

**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): May 24, 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.

KADANT INC.

Item 1.01 Entry into a Material Definitive Agreement.

(a) Agreement to Acquire the Forestry Products Business of NII FPG Company

On May 24, 2017, Kadant Inc. (Kadant) and certain of its subsidiaries (the Buyers) entered into a Stock and Asset Purchase Agreement (the Acquisition Agreement) to acquire the forestry products business of NII FPG Company, for approximately \$173 million in cash, subject to a post-closing adjustment.

Pursuant to the Acquisition Agreement, at the closing the Buyers will deposit into an escrow fund (i) \$8 million to secure certain indemnification obligations of the sellers and (ii) \$4 million to satisfy certain obligations of the sellers to adjust the purchase price. The indemnity escrow fund, less any claims made, will be released to the sellers on the 18-month anniversary of the closing.

The closing of the acquisition contemplated by the Acquisition Agreement is subject to customary closing conditions, including regulatory approvals. The closing is expected to occur in July 2017.

The foregoing description of the transaction contemplated by the Acquisition Agreement does not purport to be a complete statement of the parties' rights under the Acquisition Agreement and is qualified in its entirety by reference to the full text of the Acquisition Agreement, which will be filed as an exhibit to Kadant's Quarterly Report on Form 10-Q for the fiscal quarter ended July 1, 2017. A copy of the press release announcing the execution of the Acquisition Agreement is filed with this report as Exhibit 99.

(b) Amendment of Credit Facility

On May 24, 2017, Kadant entered into a first amendment and limited consent (First Amendment) with certain of its subsidiaries party thereto, the several banks and other financial institutions or entities party thereto, Citizens Bank, N.A., as administrative agent, and Citizens Bank, N.A., as multicurrency administrative agent. The First Amendment amends the amended and restated credit agreement dated as of March 1, 2017, by and among Kadant, certain of its subsidiaries party thereto, the several banks and other financial institutions or entities from time to time party thereto, Citizens Bank, N.A., as administrative agent, and Citizens Bank, N.A., as multicurrency administrative agent (Credit Agreement), which originally provided for a five-year unsecured revolving credit facility in the maximum principal amount from time to time outstanding of \$200 million. The First Amendment increases the revolving loan commitment to \$300 million from time to time outstanding. The First Amendment was entered into in connection with the execution of the Acquisition Agreement by Kadant and certain of its subsidiaries, described above. Under the First Amendment, the lenders agreed to waive certain funding conditions under the Credit Agreement in connection with the closing of the acquisition, which is expected to be funded with loans under the Credit Agreement.

The foregoing description of the First Amendment does not purport to be a complete statement of the parties' rights thereunder and is qualified in its entirety by reference to the full text of the First Amendment, which will be filed as an exhibit to Kadant's Quarterly Report on Form 10-Q for the fiscal quarter ended July 1, 2017.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in the Current Report on Form 8-K filed by Kadant with the Securities and Exchange Commission on March 7, 2017, as amended as set forth in Item 1.01(b) above with respect to the First Amendment, is incorporated herein in its entirety.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

<u>No.</u>	<u>Description</u>
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99	Press Release dated May 30, 2017, announcing the execution of the Acquisition Agreement.
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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: May 30, 2017

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

KADANT

KADANT INC.
One Technology Park Drive
Westford, MA 01886

NEWS**Kadant to Acquire NII FPG Company's Forest Products Business**

WESTFORD, Mass., May 30, 2017 - Kadant Inc. (NYSE: KAI) has entered into a definitive agreement to acquire the forest products business of NII FPG Company for \$173 million in cash, subject to a post-closing adjustment. The Company also announced that it has increased its revolving credit facility to \$300 million from \$200 million and intends to finance the transaction through borrowings under the revolving credit facility.

NII FPG Company is a global leader in the design and manufacture of equipment used by sawmills, veneer mills, and other manufacturers in the forest products industry. The company also designs and manufactures harvesting equipment used in cutting, gathering, and removing timber from forest plantations. The transaction is expected to close in July 2017.

"Our acquisition of the forest products business of NII FPG extends our presence deeper into the forest products industry and complements our existing wood processing product line," said Jonathan Painter, president and chief executive officer of Kadant Inc. "NII FPG is a leader in its markets with a history of stable earnings, a strong parts and consumables business, and a solid reputation as a premium manufacturer of products that have a high impact in customers' operations. We expect the company will make a strong contribution to our business." Mr. Painter continued, "With more than 50 percent of NII FPG's business coming from parts and consumables, this acquisition will also advance our strategic plan to increase our aftermarket revenue."

The forest products business of NII FPG Company includes two primary manufacturing facilities and approximately 275 employees worldwide with reported revenue of approximately \$81 million for the 12 months ended December 31, 2016.

Conference Call

Kadant will hold a conference call and webcast on Wednesday, May 31, 2017, at 8:30 a.m. eastern time to discuss the pending acquisition. To listen to the call and view the webcast, go to the "Investors" section of the Company's website at www.kadant.com. To participate in the question and answer session, dial 888-326-8410 within the U.S., or +1-704-385-4884 outside the U.S., and reference participant passcode 31814221. A replay of the webcast will be available on the Company's website through June 16, 2017.

About Kadant

Kadant Inc. is a global supplier of high-value, critical components and engineered systems used in process industries worldwide. The Company's products, technologies, and services play an integral role in enhancing process efficiency, optimizing energy utilization, and maximizing productivity in resource-intensive industries. Kadant is based in Westford, Massachusetts, with 2,000 employees in 18 countries worldwide. For more information, visit www.kadant.com.

Safe Harbor Statement

The following constitutes a "Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995: This press release contains forward-looking statements that involve a number of risks and uncertainties, including forward-looking statements about the financial and operating performance of the forest products business of NII FPG Company, the benefits of the transaction, the probable timing of the completion of the transaction, and the expected future business and financial performance of the acquired company following the transaction. Important factors could cause actual results to differ materially from those indicated by such statements, including: the ability to consummate the transaction, our ability to successfully integrate the acquired business and realize anticipated benefits from the transaction, unanticipated disruptions to the business, general and regional economic conditions, and the future performance of the acquired business and the forest products industry as well as other 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; currency fluctuations; 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.

Contacts

Investor Contact Information:

Michael McKenney, 978-776-2000

mike.mckenney@kadant.com

or

Media Contact Information:

Wes Martz, 269-278-1715

wes.martz@kadant.com