

# Calculation of Return on Capital Employed:

## Calculation of Return on Capital Employed and Return on Equity:

(In thousands, except percentage data)

<b>2016</b>	<b>NACoal</b>	<b>HBB</b>	<b>Kitchen Collection</b>
2016 Average Equity (12/31/2015 and each of 2016's quarter ends) . . . . .	\$ 110,554	\$ 51,954	\$ 21,633
2016 Average Debt (12/31/2015 and at each of 2016's quarter ends) . . . . .	108,020	40,167	3,082
2016 Average Cash (12/31/2015 and at each of 2016's quarter ends) . . . . .	(10,884)	(2,616)	(5,370)
Total 2016 average capital employed . . . . .	\$ 207,690	\$ 89,505	\$ 19,345
2016 Net income (loss), as reported . . . . .	\$ 8,244	\$ 26,557	\$ (355)
Plus: 2016 Interest expense, net . . . . .	4,140	1,165	209
Less: Income taxes on 2016 interest expense at 38%* . . . . .	(1,573)	(443)	(79)
Actual return on capital employed = actual net income (loss) before interest expense, net, after tax . . . . .	\$ 10,811	\$ 27,279	\$ (225)
Actual return on capital employed percentage <sup>(1)</sup> . . . . .	5.2%	30.5%	(1.2%)
Actual return on equity percentage <sup>(2)</sup> . . . . .	7.5%	51.1%	(1.6%)
<b>2015</b>	<b>NACoal</b>	<b>HBB</b>	<b>Kitchen Collection</b>
2015 Average Equity (12/31/2014 and each of 2015's quarter ends) . . . . .	\$ 107,240	\$ 51,541	\$ 30,101
2015 Average Debt (12/31/2014 and at each of 2015's quarter ends) . . . . .	132,308	58,870	795
2015 Average Cash (12/31/2014 and at each of 2015's quarter ends) . . . . .	(2,886)	(1,373)	(4,681)
Total 2015 average capital employed . . . . .	\$ 236,662	\$ 109,038	\$ 26,215
2015 Net income (loss), as reported . . . . .	\$ 5,619	\$ 19,749	\$ (420)
Plus: 2015 Interest expense, net . . . . .	4,545	1,775	131
Less: Income taxes on 2015 interest expense at 38%** . . . . .	(1,727)	(675)	(50)
Actual return on capital employed = actual net income (loss) before interest expense, net, after tax . . . . .	\$ 8,437	\$ 20,849	\$ (339)
Actual return on capital employed percentage <sup>(1)</sup> . . . . .	3.6%	19.1%	(1.3%)
Actual return on equity percentage <sup>(2)</sup> . . . . .	5.2%	38.3%	(1.4%)

(1) Return on capital employed is provided solely as a supplemental disclosure with respect to income generation because management believes it provides useful information with respect to earnings in a form that is comparable to the Company's cost of capital employed, which includes both equity and debt securities, net of cash.

(2) Return on equity is defined as net income divided by average equity.

\* Tax rate of 38% represents the Company's target marginal tax rate compared with 2016's effective income tax rate of 14.1%.

\*\* Tax rate of 38% represents the Company's target marginal tax rate compared with 2015's effective income tax rate of 11.4%.