

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): February 27, 2013

**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 7.01 Regulation FD Disclosure.**

On February 27, 2013, Kadant Inc. (the "Company") will hold a webcast and conference call to discuss its financial results for the fiscal quarter and year ended December 29, 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 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 February 27, 2013

**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: February 27, 2013

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

# Fourth Quarter and Full-Year 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, 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 period ended September 29, 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; 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; 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.

\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

# 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, adjusted operating income, adjusted net income, adjusted diluted earnings per share, 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 fourth quarter earnings press release issued February 26, 2013, which is available in the Investors section of our website at [www.kadant.com](http://www.kadant.com) under the heading Investor News.

\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

# Financial Classifications

---

Starting in the first quarter of 2012, all geographic revenues and bookings data are attributed to regions based on customer locations. In addition, we segregated our Chemical pulping product line between parts and capital products. Starting in the third quarter of 2012, we combined our doctoring, water-management, and other product lines into the doctoring, cleaning, and filtration product line.

Prior period amounts have been recast to conform to the current presentation.

\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

---

**Jonathan W. Painter**

President & CEO

# **BUSINESS REVIEW**



---

\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION



# Q4 2012 Financial Highlights

(\$ Millions, except per share amounts)	Q4 2012	Q4 2011	% CHANGE
Revenue	78.1	97.0	-19.5%
Gross Margin	43.0%	38.6%	n.a.
Diluted EPS <sup>1</sup>	0.84	0.90	-6.7%
Adjusted Diluted EPS <sup>1</sup>	0.44	0.59	-25.4%
Cash Flows <sup>1</sup>	12.7	14.9	-14.4%
Net Cash (cash less debt)	47.7	35.4	34.7%

Percent change calculated using actual numbers reported in our Q4 2012 earnings release dated February 26, 2013.

<sup>1</sup> Cash Flow, Diluted EPS, and Adjusted Diluted EPS are from continuing operations.

\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

# 2012 Financial Highlights

(\$ Millions, except per share amounts)	2012	2011
Revenues	\$331.8	\$335.5
Gross Margins	43.9%	43.3%
Diluted EPS <sup>1</sup>	\$2.66	\$2.74
Adjusted Diluted EPS <sup>1,2</sup>	\$2.29	\$2.10
Adjusted EBITDA <sup>1,2</sup>	\$44.8	\$44.8
Adjusted EBITDA <sup>1,2</sup> /Sales	13.5%	13.3%
Return on Total Capital <sup>2,3</sup>	13.1%	13.7%

1 Diluted EPS, Adjusted Diluted EPS, and Adjusted EBITDA are from continuing operations.

2 Adjusted diluted EPS, adjusted EBITDA, and adjusted net income are non-GAAP financial measures that exclude certain items as detailed in our Q4 2012 earnings press release issued February 26, 2013.

3 Return on total capital is based on adjusted net income divided by the sum of stockholders' equity less net cash.

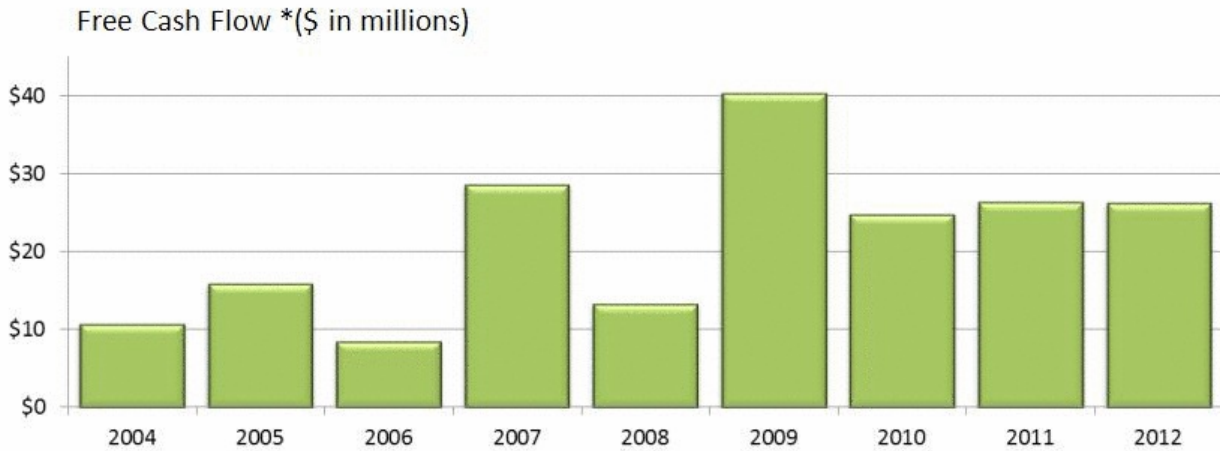
\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

# Dividend

- Board authorized quarterly dividend of \$0.125 per share
- Initial dividend record date April 11, 2013; payment May 9, 2013



\* Free Cash Flow is cash flow from continuing operations less capital expenditures.

\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

## Revenue By Product Line: Q4 2012

\$78.1 million, down 19.5% compared to Q4 2011

(\$ Millions)	Q4 2012	Q4 2011	% CHANGE	EXCL. FX
Stock-Preparation	\$28.1	\$43.2	-35.1%	-34.5%
Doctoring, Cleaning, & Filtration	24.8	23.4	6.0%	5.3%
Fluid-Handling	22.8	28.2	-19.0%	-17.6%
Fiber-based Products	2.4	2.2	10.0%	10.0%
<b>TOTAL</b>	<b>\$78.1</b>	<b>\$97.0</b>	<b>-19.5%</b>	<b>-19.0%</b>

Percent change calculated using actual numbers reported in our Q4 2012 earnings release dated February 26, 2013.

\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

## Bookings By Product Line: Q4 2012

\$76.0 million, down 3.4% compared to Q4 2011

(\$ Millions)	Q4 2012	Q4 2011	% CHANGE	EXCL. FX
Stock-Preparation	\$25.2	\$27.8	-9.4%	-8.2%
Doctoring, Cleaning, & Filtration	27.7	24.7	12.0%	10.8%
Fluid-Handling	20.5	22.6	-9.2%	-7.4%
Fiber-based Products	2.6	3.5	-26.5%	-26.5%
<b>TOTAL</b>	<b>\$76.0</b>	<b>\$78.7</b>	<b>-3.4%</b>	<b>-2.8%</b>

Percent change calculated using actual numbers reported in our Q4 2012 earnings release dated February 26, 2013.

\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

# Bookings and Revenues



\*  
 KAI 4Q12 Business Review-February 27, 2013  
 © 2013 Kadant Inc. All rights reserved.

# Parts and Consumables Bookings and Revenues



\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION



# REGIONAL PERFORMANCE

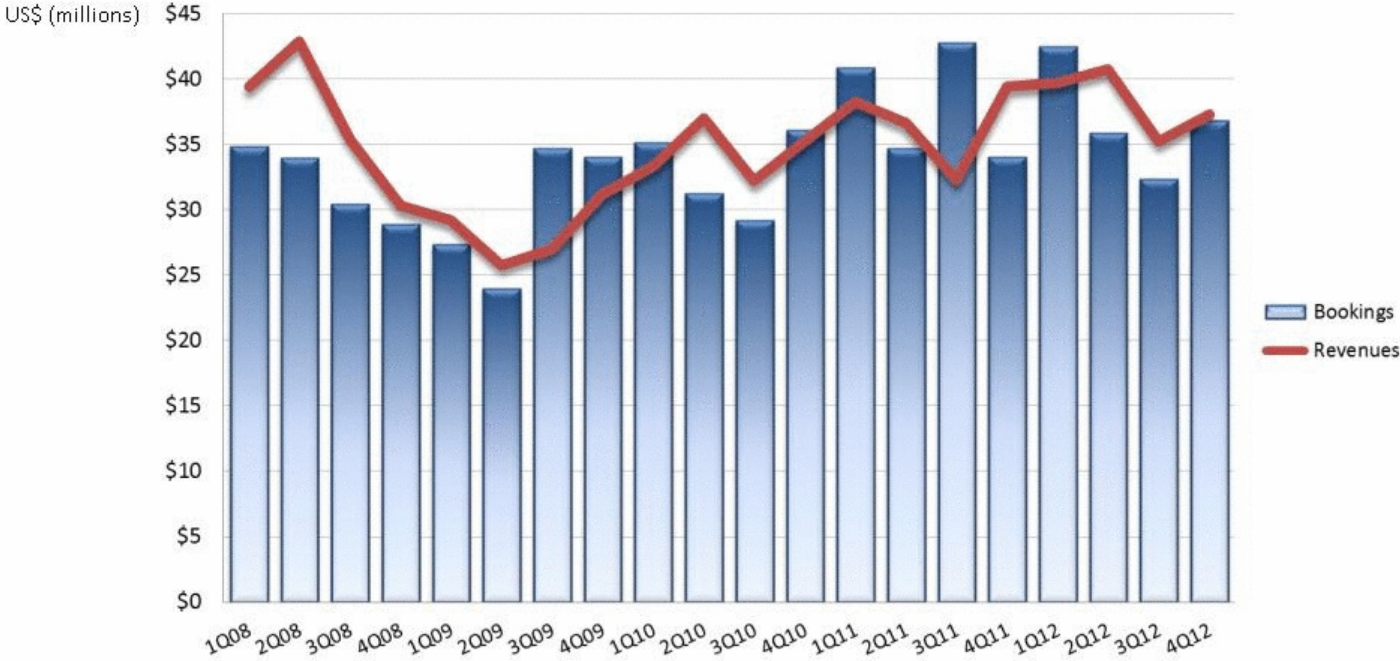
\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION



# North America Bookings and Revenues

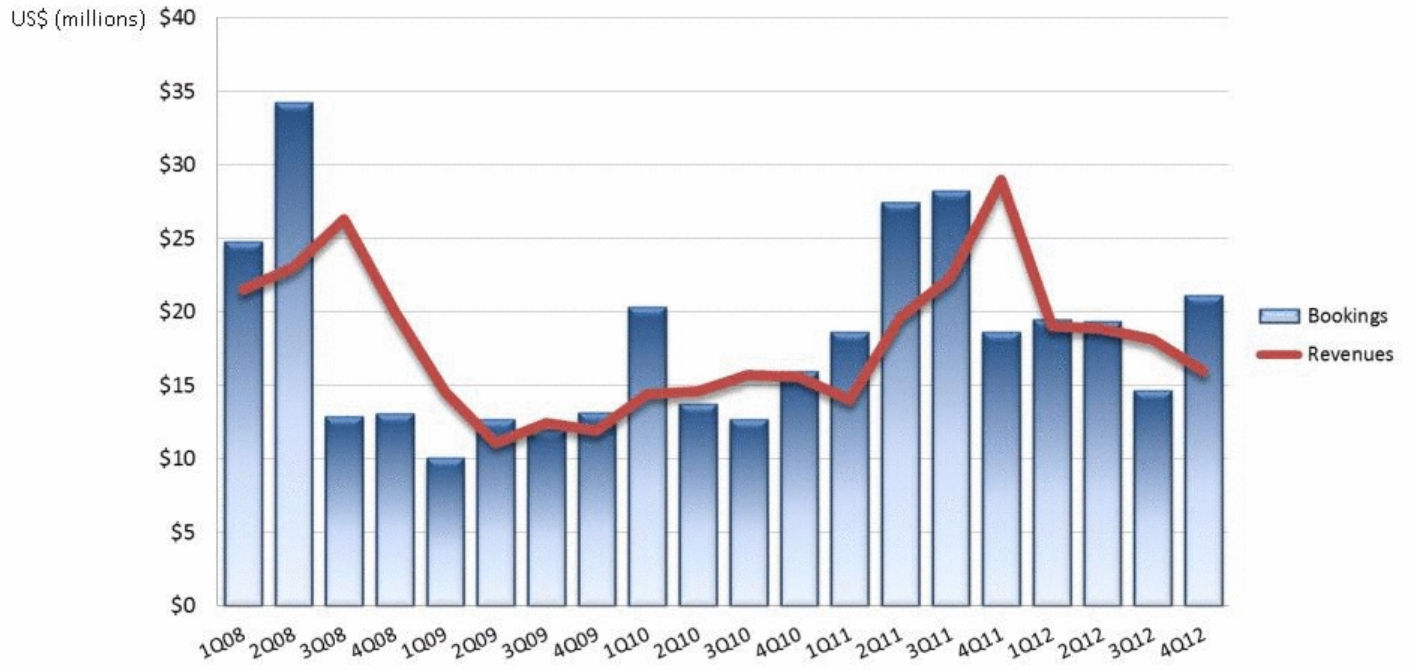


\*

KAI 4Q12 Business Review-February 27, 2013  
 © 2013 Kadant Inc. All rights reserved.

**KADANT**  
 AN ACCENT ON INNOVATION

# Europe Bookings and Revenues

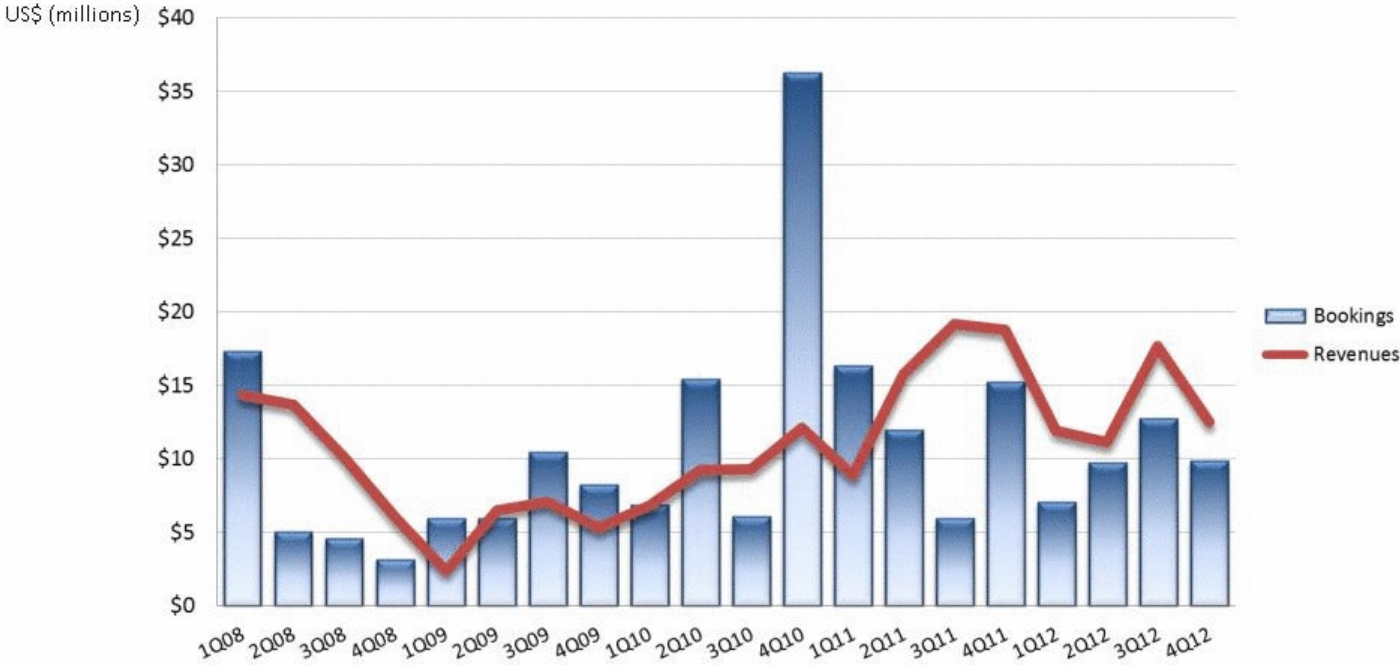


\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

# China Bookings and Revenues

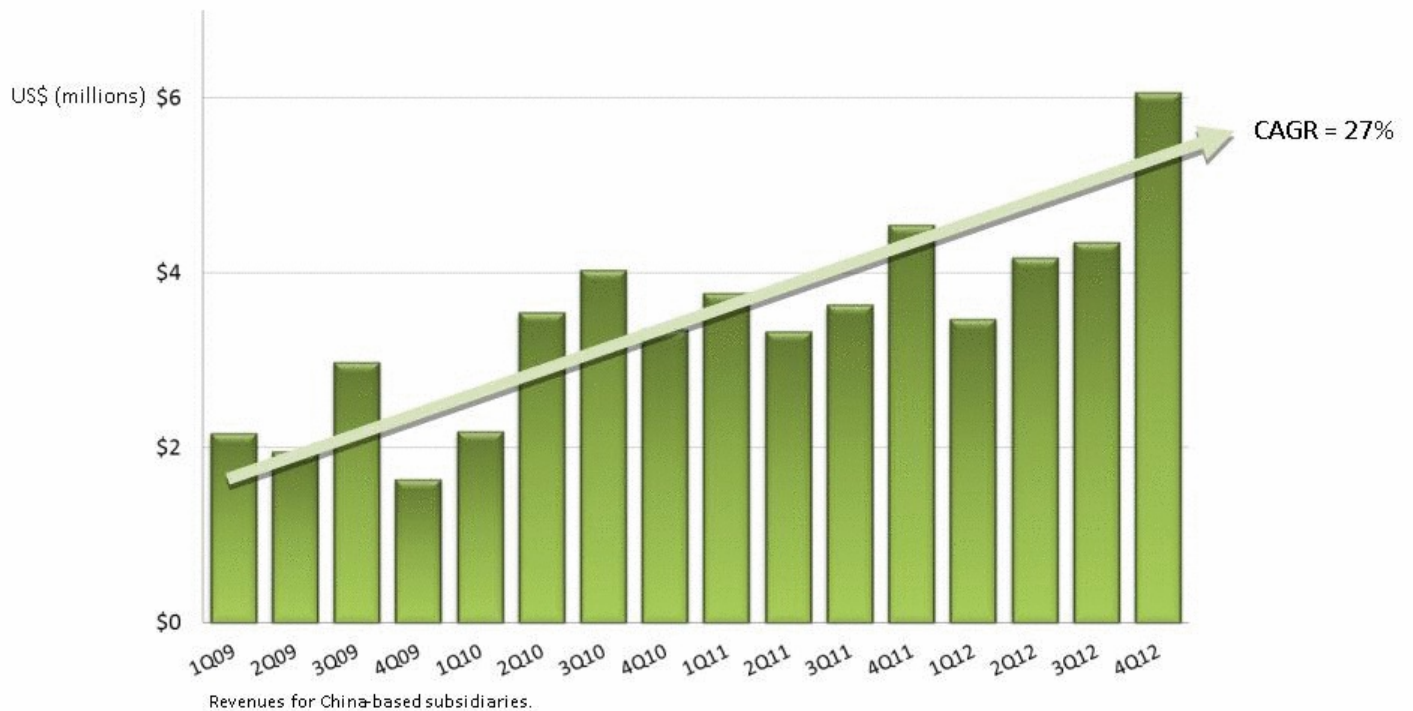


\*

KAI 4Q12 Business Review-February 27, 2013  
 © 2013 Kadant Inc. All rights reserved.

**KADANT**  
 AN ACCENT ON INNOVATION

# China Parts and Consumables Revenues

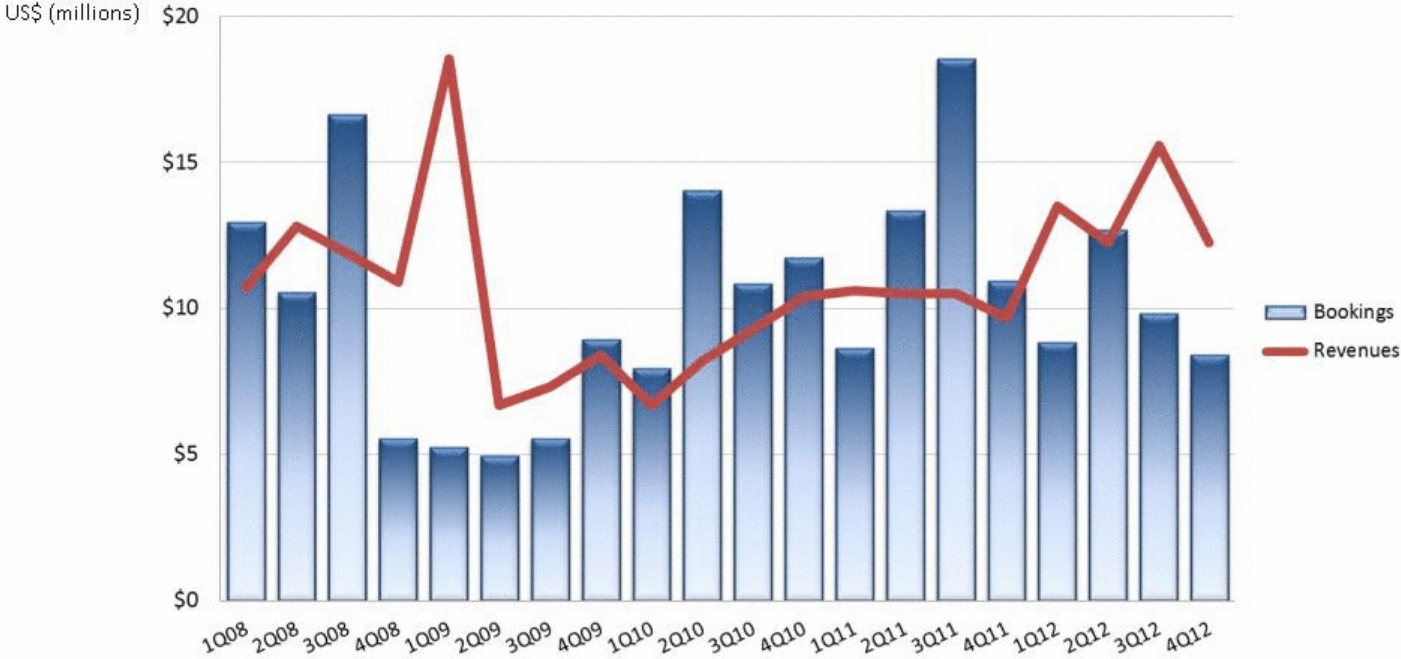


\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

# Rest-of-World Bookings and Revenues



\*  
 KAI 4Q12 Business Review-February 27, 2013  
 © 2013 Kadant Inc. All rights reserved.

## Guidance for Continuing Operations

---

- Q1 2013 GAAP diluted EPS of \$0.32 to \$0.34
- Q1 2013 revenues of \$71 to \$73 million
  
- FY 2013 GAAP diluted EPS of \$1.80 to \$1.90
- FY 2013 revenues of \$320 to \$330 million

\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

---

**Thomas M. O'Brien**

Executive Vice President & Chief Financial Officer

# FINANCIAL REVIEW



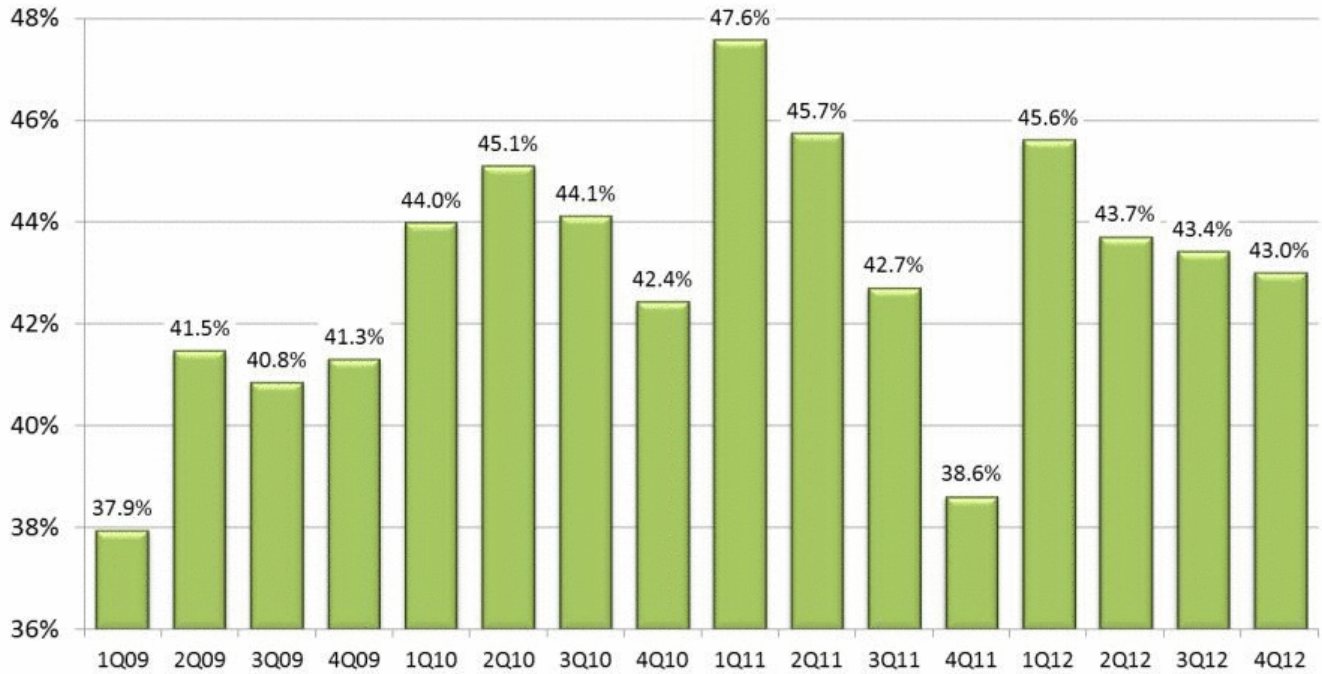
---

\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

# Quarterly Gross Margins



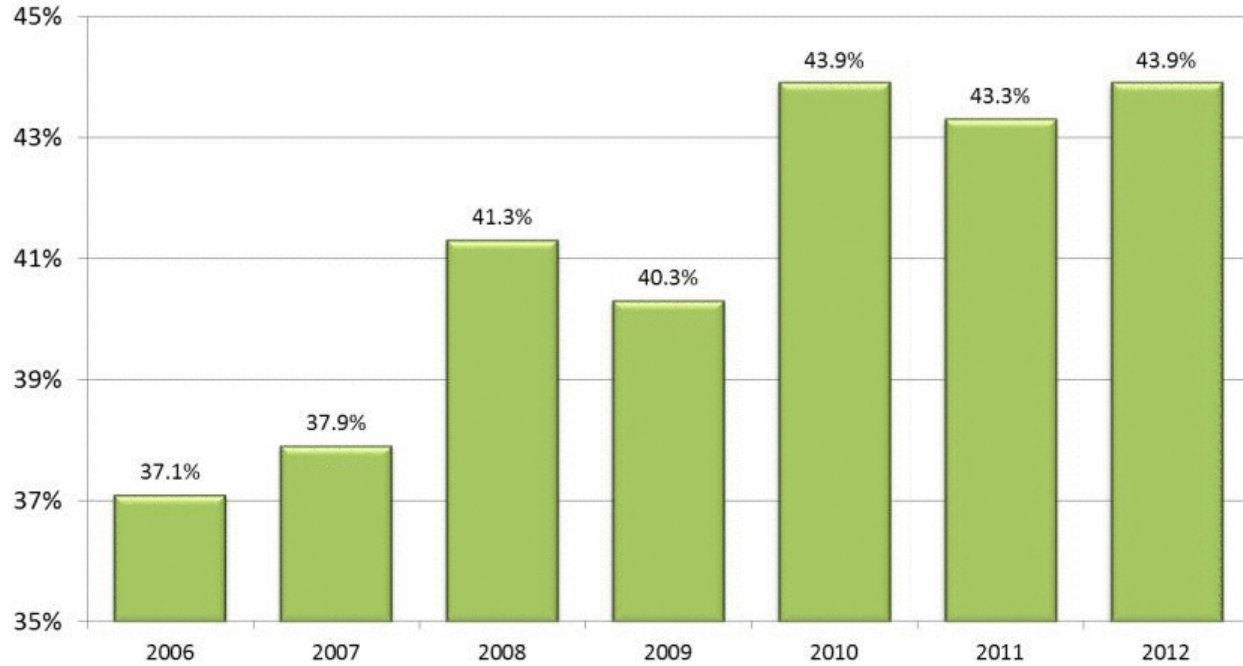
\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION



# Full-Year Gross Margins

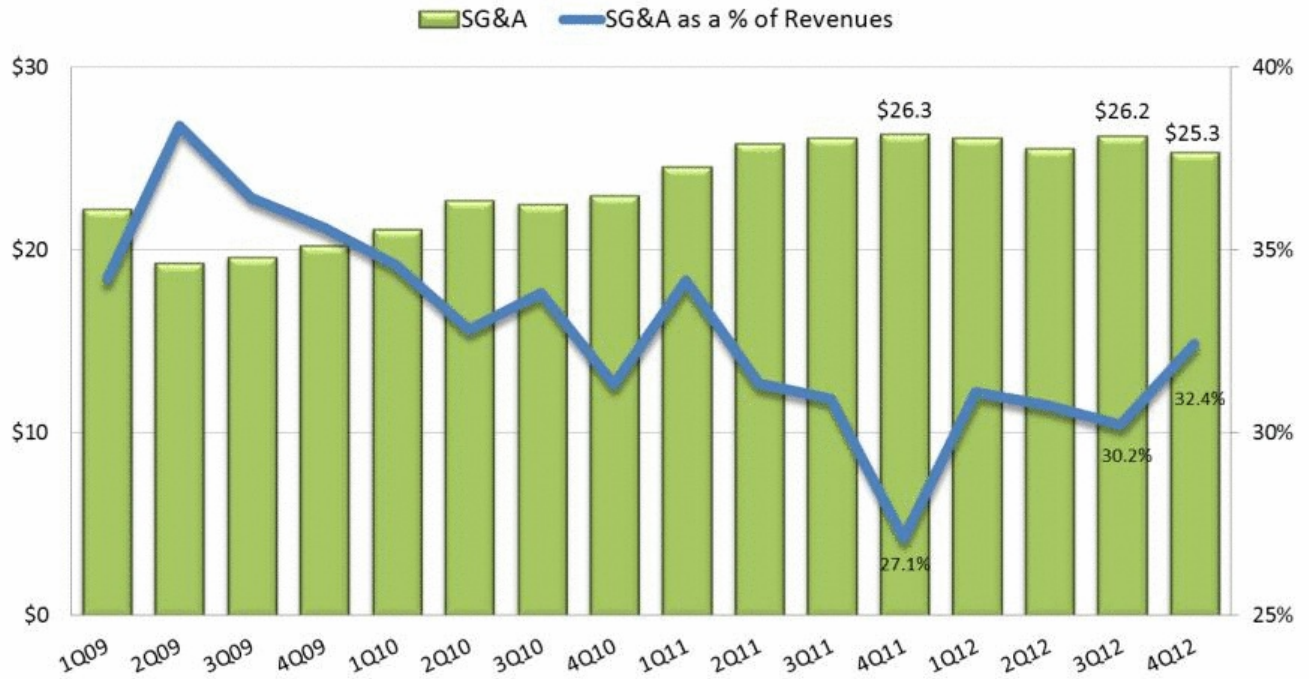


\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

# Quarterly SG&A



\*  
 KAI 4Q12 Business Review-February 27, 2013  
 © 2013 Kadant Inc. All rights reserved.

# Full-Year SG&A



\*  
KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

# Adjusted Diluted EPS

	Q4 2012	Q4 2012	Q4 2011	Q4 2011
	\$ in millions	Diluted EPS	\$ in millions	Diluted EPS
Net Income and Diluted EPS from Continuing Operations, as reported	\$9.6	\$0.84	\$10.7	\$0.90
Restructuring Costs	-	-	0.4	0.03
Benefit from Discrete Tax Items	(4.6)	(0.40)	(4.1)	(0.34)
<b>Adjusted Net Income and Adjusted Diluted EPS*</b>	<b>\$5.0</b>	<b>\$0.44</b>	<b>\$7.0</b>	<b>\$0.59</b>

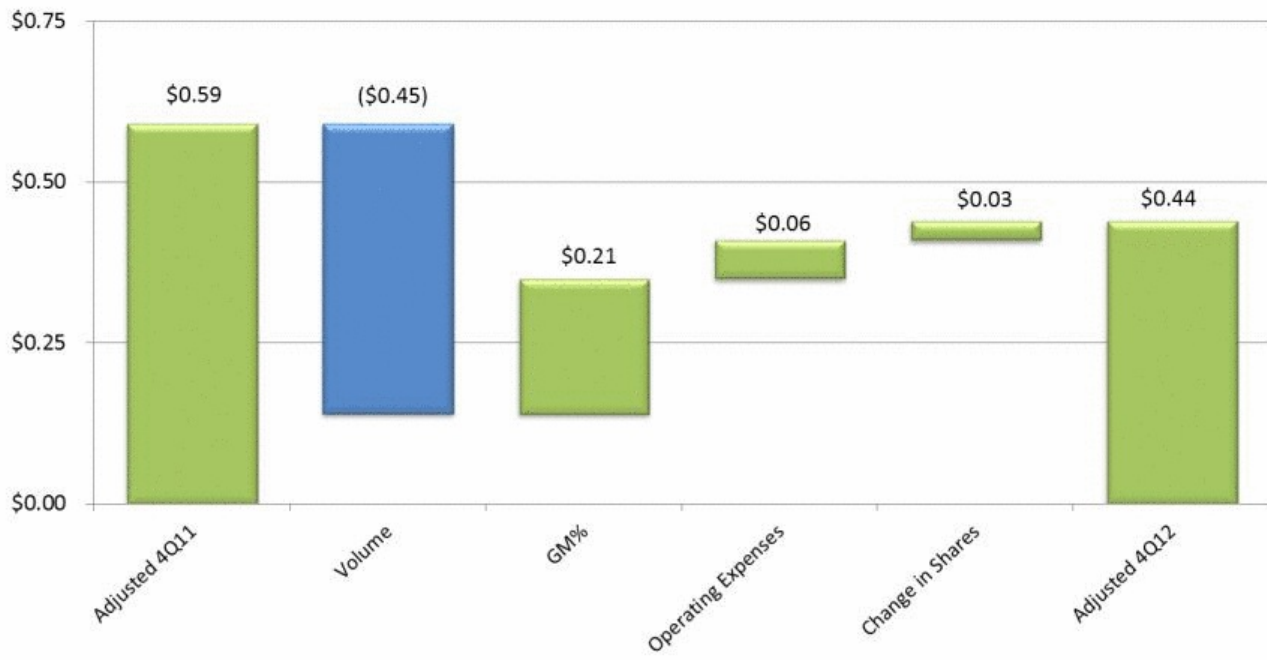
\*Adjusted Net Income and Adjusted Diluted EPS are non-GAAP financial measures.

\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

## 4Q11 to 4Q12 Adjusted Diluted EPS from Continuing Operations



\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

# Cash Flow

(\$ Millions)	4Q12	4Q11	2012	2011
Income from Continuing Operations	\$9.7	\$10.7	\$31.1	\$33.9
Depreciation and Amortization	2.0	2.0	8.1	7.9
Stock-Based Compensation	1.2	1.0	4.8	3.9
Other Items	(5.3)	(1.9)	(4.7)	(4.6)
Change in Current Assets & Liabilities (excl. acquisitions)	5.1	3.1	(8.8)	(6.7)
<b>Cash Provided by Continuing Operations</b>	<b>\$12.7</b>	<b>\$14.9</b>	<b>\$30.5</b>	<b>\$34.4</b>

\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

# Stock Repurchases

(\$ in Millions, except per share amounts)	2012	2011
Common Stock Repurchases	\$14.5	\$16.1
Average Price per Share	\$22.87	\$21.52
Net Income from Continuing Operations	\$30.9	\$33.6
% of Stock Repurchases to Net Income from Continuing Operations	47%	48%

\*

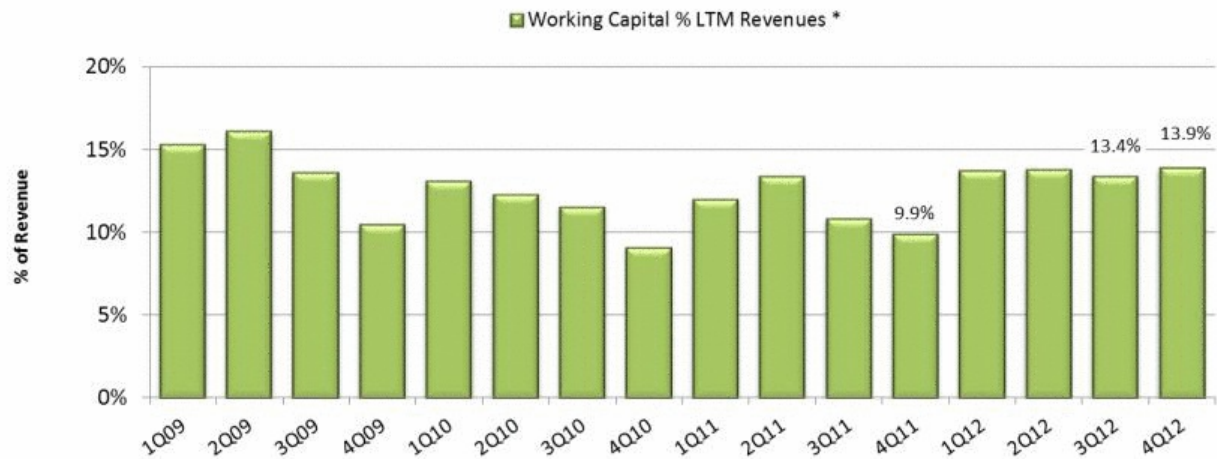
KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

# Working Capital

	4Q12	3Q12	4Q11
Working Capital % LTM Revenues*	13.9%	13.4%	9.9%

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



\*

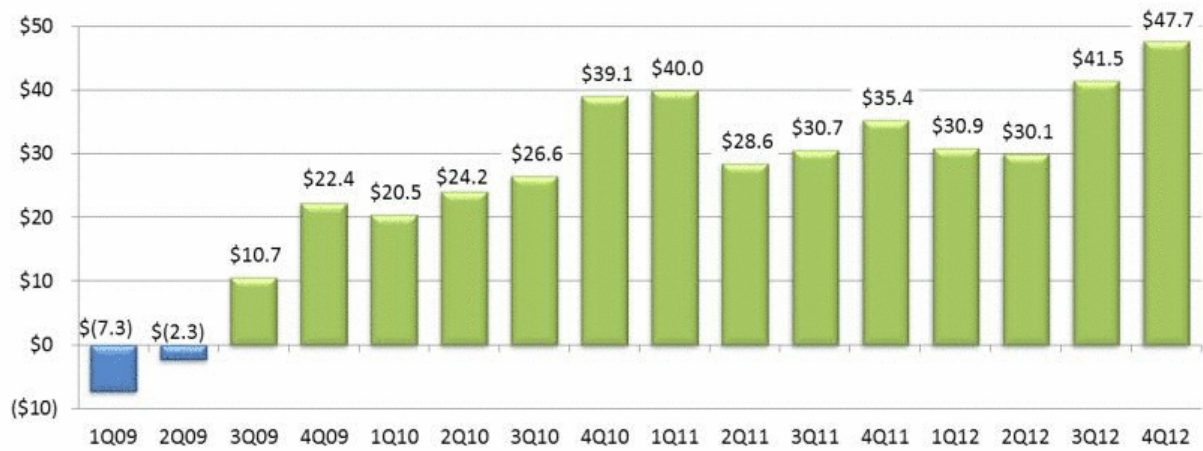
KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION



# Cash and Debt

(\$ Millions)	4Q12	3Q12	4Q11
Cash, cash equivalents, restricted cash	\$54.6	\$53.4	\$47.7
Debt	(6.9)	(11.9)	(12.3)
<b>Net Cash</b>	<b>\$47.7</b>	<b>\$41.5</b>	<b>\$35.4</b>

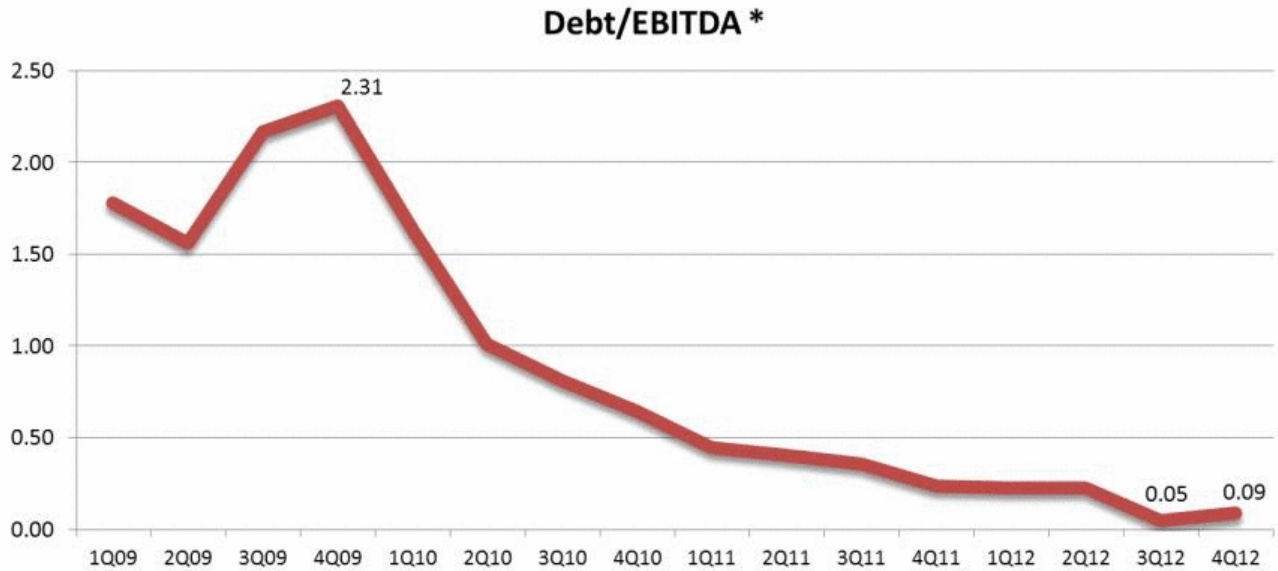


\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 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. Under our new Credit Facility entered into on August 8, 2012, total debt is defined as debt less domestic cash of up to \$25 million. For periods prior to 3Q12, total debt was not reduced for domestic cash.

\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

# 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.*

\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

# Fourth Quarter and Full-Year 2012 Business Review

Jonathan W. Painter, President & CEO

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

**KADANT**  
AN ACCENT ON INNOVATION

---

Investor Contact: Thomas M. O'Brien, 978-776-2000

# APPENDIX

---

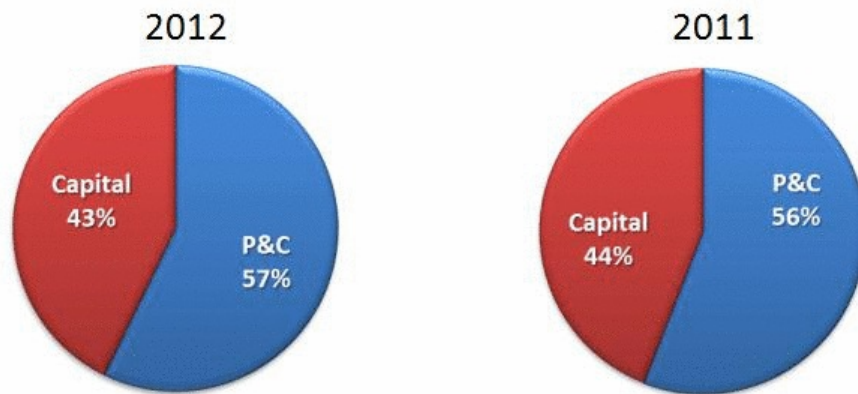
\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

## Appendix: Revenue

(\$ Millions)	2012	2011	% Change
Parts & Consumables	\$189.9	\$187.5	1%
Capital	\$141.9	\$148.0	-4%
<b>Total</b>	<b>\$331.8</b>	<b>\$335.5</b>	<b>-1%</b>



\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

## Adjusted Diluted EPS

	2012	2012	2011	2011
	\$ in millions	Diluted EPS	\$ in millions	Diluted EPS
Net Income and Diluted EPS from Continuing Operations, as reported	\$30.9	\$2.66	\$33.6	\$2.74
Restructuring Costs and Other Expense (Income), net	0.3	0.03	(1.7)	(0.13)
Benefit from Discrete Tax Items	(4.6)	(0.40)	(6.2)	(0.51)
<b>Adjusted Net Income and Adjusted Diluted EPS*</b>	<b>\$26.6</b>	<b>\$2.29</b>	<b>\$25.7</b>	<b>\$2.10</b>

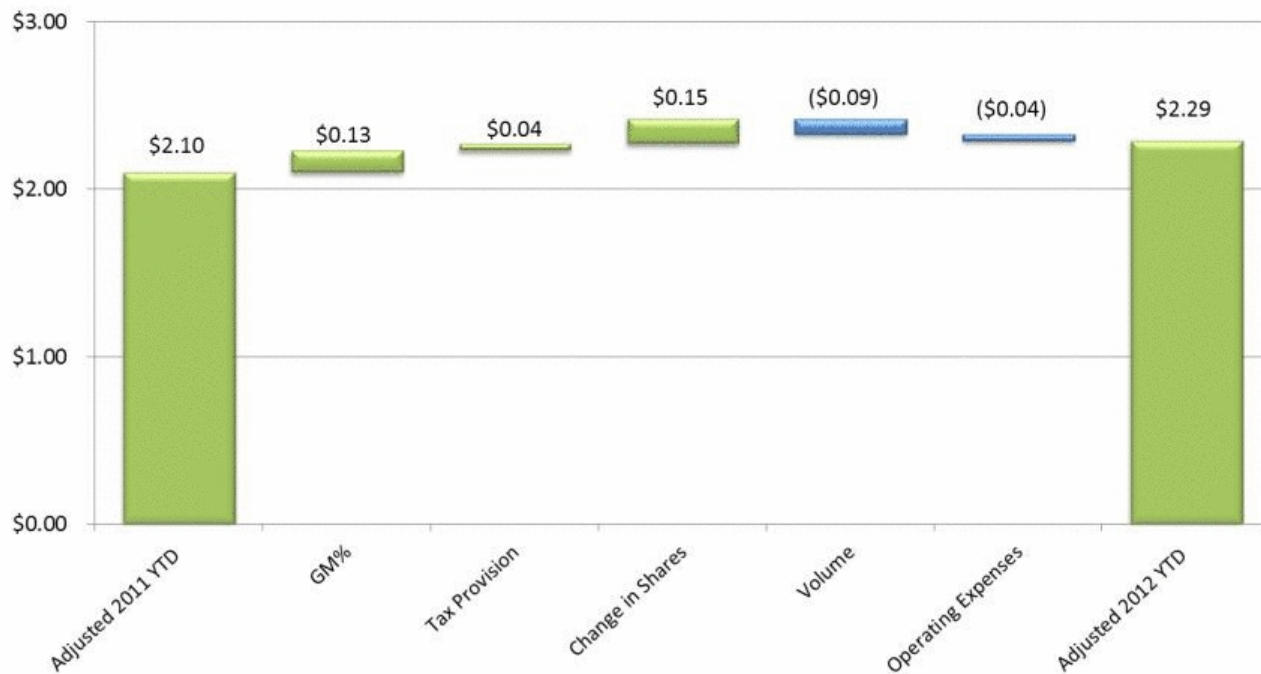
\*Adjusted Net Income and Adjusted Diluted EPS are non-GAAP financial measures.

\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION

## Appendix: Adjusted Diluted EPS from Continuing Operations



\*

KAI 4Q12 Business Review-February 27, 2013  
© 2013 Kadant Inc. All rights reserved.

**KADANT**  
AN ACCENT ON INNOVATION



