  
Corporation

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## Annual Shareholder Meeting

*August 23, 2023*



encouraging new discovery...Worldwide



# Safe Harbor Statement

Certain statements in this document constitute “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Reform Act”). All statements other than statements of historical fact included in this document, including statements regarding the Company’s future financial condition, results of operations, business operations and business prospects, are forward-looking statements. Words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “predict,” “believe” and similar words, expressions and variations of these words and expressions are intended to identify forward-looking statements. Such forward-looking statements are subject to known and unknown risks, uncertainties, assumptions, and other important factors that could significantly impact results or achievements expressed or implied by such forward-looking statements. Such factors, risks, uncertainties and assumptions include, but are not limited to, competitive and general economic conditions, both domestically and internationally; changes in customer demands; technological changes in our operations or in our industry; dependence on customers’ required delivery schedules; risks related to fluctuations in the Company’s operating results from quarter to quarter; risks related to international operations, including foreign currency fluctuations; changes in the legal and regulatory environment; changes in raw materials and commodity costs; and acts of terrorism, war, governmental action, natural disasters, and other Force Majeure events. The cautionary statements made pursuant to the Reform Act herein and elsewhere by us should not be construed as exhaustive. We cannot always predict what factors would cause actual results to differ materially from those indicated by the forward-looking statements. Over time, our actual results, performance, or achievements will likely differ from the anticipated results, performance or achievements that are expressed or implied by our forward-looking statements, and such difference might be significant and harmful to our stockholders’ interest. Many important factors that could cause such a difference are described under the caption “Risk Factors,” in Item 1A of our Annual Report on Form 10-K for the fiscal year ended April 30, 2023, which you should review carefully, and in our subsequent quarterly reports on Form 10-Q. These reports are available on our investor relations website at [www.kewaunee.com](http://www.kewaunee.com) and on the SEC website at [www.sec.gov](http://www.sec.gov).



# Agenda

*Annual Shareholder Meeting*

- Kewaunee Scientific Overview
- Fiscal Year 2023 Review
- Strategic Direction and Outlook
- Q&A



# Kewaunee Scientific Corporation

## *Overview*





**Founded 1906**

Over 117 years of  
experience



**Statesville, NC**

Global Headquarters

**Statesville, NC  
Bangalore, India**

Manufacturing Locations

**India  
Singapore  
Saudi Arabia**

International Sales  
Offices



**600+**

US-Based Associates

**350+**

Internationally-Based  
Associates

**30.0%**

FY 2023 Top-Line Growth

**\$219.5  
Million**

FY 2023 Revenue

# Kewaunee Scientific Overview

## HEALTHCARE



- Market includes hospitals, surgery centers, testing centers, elderly care communities, etc.
- Macro population and aging trends support continued investment in health-related initiatives requiring laboratories

## LIFE SCIENCES



- Market includes life sciences, pharmaceutical, bio-technology and other manufacturers
- Continued global investment in research and development
- Expanding spend on infrastructure

## EDUCATION

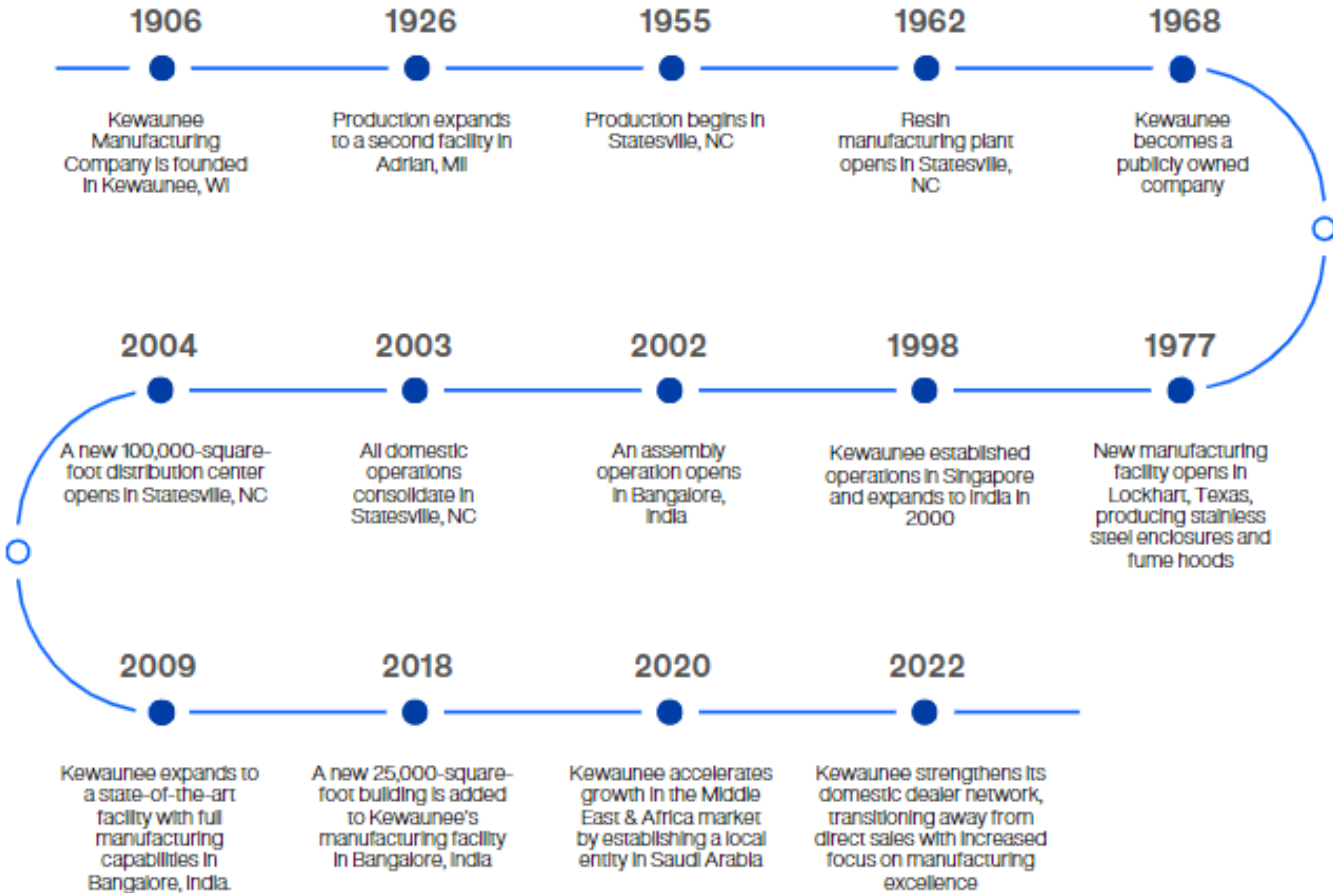


- Market includes K-12 and colleges and universities
- Increasing investments being made in STEM requiring new or upgraded facilities
- State and local governments beginning to fund education infrastructure improvements



# Kewaunee's History

*Over a century of innovation and enabling discovery*



# Kewaunee Scientific Overview

<i>Revenue by Region (\$ in millions)</i>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2027</u>	<u>CAGR</u> <u>'22 - '27</u>	<u>Kewaunee</u> <u>Participation</u>
North America	\$ 727	\$ 952	\$ 1,076	\$ 1,175	\$ 1,417	8.3%	✓
Europe	524	580	620	655	764	5.7%	
Asia	809	907	975	1,037	1,225	6.2%	✓
Rest of World	132	141	148	155	172	4.1%	
<b>Total Market Revenue</b>	<b>\$ 2,192</b>	<b>\$ 2,580</b>	<b>\$ 2,819</b>	<b>\$ 3,022</b>	<b>\$ 3,578</b>	<b>6.8%</b>	

Lab Furniture & Fixtures	\$ 1,106	\$ 1,285	\$ 1,388	\$ 1,482	\$ 1,732	6.2%	✓
Fume Hoods	541	625	681	729	848	6.3%	✓
Clean Bench and BSC	545	670	751	811	998	8.3%	
<b>Total Market Revenue</b>	<b>\$ 2,192</b>	<b>\$ 2,580</b>	<b>\$ 2,819</b>	<b>\$ 3,022</b>	<b>\$ 3,578</b>	<b>6.8%</b>	

Colleges and Universities	575	732	802	855	961	5.6%	✓
Government	333	381	414	442	523	6.6%	✓
K-12	105	110	113	116	126	2.8%	✓
Industrial	208	224	236	245	275	4.1%	✓
Life Science	710	849	951	1,042	1,323	9.3%	✓
Applied Sciences	261	284	304	322	369	5.4%	✓
<b>Total Market Revenue</b>	<b>\$ 2,192</b>	<b>\$ 2,580</b>	<b>\$ 2,819</b>	<b>\$ 3,022</b>	<b>\$ 3,578</b>	<b>6.8%</b>	

Source: The Scientific and Equipment Furniture Association ("SEFA") TDA 2023 Laboratory Enclosures and Furniture Market Report

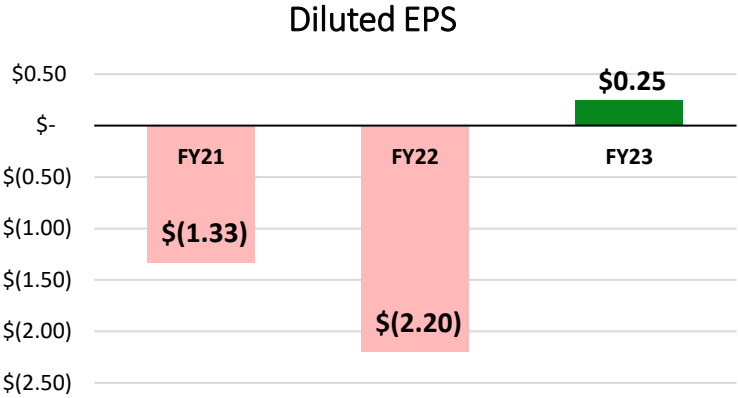
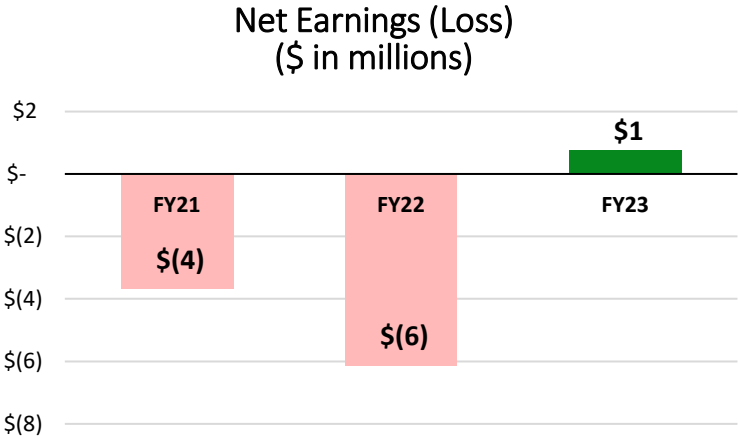
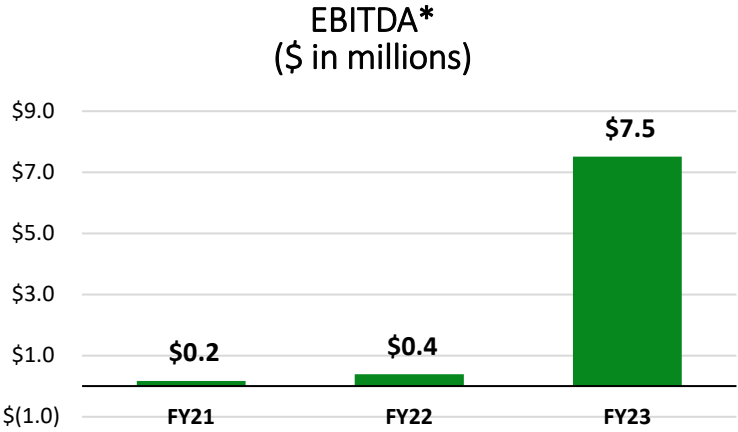
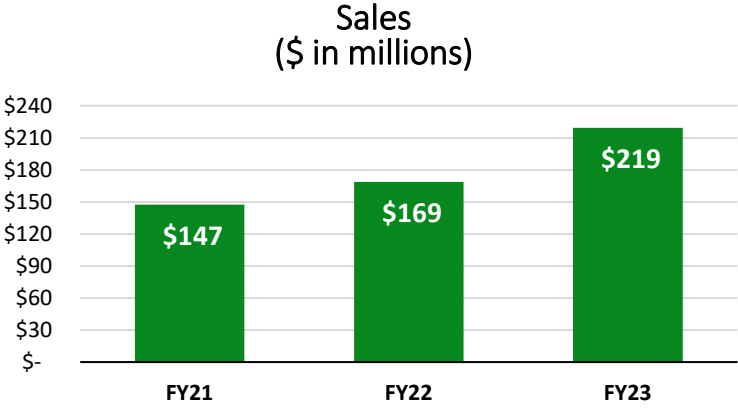


The Scientific Equipment and Furniture Association  
**SEFA Spells SAFE®**

# FY 2023 REVIEW



# FY 2023 Review – Consolidated Results



*\*EBITDA is a non-GAAP measure; please see the Appendix for a reconciliation to net earnings.*

## FY 2023 Review – Domestic Segment

Kewaunee is the leader in designing and manufacturing laboratory, healthcare, and technical furniture in North and South America. Kewaunee's Domestic Segment primarily relies on its exclusive dealer and distribution network to sell its products to end users.



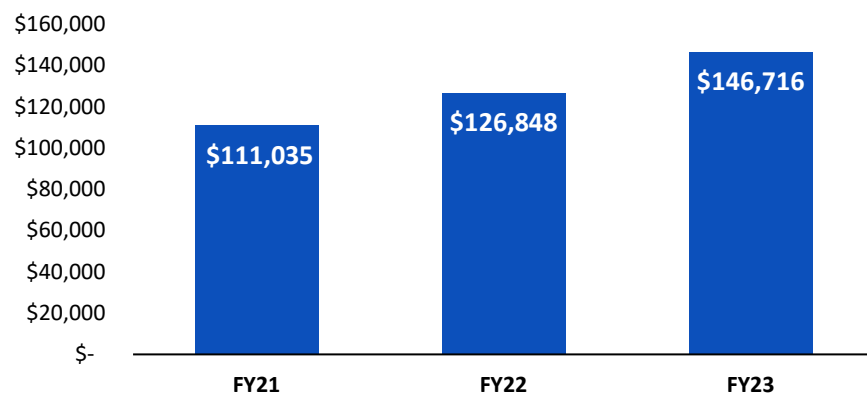
Designs and manufactures laboratory, healthcare, and technical furniture products

Products sold through exclusive dealers and national stocking distributor

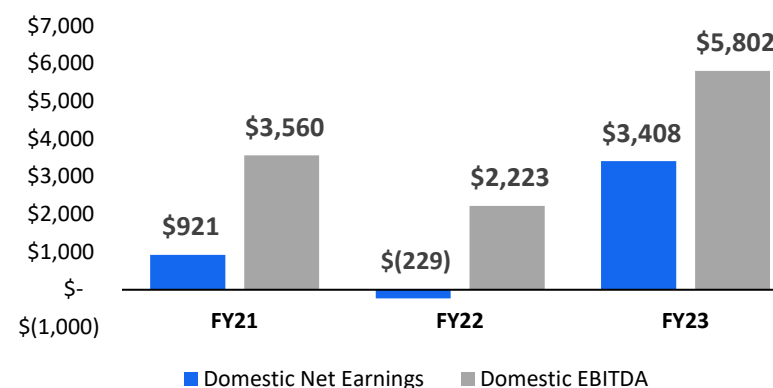
Products manufactured in Statesville, North Carolina

# FY 2023 Review – Domestic Segment

Domestic Sales  
(\$ in thousands)



Domestic Net Earnings and EBITDA\*  
(\$ in thousands)



## FY 2023 Impacts:

- Pricing of new orders in response to higher raw material input costs resulting in increased revenue per unit product when compared to the prior year.
- Sustained manufacturing volumes throughout the year with significant contributions from the life sciences sector.
- Delivering of majority of performance obligations related to fixed priced direct projects awarded prior to broad based inflation negatively impacting profitability.

\*EBITDA is a non-GAAP measure; please see the Appendix for a reconciliation to net earnings.

## FY 2023 Accomplishments:

- Backlog at FY23 year-end was \$91M, down \$2M when compared to prior year. Health of backlog continued to improve throughout the year as replacement of awards were priced based on raw material inflation headwinds.
- Direct transition substantially completed at fiscal year-end.
- Capital program progressing with approximately \$3.3M of capital being invested in the Statesville, NC metal fabrication facility.
- \$15M credit facility with Mid Cap Funding IV Trust secured.

# FY 2023 Review – Domestic Segment

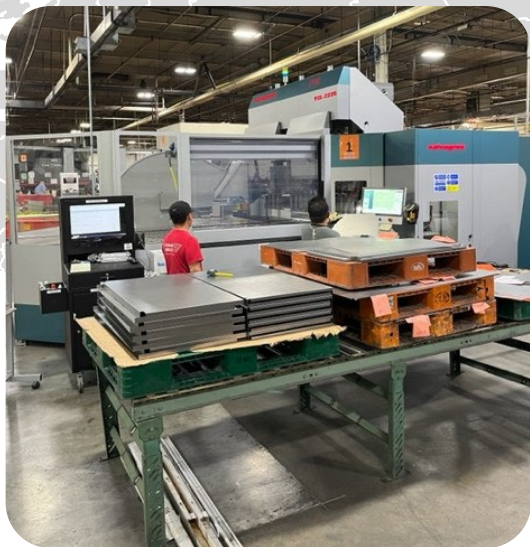
Kewaunee is a leader in manufactured laboratory, healthcare, and technical furniture. Kewaunee’s Domestic Segment primarily relies on its dealer and distribution network to sell its products to end users.



# FY 2023 Review – Domestic Segment



Kewaunee is a leader in manufactured laboratory, healthcare, and technical furniture. Kewaunee’s Domestic Segment primarily relies on its dealer and distribution network to sell its products to end users.



# FY 2023 Review – International Segment

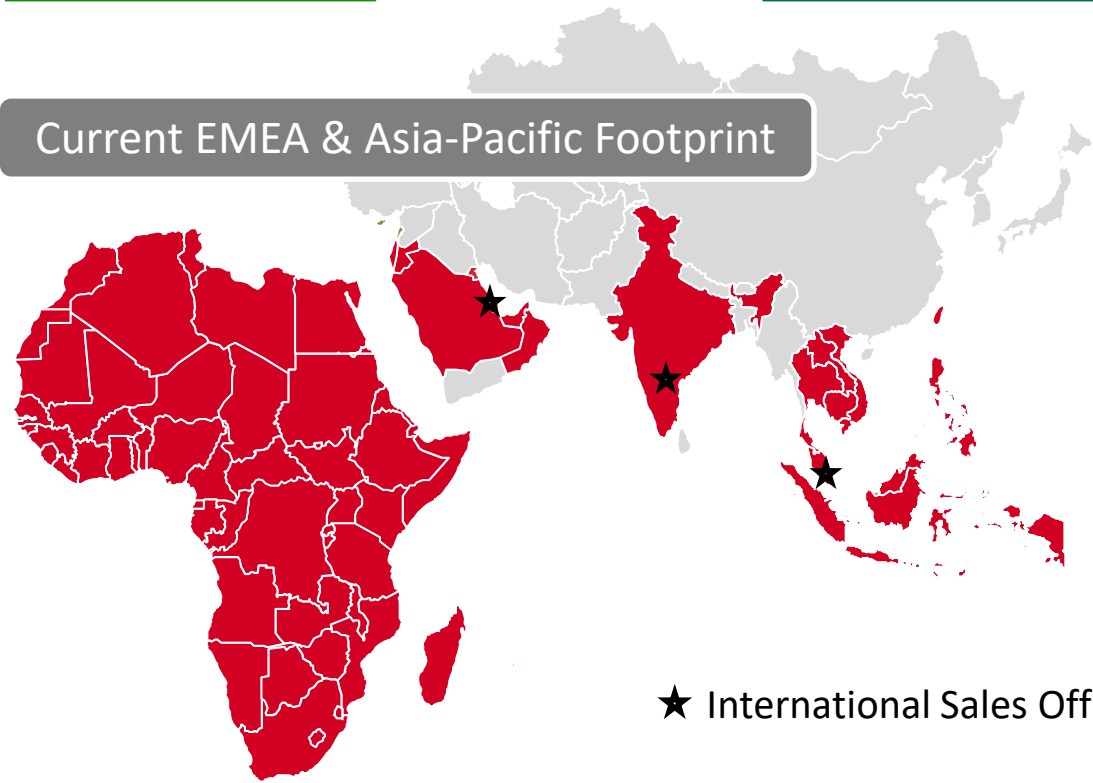
Kewaunee’s International segment participates more broadly across the laboratory construction value chain, from pre-construction through providing facility maintenance services for customers with market-leading positions in India and the Middle East.

Turn-key provider of total laboratory solutions – design, construction, manufacture, installation and maintenance

Sold principally direct to end-users

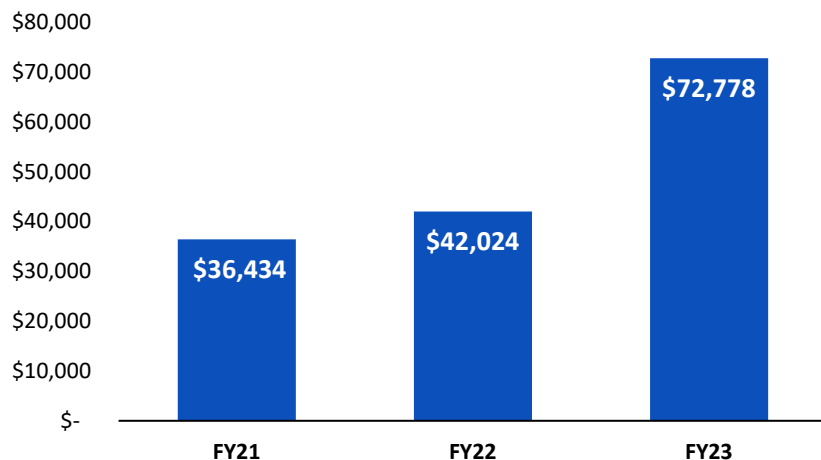
Products for international markets manufactured in Statesville, NC and in Bangalore, India

Market leader in India and Middle East geographies

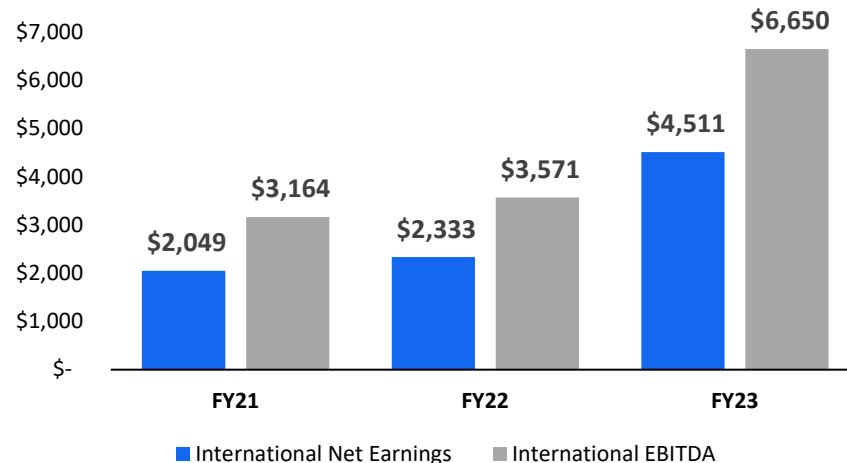


# FY 2023 Review – International Segment

International Sales  
(\$ in thousands)



International Net Earnings and EBITDA\*  
(\$ in thousands)



## FY 2023 Impacts:

- Strength in the Indian market driven by strong investments across the life sciences, petroleum, and technology markets.
- The increase in sales was driven by the delivery of several large projects throughout the fiscal year in India, Asia, and Africa.

\*EBITDA is a non-GAAP measure; please see the Appendix for a reconciliation to net earnings.

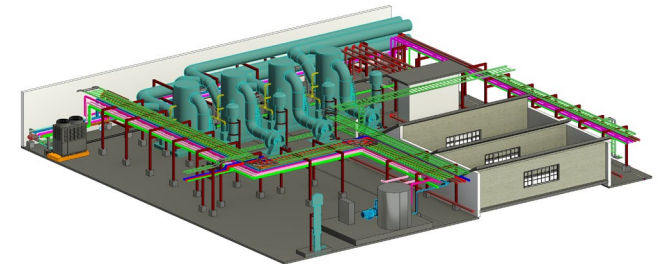
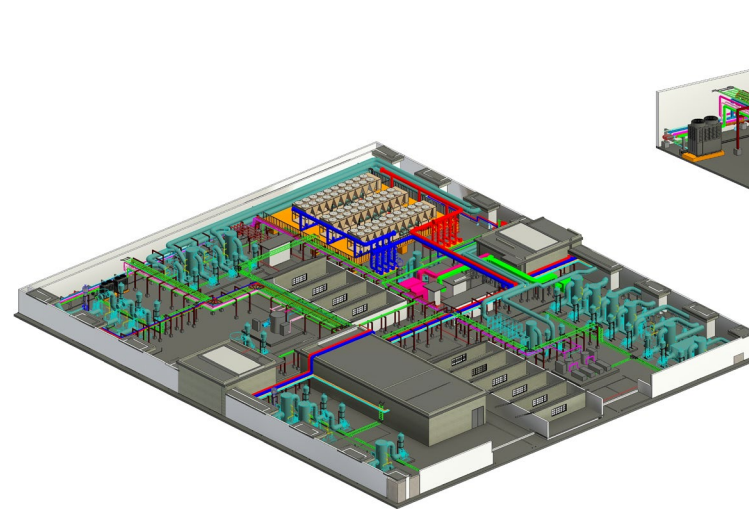
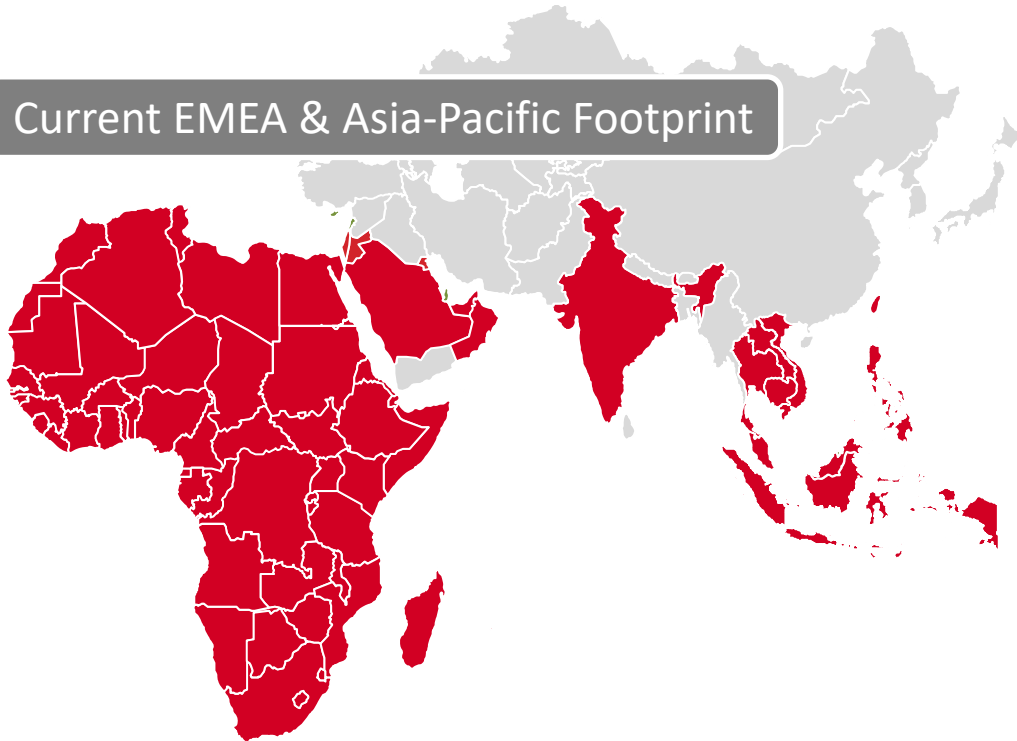
## FY 2023 Accomplishments:

- Strong revenue, net earnings and EBITDA growth driven by the delivery of a number of large projects in the Africa and Indian markets.
- Continued investment in talent and capability in a competitive labor market.
- Quoting pipeline remains especially strong in India as the economy continues to rapidly transform.

# FY 2023 Review – International Segment

Kewaunee's International segment participates more broadly across the laboratory construction value chain, from pre-construction through providing facility maintenance services for customers with market-leading positions in India and the Middle East.

Current EMEA & Asia-Pacific Footprint



## FY 2023 Review – Corporate Segment

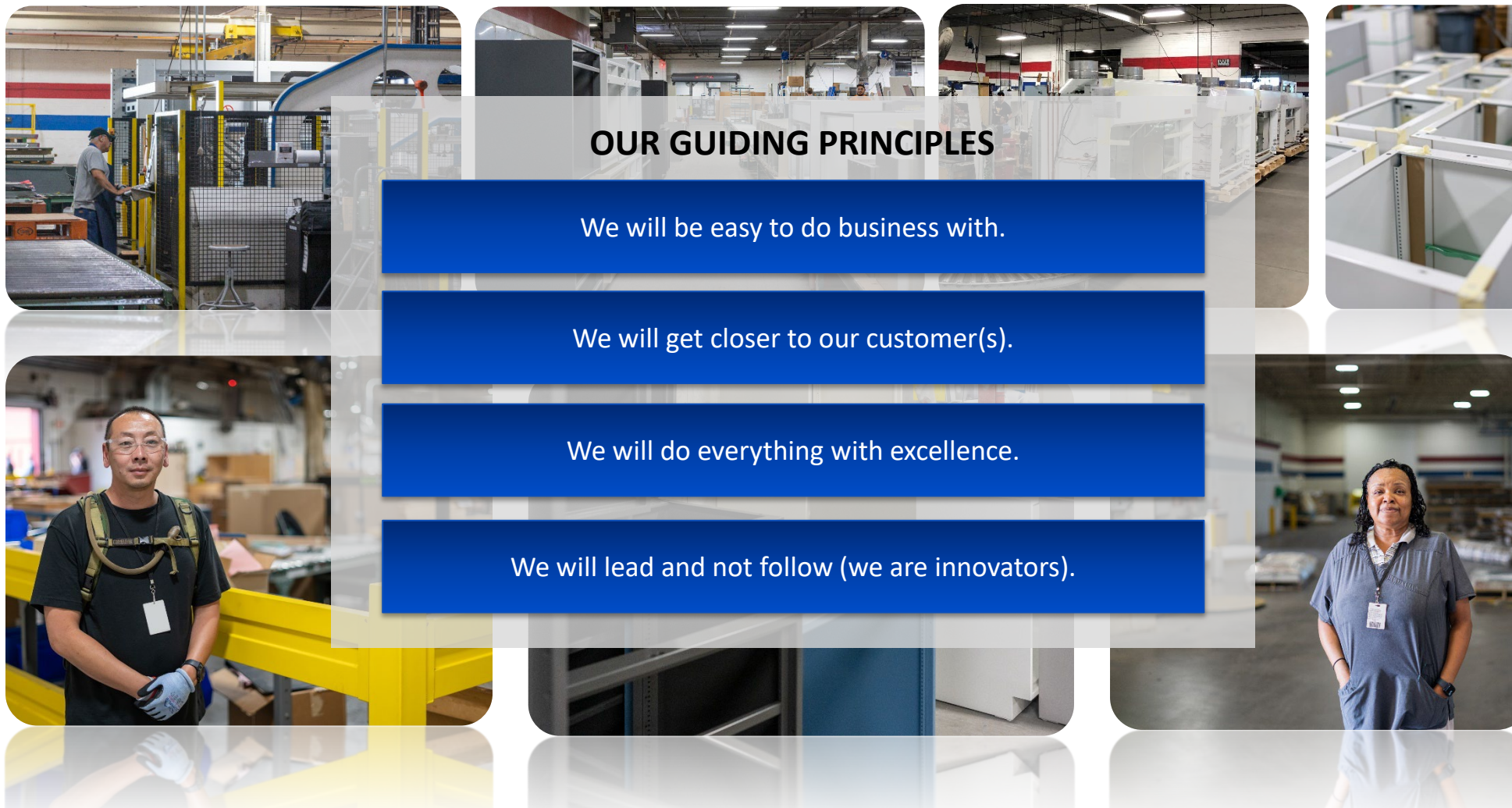


### Corporate Segment:

- CEO and CFO compensation
- Corporate finance and global treasury
- Stock-based incentive compensation
- Public company costs
- Pension administration
- Expenses related to the amortization of the underfunded pension liability
- Other expenses

# FORV/S

# Strategic Direction and Outlook



## OUR GUIDING PRINCIPLES

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

# Associates, Our Foundation

We are a Company of passionate, talented, and motivated people. We embrace collaboration and creativity to find innovative solutions to the complex challenges in today's marketplace.

Our Associates are critical for our continued success, and we are committed to maintaining an environment where every person at Kewaunee can thrive.

We offer competitive benefits and programs to take care of the diverse needs of our Associates and their families, including opportunities for career growth and development, education and tools to support their financial health, and access to excellent healthcare options through our community partners.





## Why Choose Kewaunee?

### Attractive End-Use Markets

The industries served by Kewaunee continue to invest in research and development, requiring Kewaunee products in diverse markets.

### Portfolio

Kewaunee offers total lab solutions with a portfolio of products that meet every furniture need within the laboratory space.

### Dealer/Distribution Network

Our global network of experienced dealers stand ready with local expertise to simplify the building process and bring each project from thought to finish with support at every stage.

### Financial Stability

- 30.0% top-line grown in Fiscal Year 2023
- \$219.5 Million in Revenue

### Experience

Founded in 1906, Kewaunee brings over 117 years of manufacturing excellence to every project.

# Thank You & Questions



# Appendix



# Non-GAAP Reconciliations

## Kewaunee Scientific Corporation

Kewaunee Scientific Corporation Annual Shareholder Meeting | August 23, 2023

Appendix: Non-GAAP Measures (Dollars in Thousands)

The following unaudited tables reconcile Net Earnings to EBITDA, by Segment and Consolidated

<u>Year Ended April 30, 2021</u>	<u>Domestic</u>	<u>International</u>	<u>Corporate</u>	<u>Consolidated</u>
Net Earnings (Loss)	\$ 921	\$ 2,049	\$ (6,642)	\$ (3,672)
Add/(Less):				
Interest Expense	-	4	385	389
Interest Income	-	(216)	(7)	(223)
Income Taxes	245	1,063	(318)	990
Depreciation and Amortization	2,394	264	29	2,687
EBITDA	\$ 3,560	\$ 3,164	\$ (6,553)	\$ 171
<u>Year to Date April 30, 2022</u>	<u>Domestic</u>	<u>International</u>	<u>Corporate</u>	<u>Consolidated</u>
Net Earnings (Loss)	\$ (229)	\$ 2,333	\$ (8,230)	\$ (6,126)
Add/(Less):				
Interest Expense	-	30	602	632
Interest Income	-	(197)	(202)	(399)
Income Taxes	50	1,129	2,339	3,518
Depreciation and Amortization	2,402	276	91	2,769
EBITDA	\$ 2,223	\$ 3,571	\$ (5,400)	\$ 394
<u>Year to Date April 30, 2023</u>	<u>Domestic</u>	<u>International</u>	<u>Corporate</u>	<u>Consolidated</u>
Net Earnings (Loss)	\$ 3,408	\$ 4,511	\$ (7,181)	\$ 738
Add/(Less):				
Interest Expense	-	210	1,524	1,734
Interest Income	-	(603)	(358)	(961)
Income Taxes	-	2,250	889	3,139
Depreciation and Amortization	2,394	282	191	2,867
EBITDA	\$ 5,802	\$ 6,650	\$ (4,935)	\$ 7,517

## EBITDA and Segment EBITDA

We calculate EBITDA and Segment EBITDA as net earnings, less interest expense and income, income taxes, depreciation, and amortization. We believe EBITDA and Segment EBITDA allow management and 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. EBITDA and Segment EBITDA are not calculations based upon generally accepted accounting principles and our method for calculating EBITDA and Segment EBITDA can vary as compared to other companies. The amounts included in the EBITDA and Segment EBITDA calculations, however, are derived from amounts included in the historical statements of earnings. EBITDA and Segment EBITDA should not be considered an alternative to net earnings or operating earnings as an indicator of the Company's operating performance, or as an alternative to operating cash flows as a measure of liquidity.