

KADANT INC
Form 10-Q
May 13, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended April 4, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the transition period from _____ to _____

Commission file number 1-11406

KADANT INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of Incorporation or
Organization)

52-1762325
(I.R.S. Employer Identification No.)

One Technology Park Drive
Westford, Massachusetts
(Address of Principal Executive Offices)

01886
(Zip Code)

Registrant's telephone number, including area code: (978) 776-2000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at May 1, 2015
Common Stock, \$.01 par value	10,966,486

PART 1 – FINANCIAL INFORMATION

Item 1 – Financial Statements

KADANT INC.

Condensed Consolidated Balance Sheet
(Unaudited)

Assets

(In thousands)	April 4, 2015	January 3, 2015
Current Assets:		
Cash and cash equivalents	\$42,840	\$45,378
Restricted cash (Note 1)	371	415
Accounts receivable, less allowances of \$2,215 and \$2,198 (Note 1)	61,024	58,508
Inventories (Note 1)	60,644	55,223
Unbilled contract costs and fees	3,238	5,436
Other current assets	19,922	18,598
Assets of discontinued operation	110	116
Total Current Assets	188,149	183,674
Property, Plant, and Equipment, at Cost	116,565	118,902
Less: accumulated depreciation and amortization	73,114	73,937
	43,451	44,965
Other Assets	10,818	10,272
Intangible Assets, Net (Note 1)	43,256	46,954
Goodwill	121,457	127,882
Total Assets	\$407,131	\$413,747

The accompanying notes are an integral part of these condensed consolidated financial statements.

KADANT INC.
Condensed Consolidated Balance Sheet (continued)
(Unaudited)

Liabilities and Stockholders' Equity

(In thousands, except share amounts)	April 4, 2015	January 3, 2015
Current Liabilities:		
Short-term obligations (Note 5)	\$625	\$611
Accounts payable	26,484	27,233
Accrued payroll and employee benefits	13,742	19,943
Customer deposits	20,027	18,452
Other current liabilities	22,926	20,718
Liabilities of discontinued operation	100	213
Total Current Liabilities	83,904	87,170
Other Long-Term Liabilities	34,835	35,868
Long-Term Obligations (Note 5)	30,125	25,250
Commitments and Contingencies (Note 12)	—	—
Stockholders' Equity:		
Preferred stock, \$.01 par value, 5,000,000 shares authorized; none issued	—	—
Common stock, \$.01 par value, 150,000,000 shares authorized; 14,624,159 shares issued	146	146
Capital in excess of par value	96,500	98,769
Retained earnings	275,282	270,249
Treasury stock at cost, 3,657,673 and 3,760,019 shares	(85,339) (87,727
Accumulated other comprehensive items (Note 8)	(29,451) (17,146
Total Kadant Stockholders' Equity	257,138	264,291
Noncontrolling interest	1,129	1,168
Total Stockholders' Equity	258,267	265,459
Total Liabilities and Stockholders' Equity	\$407,131	\$413,747

The accompanying notes are an integral part of these condensed consolidated financial statements.

KADANT INC.

Condensed Consolidated Statement of Income
(Unaudited)

(In thousands, except per share amounts)	Three Months Ended	
	April 4, 2015	March 29, 2014
Revenues	\$92,251	\$93,367
Costs and Operating Expenses:		
Cost of revenues	47,914	51,187
Selling, general, and administrative expenses	32,222	32,482
Research and development expenses	1,660	1,749
Restructuring costs (Note 2)	84	328
	81,880	85,746
Operating Income	10,371	7,621
Interest Income	53	222
Interest Expense	(231) (306
Income from Continuing Operations Before Provision for Income Taxes	10,193	