

KADANT INC
Form 10-Q
November 12, 2009

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 October 3, 2009

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
Non-accelerated filer (Do not check if a smaller reporting company)

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 November 4, 2009
Common Stock, \$.01 par value	12,274,997

PART I – FINANCIAL INFORMATION

Item 1 – Financial Statements

KADANT INC.

Condensed Consolidated Balance Sheet
(Unaudited)

Assets

(In thousands)	October 3, 2009	January 3, 2009
Current Assets:		
Cash and cash equivalents	\$34,091	\$40,139
Accounts receivable, less allowances of \$2,417 and \$2,985	38,472	54,517
Inventories (Note 4)	39,000	55,762
Other current assets	14,523	26,065
Assets of discontinued operation	503	524
Total Current Assets	126,589	177,007
Property, Plant, and Equipment, at Cost	104,343	103,225
Less: accumulated depreciation and amortization	63,612	61,587
	40,731	41,638
Other Assets	43,068	43,242
Goodwill	97,857	95,030
Total Assets	\$308,245	\$356,917

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

KADANT INC.

Condensed Consolidated Balance Sheet (continued)
(Unaudited)

Liabilities and Shareholders' Investment

(In thousands, except share amounts)	October 3, 2009	January 3, 2009
Current Liabilities:		
Short-term obligations and current maturities of long-term obligations (Note 6)	\$500	\$3,289
Accounts payable	15,791	24,212
Accrued payroll and employee benefits	10,278	14,475
Customer deposits	9,522	11,747
Other current liabilities	24,296	22,840
Liabilities of discontinued operation	2,427	2,427
Total Current Liabilities	62,814	78,990
Other Long-Term Liabilities	26,966	31,412
Long-Term Obligations (Note 6)	22,875	52,122
Shareholders' Investment:		
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	94,554	92,916
Retained earnings	148,345	152,548
Treasury stock at cost, 2,349,162 and 2,074,362 shares	(49,284)	(46,707)
Accumulated other comprehensive items (Note 2)	475	(6,188)
Total Kadant Shareholders' Investment	194,236	192,715
Noncontrolling interest	1,354	1,678
Total Shareholders' Investment	195,590	194,393
Total Liabilities and Shareholders' Investment	\$308,245	\$356,917

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

KADANT INC.

Condensed Consolidated Statement of Operations
(Unaudited)

(In thousands, except per share amounts)	Three Months Ended	
	October 3, 2009	September 27, 2008
Revenues	\$53,716	\$83,734
Costs and Operating Expenses:		
Cost of revenues	31,776	49,467
Selling, general, and administrative expenses	19,557	24,411
Research and development expenses	1,059	1,520
Restructuring costs and other income, net	513	(622)