

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): July 31, 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))
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KADANT INC.

Item 2.02 Results of Operations and Financial Condition.

On July 31, 2012, Kadant Inc. (the "Company") will hold a webcast and conference call to discuss its financial results for the fiscal quarter ended June 30, 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 July 31, 2012

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: July 31, 2012

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

Second Quarter 2012 Business Review

Jonathan W. Painter, President & CEO

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

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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, and economic and industry outlook. 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 quarterly report on Form 10-Q for the quarter ended March 31, 2012. 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.

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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, earnings before interest, taxes, depreciation, and amortization (EBITDA), and adjusted EBITDA.

A reconciliation of those numbers to the most directly comparable U.S. GAAP financial measures is shown in our 2012 second quarter earnings press release issued July 30, 2012, which is available in the Investors section of our website at www.kadant.com under the heading Investor News.

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Jonathan W. Painter

President & CEO

BUSINESS REVIEW



Q2 2012 Financial Highlights

| | Q2 2012 | Q2 2011 |
|-------------------------------|----------------|----------------|
| Revenue | \$83.0 million | \$82.5 million |
| Gross Margin | 43.7% | 45.7% |
| Operating Income ¹ | \$9.4 million | \$10.5 million |
| Net Income ¹ | \$6.5 million | \$7.3 million |
| Diluted EPS ¹ | \$0.56 | \$0.59 |
| EBITDA ² | \$11.4 million | \$12.5 million |
| EBITDA ² /Sales | 13.8% | 15.1% |
| Cash Flow ¹ | \$8.6 million | \$6.8 million |
| Net Cash (cash less debt) | \$30.1 million | \$28.6 million |

¹ Operating Income, Net Income, Cash Flow, and Diluted EPS are from continuing operations.

² EBITDA (earnings before interest, taxes, depreciation, and amortization) is a non-GAAP financial measure as detailed in our Q2 2012 earnings press release issued July 30, 2012.

Revenue By Product Line: Q2 2012

\$83.0 million, up 0.6% compared to Q2 2011

| (\$ Millions) | Q2 2012 | Q2 2011 | % CHANGE | EXCL. FX |
|----------------------|---------------|---------------|-------------|-------------|
| Stock-Preparation | \$28.7 | \$32.3 | -11.3% | -8.7% |
| Fluid-Handling | 23.7 | 24.5 | -3.0% | 2.4% |
| Doctoring | 14.0 | 13.7 | 2.1% | 6.6% |
| Water-Management | 13.1 | 8.5 | 53.2% | 60.8% |
| Fiber-based Products | 3.0 | 2.9 | 6.5% | 6.5% |
| Other | 0.5 | 0.6 | -17.1% | -4.3% |
| TOTAL | \$83.0 | \$82.5 | 0.6% | 4.9% |

Percent change calculated using actual numbers reported in our Q2 2012 earnings release dated July 30, 2012.

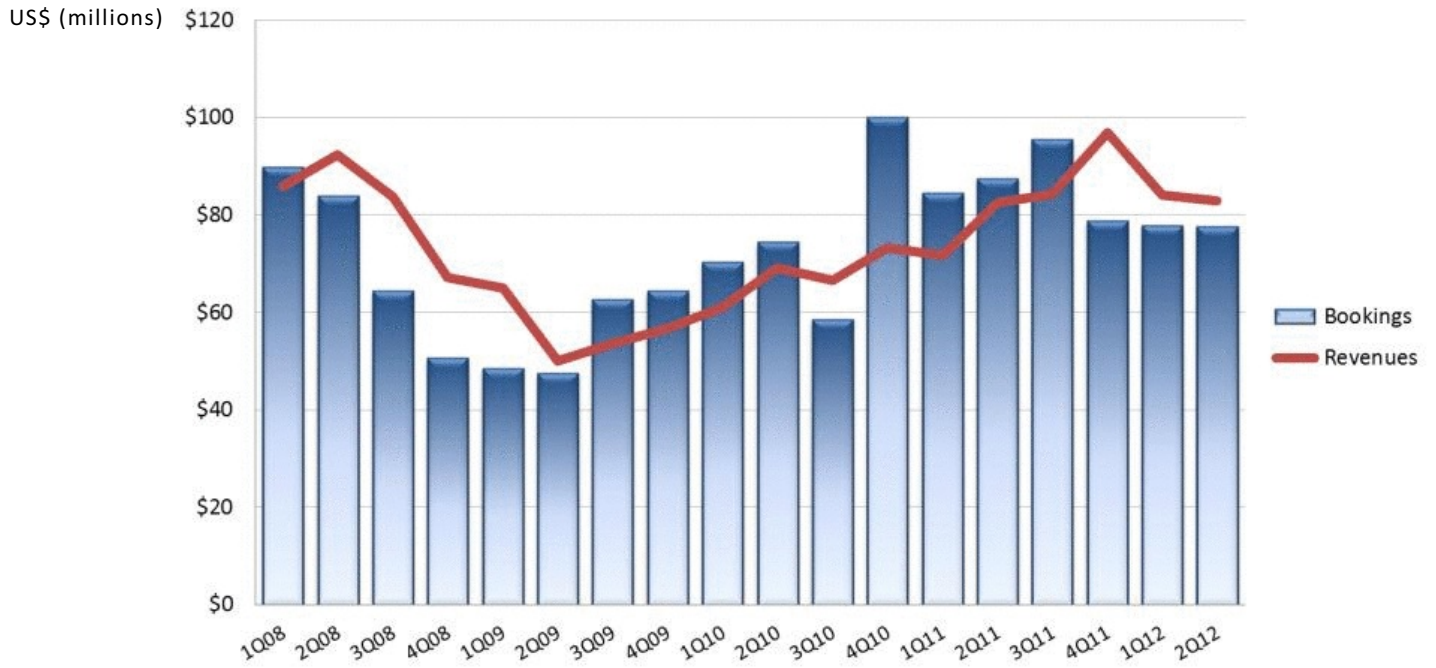
Bookings By Product Line: Q2 2012

\$77.4 million, down 11.4% compared to Q2 2011

| (\$ Millions) | Q2 2012 | Q2 2011 | % CHANGE | EXCL. FX |
|----------------------|---------------|---------------|---------------|--------------|
| Stock-Preparation | \$28.0 | \$30.8 | -9.1% | -5.3% |
| Fluid-Handling | 24.2 | 28.4 | -15.1% | -10.2% |
| Doctoring | 14.8 | 14.5 | 2.3% | 6.8% |
| Water-Management | 7.3 | 11.1 | -34.0% | -31.8% |
| Fiber-based Products | 2.6 | 1.8 | 47.3% | 47.3% |
| Other | 0.5 | 0.7 | -29.2% | -18.5% |
| TOTAL | \$77.4 | \$87.3 | -11.4% | -7.3% |

Percent change calculated using actual numbers reported in our Q2 2012 earnings release dated July 30, 2012.

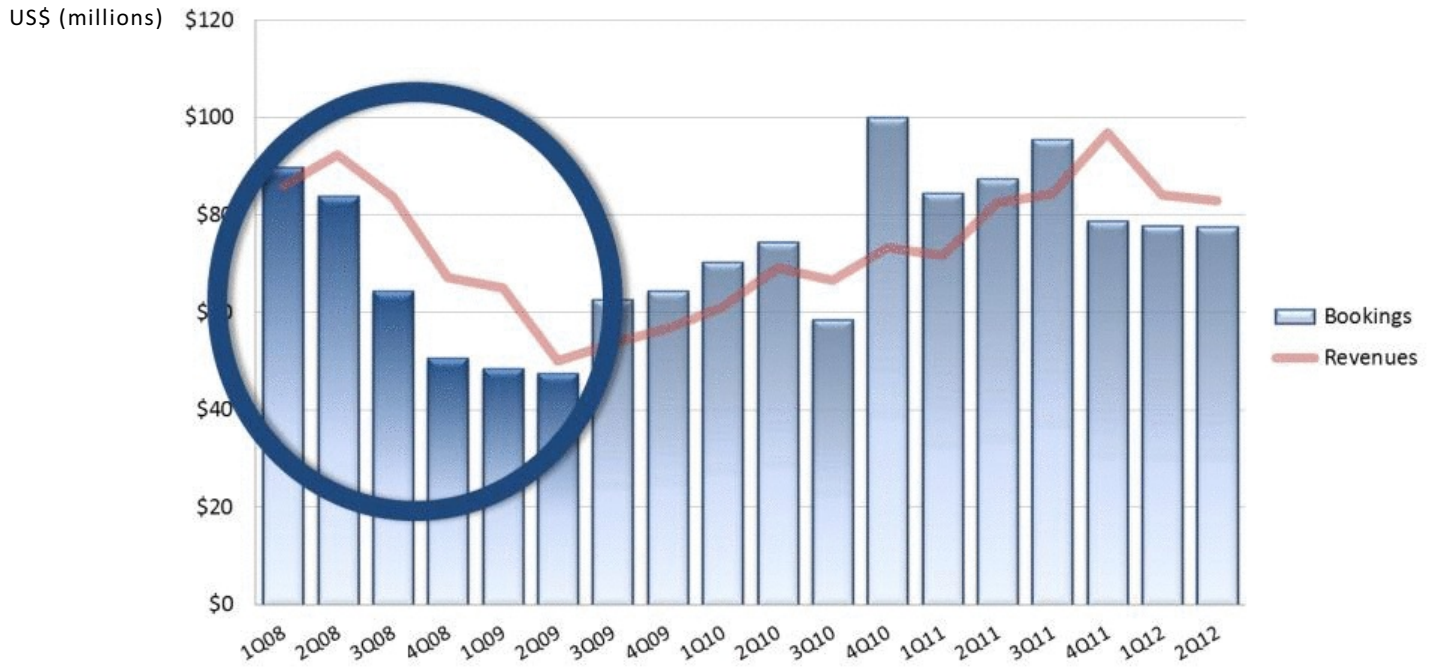
Bookings and Revenues



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Bookings and Revenues



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Bookings and Revenues



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Parts and Consumables Bookings and Revenues



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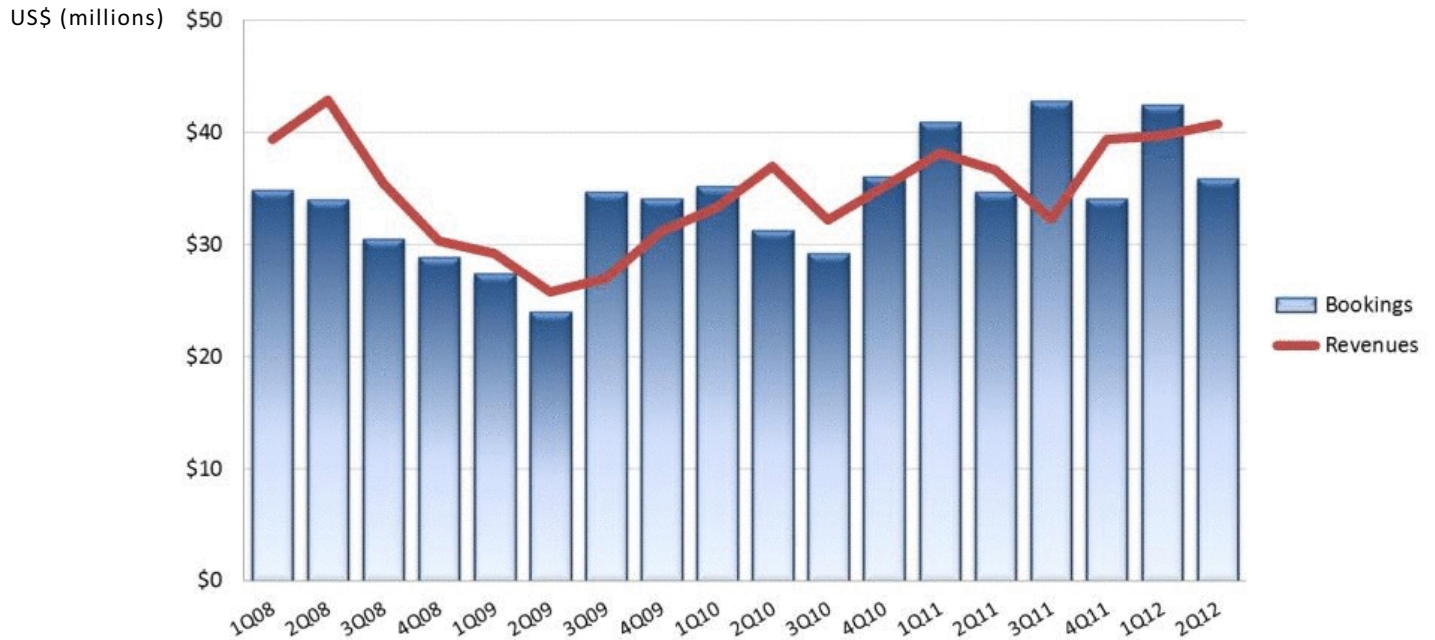


REGIONAL PERFORMANCE

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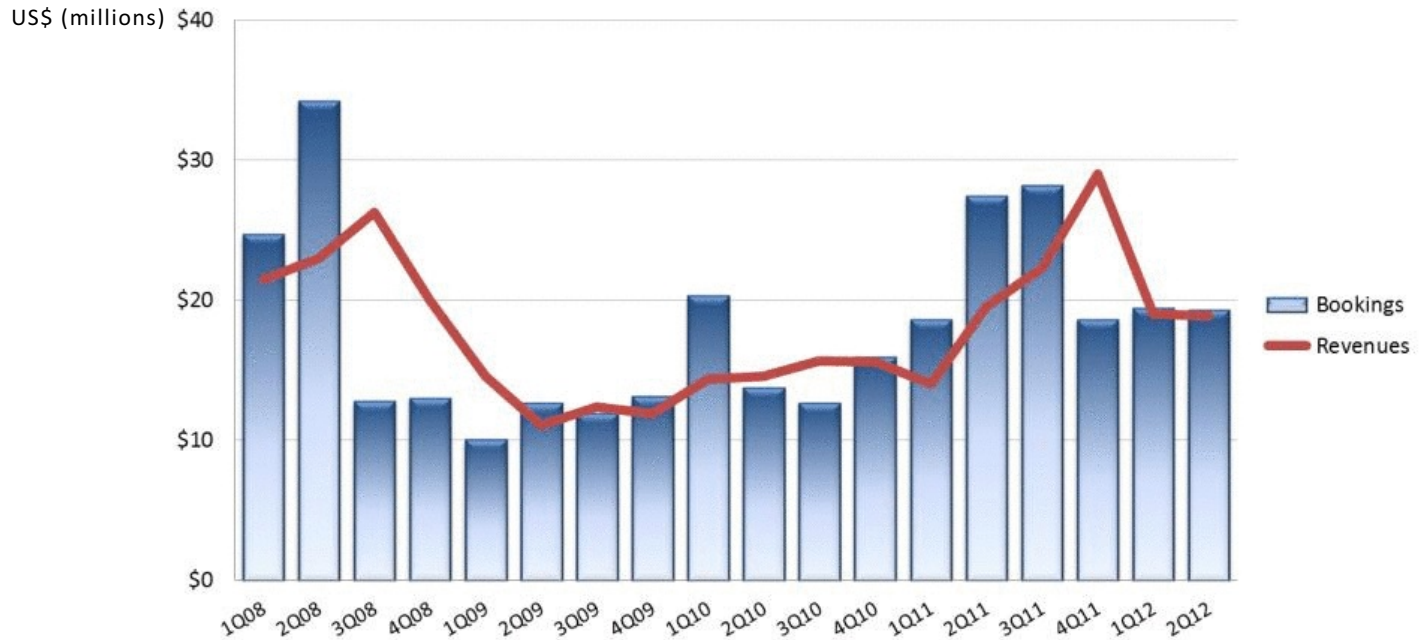
North America Bookings and Revenues



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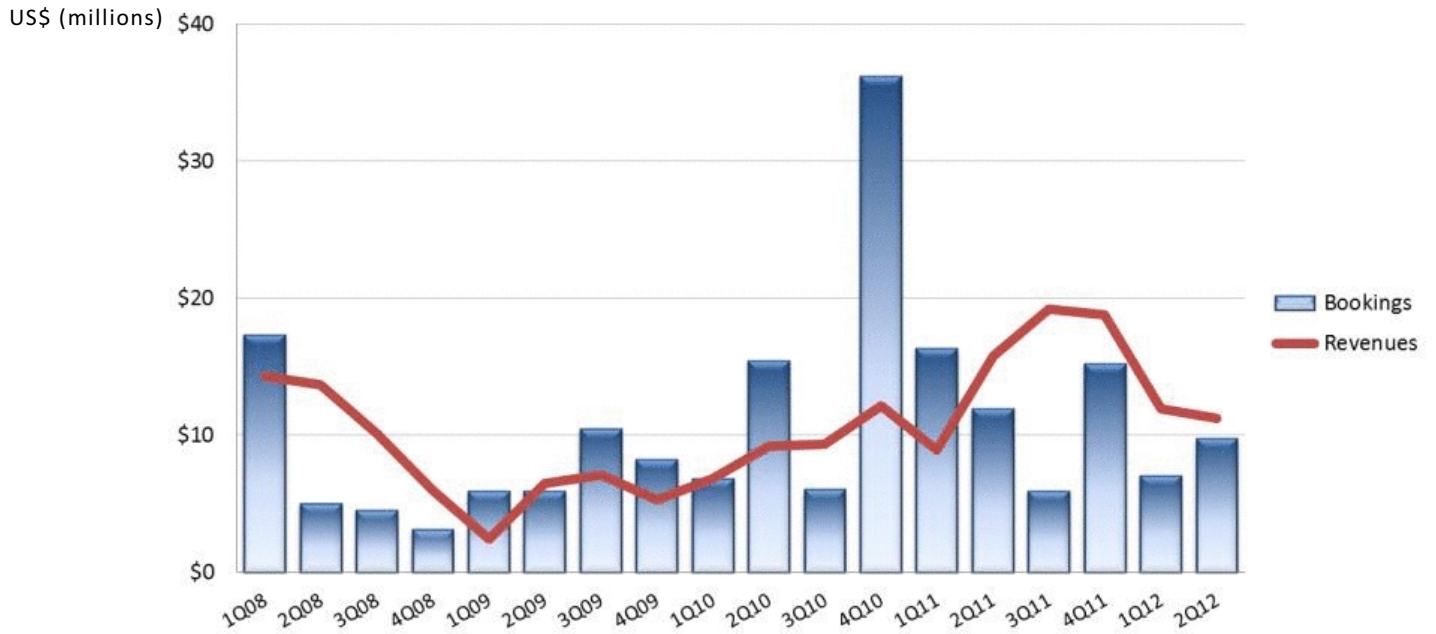
Europe Bookings and Revenues



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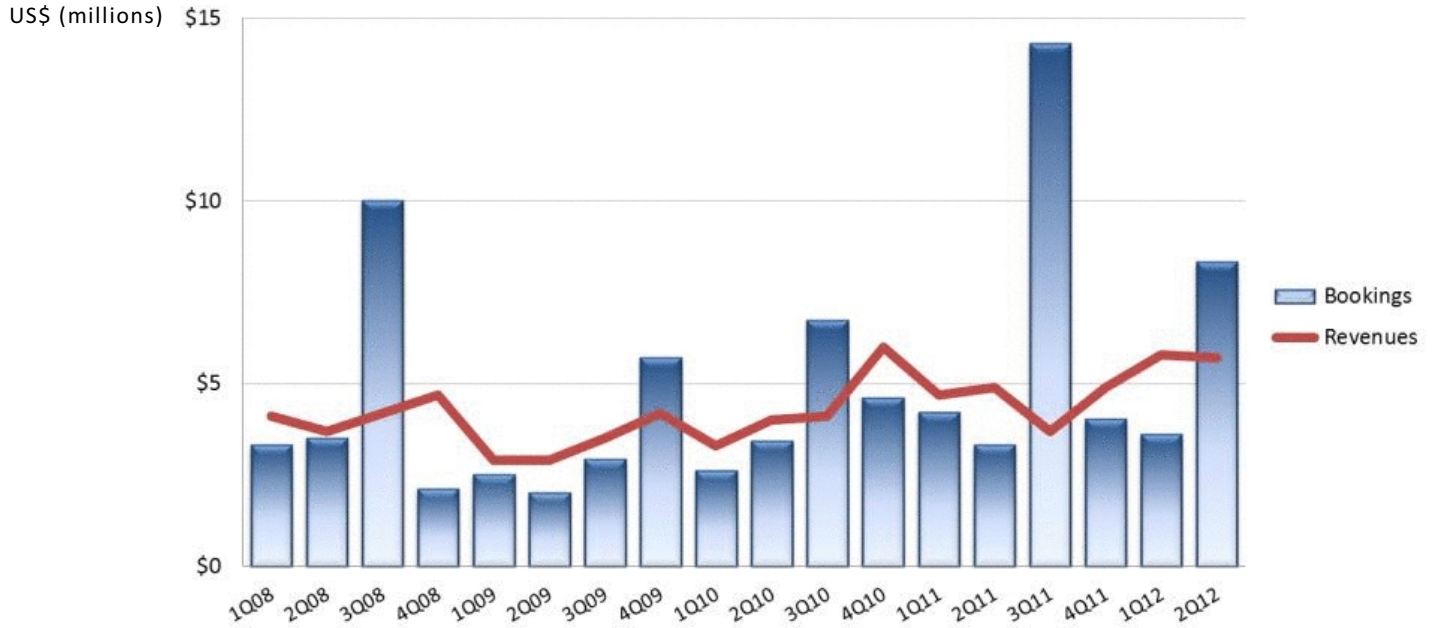
China Bookings and Revenues



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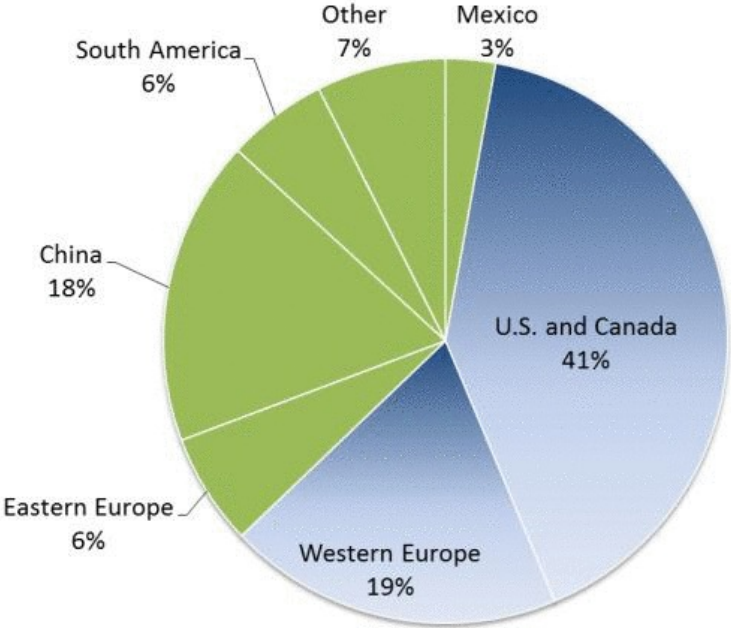
South America Bookings and Revenues



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Revenues from Emerging and Developed Economies



● Emerging Regions (40%) ● Developed Regions (60%)

Geographic data is attributed to countries based on customer location. Revenues are for the trailing 12 months ending June 30, 2012.

Guidance for Continuing Operations

- FY 2012 GAAP diluted EPS of \$2.05 to \$2.10
- FY 2012 revenues of \$325 to \$330 million

- Q3 2012 GAAP diluted EPS of \$0.49 to \$0.51
- Q3 2012 revenues of \$80 to \$82 million

Thomas M. O'Brien

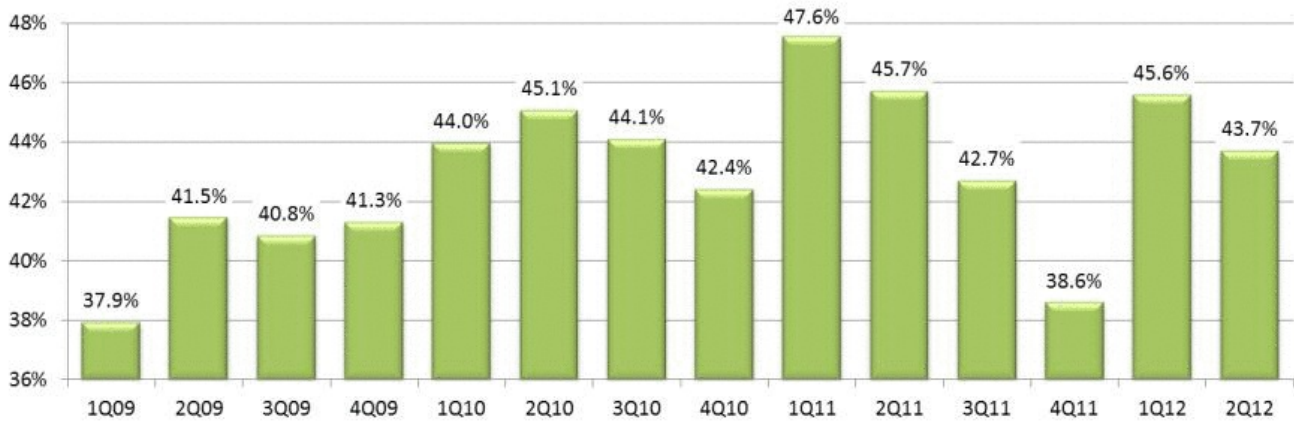
Executive Vice President & Chief Financial Officer

FINANCIAL REVIEW



Gross Margins

| | 2Q12 | 1Q12 | 2Q11 | Sequential Δ | Y-O-Y Δ |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Papermaking Systems Segment | 43.4% | 45.1% | 45.3% | -1.7% | -1.9% |
| Fiber-based Products | 52.8% | 56.3% | 56.6% | -3.5% | -3.8% |
| TOTAL | 43.7% | 45.6% | 45.7% | -1.9% | -2.0% |



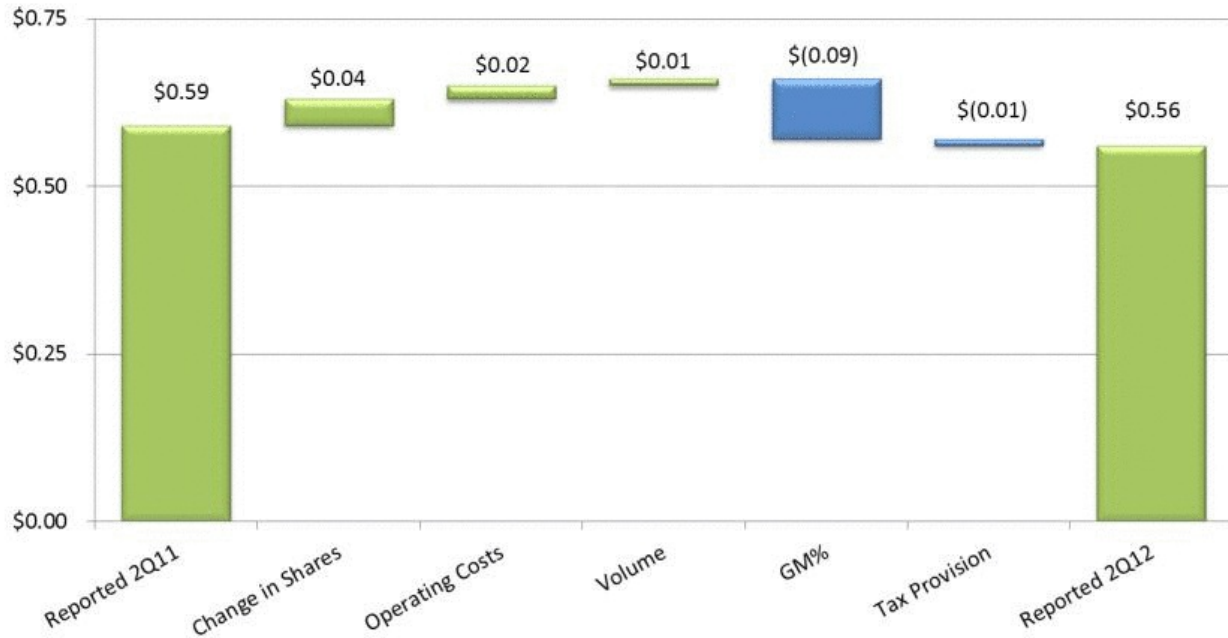
SG&A

| (\$ Millions) | 2Q12 | 1Q12 | 2Q11 | Sequential Δ | Y-O-Y Δ |
|---------------|--------|--------|--------|--------------|---------|
| SG&A | \$25.5 | \$26.1 | \$25.8 | \$(0.6) | \$(0.3) |
| % Revenues | 30.7% | 31.1% | 31.3% | -0.4% | -0.6% |



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2Q11 to 2Q12 Diluted EPS from Continuing Operations



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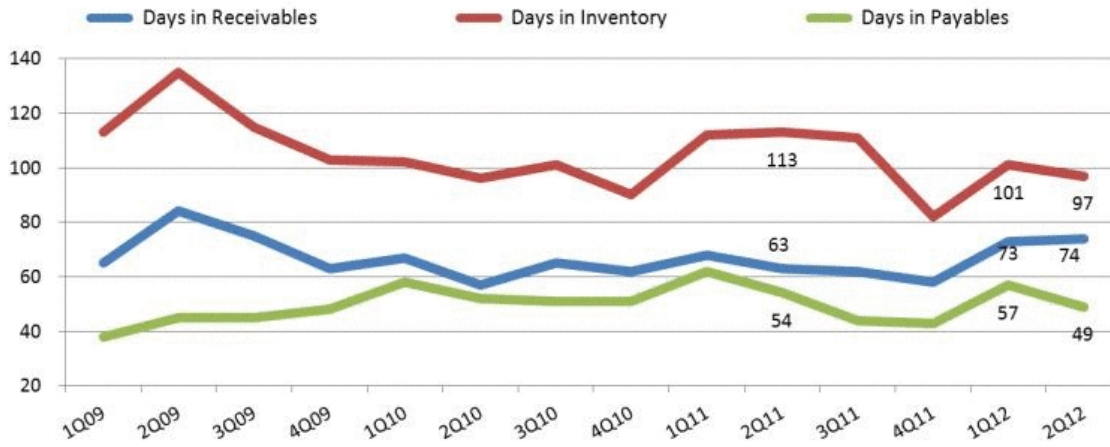
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Cash Flow

| (\$ Millions) | 2Q12 | 2Q11 | 2Q12 YTD | 2Q11 YTD |
|---|--------------|--------------|--------------|--------------|
| Income from Continuing Operations | \$6.6 | \$7.4 | \$13.7 | \$13.3 |
| Depreciation and Amortization | 2.0 | 2.0 | 4.3 | 3.8 |
| Stock-Based Compensation | 1.2 | 1.1 | 2.3 | 1.9 |
| Other Items | 0.3 | - | (0.1) | 0.5 |
| Change in Current Assets & Liabilities (excl. acquisitions) | (1.5) | (3.7) | (15.7) | (12.3) |
| Cash Provided by Continuing Operations | \$8.6 | \$6.8 | \$4.5 | \$7.2 |

Key Working Capital Metrics

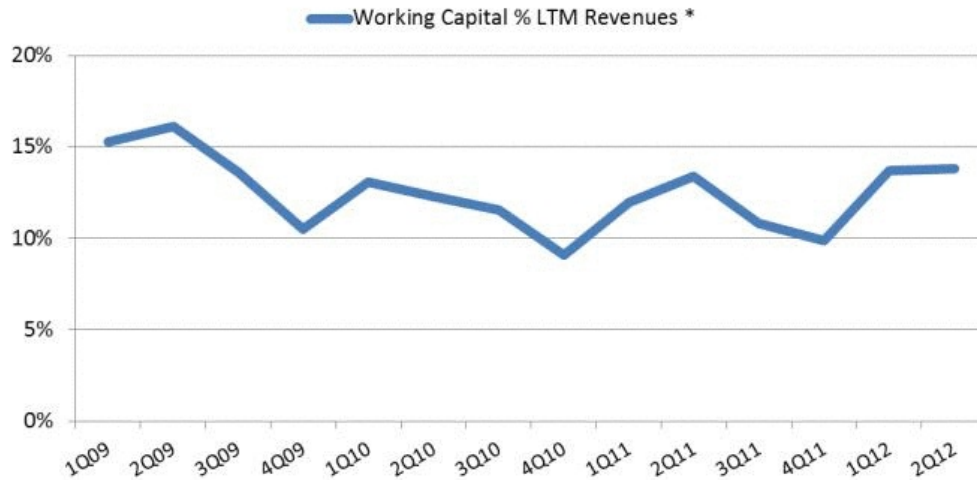
| | 2Q12 | 1Q12 | 2Q11 |
|---------------------|------|------|------|
| Days in Receivables | 74 | 73 | 63 |
| Days in Payables | 49 | 57 | 54 |
| Days in Inventory | 97 | 101 | 113 |



Working Capital

| | 2Q12 | 1Q12 | 2Q11 |
|---------------------------------|-------|-------|-------|
| Working Capital % LTM Revenues* | 13.8% | 13.7% | 13.4% |

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



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Cash and Debt

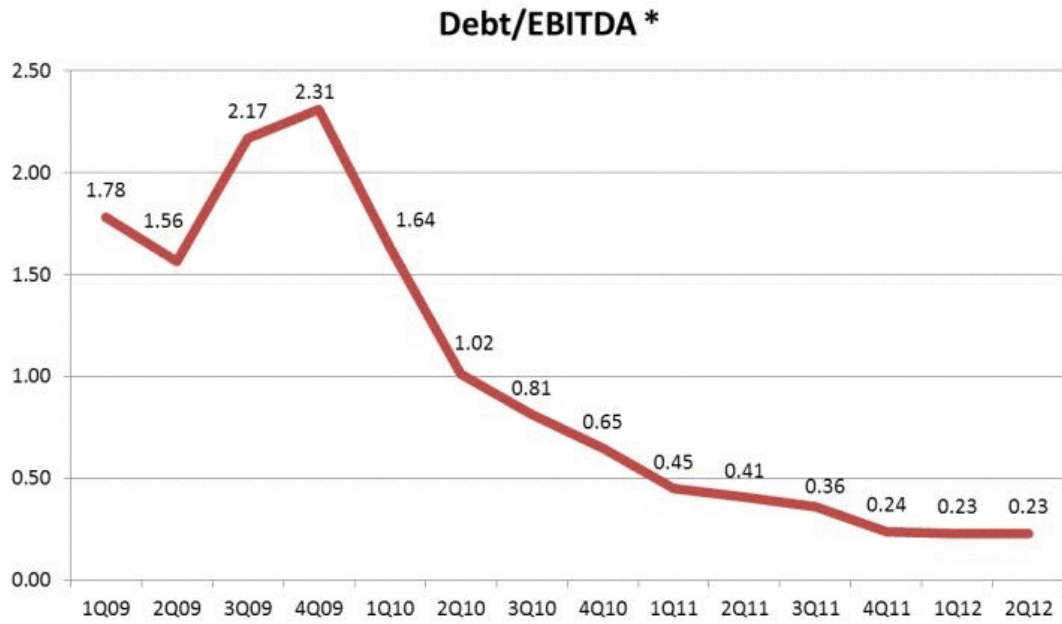
| (\$ Millions) | 2Q12 | 1Q12 | 2Q11 |
|---|---------------|---------------|---------------|
| Cash, cash equivalents, restricted cash | \$42.1 | \$43.0 | \$46.1 |
| Debt | (12.0) | (12.1) | (17.5) |
| NET CASH | \$30.1 | \$30.9 | \$28.6 |



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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.

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