

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

---

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): April 26, 2012

**KADANT INC.**

(Exact Name of Registrant as Specified in its Charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation)

1-11406  
(Commission File Number)

52-1762325  
(IRS Employer  
Identification No.)

One Technology Park Drive  
Westford, Massachusetts  
(Address of Principal Executive Offices)

01886  
(Zip Code)

(978) 776-2000  
Registrant's telephone number, including area code

Not Applicable  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

**KADANT INC.**

**Item 2.02 Results of Operations and Financial Condition.**

On April 26, 2012, Kadant Inc. (the "Company") will hold a webcast and conference call to discuss its financial results for the fiscal quarter ended March 31, 2012. A copy of the slides that will be presented on the webcast and discussed in the conference call is being furnished as Exhibit 99 to this Current Report on Form 8-K.

The information in this Form 8-K (including Exhibit 99) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

(c) Exhibit

The following exhibit relating to Item 2.02 shall be deemed to be furnished and not filed.

Exhibit

No

Description of Exhibit

---

99

Slides to be presented by the Company on April 26, 2012

---

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KADANT INC.

Date: April 26, 2012

By

/s/ Thomas M. O'Brien  
Thomas M. O'Brien  
Executive Vice President and  
Chief Financial Officer

# First Quarter 2012 Business Review

Jonathan W. Painter, President & CEO

Thomas M. O'Brien, Executive Vice President & CFO

**KADANT**  
AN ACCENT ON INNOVATION

---

# 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 expected future financial and operating performance, demand for our products, economic and industry outlook, and pending orders. There can be

no assurance that we will be able to record bookings or recognize revenues on pending orders. Our actual results may 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 year ended December 31, 2011. These include risks and uncertainties relating to our dependence on the pulp and paper industry; significance of sales and operation of manufacturing facilities in China; our ability to adjust operating costs and manufacturing sufficiently in China to meet demand; commodity and component price increases or shortages; international sales and operations; competition; soundness of suppliers and customers; our effective tax rate; future restructurings; soundness of financial institutions; our debt obligations; restrictions in our credit agreement; litigation costs related to our discontinued operation; our acquisition strategy; protection of patents and proprietary rights; failure of our information systems or breaches of data security; fluctuations in our share price; and anti-takeover provisions. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise.

# Use of Non-GAAP Financial Measures

---

In addition to the financial measures prepared in accordance with generally accepted accounting principles (GAAP), we use certain non-GAAP financial measures, including increases or decreases in revenues excluding the effect of foreign currency translation and earnings before interest, taxes, depreciation, and amortization (EBITDA).

A reconciliation of those numbers to the most directly comparable U.S. GAAP financial measures is shown in our 2012 first quarter earnings press release issued April 25, 2012, which is available in the Investors section of our website at [www.kadant.com](http://www.kadant.com) under the heading Investor News.

---

**Jonathan W. Painter**  
President & CEO



# **BUSINESS REVIEW**

# Q1 2012 Financial Highlights

	Q1 2012	Q1 2011
Revenue	\$84.1 million	\$71.7 million
Gross Margin	45.6%	47.6%
Operating Income <sup>1</sup>	\$10.4 million	\$8.3 million
Net Income <sup>1</sup>	\$7.1 million	\$5.9 million
Diluted EPS <sup>1</sup>	\$0.61	\$0.47
EBITDA <sup>2</sup>	\$12.6 million	\$10.2 million
EBITDA <sup>2</sup> /Sales	15.0%	14.2%
Net Cash	\$31 million	\$40 million

<sup>1</sup> Operating Income, Net Income, and Diluted EPS are from continuing operations.

<sup>2</sup> EBITDA (earnings before interest, taxes, depreciation, and amortization) is a non-GAAP financial measure that excludes certain items as detailed in our Q1 2012 earnings press release issued April 25, 2012.



## Revenue By Product Line: Q1 2012

\$84.1 million, up 17.3% compared to Q1 2011

(\$ Millions)	Q1 2012	Q1 2011	% CHANGE	EXCL. FX
Stock-Preparation	\$32.7	\$23.3	40.3%	40.5%
Fluid-Handling	22.4	22.6	-1.2%	0.5%
Doctoring	13.6	14.1	-3.0%	-1.3%
Water-Management	10.8	6.8	58.6%	60.9%
Fiber-based Products	4.0	4.2	-4.4%	-4.4%
Other	0.6	0.7	-11.3%	-4.6%
<b>TOTAL</b>	<b>\$84.1</b>	<b>\$71.7</b>	<b>17.3%</b>	<b>18.6%</b>

Percent change calculated using actual numbers reported in our Q1 2012 earnings release dated April 25, 2012.

## Bookings By Product Line: Q1 2012

\$77.6 million, down 8.0% compared to Q1 2011

(\$ Millions)	Q1 2012	Q1 2011	% CHANGE	EXCL. FX
Stock-Preparation	\$20.3	\$29.8	-32.1%	-32.1%
Fluid-Handling	26.4	27.0	-2.1%	-0.3%
Doctoring	14.3	14.4	-0.7%	1.3%
Water-Management	12.6	8.4	51.0%	52.2%
Fiber-based Products	3.4	4.0	-16.2%	-16.2%
Other	0.6	0.7	-11.0%	-4.3%
<b>TOTAL</b>	<b>\$77.6</b>	<b>\$84.3</b>	<b>-8.0%</b>	<b>-6.9%</b>

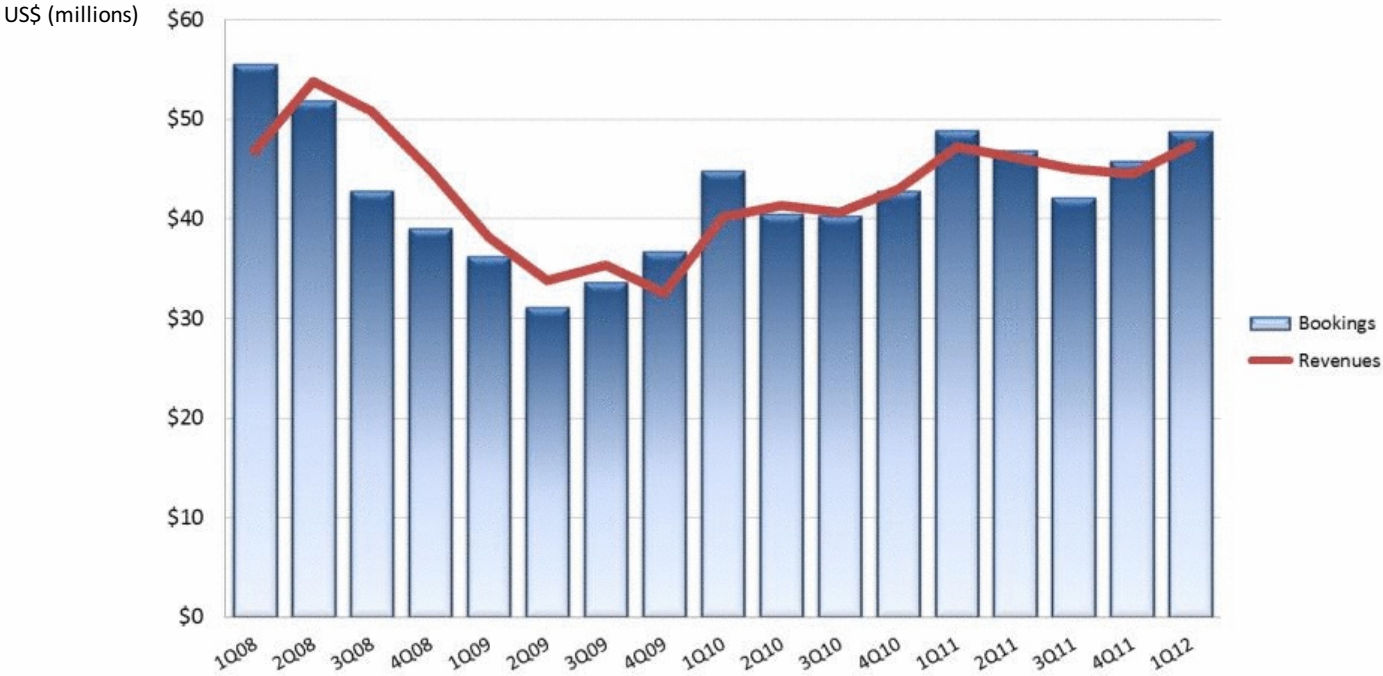
# Bookings and Revenues Trends



\*  
KAI 1Q12 Business Review-April 26, 2012  
© 2012 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

# Parts and Consumables Bookings and Revenues

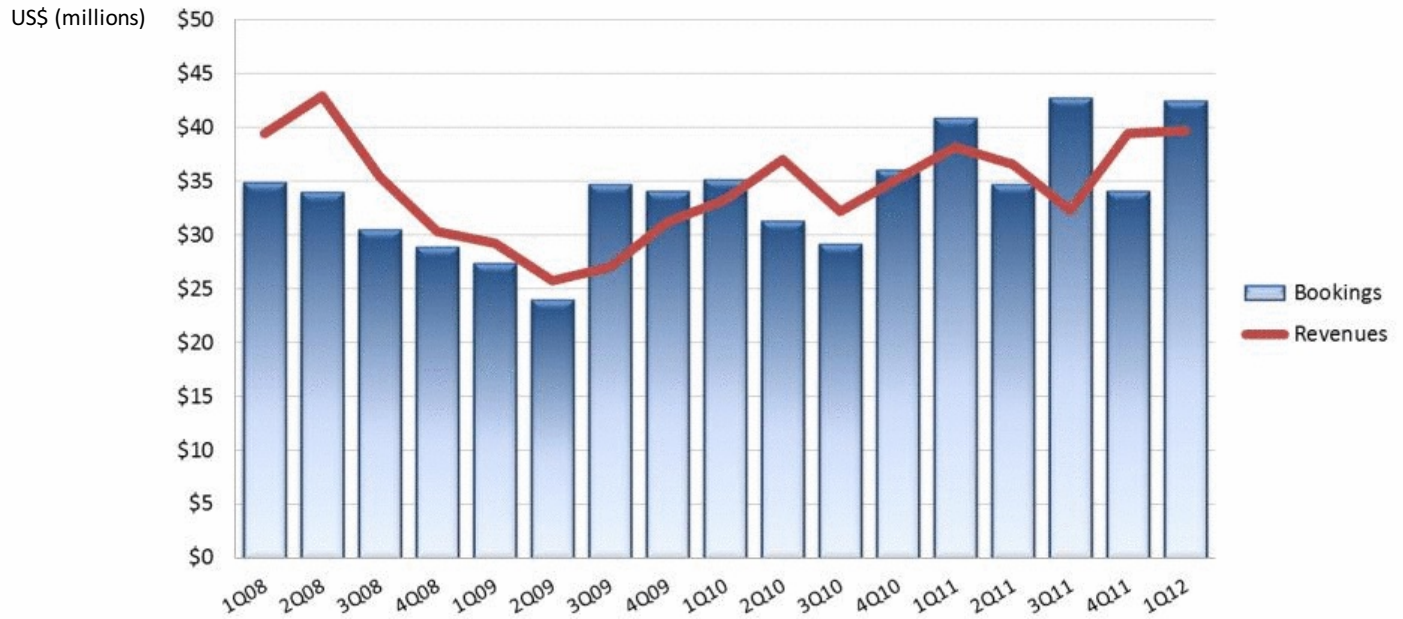


\*  
KAI 1Q12 Business Review-April 26, 2012  
© 2012 Kadant Inc. All rights reserved.



# REGIONAL PERFORMANCE

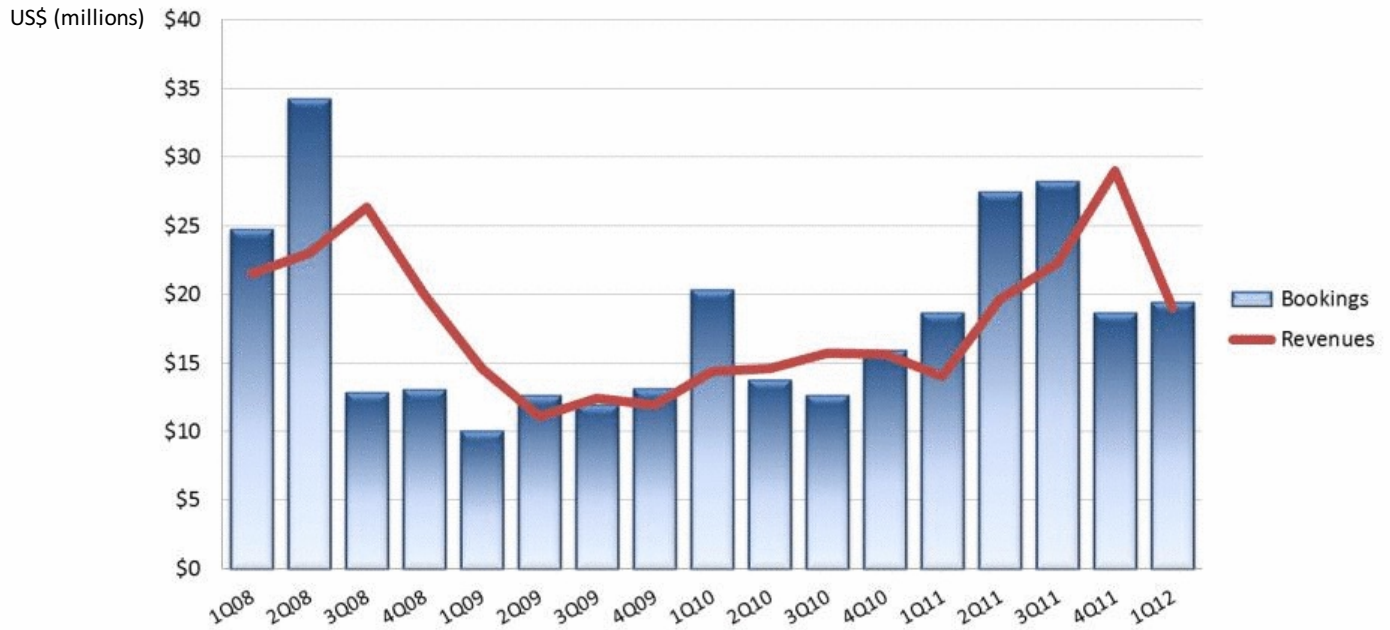
# North America Bookings and Revenues



Geographic revenues and bookings are attributed to regions based on customer location. Prior period amounts have been recasted to conform to the current presentation.

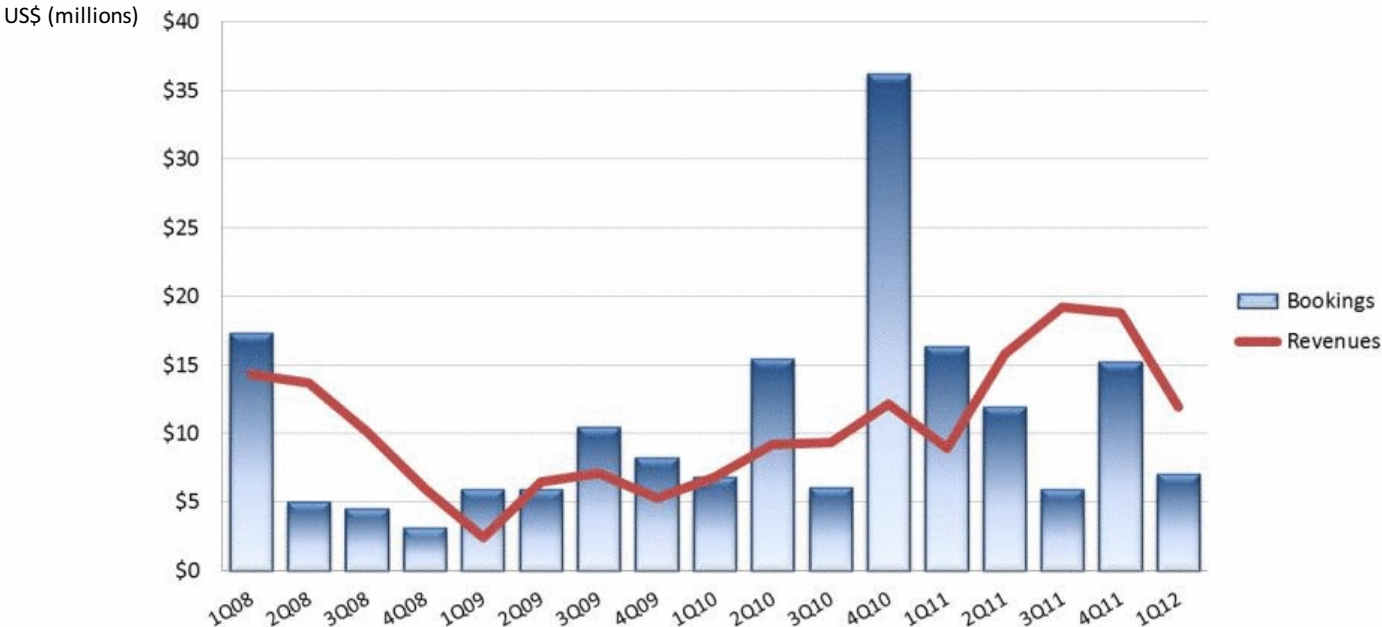
\*  
 KAI 1Q12 Business Review-April 26, 2012  
 © 2012 Kadant Inc. All rights reserved.

# Europe Bookings and Revenues



Geographic revenues and bookings are attributed to regions based on customer location. Prior period amounts have been recasted to conform to the current presentation.

# China Bookings and Revenues



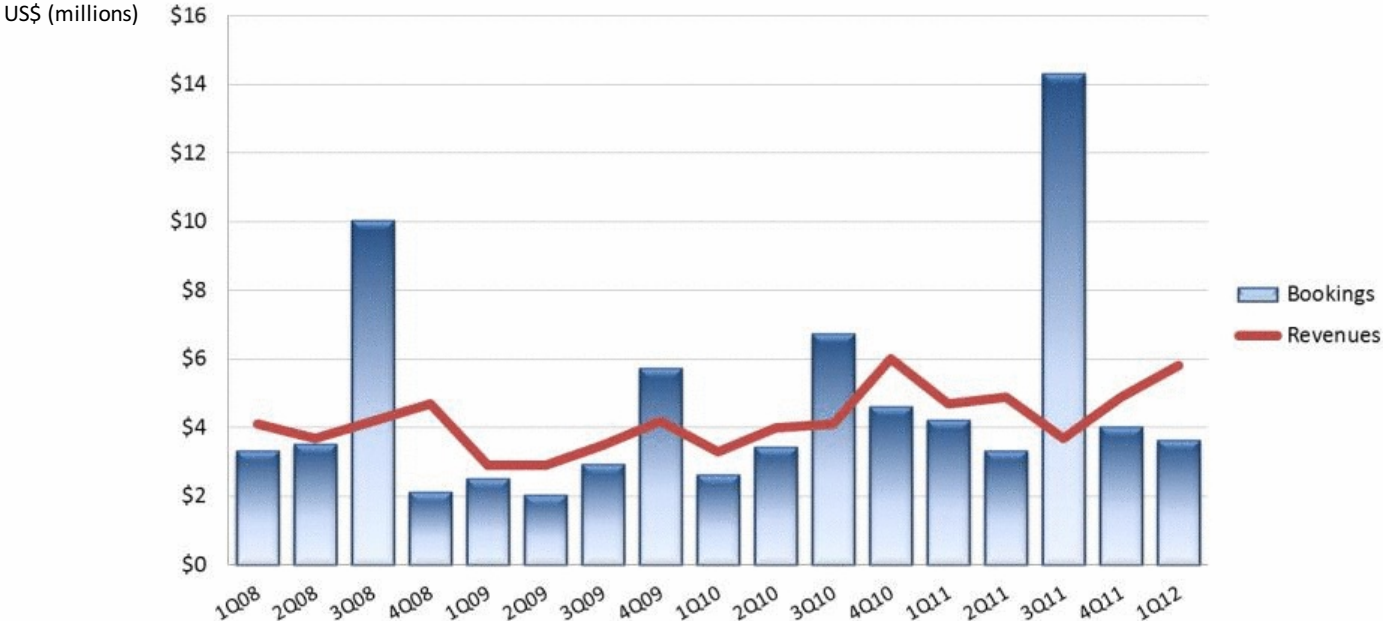
Geographic revenues and bookings are attributed to regions based on customer location. Prior period amounts have been recasted to conform to the current presentation.

\*  
 KAI 1Q12 Business Review-April 26, 2012  
 © 2012 Kadant Inc. All rights reserved.





# South America Bookings and Revenues

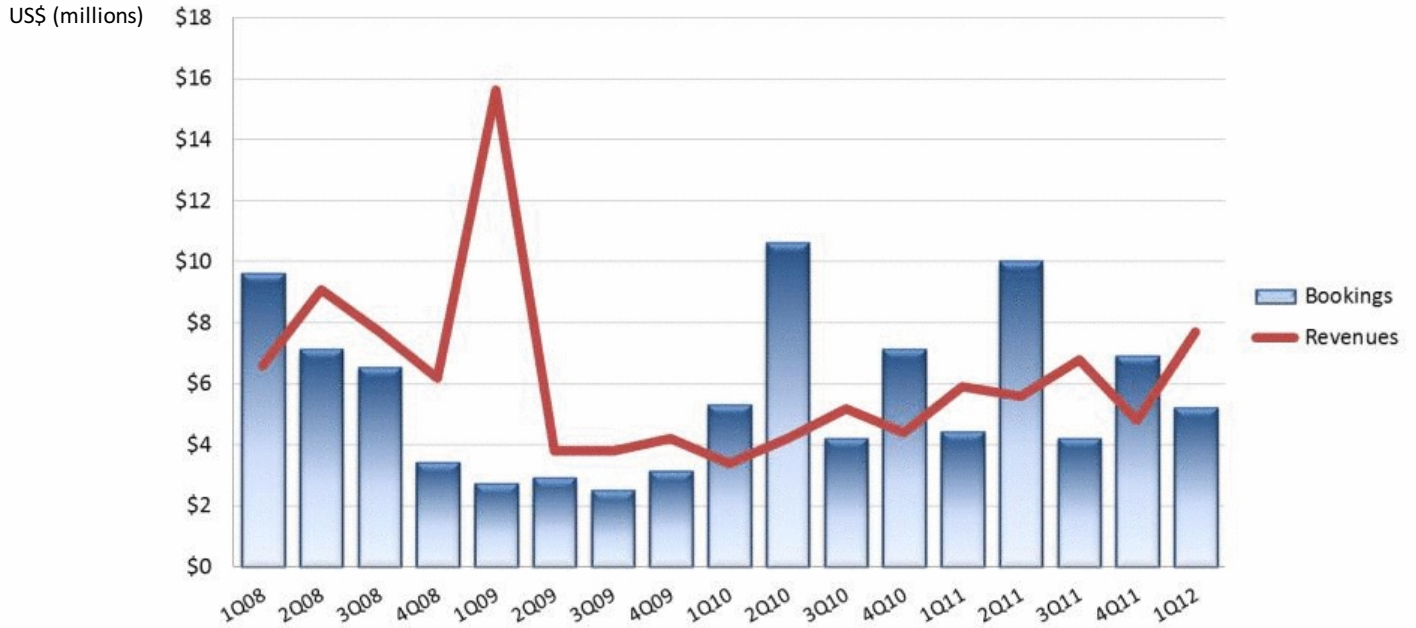


Geographic revenues and bookings are attributed to regions based on customer location. Prior period amounts have been recasted to conform to the current presentation.

\*  
 KAI 1Q12 Business Review-April 26, 2012  
 © 2012 Kadant Inc. All rights reserved.



# Rest-of-World Bookings and Revenues



Geographic revenues and bookings are attributed to regions based on customer location. Prior period amounts have been recasted to conform to the current presentation.

# Guidance for Continuing Operations

---

- FY 2012 GAAP diluted EPS of \$2.10 to \$2.20
- FY 2012 revenues of \$335 to \$345 million
  
- Q2 2012 GAAP diluted EPS of \$0.50 to \$0.52
- Q2 2012 revenues of \$83 to \$85 million

---

**Thomas M. O'Brien**

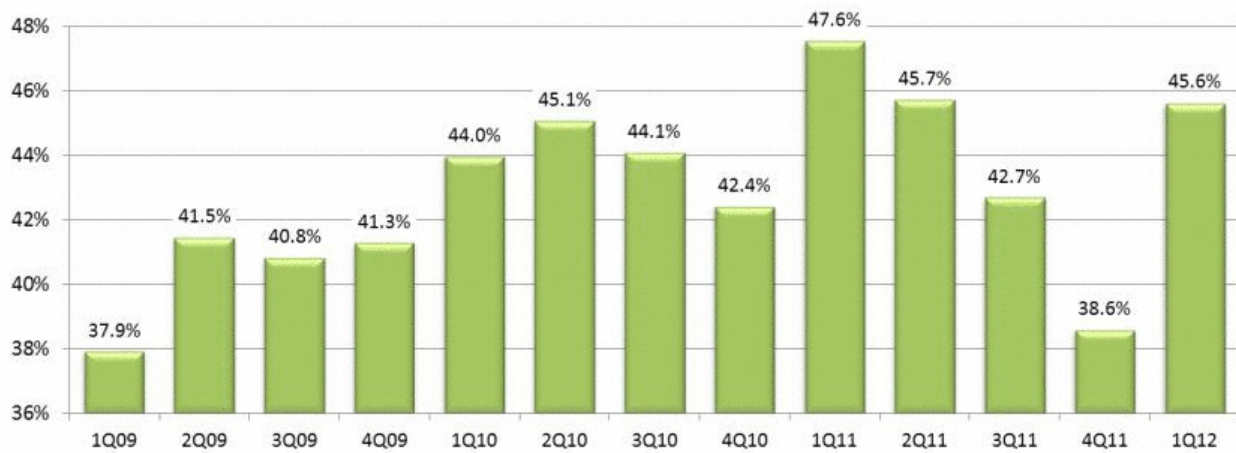
Executive Vice President & Chief Financial Officer

# FINANCIAL REVIEW



# Gross Margins

	1Q12	4Q11	1Q11	Sequential Δ	Y-O-Y Δ
Papermaking Systems Segment	45.1%	38.3%	47.4%	6.8%	-2.3%
Fiber-based Products	56.3%	49.9%	50.8%	6.4%	5.5%
<b>TOTAL</b>	<b>45.6%</b>	<b>38.6%</b>	<b>47.6%</b>	<b>7.0%</b>	<b>-2.0%</b>

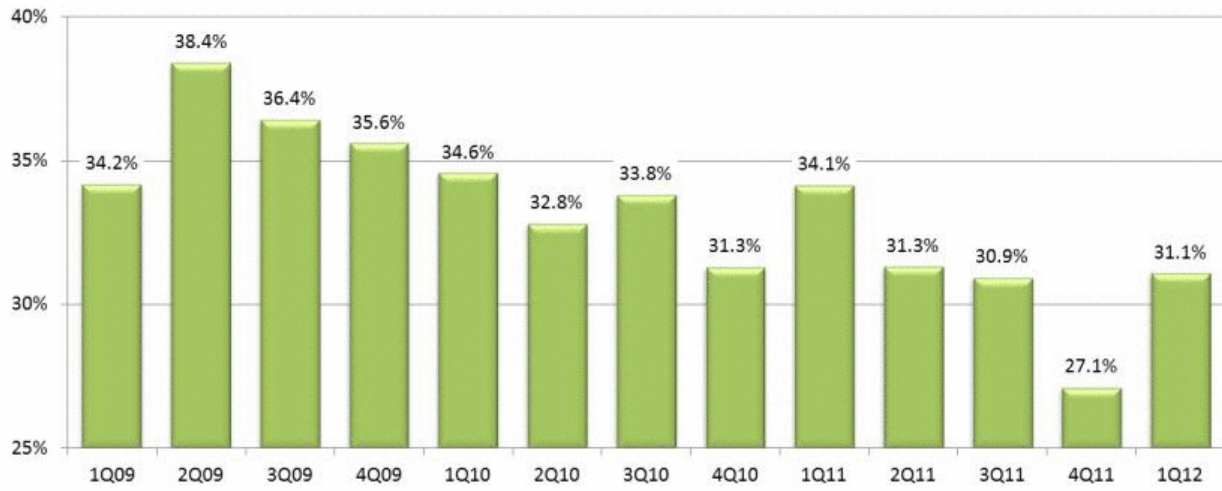


\*  
KAI 1Q12 Business Review-April 26, 2012  
© 2012 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

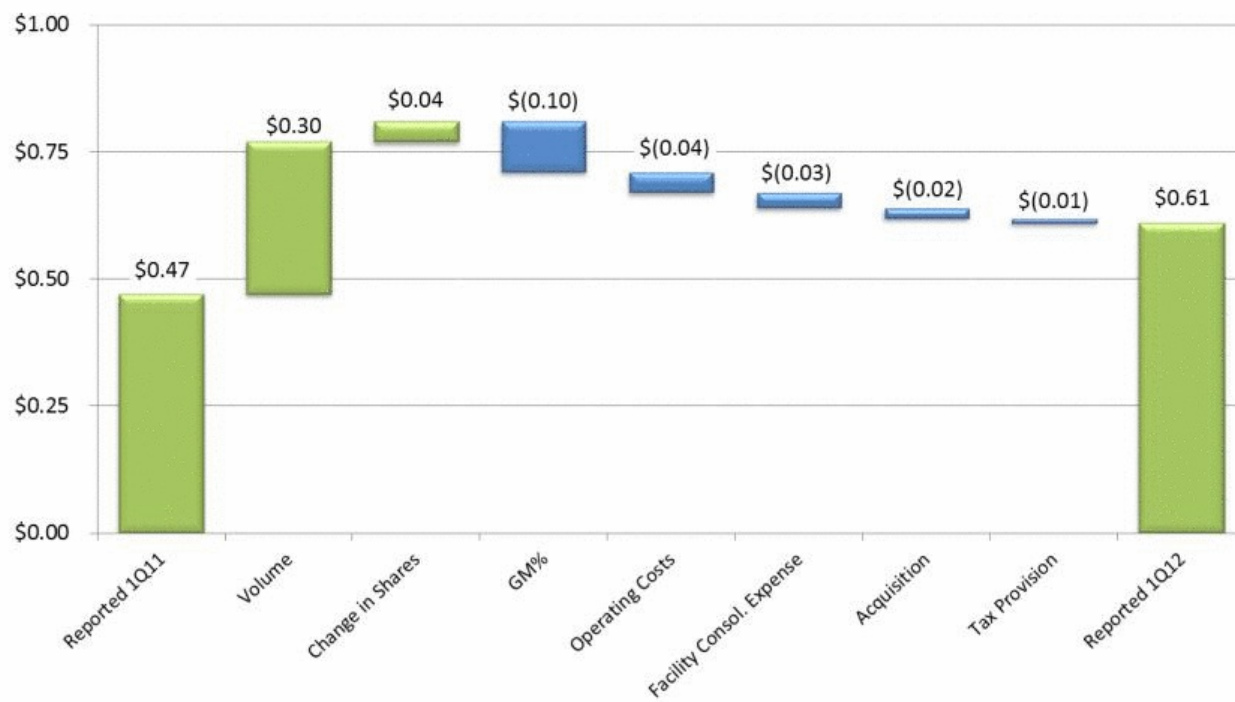
# SG&A

(\$ Millions)	1Q12	4Q11	1Q11	Sequential Δ	Y-O-Y Δ
SG&A	\$26.1	\$26.3	\$24.5	\$(0.2)	\$1.6
% Revenues	31.1%	27.1%	34.1%	4.0%	-3.0%



\*  
KAI 1Q12 Business Review-April 26, 2012  
© 2012 Kadant Inc. All rights reserved.

# 1Q11 to 1Q12 Diluted EPS from Continuing Operations



\*  
 KAI 1Q12 Business Review-April 26, 2012  
 © 2012 Kadant Inc. All rights reserved.

**KADANT**  
 AN ACCENT ON INNOVATION

# Cash Flow

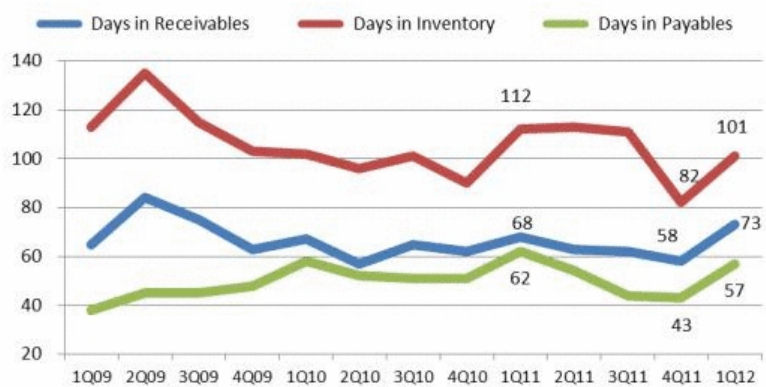
(\$ Millions)	1Q12	1Q11
Income from Continuing Operations	\$7.1	\$5.9
Depreciation and Amortization	2.2	1.9
Stock-Based Compensation	1.1	0.8
Other Items	(0.2)	0.5
Change in Current Assets & Liabilities (excl. acquisitions)	(14.2)	(8.7)
<b>Cash (Used in) Provided by Continuing Operations</b>	<b>\$(4.0)</b>	<b>\$0.4</b>



# Key Working Capital Metrics

	1Q12	4Q11	1Q11
Days in Receivables	73	58	68
Days in Payables	57	43	62
Days in Inventory	101	82	112
Working Capital % LTM Revenues*	13.7%	9.9%	12.0%

\*Working Capital is defined as current assets less current liabilities, excluding cash, debt, and the discontinued operation.

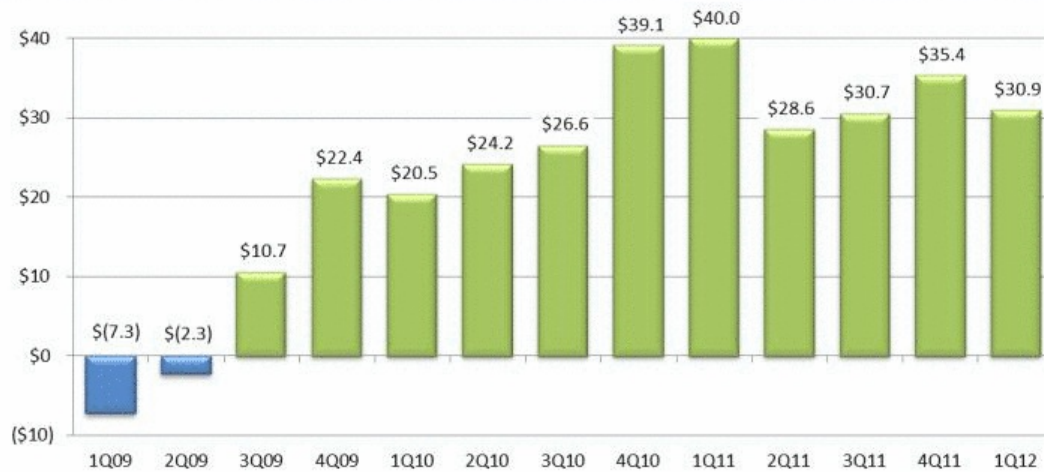


\*  
KAI 1Q12 Business Review-April 26, 2012  
© 2012 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

# Cash and Debt

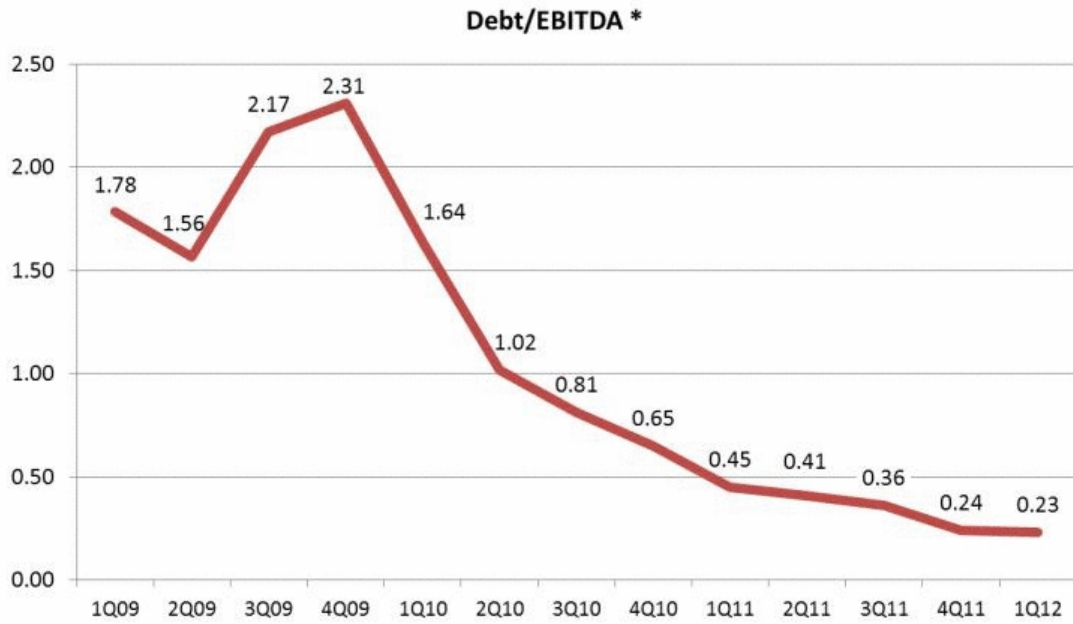
(\$ Millions)	1Q12	4Q11	1Q11
Cash, cash equivalents, restricted cash	\$43.0	\$47.7	\$57.6
Debt	(12.1)	(12.3)	(17.6)
<b>NET CASH</b>	<b>\$30.9</b>	<b>\$ 35.4</b>	<b>\$40.0</b>



\*  
KAI 1Q12 Business Review-April 26, 2012  
© 2012 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

# Leverage Ratio



\* Calculated by adding or subtracting certain items, as required by our Credit Facility, from Adjusted EBITDA.

# Questions & Answers

---

To ask a question, please call **866-804-6926** within the U.S. or  
+1-857-350-1672 outside the U.S. and reference 83375884.

*Please mute the audio on your computer.*

# First Quarter 2012 Business Review

Jonathan W. Painter, President & CEO

Thomas M. O'Brien, Executive Vice President & CFO

**KĀDANT**  
AN ACCENT ON INNOVATION