

# Non-GAAP Disclosure

The following definitions are provided for non-GAAP (Generally Accepted Accounting Principles) measures, as defined in Regulation G promulgated by the Securities and Exchange Commission, used by the Company within various public presentations. The tables below reflect the reconciliation of NACCO's non-GAAP financial information to the most directly comparable GAAP measures. The company believes that these non-GAAP financial measures, viewed in addition to the company's reported GAAP results, provide useful information and greater transparency to investors. These non-GAAP financial measures are in addition to, and not a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. Other companies may define the measures differently.

NACCO defines non-GAAP measures as follows:

- Consolidated Adjusted EBITDA is net income (loss) before long-lived asset impairment charges, contract termination settlement income and income taxes, plus net interest expense and depreciation, depletion and amortization expense; and
- Segment Adjusted EBITDA is segment operating profit (loss) plus depreciation, depletion and amortization expense.

# Non-GAAP Reconciliation Consolidated Adjusted EBITDA

(\$ in thousands)	Year Ended December 31			Qtr.	Qtr.
	2021 <sup>(2)</sup>	2022 <sup>(1)(2)</sup>	2023 <sup>(1)</sup>	3/31/23	3/31/24
Net income (loss)	\$48,125	\$74,158	(\$39,587)	\$5,692	\$4,570
Long-lived asset impairment charges <sup>(1)</sup>	-	3,939	65,887	-	-
Contract termination settlement income <sup>(2)</sup>	(10,333)	(30,882)	-	-	-
Income tax provision (benefit)	8,725	13,565	(24,571)	(1,324)	1,003
Interest expense	1,719	2,034	2,460	545	1,111
Interest income	(449)	(1,449)	(6,081)	(1,155)	(1,127)
Depreciation, depletion and amortization expense	23,085	26,816	29,387	7,019	5,692
<b>CONSOLIDATED ADJUSTED EBITDA</b>	<b>\$70,872</b>	<b>\$88,181</b>	<b>\$27,495</b>	<b>\$10,777</b>	<b>\$11,249</b>

(1) During 2022 and 2023, the Company recorded non-cash impairment charges of \$3.9 million and \$65.9 million, respectively.

(2) During 2021 and 2022, the Company received contract termination settlement income of \$10.3 million and \$14.0 million, respectively. In addition, in 2022, the Company recorded non-cash termination settlement income of \$16.9 million.

# Non-GAAP Reconciliation Segment Adjusted EBITDA

	Coal Mining	NA Mining	Minerals Management	Unallocated	Eliminations	Consolidated
<b>Three Months Ended March 31, 2024</b>						
	<i>(\$ in thousands)</i>					
Operating Profit (Loss)	(\$417)	\$2,355	\$7,930	(\$5,128)	\$17	\$4,757
Depreciation, Depletion and Amortization	2,214	2,256	993	229	-	5,692
Segment Adjusted EBITDA	\$1,797	\$4,611	\$8,923	(\$4,899)	\$17	10,449
Other income, net						800
Consolidated Adjusted EBITDA						\$11,249

	Coal Mining	NA Mining	Minerals Management	Unallocated	Eliminations	Consolidated
<b>Three Months Ended March 31, 2023</b>						
	<i>(\$ in thousands)</i>					
Operating Profit (Loss)	\$313	\$830	\$6,044	(\$5,353)	(\$20)	\$1,814
Depreciation, Depletion and Amortization	4,240	1,886	811	82	-	7,019
Segment Adjusted EBITDA	\$4,553	\$2,716	\$6,855	(\$5,271)	(\$20)	8,833
Other income, net						1,944
Consolidated Adjusted EBITDA						\$10,777