North American Construction Group Ltd. (NOA)

Updated June 4th, 2026, by Kody Kester

Key Metrics

Current Price:	$14.15	**5 Year CAGR Estimate:**	18.3%	**Market Cap:**	$396M
Fair Value Price:	$19.80	**5 Year Growth Estimate:**	9.0%	**Ex-Dividend Date:**	08/28/26[1]
% Fair Value:	71%	**5 Year Valuation Multiple Estimate:**	7.0%	**Dividend Payment Date:**	10/02/26[1]
Dividend Yield:	2.5%	**5 Year Price Target**	$30.48	**Years Of Dividend Growth:**	8
Dividend Risk Score:	A	**Sector:**	Industrials	**Rating:**	Buy

Overview & Current Events

North American Construction Group Ltd. (NOA) 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.

Occasionally, NOA leans into acquisitions as part of its growth strategy. The most recent example of this came with the announcement of the strategic acquisition of Iron Mine Contracting last December. Closed in April, this represents a transformative leap in NOA's Australian strategy. Valued at 115 million CAD, it's designed to turn the company's Australian arm into a self-sustaining, Tier 1 contracting powerhouse. Combining the previously acquired MacKellar Group with IMC creates a national platform in Australia, with the latter adding around 120 heavy assets and 840 million CAD in contractual backlog.

On May 13, 2026, NOA released its financial results for the first quarter ended March 31, 2026. The company's combined revenue grew by 7.9% over the year-ago period to 422.5 million CAD during the quarter. While the acquisition of IMC closed a week after Q1 2026, its economic benefit was baked into the Q1 combined revenue totals. This contributed 64.7 million CAD in the quarter. Along with higher volumes from growth assets and strong site execution in Australia, this countered lower Canadian volumes and the divestiture of their 797 haul truck fleet. NOA's adjusted EPS dropped 28.8% year-over-year to 0.37 CAD for the quarter. Higher financing costs without the immediate operational earnings to neutralize them weighed on the bottom line during the quarter.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	-$0.01	$0.14	$0.37	$0.95	$1.26	$1.29	$1.59	$1.58	$1.06	$0.83	***$1.65***	***$2.54***
DPS	$0.06	$0.06	$0.06	$0.09	$0.12	$0.13	$0.25	$0.29	$0.31	$0.34	***$0.35***	***$0.56***
Shares[2]	28.3	25.5	25.0	25.8	29.2	28.5	26.4	26.7	26.7	28.0	***28.0***	***28.0***

After adjusted EPS declines in recent years, we think that NOA is going to return to growth in 2026 and beyond. Our forecast is for adjusted EPS to rise by 9% annually through 2031, off an anticipated 2026 base of $1.65. As we alluded to earlier, the biggest growth driver moving forward will be the IMC acquisition (20% accretive to adjusted EPS upon integration). Underutilized heavy equipment in the Canadian market can be moved to the high-demand Western Australian gold and lithium sectors. As Fargo-Moorhead nears completion, the risk of further retroactive cost adjustments meaningfully diminishes, too.

[1] Estimated based on past dividend dates.

[2] Share count is in millions.

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.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	-	34.7	23.1	12.7	7.9	11.7	8.4	13.2	20.6	17.5	***8.6***	***12.0***
Avg. Yld.	1.6%	1.2%	0.7%	0.7%	1.2%	0.9%	1.9%	1.4%	1.4%	2.3%	***2.5%***	***1.9%***

Since 2016, NOA has traded at a P/E ratio as cheap as the high single-digits to as expensive as the mid-30s. The average P/E ratio over that time was almost 17. In the past five years, the average P/E ratio was around 14. Looking ahead, we think that a fair value P/E ratio of 12 is realistic for NOA. This accounts for the execution risk with its IMC acquisition and its inherent cyclicality. Relative to the current-year P/E ratio of 8.6, shares look to be materially undervalued right now.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	-	43%	16%	9%	10%	10%	16%	18%	29%	41%	***21%***	***22%***

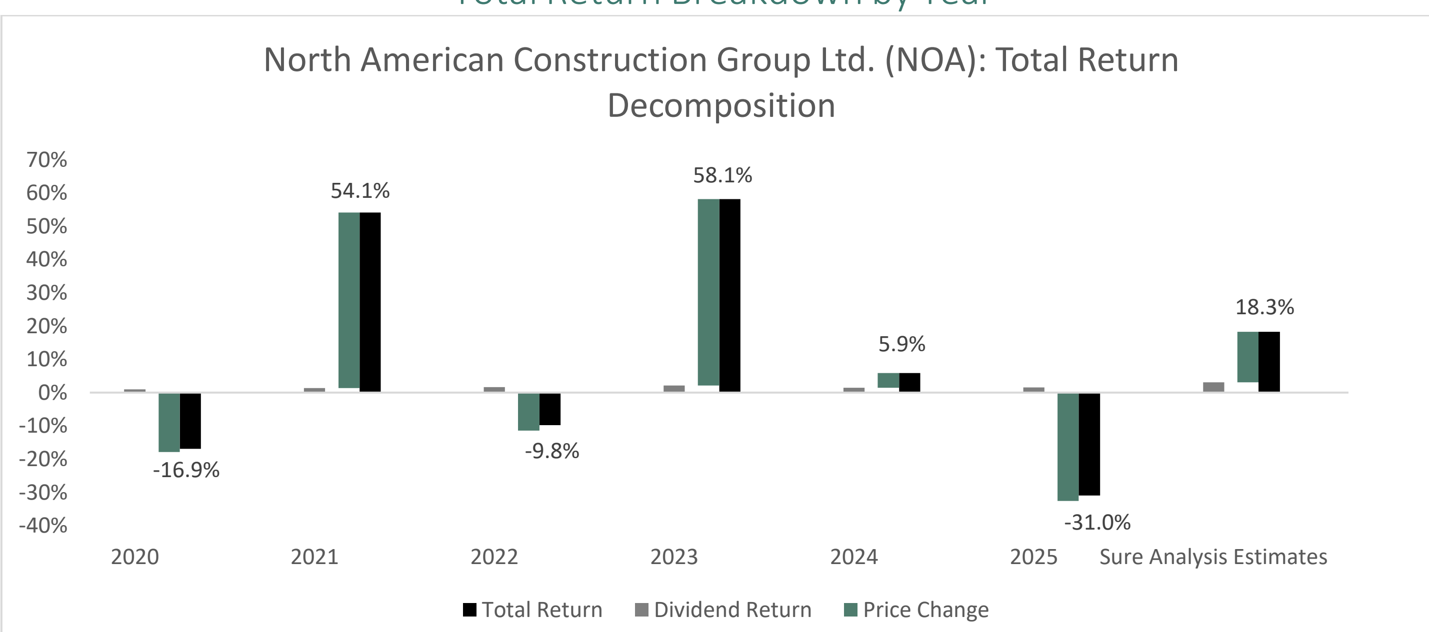
NOA's competitive advantage is its specialization in heavy equipment services for the energy, mining, and construction sectors, particularly in Canada's oil sands region. The company benefits from long-term contracts with major energy producers, an extensive fleet of high-quality equipment, and operational 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.

While NOA's S&P B+ S&P credit rating with a stable outlook is non-investment-grade, its balance sheet is decent. As of March 31, 2026, the company's net debt leverage ratio was 2.5x. The dividend is also well-covered by earnings, with the payout ratio set to be in the high-teens to low-20% range for 2026. That should give NOA room to extend its eight-year dividend growth streak.

Final Thoughts & Recommendation

NOA's 2.5% dividend yield, 9.0% annual adjusted EPS growth prospects, and 7.0% annual valuation multiple expansion potential could generate 18.3% annual total returns through 2031. As a result, we're maintaining our Buy rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	161	225	316	542	372	522	591	715	851	919
Gross Profit	23	31	54	72	69	72	78	115	152	115
Gross Margin	14.4%	13.8%	17.2%	13.3%	18.5%	13.8%	13.2%	16.1%	17.9%	12.5%
SG&A Exp.	21	19	29	28	18	28	23	42	41	36
D&A Exp.	32	35	44	77	66	86	92	97	135	155
Operating Profit	3	12	26	46	51	44	55	73	112	79
Operating Margin	1.8%	5.1%	8.1%	8.5%	13.6%	8.4%	9.3%	10.2%	13.2%	8.6%
Net Profit	(0)	4	12	28	37	41	52	47	32	24
Net Margin	-0.2%	1.8%	3.7%	5.2%	9.9%	7.9%	8.8%	6.5%	3.8%	2.6%
Free Cash Flow	9	(5)	(96)	(2)	21	38	41	51	(49)	(22)
Income Tax	(0)	1	5	2	8	7	13	17	12	16

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	261	306	505	611	659	688	723	1,173	1,178	1,328
Cash & Equivalents	10	7	14	4	34	13	51	67	54	73
Accounts Receivable	41	54	65	60	31	59	66	89	102	108
Inventories	3	4	10	17	15	35	37	49	48	55
Goodwill & Int. Ass.	1	1	2	-	0	3	5	5	7	9
Total Liabilities	143	190	395	472	464	468	497	902	908	994
Accounts Payable	23	29	49	68	33	60	76	111	77	74
Long-Term Debt	75	109	280	328	346	310	320	534	567	671
Shareholder's Equity	119	116	110	139	195	220	226	270	271	333
LTD/E Ratio	0.63	0.94	2.55	2.39	1.79	1.42	1.42	1.98	2.10	2.02

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	-0.1%	1.4%	2.9%	5.0%	5.8%	6.1%	7.3%	4.9%	2.7%	1.9%
Return on Equity	-0.3%	3.5%	10.4%	22.5%	22.0%	19.7%	23.2%	18.9%	11.9%	8.0%
ROIC	-0.2%	1.9%	3.8%	6.5%	7.2%	7.6%	9.6%	6.9%	3.9%	2.6%
Shares Out.	28.3	25.5	25.0	25.8	29.2	28.5	26.4	26.7	26.7	28.0
Revenue/Share	5.37	7.61	10.07	16.50	11.51	15.37	17.38	21.64	25.74	28.49
FCF/Share	0.31	(0.19)	(3.05)	(0.05)	0.65	1.12	1.21	1.54	(1.50)	(0.68)

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