

NACCO INDUSTRIES, INC. AND SUBSIDIARIES
SUPPLEMENTAL NORTH AMERICAN COAL INFORMATION (UNAUDITED)

Reconciliation of North American Coal Financial and Operating Highlights "As Reported" to North American Coal Adjusted Financial and Operating Highlights
Excluding "Centennial Natural Resources"

	Three Months Ended December 31, 2016			Year Ended December 31, 2016		
	As Reported Under GAAP	Adjustments to eliminate Centennial	Adjusted Non-GAAP Financial Measures	As Reported Under GAAP	Adjustments to eliminate Centennial	Adjusted Non-GAAP Financial Measures
	(In thousands)					
North American Coal Revenues	\$ 25,303	\$ (22)	\$ 25,281	\$ 111,081	\$ (722)	\$ 110,359
North American Coal Gross profit	\$ 2,316	\$ (249)	\$ 2,067	\$ 12,341	\$ 5,401	\$ 17,742
Resolution of legal matter and Asset Impairment charges at Centennial ⁽¹⁾	\$ 3,325	\$ (3,325)	\$ —	\$ 20,768	\$ (20,768)	\$ —
North American Coal Operating profit	\$ 1,966	\$ 2,871	\$ 4,837	\$ 5,619	\$ 27,522	\$ 33,141
North American Coal Other expense	883	(37)	846	5,587	(154)	5,433
North American Coal Income before income tax provision (benefit)	1,083	2,908	3,991	32	27,676	27,708
North American Coal Income tax provision (benefit) ⁽²⁾	(8,261)	1,105	(7,156)	(8,212)	10,517	2,305
North American Coal Net income	<u>\$ 9,344</u>	<u>\$ 1,803</u>	<u>\$ 11,147</u>	<u>\$ 8,244</u>	<u>\$ 17,159</u>	<u>\$ 25,403</u>

⁽¹⁾ During the fourth quarter of 2016, the Company recognized a charge of \$3.3 million related to the resolution of a legal matter in Alabama. During the third quarter of 2016, the Company recognized an impairment charge of \$17.4 million.

⁽²⁾ To calculate the non-GAAP consolidated net income, the Company applied its target effective income tax rate of 38% to Centennial's pre-tax loss from operations to determine the corresponding tax provision.

	Three Months Ended December 31, 2015			Year Ended December 31, 2015		
	As Reported Under GAAP	Adjustments to eliminate Centennial	Adjusted Non-GAAP Financial Measures	As Reported Under GAAP	Adjustments to eliminate Centennial	Adjusted Non-GAAP Financial Measures
	(In thousands)					
North American Coal Revenues	\$ 26,033	\$ (4,367)	\$ 21,666	\$ 147,998	\$ (34,597)	\$ 113,401
North American Coal Gross profit (loss)	\$ (2,714)	\$ 6,660	\$ 3,946	\$ (10,816)	\$ 34,600	\$ 23,784
North American Coal Operating profit (loss)	\$ (3,058)	\$ 7,524	\$ 4,466	\$ 521	\$ 34,800	\$ 35,321
North American Coal Other expense	846	(41)	805	2,862	(175)	2,687
North American Coal Income (Loss) before income tax provision (benefit)	(3,904)	7,565	3,661	(2,341)	34,975	32,634
North American Coal Income tax provision (benefit) ⁽¹⁾	(6,122)	2,875	(3,247)	(7,960)	13,291	5,331
North American Coal Net income	<u>\$ 2,218</u>	<u>\$ 4,690</u>	<u>\$ 6,908</u>	<u>\$ 5,619</u>	<u>\$ 21,684</u>	<u>\$ 27,303</u>

⁽¹⁾ To calculate the non-GAAP consolidated net income, the Company applied its target effective income tax rate of 38% to Centennial's pre-tax loss from operations to determine the corresponding tax provision.

Adjusted Financial and Operating Highlights are measures of income that differ from Financial and Operating Highlights measured in accordance with GAAP. Adjusted Financial and Operating Highlights are adjusted to exclude Centennial. Management believes that Adjusted Financial and Operating Highlights all assist the investor in understanding the results of operations of North American Coal. In addition, management evaluates results using these non-GAAP financial measures.

NACCO INDUSTRIES, INC. AND SUBSIDIARIES

SUPPLEMENTAL DATA (UNAUDITED)

Reconciliation of NACCO Consolidated Financial and Operating Highlights "As Reported" to NACCO Consolidated Adjusted Financial and Operating Highlights
Excluding "Centennial Natural Resources"

	Three Months Ended December 31, 2016			Year Ended December 31, 2016		
	As Reported Under GAAP	Adjustments to eliminate Centennial	Adjusted Non-GAAP Financial Measures	As Reported Under GAAP	Adjustments to eliminate Centennial	Adjusted Non-GAAP Financial Measures
	(In thousands, except per share data)					
Revenues	\$ 284,218	\$ (22)	\$ 284,196	\$ 856,438	\$ (722)	\$ 855,716
Operating profit	\$ 30,394	\$ 2,871	\$ 33,265	\$ 41,715	\$ 27,522	\$ 69,237
Other expense	396	(37)	359	7,245	(154)	7,091
Income before income tax provision	29,998	2,908	32,906	34,470	27,676	62,146
Income tax provision ⁽¹⁾	5,867	1,105	6,972	4,863	10,517	15,380
Net income	\$ 24,131	\$ 1,803	\$ 25,934	\$ 29,607	\$ 17,159	\$ 46,766
Basic earnings per share	\$ 3.56		\$ 3.83	\$ 4.34		\$ 6.86
Diluted earnings per share	\$ 3.53		\$ 3.80	\$ 4.32		\$ 6.82
Basic Weighted Average Shares Outstanding	6,777		6,777	6,818		6,818
Diluted Weighted Average Shares Outstanding	6,832		6,832	6,854		6,854

⁽¹⁾ To calculate the non-GAAP consolidated net income, the Company applied its target effective income tax rate of 38% to Centennial's pre-tax loss from operations to determine the corresponding tax provision.

	Three Months Ended December 31, 2015			Year Ended December 31, 2015		
	As Reported Under GAAP	Adjustments to eliminate Centennial	Adjusted Non-GAAP Financial Measures	As Reported Under GAAP	Adjustments to eliminate Centennial	Adjusted Non-GAAP Financial Measures
	(In thousands, except per share data)					
Revenues	\$ 286,519	\$ (4,367)	\$ 282,152	\$ 915,860	\$ (34,597)	\$ 881,263
Operating profit	\$ 21,538	\$ 7,524	\$ 29,062	\$ 31,827	\$ 34,800	\$ 66,627
Other expense	1,090	(41)	1,049	7,028	(175)	6,853
Income before income tax provision	20,448	7,565	28,013	24,799	34,975	59,774
Income tax provision ⁽¹⁾	2,357	2,875	5,232	2,815	13,291	16,106
Net income	\$ 18,091	\$ 4,690	\$ 22,781	\$ 21,984	\$ 21,684	\$ 43,668
Basic earnings per share	\$ 2.65		\$ 3.33	\$ 3.14		\$ 6.24
Diluted earnings per share	\$ 2.63		\$ 3.32	\$ 3.13		\$ 6.22
Basic Weighted Average Shares Outstanding	6,838		6,838	7,001		7,001
Diluted Weighted Average Shares Outstanding	6,872		6,872	7,022		7,022

⁽¹⁾ To calculate the non-GAAP consolidated net income, the Company applied its target effective income tax rate of 38% to Centennial's pre-tax loss from operations to determine the corresponding tax provision.

Adjusted Financial and Operating Highlights are measures of income that differ from Financial and Operating Highlights measured in accordance with GAAP. Adjusted Financial and Operating Highlights are adjusted to exclude Centennial. Management believes that Adjusted Financial and Operating Highlights all assist the investor in understanding the results of operations of NACCO Industries, Inc. In addition, management evaluates results using these non-GAAP financial measures.

NACCO INDUSTRIES, INC. AND SUBSIDIARIES
SUPPLEMENTAL DATA (UNAUDITED)
Adjusted Consolidated Financial and Operating Highlights Excluding "Centennial Natural Resources"

	Three Months Ended		Year Ended	
	December 31		December 31	
	<u>2016 Adjusted</u>	<u>2015 Adjusted</u>	<u>2016 Adjusted</u>	<u>2015 Adjusted</u>
	(In thousands)			
Revenues				
North American Coal	\$ 25,281	\$ 21,666	\$ 110,359	\$ 113,401
Hamilton Beach	205,112	204,895	605,170	620,977
Kitchen Collection	54,439	56,531	144,351	150,988
Eliminations	(636)	(940)	(4,164)	(4,103)
Total	<u>\$ 284,196</u>	<u>\$ 282,152</u>	<u>\$ 855,716</u>	<u>\$ 881,263</u>
Operating profit (loss)				
North American Coal	\$ 4,837	\$ 4,466	\$ 33,141	\$ 35,321
Hamilton Beach	23,871	18,090	43,033	34,801
Kitchen Collection	7,198	7,025	376	165
NACCO and Other	(2,673)	(981)	(7,278)	(4,248)
Eliminations	32	462	(35)	588
Total	<u>\$ 33,265</u>	<u>\$ 29,062</u>	<u>\$ 69,237</u>	<u>\$ 66,627</u>
Income (loss) before income tax provision (benefit)				
North American Coal	\$ 3,991	\$ 3,661	\$ 27,708	\$ 32,634
Hamilton Beach	23,154	17,762	41,098	31,500
Kitchen Collection	7,107	6,961	100	(52)
NACCO and Other	(1,378)	(833)	(6,725)	(4,896)
Eliminations	32	462	(35)	588
Total	<u>\$ 32,906</u>	<u>\$ 28,013</u>	<u>\$ 62,146</u>	<u>\$ 59,774</u>
Net income (loss)				
North American Coal	\$ 11,147	\$ 6,908	\$ 25,403	\$ 27,303
Hamilton Beach	14,373	11,135	26,557	19,749
Kitchen Collection	4,184	3,870	(355)	(420)
NACCO and Other	(1,105)	(636)	(4,816)	(3,346)
Eliminations	(2,665)	1,504	(23)	382
Total	<u>\$ 25,934</u>	<u>\$ 22,781</u>	<u>\$ 46,766</u>	<u>\$ 43,668</u>

Adjusted Financial and Operating Highlights are measures of income that differ from Financial and Operating Highlights measured in accordance with GAAP. Adjusted Financial and Operating Highlights are adjusted to exclude Centennial. Management believes that Adjusted Financial and Operating Highlights all assist the investor in understanding the results of operations of NACCO Industries, Inc. and North American Coal. In addition, management evaluates results using these non-GAAP financial measures.