

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 30, 2018

KADANT INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-11406
(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On May 1, 2018, Kadant Inc. (the "Company") will hold a webcast and conference call to discuss its financial results for the fiscal quarter ended March 31, 2018. A copy of the slides that will be presented on the webcast and discussed in the conference call is 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.

(d) Exhibit

The following exhibit relating to Item 7.01 shall be deemed to be furnished and not filed.

Exhibit No.	Description of Exhibit
99	Slides to be presented by the Company on May 1, 2018.

KADANT INC.

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 30, 2018

By /s/ Michael J. McKenney

Michael J. McKenney
Executive Vice President and Chief Financial Officer

FIRST QUARTER 2018 BUSINESS REVIEW

Jonathan W. Painter, President & CEO

Michael J. McKenney, Executive Vice President & CFO

KADANT

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 Kadant's expectations as of the date of this presentation. 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 year ended December 30, 2017 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 customers' ability to obtain financing for capital equipment projects; the variability and uncertainties in sales of capital equipment in China; international sales and operations; the oriented strand board market and levels of residential construction activity; development and use of digital media; currency fluctuations; price increases or shortages of raw materials; dependence on certain suppliers; our acquisition strategy; failure of our information systems or breaches of data security; changes in government regulations and policies and compliance with laws; our internal growth strategy; competition; soundness of suppliers and customers; changes in our tax provision or exposure to additional tax liabilities; our ability to successfully manage our manufacturing operations; disruption in production; future restructurings; economic conditions and regulatory changes caused by the United Kingdom's likely exit from the European Union; our debt obligations; restrictions in our credit agreement; loss of key personnel; protection of patents and proprietary rights; fluctuations in our share price; soundness of financial institutions; environmental laws and regulations; anti-takeover provisions; and reliance on third-party research.

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 that exclude the effect of acquisitions and foreign currency translation, adjusted operating income, adjusted diluted EPS, and adjusted earnings before interest, taxes, depreciation, and amortization (adjusted EBITDA), and adjusted EBITDA margin.

A reconciliation of those numbers to the most directly comparable U.S. GAAP financial measures is shown in the appendix to this presentation and in our 2018 first quarter earnings press release issued April 30, 2018, which is available in the Investors section of our website at www.kadant.com under the heading Press Releases.

We believe that 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 that the inclusion of such measures helps investors to 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 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.

BUSINESS REVIEW

Jonathan W. Painter

President & CEO

KADANT

Q1 2018 Financial Highlights

(\$ Millions, except per share amounts)	Q1 2018	Q1 2017	% CHANGE ²
Bookings	\$181.9	\$118.9	53.1%
Revenue	\$149.2	\$102.9	45.0%
Gross Margin	44.3%	47.7%	n.m.
Net Income	\$10.9	\$9.0	21.3%
Adjusted EBITDA ¹	\$23.5	\$15.8	48.7%
Adjusted EBITDA Margin ¹	15.8%	15.4%	n.m.
Diluted EPS	\$0.96	\$0.80	20.0%
Adjusted Diluted EPS ¹	\$1.07	\$0.82	30.5%
Cash Flow from Operations	\$7.2	\$1.7	328.8%

¹ Adjusted EBITDA, adjusted EBITDA/revenue (margin), and adjusted diluted EPS are non-GAAP financial measures that exclude certain items as detailed in our press release dated April 30, 2018.

² Percent change calculated using actual numbers reported in our press release dated April 30, 2018.

FX Translation and Acquisition Impact

Q1 2018, \$ in millions except EPS	Revenue	Adjusted EPS ⁴	Bookings	Parts & Consumables Revenue	Parts & Consumables Bookings
As Reported	\$149.2	\$1.07	\$181.9	\$96.0	\$103.0
Growth ¹	45.0%	30.5%	53.1%	36.3%	38.0%
Growth excluding FX ²	38.5%	23.2%	46.1%	30.7%	32.1%
Growth excluding FX and Acquisitions ³	4.7%	(7.3)%	12.3%	0.9%	2.9%

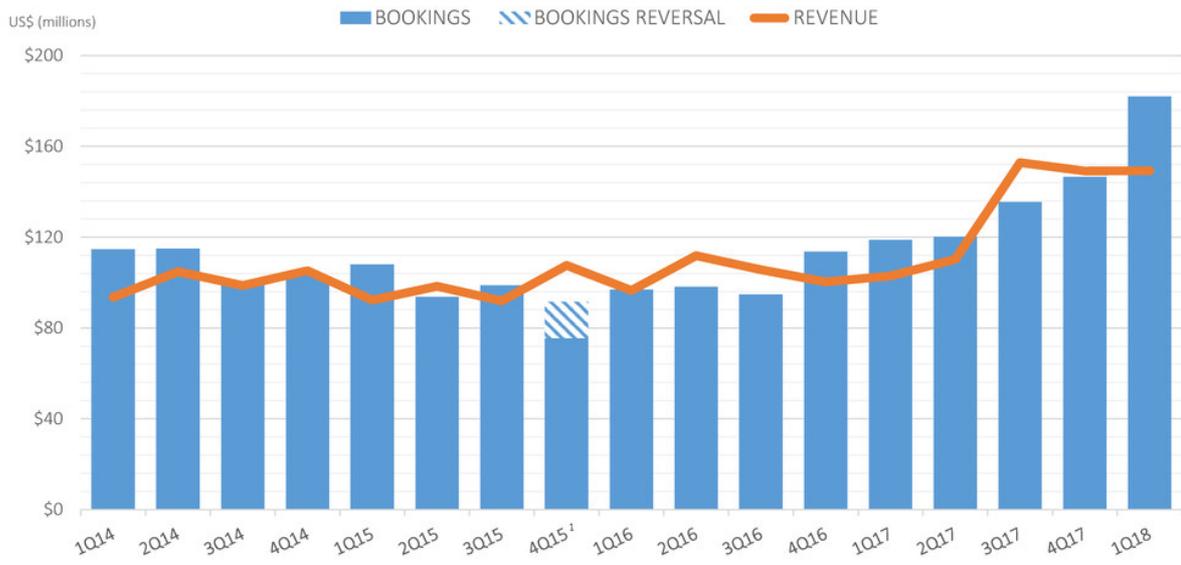
¹ Growth is the year-over-year percent change between the current period and the comparable prior period.

² Represents the year-over-year percent change excluding the impact of current period versus prior period exchange rates.

³ Represents the year-over-year percent change excluding the impact of acquisitions and current period versus prior period exchange rates. Acquired businesses are classified above as Acquisitions for the first four quarters after acquisition.

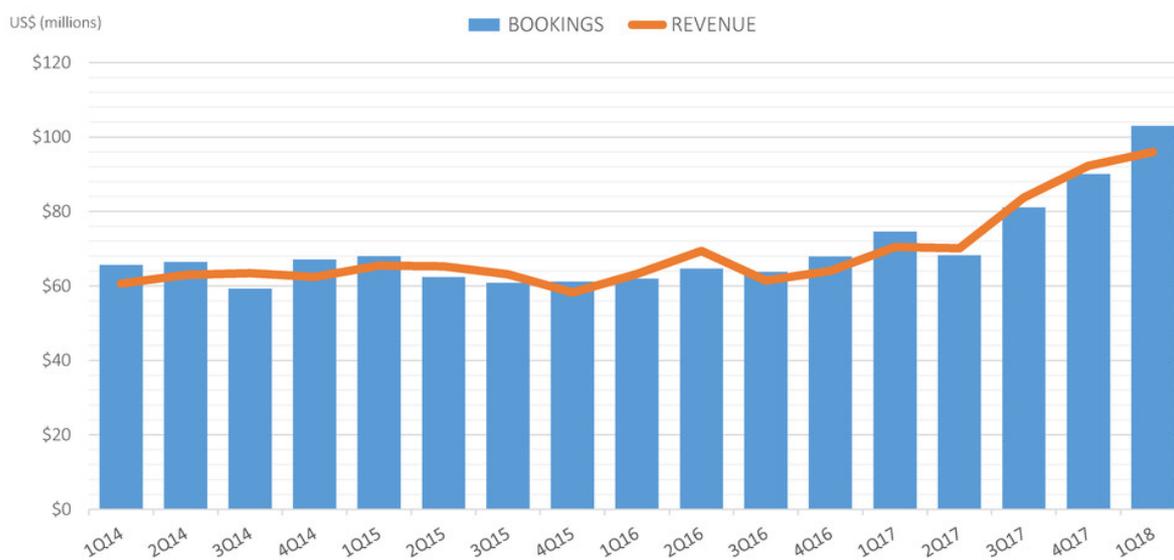
⁴ Adjusted diluted EPS is a non-GAAP financial measure that excludes certain items as detailed in our Q1 2018 earnings release dated April 30, 2018.

Bookings and Revenue

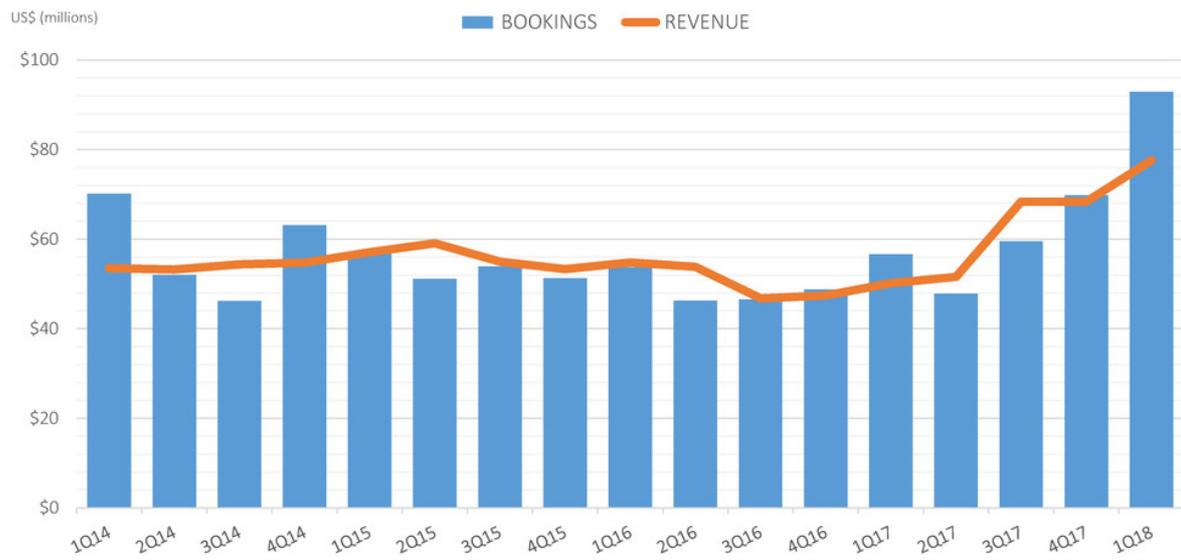


¹ Reported Q415 bookings were \$76 million, which included new orders of \$92 million and a booking reversal of \$16 million.

Parts and Consumables Bookings and Revenue



North America Bookings and Revenue



Europe Bookings and Revenue



Asia Bookings and Revenue



¹ Reported Q415 Asia bookings were negative \$6 million, which included new orders of \$10 million and a booking reversal of \$16 million.

Rest-of-World Bookings and Revenue



Guidance

- FY 2018 GAAP diluted EPS of \$4.98 to \$5.08
- FY 2018 adjusted diluted EPS* of \$5.15 to \$5.25
- FY 2018 revenue of \$625 to \$635 million
- FY 2018 adjusted EBITDA* of \$116 to \$118 million

- Q2 2018 GAAP diluted EPS of \$0.89 to \$0.94
- Q2 2018 adjusted diluted EPS* of \$0.95 to \$1.00
- Q2 2018 revenue of \$150 to \$154 million

* Adjusted diluted EPS and adjusted EBITDA are non-GAAP financial measures that exclude certain items as detailed in the appendix to this presentation and our press release dated April 30, 2018.

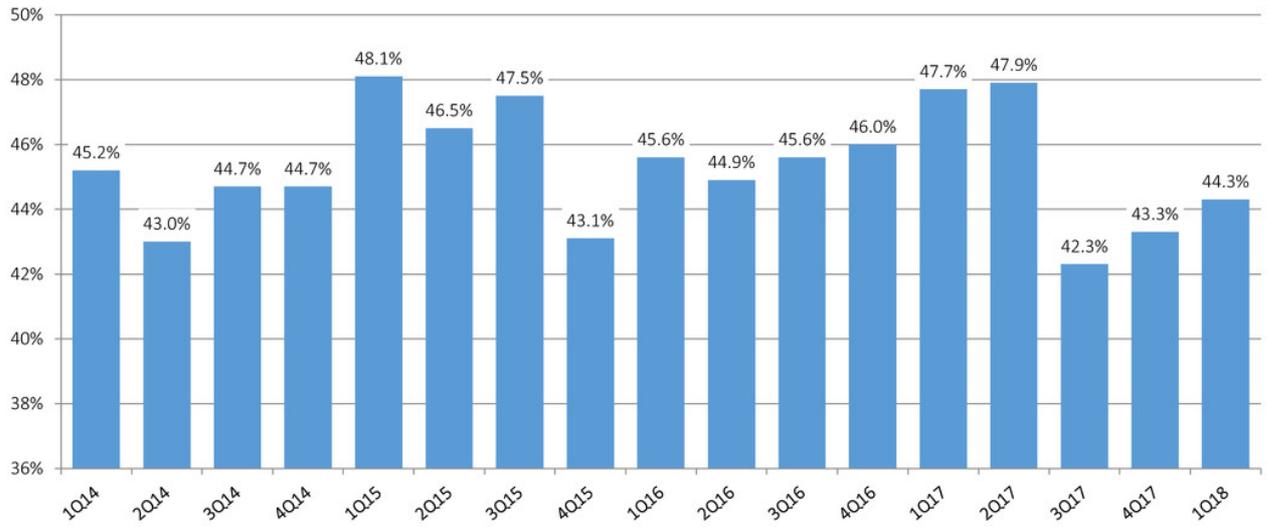
FINANCIAL REVIEW

Michael J. McKenney

Executive Vice President & CFO

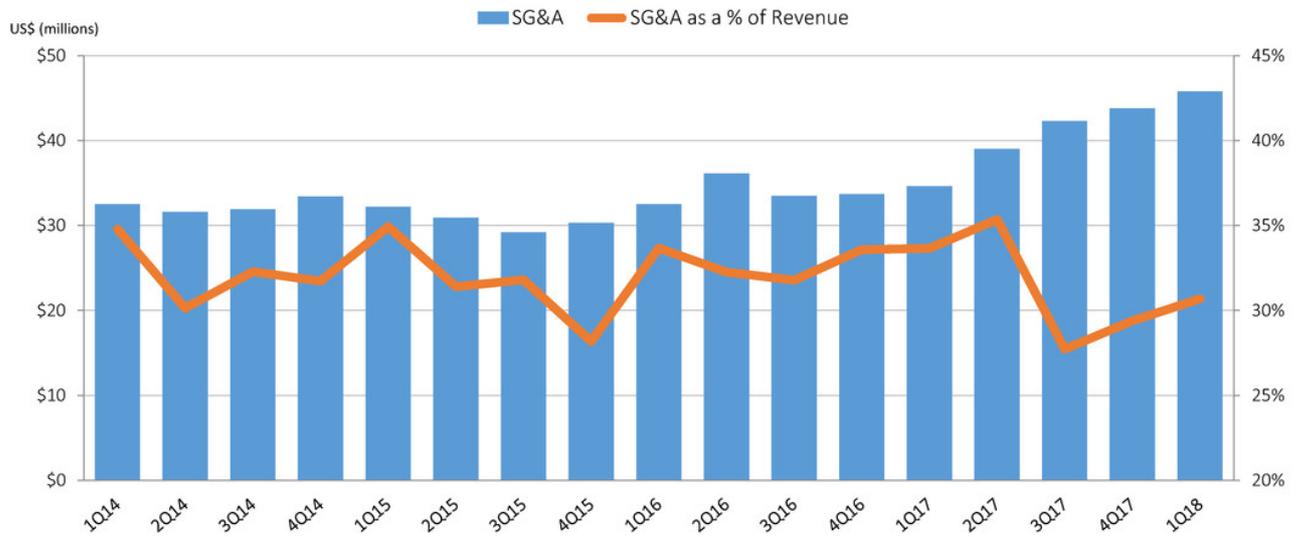
KADANT

Gross Margin



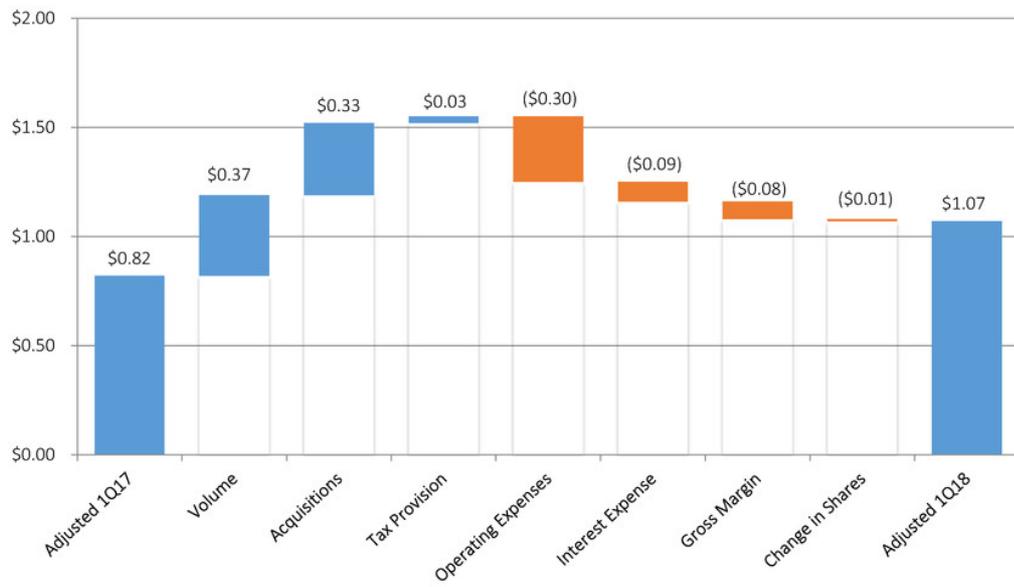
All data for 2017 and 2018 is presented in conformity with the Financial Accounting Standards Board's Accounting Standards Update No. 2017-07. Prior period amounts have not been restated.

SG&A



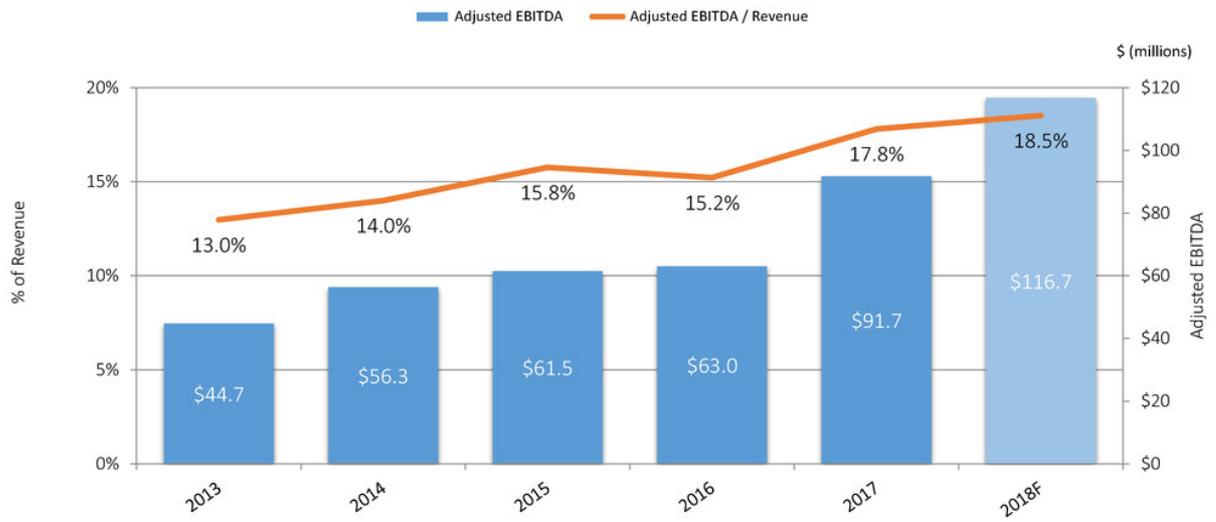
All data for 2017 and 2018 is presented in conformity with the Financial Accounting Standards Board's Accounting Standards Update No. 2017-07. Prior period amounts have not been restated.

1Q17 to 1Q18 Adjusted Diluted EPS*



* Adjusted diluted EPS is a non-GAAP financial measure that excludes certain items as detailed in our press release dated April 30, 2018.

Full-Year Adjusted EBITDA*



* Adjusted EBITDA is a non-GAAP financial measure that excludes certain items as detailed in the Appendix on slides 28 and 29.

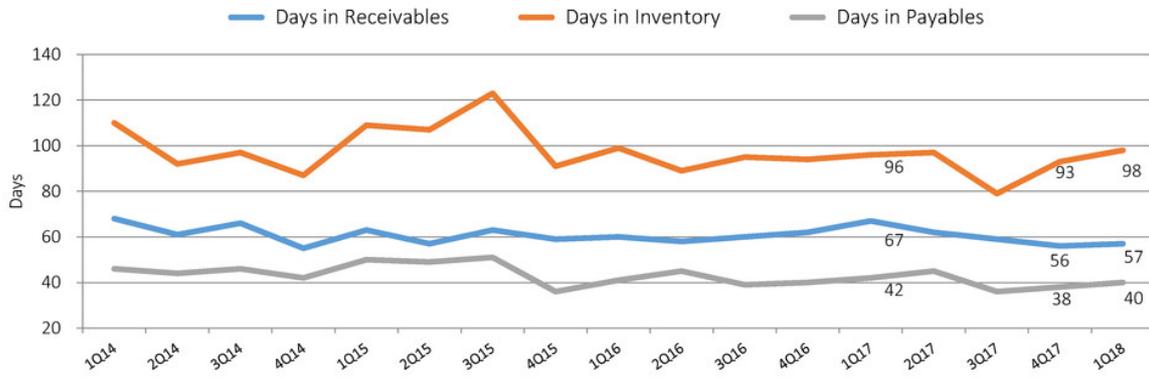
Data for 2016, 2017 and 2018 is presented in conformity with the Financial Accounting Standards Board's Accounting Standards Update No. 2017-07. Prior period amounts have not been restated.

Cash Flow

US\$ (millions)	1Q18	1Q17
Net Income	\$11.0	\$9.1
Depreciation and Amortization	6.1	3.3
Stock-Based Compensation	1.5	1.3
Other Items	(0.1)	0.2
Change in Current Assets & Liabilities (excl. acquisitions)	(11.3)	(12.2)
Cash Provided by Operating Activities	\$7.2	\$1.7

Key Working Capital Metrics

	1Q18	4Q17	1Q17
Days in Receivables	57	56	67
Days in Inventory	98	93	96
Days in Payables	40	38	42

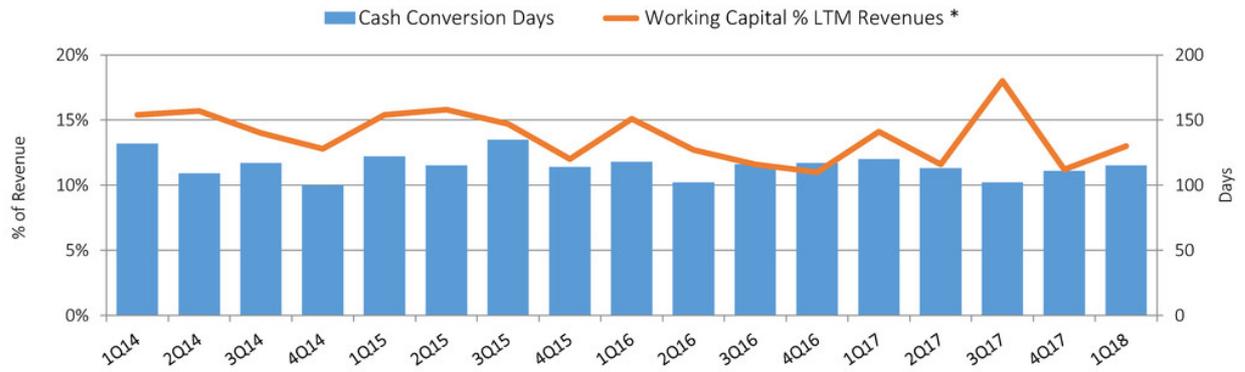


Working Capital and Cash Conversion Days

	1Q18	4Q17	1Q17
Working Capital % LTM Revenues*	13.0%	11.2%	14.1%
Cash Conversion Days**	115 days	111 days	120 days

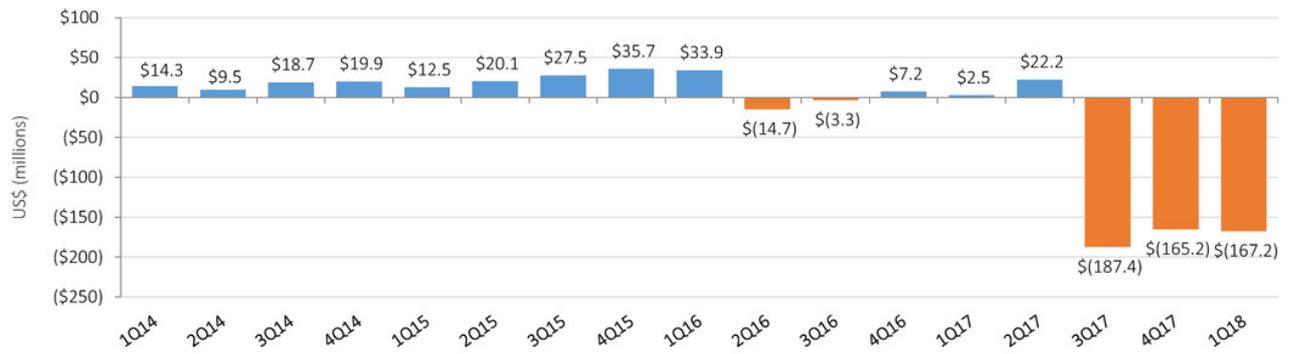
*Working Capital is defined as current assets less current liabilities, excluding cash and debt.

** Based on days in receivables plus days in inventory less days in accounts payable.



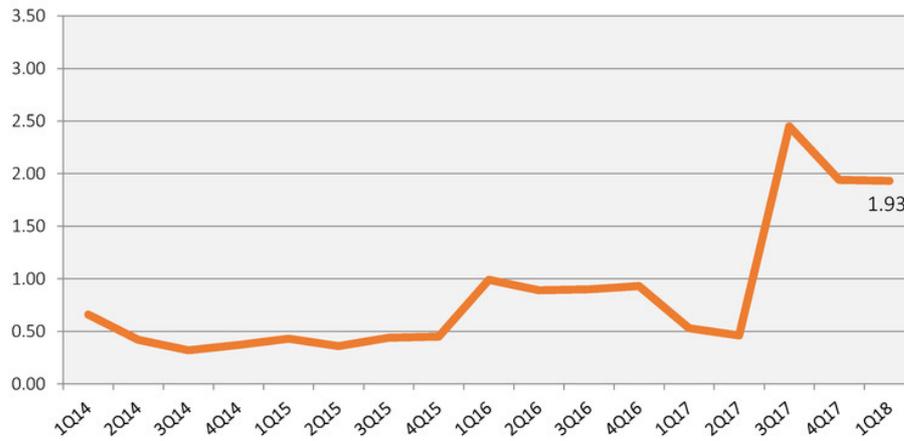
Cash and Debt

US\$ (millions)	1Q18	4Q17	1Q17
Cash, cash equivalents, and restricted cash	\$73.7	\$76.9	\$73.0
Debt	(235.8)	(237.0)	(65.6)
Capital lease obligations	(5.1)	(5.1)	(4.9)
Net (Debt) Cash	\$(167.2)	\$(165.2)	\$2.5



Leverage Ratio

Debt/EBITDA *



*Calculated by adding or subtracting certain items from Adjusted EBITDA, as required by our Credit Facility. Effective March 2, 2017, our amended and restated Credit Facility defined total debt as debt less worldwide cash of up to \$30 million. For periods 1Q13 to 4Q16, total debt is defined as debt less domestic cash of up to \$25 million.

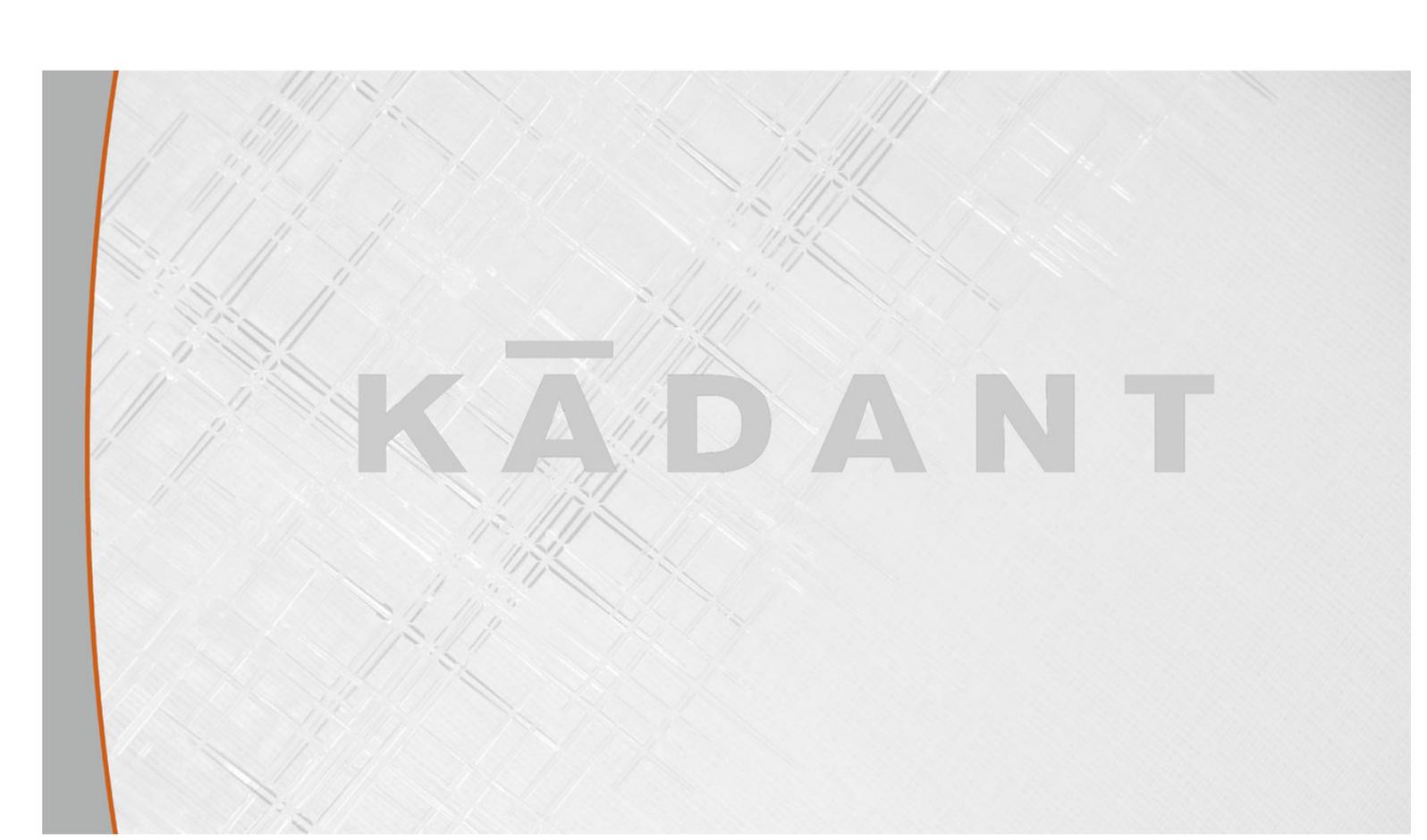
Questions & Answers

To ask a question, please call **888-326-8410** within the U.S. or
+1 704-385-4884 outside the U.S. and reference **299 0429**.

Please mute the audio on your computer.

Key Take-Aways

- Record Q1 bookings
- Record Q1 parts and consumables revenue and bookings
- Expecting record revenue and diluted EPS in 2018



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APPENDIX

KADANT

Adjusted EBITDA Reconciliation

US\$ (millions)	2013	2014	2015	2016	2017
Net Income Attributable to Kadant	\$ 23.4	\$ 28.7	\$ 34.4	\$ 32.1	\$ 31.1
Net Income Attributable to Noncontrolling Interest	0.2	0.4	0.3	0.4	0.5
(Income) Loss from Discontinued Operation, net of tax	0.1	-	-	-	-
Provision for Income Taxes	9.3	12.4	14.7	12.1	26.1
Interest Expense, net	0.3	0.6	0.7	1.0	3.1
Other Expense, net	-	-	-	1.1	0.9
Operating Income	33.3	42.1	50.1	46.7	61.7
Other Income and Restructuring Costs	0.1	0.8	0.5	(0.3)	0.2
Acquisition Costs	-	-	-	1.8	5.4
Acquired Backlog Amortization and Profit in Inventory	2.6	2.6	0.2	1.9	6.5
Adjusted Operating Income*	36.0	45.5	50.8	50.1	73.8
Depreciation and Amortization	8.7	10.8	10.7	12.9	17.9
Adjusted EBITDA*	\$ 44.7	\$ 56.3	\$ 61.5	\$ 63.0	\$ 91.7

* Adjusted operating income and adjusted EBITDA are non-GAAP financial measures.

Data for 2017 and 2016 is presented in conformity with the Financial Accounting Standards Board's Accounting Standards Update No. 2017-07. Prior period amounts have not been restated.

Adjusted EBITDA Reconciliation – 2018 Guidance

US\$ (millions)	High End	Low End
Net Income Attributable to Kadant	\$ 58.0	\$ 56.9
Net Income Attributable to Noncontrolling Interest	0.5	0.5
Provision for Income Taxes	25.6	25.1
Interest Expense, net	6.5	6.5
Other Expense, net	<u>0.9</u>	<u>0.9</u>
Operating Income	91.5	89.9
Restructuring Costs	<u>1.7</u>	<u>1.7</u>
Adjusted Operating Income*	93.2	91.6
Depreciation and Amortization	<u>24.3</u>	<u>24.3</u>
Adjusted EBITDA*	<u>\$ 117.5</u>	<u>\$ 115.9</u>

* Adjusted operating income and adjusted EBITDA are non-GAAP financial measures.

