NACCO Industries (NC)

Updated March 23rd, 2026, by Nathan Parsh

Key Metrics

Current Price:	$49	**5 Year Annual Expected Total Return:**	-3.1%	**Market Cap:**	$366 M
Fair Value Price:	$36	**5 Year Growth Estimate:**	0.0%	**Ex-Dividend Date:**	05/29/26[1]
% Fair Value:	136%	**5 Year Valuation Multiple Estimate:**	-6.0%	**Dividend Payment Date:**	06/15/26[2]
Dividend Yield:	2.1%	**5 Year Price Target**	$36	**Years Of Dividend Growth:**	40
Dividend Risk Score:	B	**Sector:**	Energy	**Rating:**	Hold

Overview & Current Events

NACCO Industries is a holding company for The North American Coal Corporation, which incorporated in 1913. The company supplies coal from surface mines to power generation companies. NACCO Industries is the largest lignite coal producer in the U.S. and ranks among the top ten of all coal producers. NACCO Industries operates in the states of North Dakota, Texas, Mississippi, Louisiana and on the Navajo Nation in New Mexico. The company produces annual revenues of ~$240 million. The company has been very active in purchasing and spinning off a wide variety of businesses in its history. In 1988 and 1990, NACCO Industries made several purchases that expanded the business to include housewares. In 2012, NACCO Industries spun off its Materials Handling Group (a combination of Yale Materials Handling Corporation and the Hyster Company). The company spun off its housewares-related business on September 29th, 2017.

On May 15th, 2025, NACCO Industries raised its quarterly dividend 11% to $0.2525.

On March 4th, 2026, NACCO Industries announced fourth quarter and full year results for the period ending December 31st, 2025. For the quarter, revenue decreased 5.2% to $66.8 million while earnings-per-share of -$1.52 compared unfavorably to $1.02 in the prior year. For the year, revenue grew 16.5% to $277.2 million while earnings-per-share of $2.37 compared to $4.55 in 2024.

Utility coal revenue grew 1.5% to $20.7 million while total deliveries increased 1.4% to 6.2 million tons. Unconsolidated coal deliveries improved slightly to 5.58 million tons while consolidated coal deliveries were up 12.3% to 640K tons. Deliveries from the Contract Mining segment grew 16.2% to 13.7 million tons while revenue fell 7.8% to $32.2 million. Mineral and Royalties revenue increased 4.2% to $10.1 million.

The company expects to see an increase in profit at both Utility Coal mining with a significant improvement in results from the Contract Mining business. We expect earnings-per-share of $4.00 for 2026.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$4.32	$4.14	$5.00	$5.66	$2.10	$6.69	$10.06	-$5.29	$4.55	$2.37	***$4.00***	***$4.00***
DPS	$1.07	$0.98	$0.66	$0.76	$0.77	$0.79	$0.82	$0.86	$0.90	$0.99	***$1.01***	***$1.29***
Shares[3]	7	7	7	7	7	7	7	8	7	7	***7***	***7***

NACCO's earnings-per-share have a compound annual growth rate of -6.5% over the last decade, but this loss accelerates to -9.8% when looking at just the last five years. Earnings growth has been varied and erratic over the last decade. Given the volatility of the company, we continue to expect flat earnings growth through 2031. Adjusting for its spin-off history, NACCO Industries has raised its dividend for 40 consecutive years. This is an impressive growth streak given the extreme cyclicality in the company's earnings history. We expect a dividend growth rate of 5% going forward.

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[1] Estimated ex-dividend date.
[2] Estimated dividend payment date.
[3] In millions of shares.

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NACCO Industries does have some opportunity for growth. For example, the company entered into an agreement in Q2 2020 to become the exclusive contract miner for the Thacker Pass lithium project in northern Nevada. Construction commenced on March 2nd, 2023 with the production of lithium expected to begin in late 2027. In addition, the company expects to commence operations at a new limestone quarry in Arizona in 2026.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	14.5	18.2	8.7	8.3	12.5	5.4	3.6	---	6.6	20.7	***12.3***	***9.0***
Avg. Yld.	1.7%	1.3%	1.8%	1.6%	2.9%	2.2%	2.3%	2.4%	3.0%	2.0%	***2.1%***	***3.6%***

Shares of NACCO Industries have gained $1, or 2.1%, since our December 6th, 2025 report. Focusing on just the 2018 to 2025 period, NACCO Industries shares have traded with an average price to earnings multiple of 9.4. This is below the stock's current P/E of 12.3. Investors have typically not been willing to pay for a company that has an issue growing earnings consistently. NACCO Industries needs to prove it can reliably grow earnings-per-share before it maintains a higher multiple. We reaffirm our 2031 P/E target of 9.0. Reverting to our target valuation would reduce annual returns by 6.0% over the next five years.

Safety, Quality, Competitive Advantage, & Recession Resiliency

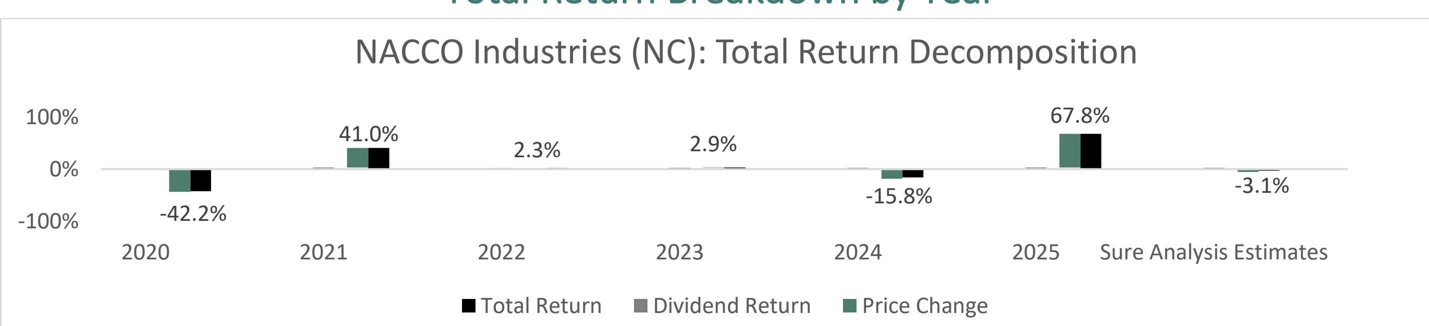
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	25%	24%	13%	13%	37%	12%	8%	---	20%	42%	***25%***	***32%***

The previous version of NACCO Industries actually saw earnings improve during the 2007 to 2009 recession, but this is not the same company. NACCO Industries now sees a substantial portion of revenues from coal. As demand for coal fluctuates, so will the company's ability to produce revenue. Contract Mining is also an important business as drives growth from geographic and mineral expansion. The company has also kept its payout ratio low in recent years, which is a prudent decision by management as earnings-per-share continues to drop. NACCO Industries' primary competitive advantage is that it does not acquire existing coal mines or mining companies, as this would increase its leverage position. Instead, NACCO Industries focuses on reducing coal production costs and maximizing efficiency and operating capacity at the mine locations.

Final Thoughts & Recommendation

After fourth quarter results, NACCO Industries is expected to return -3.1% annually through 2031, up from our prior estimate of -4.9%. This projected return stems from a starting dividend yield of 2.1% that is more than offset by a mid-single-digit headwind from multiple compression. We have raised our five-year price target $4 to $36 due to EPS estimates for the year, but we continue to view shares of NACCO Industries as a hold due to projected returns and a solid dividend risk score. We note that only investors with a high tolerance for risk should consider owning the name due to the stock's volatile performance.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	111	105	135	141	128	192	242	215	238	277
Gross Profit	10	15	27	29	14	40	64	12	29	38
Gross Margin	8.6%	14.0%	19.9%	20.2%	11.2%	20.8%	26.5%	5.4%	12.3%	13.6%
Operating Profit	(39)	(33)	(22)	(25)	(39)	(16)	0	(54)	(41)	(40)
Operating Margin	-35.4%	-31.4%	-16.4%	-17.9%	-30.1%	-8.2%	0.1%	-25.2%	-17.0%	-14.5%
Net Profit	3	28	35	40	15	48	74	(40)	34	18
Net Margin	2.7%	27.2%	25.7%	28.1%	11.5%	25.1%	30.7%	-18.4%	14.2%	6.3%
Free Cash Flow	84	26	34	28	(47)	30	13	(28)	(36)	(2)
Income Tax	(10)	1	7	4	(1)	9	14	(25)	(0)	(4)

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	712	419	377	505	538	507	620	596	667	696
Cash & Equivalents	69	102	85	123	88	86	111	85	73	50
Accounts Receivable	21	37	29	22	24	31	45	45	55	50
Inventories	29	30	31	40	48	54	71	77	95	64
Goodwill & Int. Ass.	46	44	41	38	35	32	28	6	5	5
Total Liabilities	491	200	126	216	237	155	194	214	262	266
Accounts Payable	11	10	9	10	6	13	13	18	20	17
Long-Term Debt	96	43	7	30	38	30	27	35	109	109
Shareholder's Equity	220	219	251	289	301	352	427	382	405	429
LTD/E Ratio	0.44	0.27	0.04	0.13	0.20	0.09	0.07	0.12	0.27	0.26

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	0.4%	5.0%	8.7%	9.0%	2.8%	9.2%	13.2%	-6.5%	5.3%	2.6%
Return on Equity	1.4%	12.9%	14.8%	14.7%	5.0%	14.7%	19.0%	-9.8%	8.6%	4.2%
ROIC	0.9%	9.6%	12.9%	13.4%	4.3%	12.9%	17.7%	-9.0%	7.1%	3.3%
Shares Out.	7	7	7	7	7	7	7	8		7
Revenue/Share	16.21	15.24	19.45	20.12	18.20	26.68	32.78	28.72	32.08	37.05
FCF/Share	12.22	3.72	4.84	4.01	(6.64)	4.22	1.80	(3.70)	(4.80)	(0.32)

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