

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

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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): October 29, 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 7.01 Regulation FD Disclosure.**

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

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99

Slides to be presented by the Company on October 30, 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: October 29, 2012

By

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

# Third 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 June 30, 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

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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 diluted EPS, 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 third quarter earnings press release issued October 29, 2012, which is available in the Investors section of our website at [www.kadant.com](http://www.kadant.com) under the heading Investor News.

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**Jonathan W. Painter**  
President & CEO



# **BUSINESS REVIEW**

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# Q3 2012 Financial Highlights

(\$ Millions, except per share amounts)	Q3 2012	Q3 2011	% CHANGE
Revenue	\$86.6	\$84.4	2.7%
Gross Margin	43.4%	42.7%	n.a.
Diluted EPS	\$0.74	\$0.70	5.7%
Adjusted Diluted EPS <sup>1,2</sup>	\$0.66	\$0.47	40.4%
Cash Flow <sup>1</sup>	\$13.2	\$12.3	7.4%
Net Cash (cash less debt)	\$41.5	\$30.7	35.4%

Percent change calculated using actual numbers reported in our Q3 2012 earnings release dated October 29, 2012.

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

<sup>2</sup> Adjusted Diluted EPS is a non-GAAP financial measure as detailed in our Q3 2012 earnings press release issued October 29, 2012.

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## Revenue By Product Line: Q3 2012

\$86.6 million, up 2.7% compared to Q3 2011

(\$ Millions)	Q3 2012	Q3 2011	% CHANGE	EXCL. FX
Stock-Preparation	\$34.5	\$33.0	4.4%	8.2%
Doctoring, Cleaning, & Filtration	27.1	24.6	10.4%	14.1%
Fluid-Handling	23.6	25.3	-6.7%	-1.1%
Fiber-based Products	1.4	1.5	-5.8%	-5.8%
<b>TOTAL</b>	<b>\$86.6</b>	<b>\$84.4</b>	<b>2.7%</b>	<b>6.9%</b>

Percent change calculated using actual numbers reported in our Q3 2012 earnings release dated October 29, 2012.

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## Bookings By Product Line: Q3 2012

\$69.3 million, down 27.2% compared to Q3 2011

(\$ Millions)	Q3 2012	Q3 2011	% CHANGE	EXCL. FX
Stock-Preparation	\$23.7	\$45.3	-47.7%	-46.0%
Doctoring, Cleaning, & Filtration	24.1	23.4	3.2%	5.9%
Fluid-Handling	20.4	25.3	-19.2%	-13.8%
Fiber-based Products	1.1	1.3	-14.6%	-14.6%
<b>TOTAL</b>	<b>\$69.3</b>	<b>\$95.3</b>	<b>-27.2%</b>	<b>-24.3%</b>

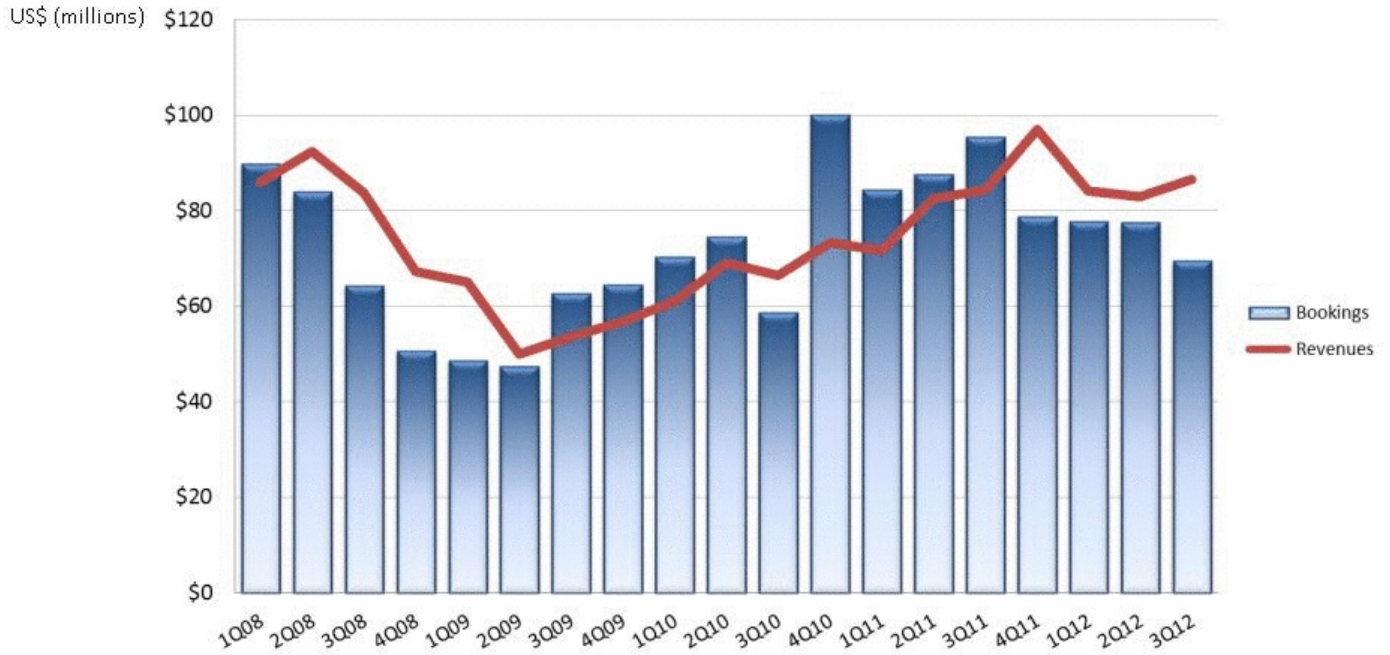
Percent change calculated using actual numbers reported in our Q3 2012 earnings release dated October 29, 2012.

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# Bookings and Revenues

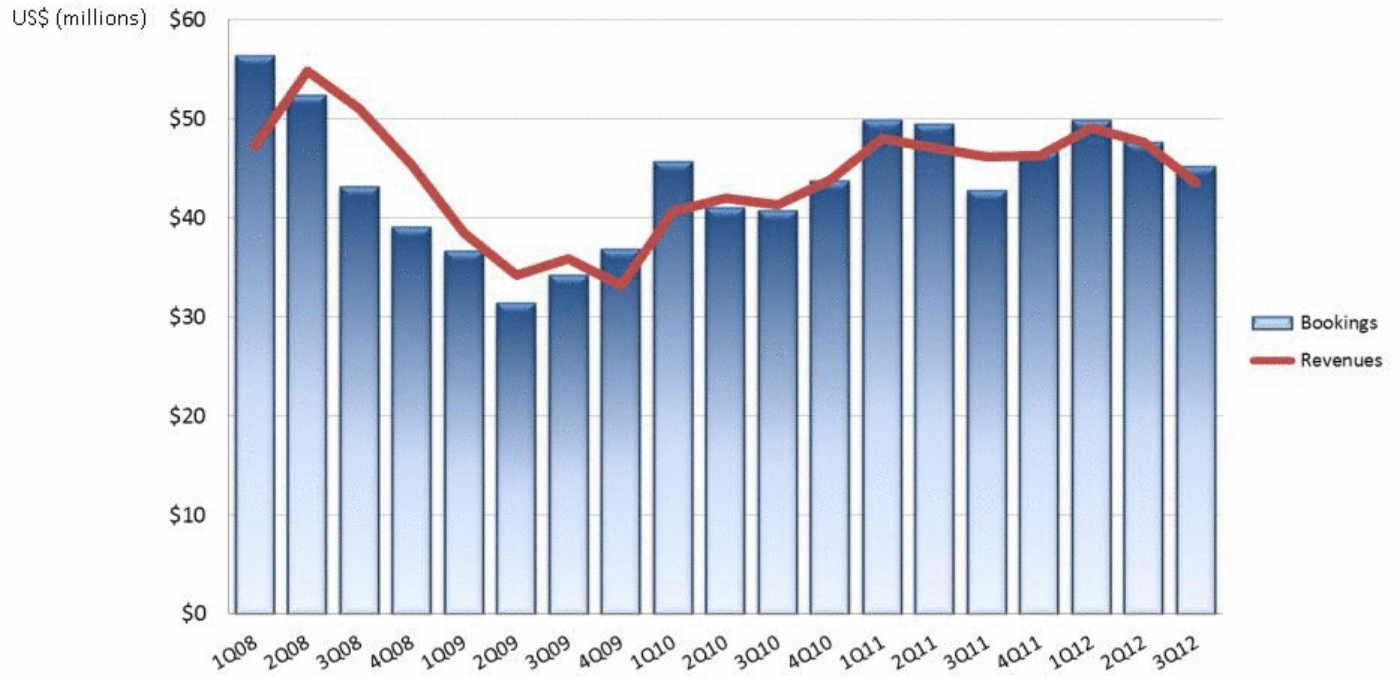


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# Parts and Consumables Bookings and Revenues



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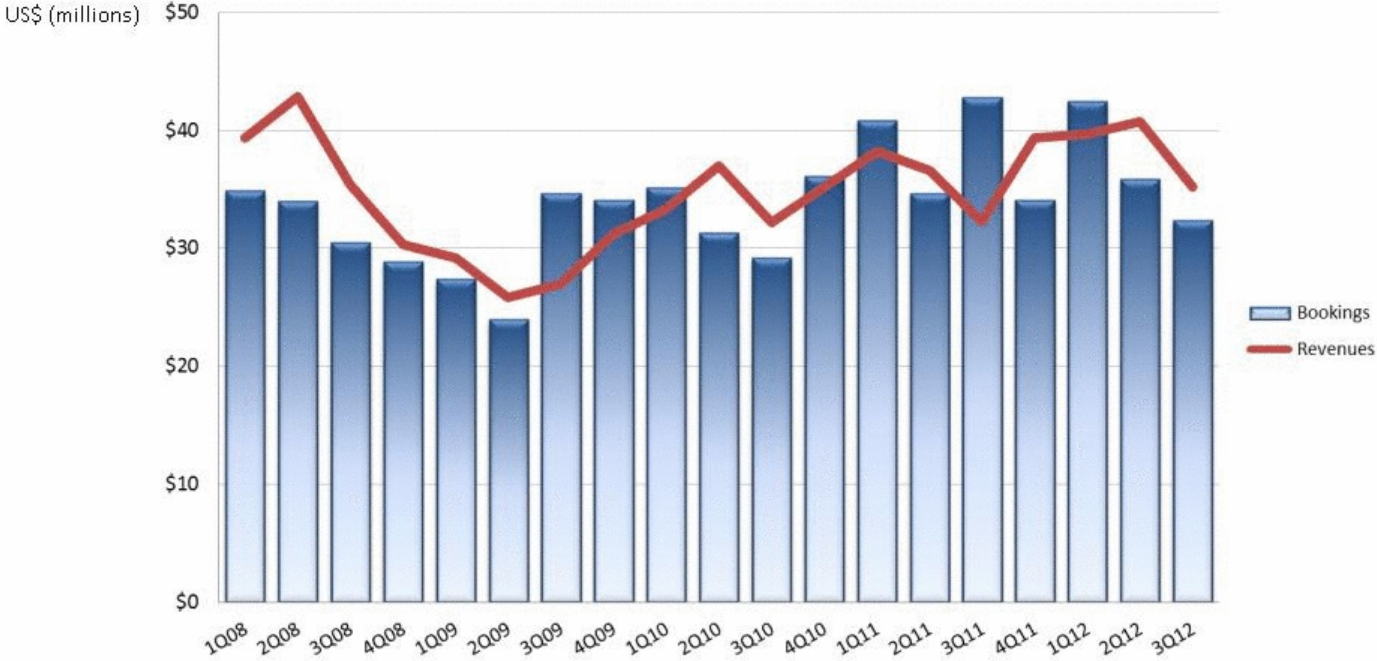
## REGIONAL PERFORMANCE

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# North America Bookings and Revenues

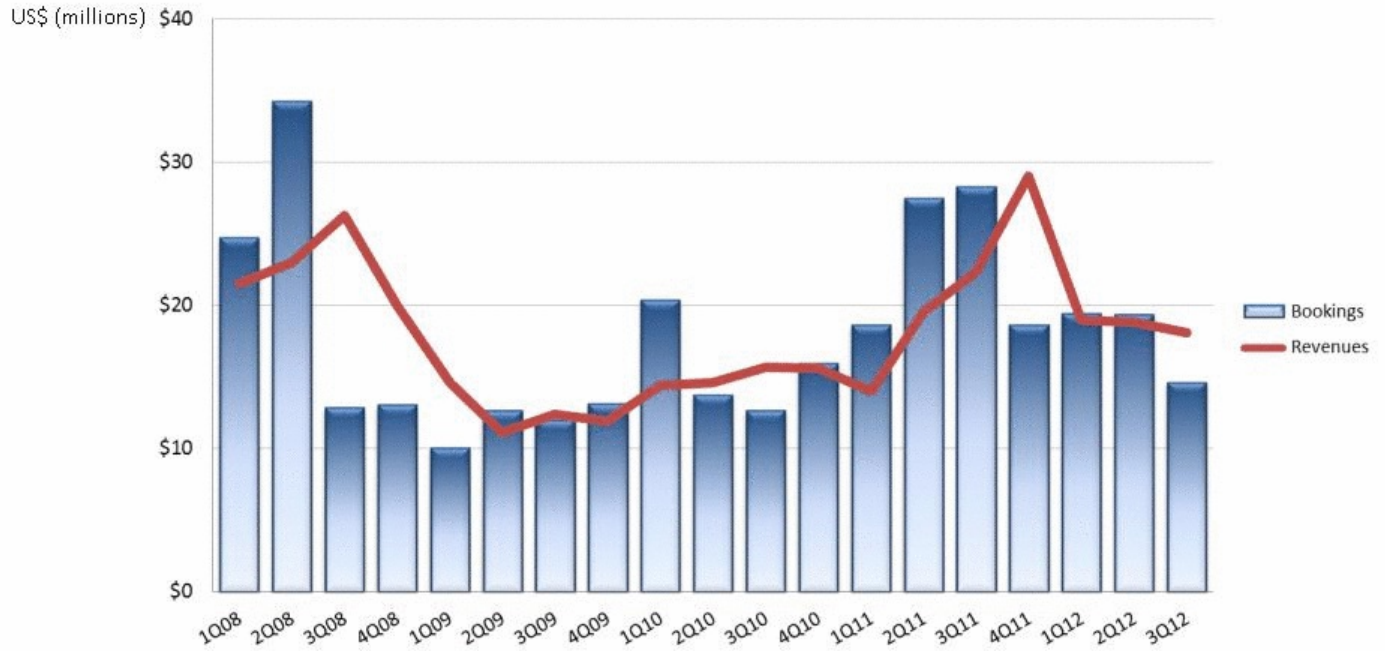


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# Europe Bookings and Revenues

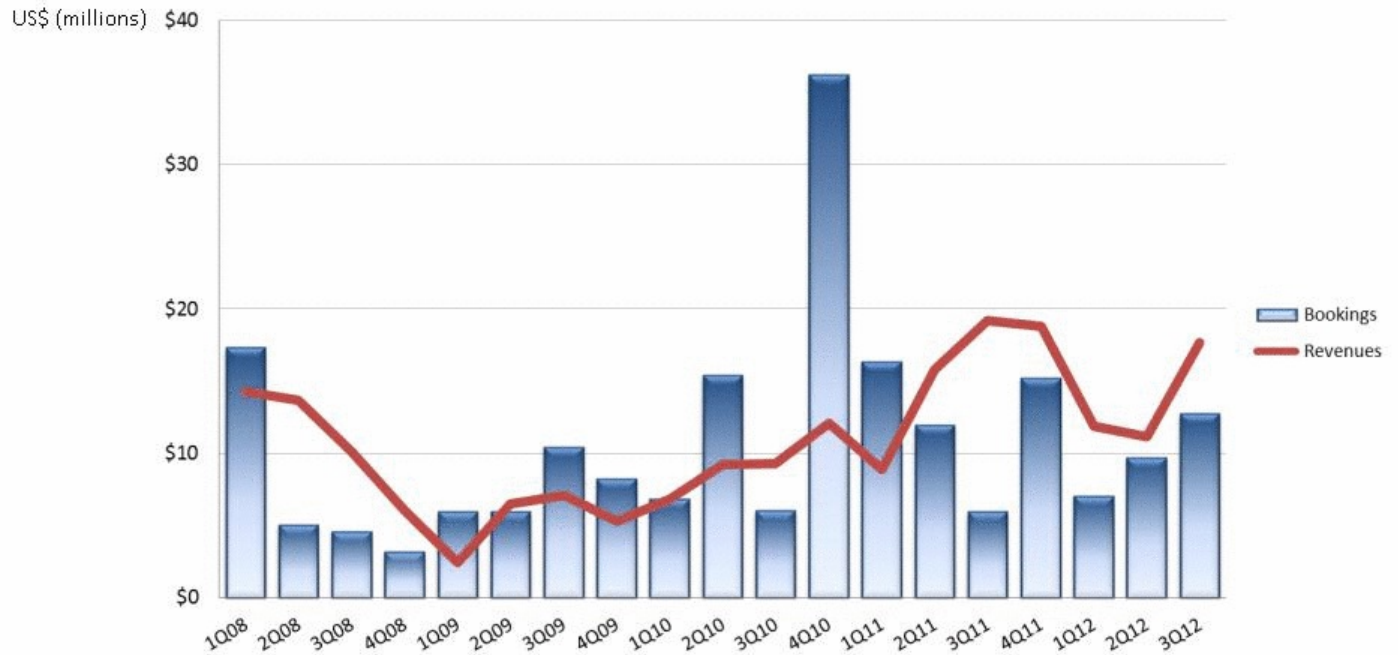


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# China Bookings and Revenues



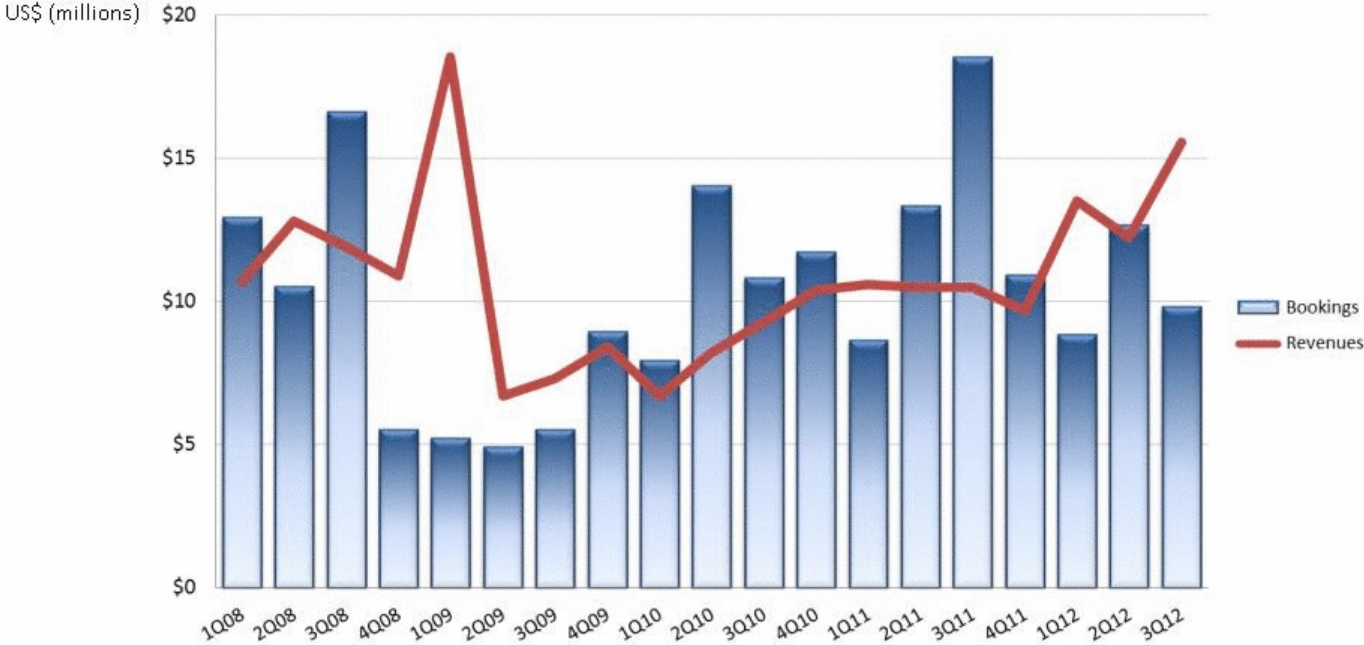
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# Rest-of-World Bookings and Revenues



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## Guidance for Continuing Operations

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- Q4 2012 GAAP diluted EPS of \$0.35 to \$0.37
- Q4 2012 revenues of \$77 to \$79 million
  
- FY 2012 GAAP diluted EPS of \$2.18 to \$2.20
- FY 2012 revenues of \$331 to \$333 million

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**Thomas M. O'Brien**

Executive Vice President & Chief Financial Officer

# FINANCIAL REVIEW



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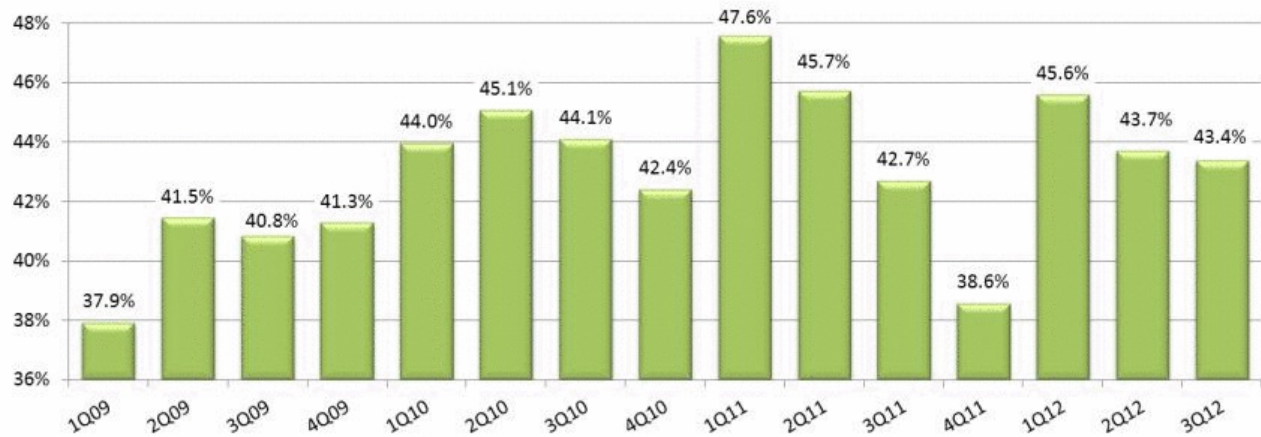
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# Gross Margins

	3Q12	2Q12	3Q11	Sequential Δ	Y-O-Y Δ
Papermaking Systems Segment	43.6%	43.4%	42.8%	0.2%	0.8%
Fiber-based Products	30.4%	52.8%	36.5%	-22.4%	-6.1%
<b>TOTAL</b>	<b>43.4%</b>	<b>43.7%</b>	<b>42.7%</b>	<b>-0.3%</b>	<b>0.7%</b>



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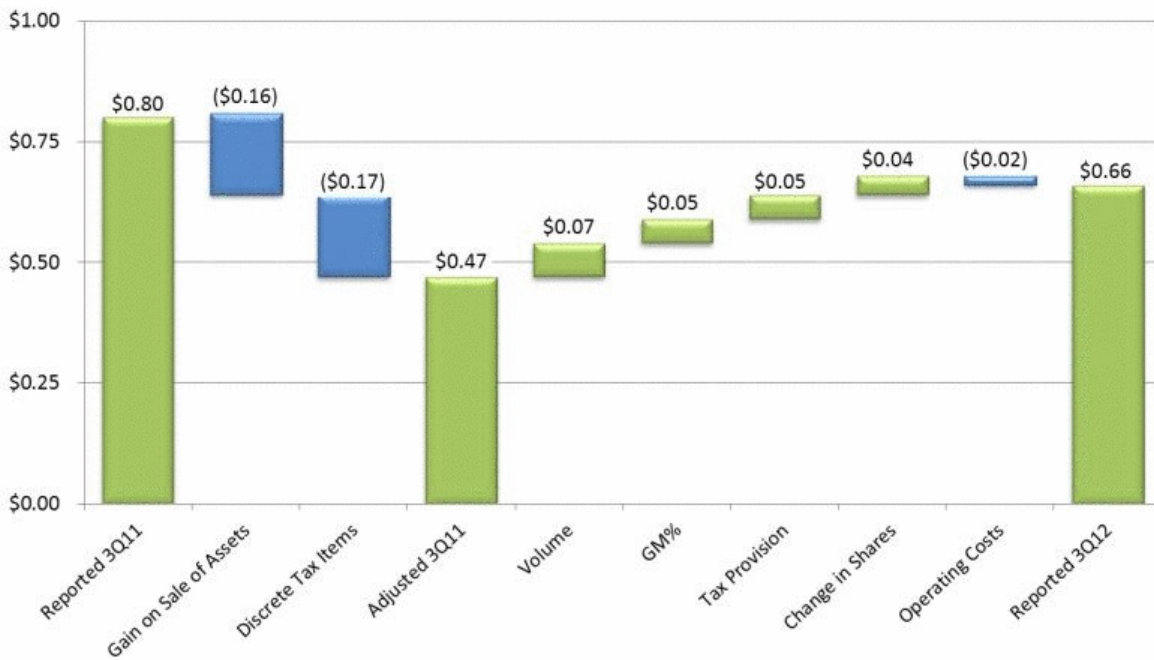
# SG&A

(\$ Millions)	3Q12	2Q12	3Q11	Sequential Δ	Y-O-Y Δ
SG&A	\$26.2	\$25.5	\$26.1	\$0.7	\$0.1
% Revenues	30.2%	30.7%	30.9%	-0.5%	-0.7%



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# 3Q11 to 3Q12 Diluted EPS from Continuing Operations



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# Cash Flow

(\$ Millions)	3Q12	3Q11	3Q12 YTD	3Q11 YTD
Income from Continuing Operations	\$7.7	\$9.9	\$21.4	\$23.2
Depreciation and Amortization	2.1	2.1	6.4	5.9
Stock-Based Compensation	1.3	1.0	3.6	2.9
Other Items	0.3	(3.2)	0.2	(2.7)
Change in Current Assets & Liabilities (excl. acquisitions)	1.8	2.5	(13.9)	(9.8)
<b>Cash Provided by Continuing Operations</b>	<b>\$13.2</b>	<b>\$12.3</b>	<b>\$17.7</b>	<b>\$19.5</b>

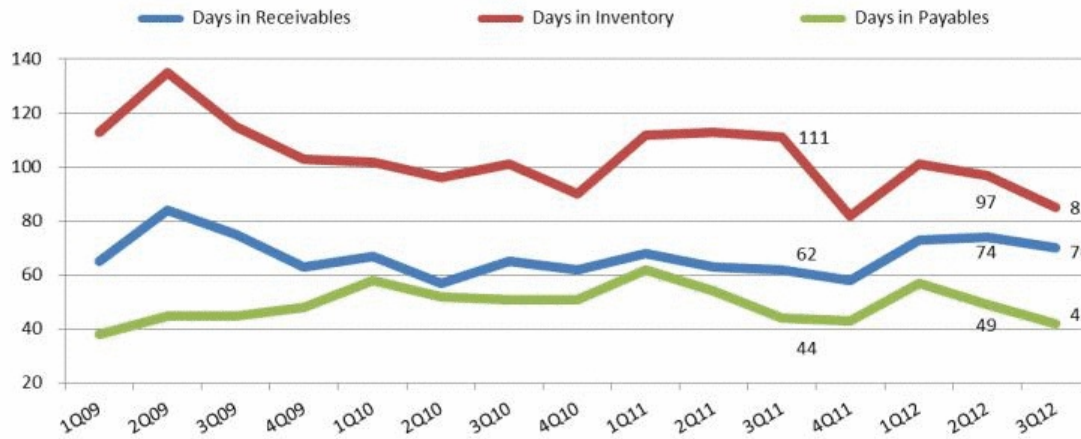
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# Key Working Capital Metrics

	3Q12	2Q12	3Q11
Days in Receivables	70	74	62
Days in Inventory	85	97	111
Days in Payables	42	49	44



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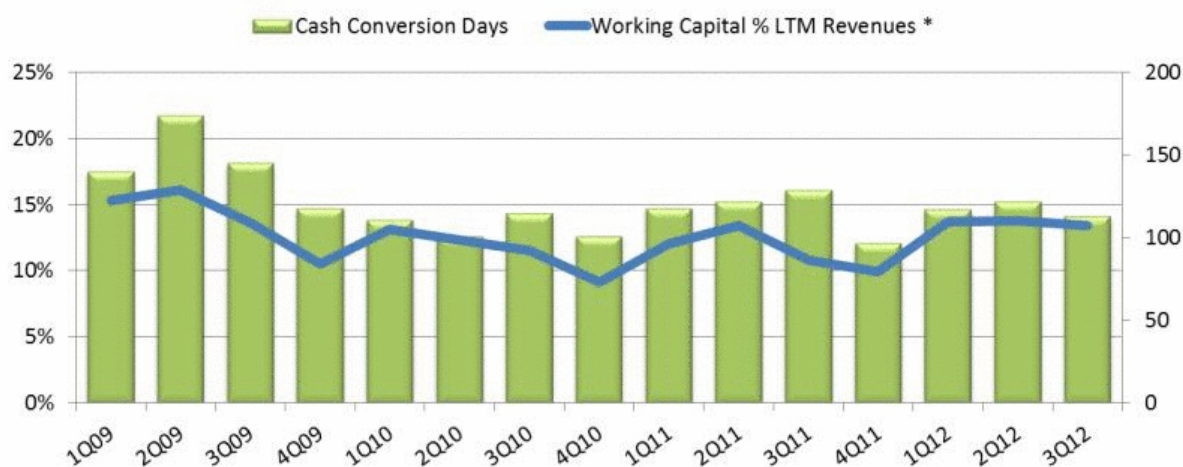
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# Working Capital and Cash Conversion Days

	3Q12	2Q12	3Q11
Working Capital % LTM Revenues*	13.4%	13.8%	10.8%
Cash Conversion Days	113 days	122 days	129 days

\*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)	3Q12	2Q12	3Q11
Cash, cash equivalents, restricted cash	\$53.4	\$42.1	\$48.1
Debt	(11.9)	(12.0)	(17.4)
<b>Net Cash</b>	<b>\$41.5</b>	<b>\$30.1</b>	<b>\$30.7</b>

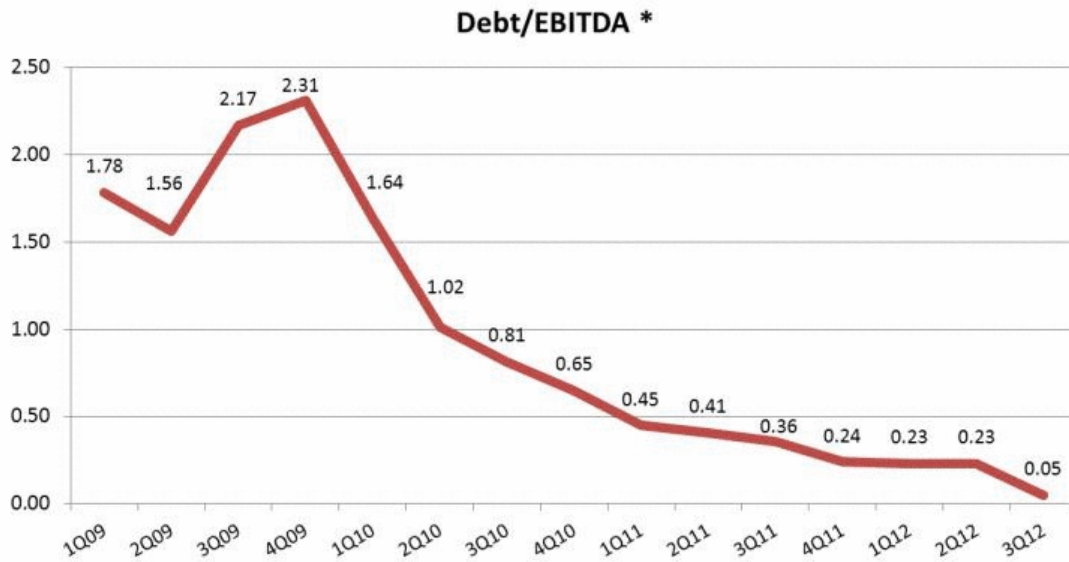


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# Leverage Ratio



\* 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 3, 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.

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# Questions & Answers

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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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# Third Quarter 2012 Business Review

Jonathan W. Painter, President & CEO

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

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