

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): August 1, 2017

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))

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 August 1, 2017, Kadant Inc. (the “Company”) will hold a webcast and conference call to discuss its financial results for the fiscal quarter ended July 1, 2017. 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.

(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 August 1, 2017.

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: August 1, 2017

By /s/ Michael J. McKenney
Michael J. McKenney
Senior Vice President and
Chief Financial Officer

Second Quarter 2017 Business Review

Jonathan W. Painter, President & CEO

Michael J. McKenney, Senior 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 and our accompanying commentary 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 annual report on Form 10-K for the year ended December 31, 2016 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; the variability and uncertainties in sales of capital equipment in China; the effect of currency fluctuations on our financial results; our customers' ability to obtain financing for capital equipment projects; changes in government regulations and policies; oriented strand board market and levels of residential construction activity; development and use of digital media; price increases or shortages of raw materials; dependence on certain suppliers; international sales and operations; economic conditions and regulatory changes caused by the United Kingdom's likely exit from the European Union; disruption in production; our acquisition strategy; our internal growth strategy; competition; soundness of suppliers and customers; our effective tax rate; future restructurings; soundness of financial institutions; our debt obligations; restrictions in our credit agreement; loss of key personnel; reliance on third-party research; 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 acquisitions and foreign currency translation, adjusted operating income, adjusted net income, adjusted diluted EPS, 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 our 2017 second quarter earnings press release issued August 1, 2017, 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.

BUSINESS REVIEW

Jonathan W. Painter

President & CEO

KADANT

Q2 2017 Financial Highlights

(\$ Millions, except per share amounts)	Q2 2017	Q2 2016	% CHANGE ²	EXCL. FX ²
Bookings	\$120.3	\$98.1	22.6%	26.1%
Revenue	\$110.2	\$111.8	-1.4%	1.0%
Gross Margin	47.9%	44.9%	n.m.	n.m.
Net Income	\$8.1	\$8.3	-2.6%	6.5%
Adjusted EBITDA ¹	\$18.8	\$17.9	5.3%	8.7%
Adjusted EBITDA/Revenue ¹	17.1%	16.0%	n.m.	n.m.
Diluted EPS	\$0.72	\$0.75	-4.0%	4.0%
Adjusted Diluted EPS ¹	\$1.04	\$0.88	18.2%	25.0%
Cash flow from operations	\$23.7	\$13.7	73.1%	n.m.

¹ Adjusted EBITDA, adjusted EBITDA margin, and adjusted diluted EPS are non-GAAP financial measures that exclude certain items as detailed in our press release dated August 1, 2017.
² Percent change calculated using actual numbers reported in our press release dated August 1, 2017.

FX Translation and Acquisition Impact

Q2 2017, \$ in millions except EPS	Revenue	Adjusted EPS ⁴	Bookings	Parts & Consumables Revenue	Parts & Consumables Bookings
As Reported	\$110.2	\$1.04	\$120.3	\$70.0	\$68.2
Growth ¹	-1.4%	18.2%	22.6%	0.8%	5.5%
Growth excluding FX ²	1.0%	25.0%	26.1%	3.1%	8.1%
Growth excluding FX and Acquisitions ³	1.0%	25.0%	26.1%	3.1%	8.1%

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.

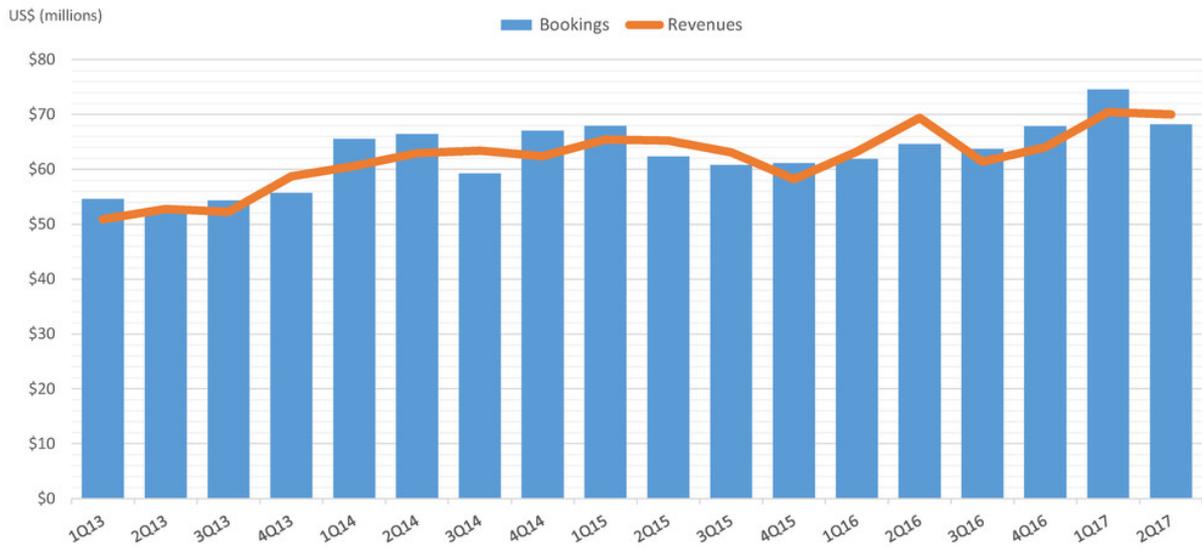
⁴ Adjusted diluted EPS is a non-GAAP financial measure that excludes certain items as detailed in our press release dated August 1, 2017.

Bookings and Revenues

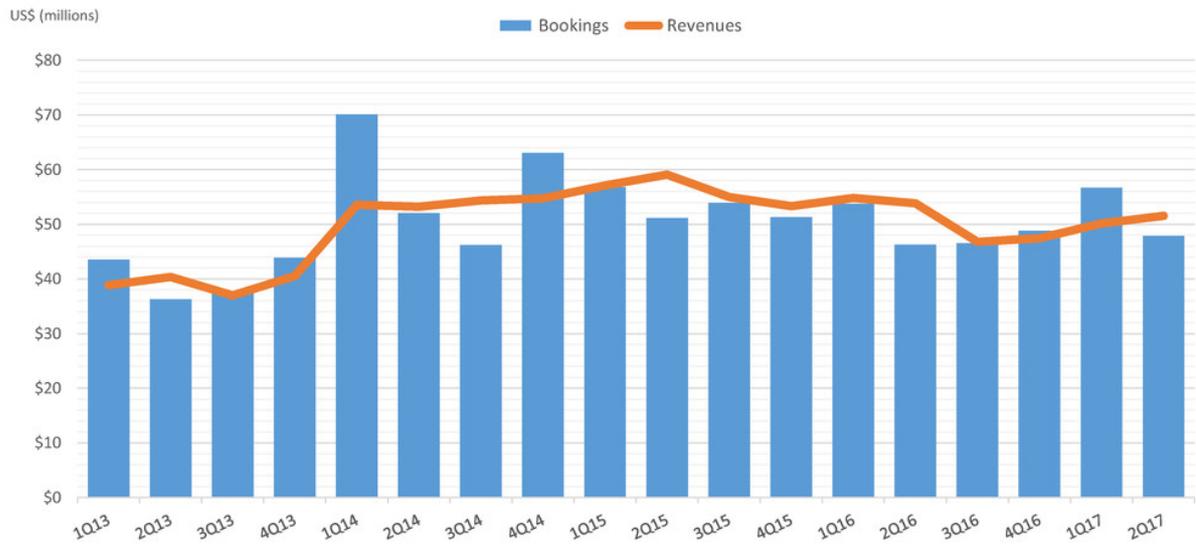


¹ Reported Q415 bookings were \$76 million, which included new orders of \$92 million and a booking reversal of \$16 million.

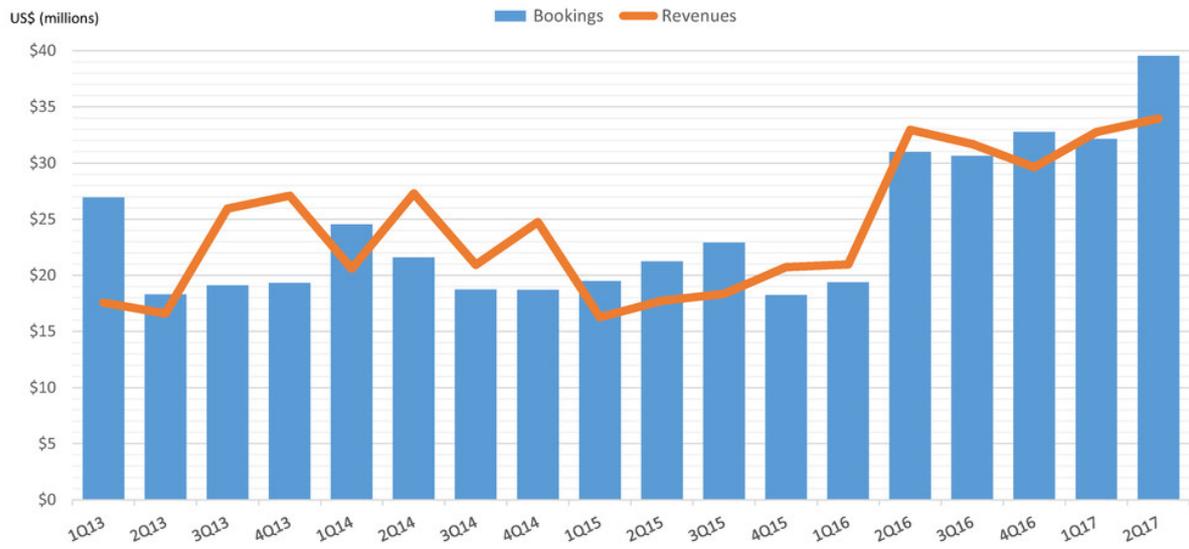
Parts and Consumables Bookings and Revenues



North America Bookings and Revenues



Europe Bookings and Revenues



Asia Bookings and Revenues



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 Revenues



Guidance

- FY 2017 GAAP diluted EPS of \$3.18 to \$3.26
- FY 2017 adjusted diluted EPS of \$3.99 to \$4.07
- FY 2017 revenue of \$488 to \$494 million

- Q3 2017 GAAP diluted EPS of \$0.83 to \$0.87
- Q3 2017 adjusted diluted EPS of \$1.12 to \$1.16
- Q3 2017 revenue of \$139 to \$142 million

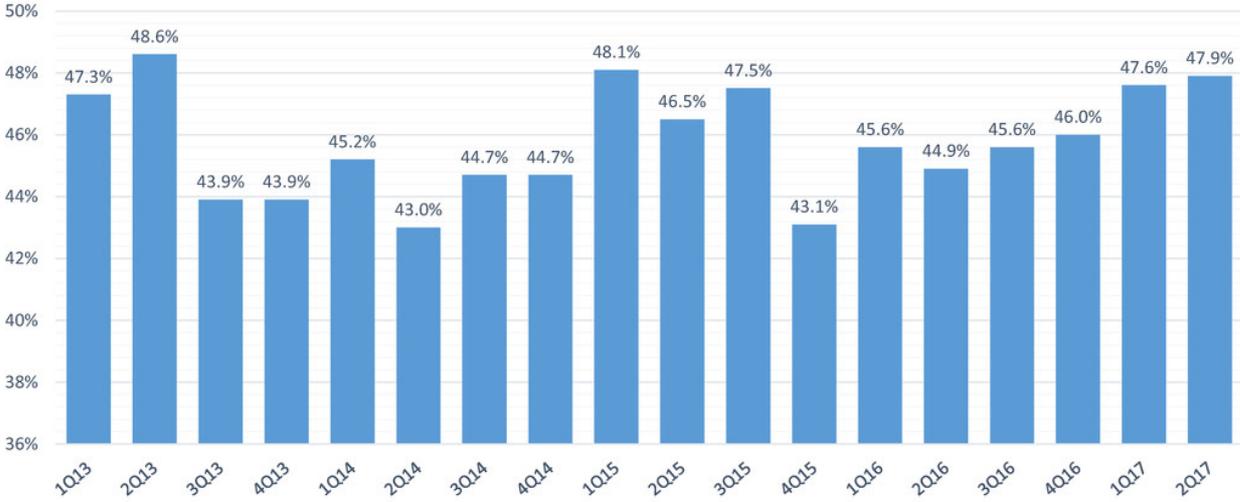
FINANCIAL REVIEW

Michael J. McKenney

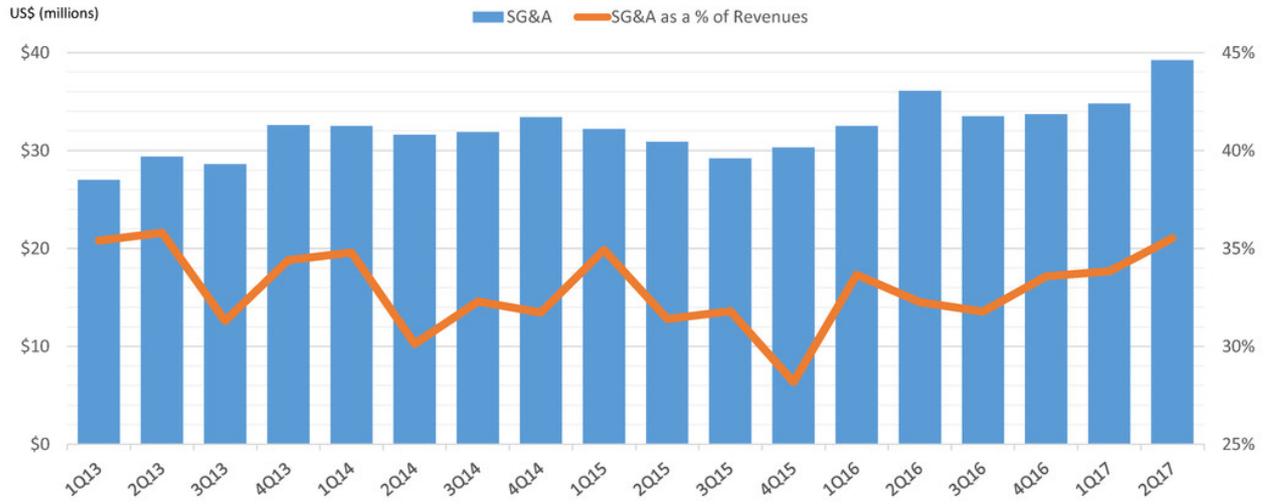
Senior Vice President & Chief Financial Officer

KADANT

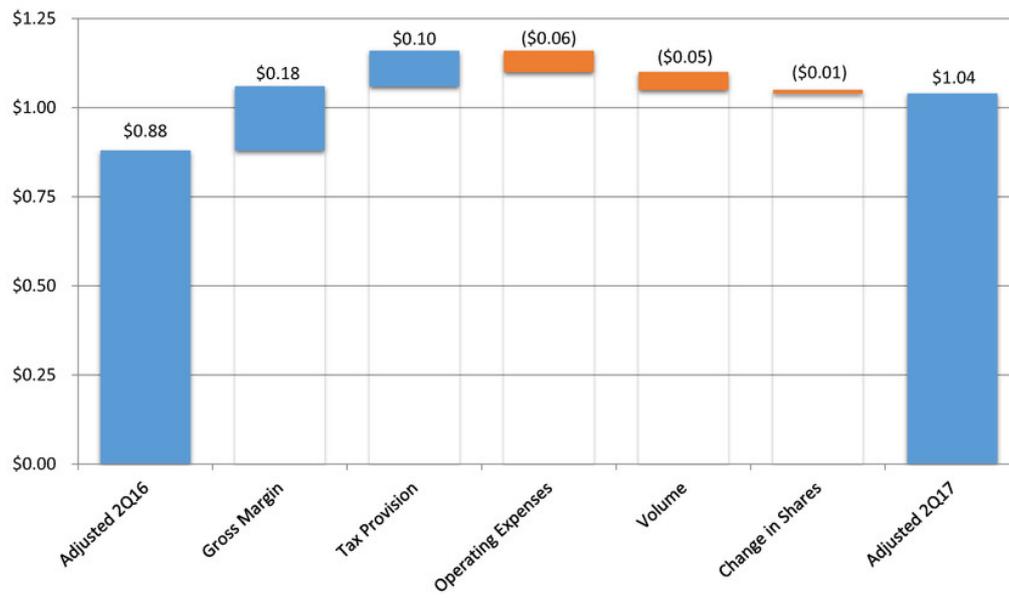
Quarterly Gross Margins



Quarterly SG&A



2Q16 to 2Q17 Adjusted Diluted EPS

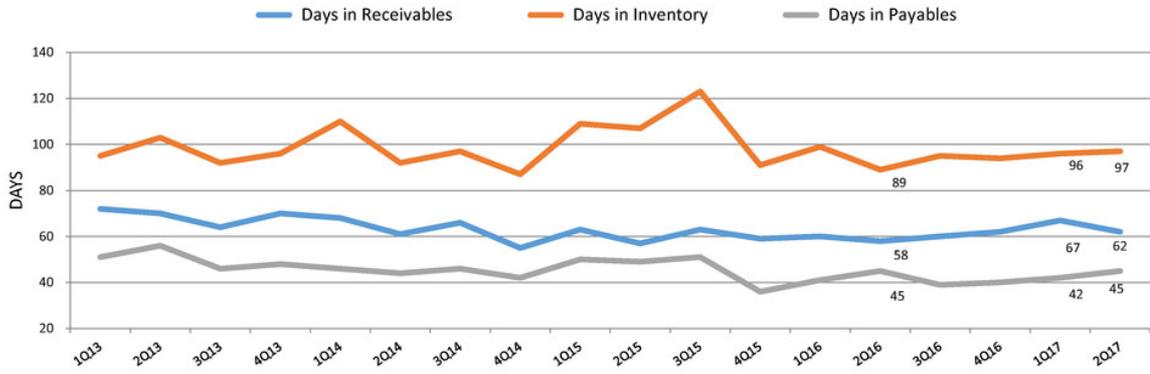


Cash Flow

US\$ (millions)	2Q17	2Q16
Net Income	\$8.2	\$8.4
Depreciation and Amortization	3.3	4.9
Stock-Based Compensation	1.4	1.3
Other Items	1.5	(0.5)
Change in Current Assets & Liabilities (excl. acquisition)	9.3	(0.4)
Cash Provided by Operating Activities	\$23.7	\$13.7

Key Working Capital Metrics

	2Q17	1Q17	2Q16
Days in Receivables	62	67	58
Days in Inventory	97	96	89
Days in Payables	45	42	45

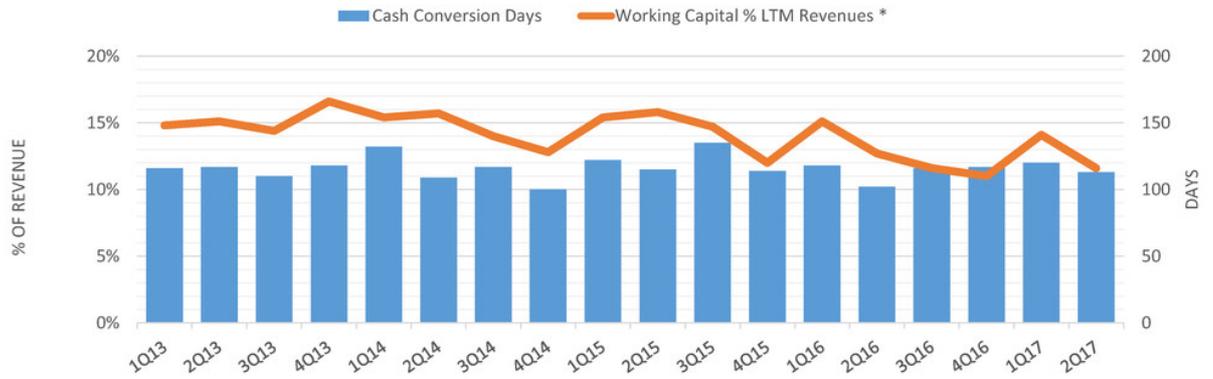


Working Capital and Cash Conversion Days

	2Q17	1Q17	2Q16
Working Capital % LTM Revenues*	11.6%	14.1%	12.7%
Cash Conversion Days**	113 days	120 days	102 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.

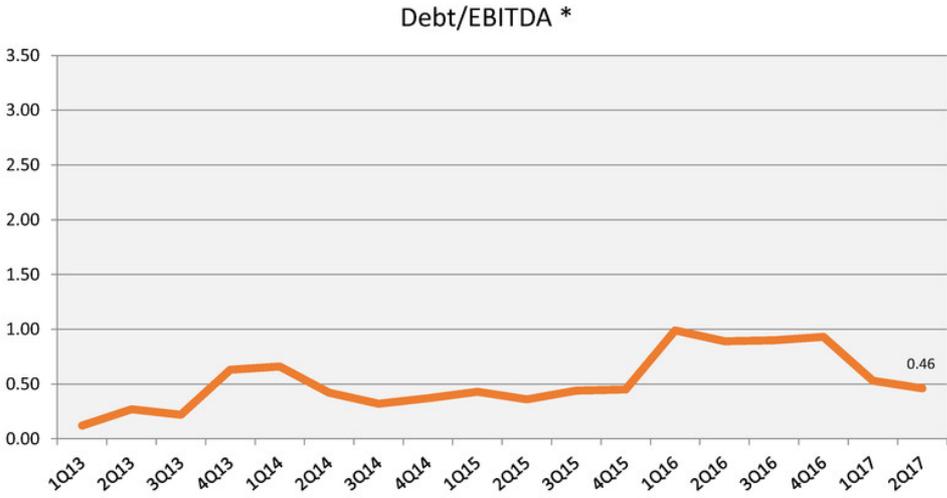


Cash and Debt

US\$ (millions)	2Q17	1Q17	2Q16
Cash, cash equivalents, and restricted cash	\$88.0	\$73.0	\$54.9
Debt	(60.7)	(65.6)	(64.3)
Capital lease obligations	(5.1)	(4.9)	(5.3)
Net Cash (Debt)	\$22.2	\$2.5	\$(14.7)



Leverage Ratio



* 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.

Guidance

- FY 2017 GAAP diluted EPS of \$3.18 to \$3.26
- FY 2017 adjusted diluted EPS of \$3.99 to \$4.07
- Gross margin approximately 45%
- SG&A approximately 32% of revenue
- Acquisition costs of \$4.8 million or \$0.36 per diluted share
- Acquisition-related amortization expense of \$7.0 million or \$0.45 per diluted share
- Depreciation and amortization expense of \$18 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 **58 886 672**.

Please mute the audio on your computer.

Q2 2017 Key Take-Aways

- Record adjusted EPS, adjusted EBITDA, and adjusted operating income
- Record bookings
- Completed NII FPG forest products business acquisition on July 5
- Raising full-year revenue and adjusted EPS guidance



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