# North American Construction Group (NOA)

*Updated December 31st, 2025 by Samuel Smith*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $14.3 | **5 Year CAGR Estimate:** | 5.1% | **Market Cap:** | $402 M |
| **Fair Value Price:** | $8.3 | **5 Year Growth Estimate:** | 14.4% | **Ex-Dividend Date:** | 2/26/26[1] |
| **% Fair Value:** | 173% | **5 Year Valuation Multiple Estimate:** | -10.4% | **Dividend Payment Date:** | 4/3/26[2] |
| **Dividend Yield:** | 2.4% | **5 Year Price Target** | $16 | **Years Of Dividend Growth:** | 8 |
| **Dividend Risk Score:** | B | **Sector:** | Industrials | **Rating:** | Hold |

## Overview & Current Events

North American Construction Group Ltd. is a diversified heavy civil construction and mining services company headquartered in Acheson, Alberta, Canada, serving clients across Canada, Australia and the United States. The firm provides large-scale mining support, heavy equipment rentals, civil work and integrated project management in resource development sectors, with a strategic emphasis on infrastructure and mining markets that require specialized construction capabilities. NOA's operations are organized into segments including Heavy Equipment in Canada and Australia, and it derives revenue from long-term contracts with mining, industrial and government customers, combining equipment services with construction expertise in complex environments.

On November 12, 2025, North American Construction Group Ltd. released its third quarter 2025 results for the period ended September 30, 2025, reporting adjusted earnings per share of $0.49 versus analyst expectations around $0.50 and reflecting a modest earnings miss on that basis. The company posted this EPS outcome alongside revenue that grew year-over-year, supported by strong activity in its Australian operations and record third-quarter combined top-line performance, though revenue figures varied slightly by source and timing. Despite the slight EPS miss, the quarter showed operational resilience with expanded service demand in key markets and sequential improvement from the very low prior quarter levels; the mix of heavy construction and mining services contributed to underlying revenue growth even as profit margins remained under pressure compared with historical peaks. Cash provided by operating activities improved noticeably, and strategic initiatives such as backlog expansion and contractual wins in Australia helped anchor future work pipelines while strengthening liquidity. Management highlighted ongoing focus on project execution, cost control and equipment utilization to support margin recovery and maintain service delivery in challenging industry conditions.

## Growth on a Per-Share Basis

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2030 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EPS** | -$0.14 | -$0.01 | $0.14 | $0.41 | $1.30 | $1.36 | $1.62 | $1.80 | $2.10 | $2.60 | ***$1.38*** | ***$2.70*** |
| **DPS** | $0.00 | $0.00 | $0.06 | $0.06 | $0.09 | $0.13 | $0.13 | $0.24 | $0.24 | $0.31 | ***$0.35*** | ***$0.50*** |
| **Shares** | 31.9 | 28.3 | 25.5 | 25.0 | 25.9 | 28.8 | 28.5 | 26.4 | 26.7 | 28.7 | ***28.6*** | ***28.0*** |

North American Construction Group is set for growth over the next five years, with earnings per share expected to rise to $4.00, driven by expanding heavy construction and mining services, increased project demand, and operational efficiencies. Dividends per share are projected to grow from $0.35 to $0.50, reflecting confidence in cash flow strength. NOA's strategic equipment investments, contract wins, and cost management efforts should enhance profitability. While commodity price volatility and labor costs present risks, the company's solid backlog, diverse client base, and disciplined capital allocation position it for sustainable earnings and shareholder returns.

---

[1] Estimate

[2] Estimate

*Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.*

# North American Construction Group (NOA)

*Updated December 31st, 2025 by Samuel Smith*

## Valuation Analysis

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | Now | 2030 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Avg. P/E | NA | NA | 38.1 | 15.7 | 5.5 | 4.2 | 5.1 | 5.3 | 4.8 | 4.4 | ***10.4*** | ***6.0*** |
| Avg. Yld. | 0.0% | 0.0% | 1.1% | 0.9% | 1.3% | 2.3% | 1.6% | 2.5% | 2.4% | 2.7% | ***2.4%*** | ***3.1%*** |

North American Construction Group (NOA) is currently trading at a P/E ratio of 10.4, well above its recent historical range and its 10-year historical average of 6.0. Over the past several years, NOA has consistently traded at low valuation multiples, reflecting its exposure to cyclical industries such as energy and heavy construction. While its valuation is low compared to broader market averages, it is largely in line with historical trends for the company and its sector. The dividend yield of 2.4% is higher than most years and provides a decent level of income for investors. Looking ahead, the valuation multiple could expand if NOA demonstrates consistent earnings growth and benefits from an improved macroeconomic environment, potentially moving toward 6.0-7.0 over the next five years. However, if economic uncertainty persists or energy prices weaken, the multiple may stay near its current levels of 5.0-6.0.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

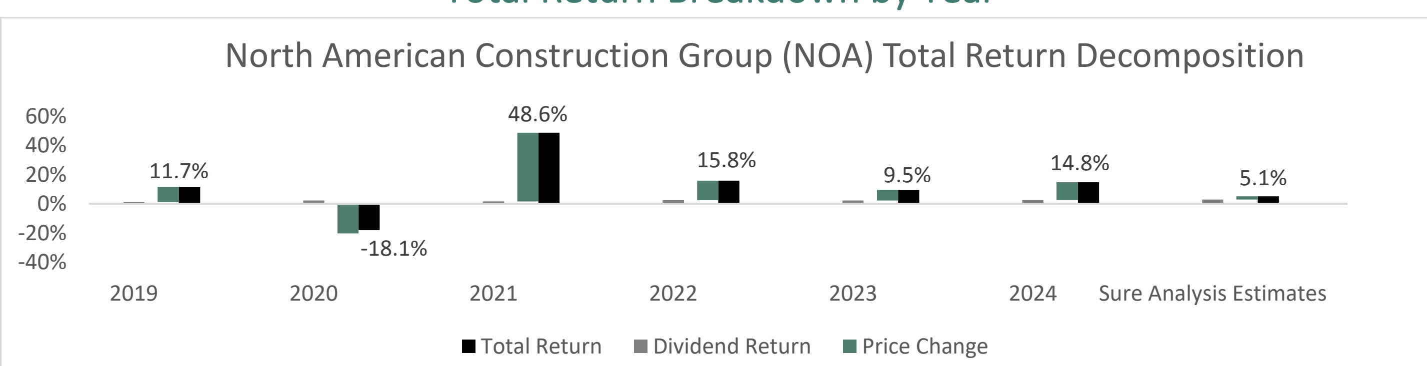
| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2030 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Payout | 0% | 0% | 43% | 15% | 7% | 10% | 8% | 13% | 11% | 12% | ***25%*** | ***19%*** |

NOA's competitive advantage lies in its specialization in heavy equipment services for the energy, mining, and construction sectors, particularly in Canada's oil sands region. The company benefits from long-term contracts with major energy producers, an extensive fleet of high-quality equipment, and operational expertise that provides efficiencies in large-scale projects. Its diversification into broader industrial and infrastructure projects in recent years has helped mitigate some of the volatility associated with the oil and gas sector. During the Great Recession (2008-2009), NOA experienced significant financial stress, given its reliance on oil sands development, which saw capital expenditure reductions. However, the company has since diversified its revenue streams to include other industries such as mining and infrastructure, making it more resilient to energy price fluctuations. The low oil price period (2014-2016) was another difficult period for NOA, as capital spending in the oil industry declined sharply. NOA has moderate leverage, with debt levels that are manageable given its strong cash flow generation. The company has maintained a solid interest coverage ratio, ensuring that it can service its debt obligations without excessive risk. While leverage is higher than some industrial peers, it is appropriate for a capital-intensive business with long-term contracts and a steady revenue stream.

## Final Thoughts & Recommendation

Between its 2.4% dividend yield, 14.4% expected five-year EPS CAGR, and -10.4% expected five-year valuation multiple CAGR, we project a 5.1% annualized total return for NOA over the next half-decade, making it a Hold at the moment.

## Total Return Breakdown by Year




*Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.*

# North American Construction Group (NOA)

*Updated December 31st, 2025 by Samuel Smith*

## Income Statement Metrics

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenue | 220 | 161 | 226 | 316 | 542 | 372 | 522 | 591 | 714 | 850 |
| Gross Profit | 25 | 24 | 31 | 53 | 73 | 69 | 72 | 78 | 115 | 153 |
| Gross Margin | 11.3% | 15.2% | 13.6% | 16.8% | 13.4% | 18.5% | 13.8% | 13.2% | 16.1% | 18.0% |
| SG&A Exp. | 21 | 21 | 20 | 30 | 28 | 18 | 28 | 23 | 42 | 41 |
| D&A Exp. | 33 | 32 | 35 | 45 | 77 | 66 | 86 | 92 | 97 | 122 |
| Operating Profit | 3 | 3 | 10 | 23 | 44 | 51 | 44 | 55 | 73 | 112 |
| Operating Margin | 1.3% | 1.6% | 4.6% | 7.3% | 8.2% | 13.6% | 8.4% | 9.3% | 10.2% | 13.2% |
| Net Profit | (6) | (0) | 4 | 12 | 28 | 37 | 41 | 52 | 47 | 32 |
| Net Margin | -2.7% | -0.2% | 1.8% | 3.7% | 5.1% | 9.9% | 7.9% | 8.8% | 6.5% | 3.8% |
| Free Cash Flow | 34 | 9 | (3) | (95) | 0 | 22 | 41 | 41 | 55 | (49) |
| Income Tax | (0) | (0) | 1 | 5 | 2 | 8 | 7 | 13 | 17 | 12 |

## Balance Sheet Metrics

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Assets | 260 | 260 | 305 | 506 | 607 | 658 | 682 | 722 | 1,166 | 1,181 |
| Cash & Equivalents | 23 | 10 | 7 | 14 | 4 | 34 | 13 | 51 | 67 | 54 |
| Accounts Receivable | 17 | 29 | 36 | 57 | 40 | 25 | 50 | 54 | 62 | 98 |
| Inventories | 2 | 3 | 4 | 10 | 17 | 15 | 35 | 37 | 49 | 52 |
| Goodwill & Int. Ass. | 2 | 1 | 1 | | | 0 | 3 | 5 | 6 | 7 |
| Total Liabilities | 136 | 142 | 189 | 396 | 469 | 463 | 463 | 496 | 897 | 910 |
| Accounts Payable | 18 | 22 | 28 | 47 | 68 | 32 | 60 | 76 | 110 | 77 |
| Long-Term Debt | 35 | 29 | 56 | 217 | 254 | 280 | 255 | 310 | 531 | 566 |
| Shareholder's Equity | 124 | 118 | 116 | 110 | 138 | 195 | 218 | 225 | 269 | 271 |
| D/E Ratio | 0.28 | 0.25 | 0.48 | 1.98 | 1.84 | 1.44 | 1.17 | 1.37 | 1.97 | 2.09 |

## Profitability & Per Share Metrics

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| Return on Assets | -1.8% | -0.1% | 1.4% | 2.9% | 5.0% | 5.8% | 6.1% | 7.4% | 5.0% | 2.7% |
| Return on Equity | -4.1% | -0.3% | 3.5% | 10.4% | 22.4% | 22.1% | 19.8% | 23.3% | 18.9% | 11.9% |
| ROIC | -3.1% | -0.2% | 2.5% | 4.7% | 7.7% | 8.5% | 8.6% | 10.3% | 7.0% | 3.9% |
| Shares Out. | 31.9 | 28.3 | 25.5 | 25.0 | 25.9 | 28.8 | 28.5 | 26.4 | 26.7 | 28.7 |
| Revenue/Share | 6.73 | 5.37 | 7.62 | 10.07 | 16.50 | 11.52 | 15.37 | 17.39 | 21.63 | 25.73 |
| FCF/Share | 1.05 | 0.31 | (0.11) | (3.03) | 0.01 | 0.67 | 1.21 | 1.22 | 1.67 | (1.47) |

*Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.*