

# 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 settlements and income taxes, plus net interest expense and depreciation, depletion and amortization expense; and
- Segment Adjusted EBITDA is segment operating profit (loss) before long-lived asset impairment charges, contract termination settlements 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>	12/31/22	12/31/23 <sup>(1)</sup>
Net income (loss)	\$48,125	\$74,158	(\$39,587)	\$13,782	(\$43,967)
Long-lived asset impairment charges <sup>(1)</sup>	-	3,939	65,887	-	65,887
Contract termination settlements <sup>(2)</sup>	(10,333)	(30,882)	-	-	-
Income tax provision (benefit)	8,725	13,565	(24,571)	2,444	(21,966)
Interest expense	1,719	2,034	2,460	539	711
Interest income	(449)	(1,449)	(6,081)	(757)	(1,533)
Depreciation, depletion and amortization expense	23,085	26,816	29,387	7,632	7,958
<b>CONSOLIDATED ADJUSTED EBITDA</b>	<b>\$70,872</b>	<b>\$88,181</b>	<b>\$27,495</b>	<b>\$23,640</b>	<b>\$7,090</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 cash contract termination settlements of \$10.3 million and \$14.0 million, respectively. In addition, in 2022, the Company recorded non-cash termination settlements of \$16.9 million.

# Non-GAAP Reconciliation Segment Adjusted EBITDA

	Coal Mining	NA Mining	Minerals Management	Unallocated	Eliminations	Consolidated
<b>Three Months Ended December 31, 2023</b>						
	<i>(\$ in thousands)</i>					
Operating Profit (Loss)	(\$62,283)	(\$562)	\$2,475	(\$7,016)	(\$48)	(\$67,434)
Long-lived asset impairment charge	60,832	-	5,055	-	-	65,887
Depreciation, Depletion and Amortization	4,645	2,373	739	201	-	7,958
Segment Adjusted EBITDA	<u>\$3,194</u>	<u>\$1,811</u>	<u>\$8,269</u>	<u>(\$6,815)</u>	<u>(\$48)</u>	<u>6,411</u>
Other income, net						679
Consolidated Adjusted EBITDA						<u><u>\$7,090</u></u>

	Coal Mining	NA Mining	Minerals Management	Unallocated	Eliminations	Consolidated
<b>Three Months Ended December 31, 2022</b>						
	<i>(\$ in thousands)</i>					
Operating Profit (Loss)	\$3,693	(\$116)	\$16,897	(\$5,062)	\$129	\$15,541
Depreciation, Depletion and Amortization	4,391	1,912	1,245	84	-	7,632
Segment Adjusted EBITDA	<u>\$8,084</u>	<u>\$1,796</u>	<u>\$18,142</u>	<u>(\$4,978)</u>	<u>\$129</u>	<u>23,173</u>
Other income, net						467
Consolidated Adjusted EBITDA						<u><u>\$23,640</u></u>

