

## Transaction Summary

- On January 25<sup>th</sup>, Duravant LLC (“Duravant”) announced that it has entered into a definitive agreement to acquire Key Technology, Inc. (“Key”) (NasdaqGM: KTEC)
- Duravant will commence a tender offer to acquire all of the outstanding shares of Key common stock for \$26.75, in a transaction valued at approximately \$175 million
  - Per share price of \$26.75, reflects a 50.6% premium over closing price on January 24, 2018
- The acquisition of Key Technology will significantly extend Duravant’s reach across food processing with new complementary products and applications
- “Key Technology’s culture of customer-centric innovation and their ability to successfully launch new technology platforms has been a driving force behind their impressive growth. Our two organizations share the same unwavering commitment to solving complex challenges for our customers through innovation.” - Mike Kachmer, President and CEO of Duravant
- “Duravant’s strong commitment to investment and growth will enable Key to accelerate the execution of our overall strategic plan and even further enhance our customer partnerships. The combined global infrastructure of Duravant and Key will also help us advance our commitment to increased geographic market and new application penetration” - Jack Ehren, President and CEO of Key Technology

## Overview of Duravant

- Duravant designs and manufactures process equipment for food processing, packaging, and material handling applications. The Company was founded in 1910 and is based in Downers Grove, Illinois
  - Warburg Pincus acquired Duravant from a fund managed by Odyssey Investment Partners. Terms of the transaction were not disclosed



## Public Company Overview: Key Technology<sup>(1)</sup>

Metric	Key Technology	Deal Multiple
Market Capitalization	\$172.5	--
Enterprise Value	\$167.8	--
LTM Revenue	\$139.9	1.3x
LTM Gross Profit	\$47.2	3.7x
LTM Gross Margin	33.7%	--
LTM EBITDA	\$11.1	15.8x
LTM EBITDA Margin	8.0%	--

## 5 Year Stock Chart vs. S&P 500



## Overview of Key Technology

- Key Technologies designs and manufactures process automation systems integrating optical inspection, sorting, and process systems used in the food processing and solid dosage pharmaceutical and nutraceutical markets. The Company was founded in 1948 and is based in Walla Walla, Washington

