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NACCO Industries, Inc. (NC)

Q4 2015 Earnings Call

CORPORATE PARTICIPANTS

Christina Kmetko
Investor Relations

John C. Butler
Senior Vice President - Finance, Treasurer & Chief Administrative Officer

Alfred M. Rankin
Chairman, President & Chief Executive Officer

Elizabeth I. Loveman
Vice President & Controller

OTHER PARTICIPANTS

John Choi
Medina Singh Partners LLC

Brian Patrick Leonard
Keeley Asset Management Corp.

Robert Wallendorf
Western Standard LLC

MANAGEMENT DISCUSSION SECTION

Operator: Good morning. My name is Keith, and I will be your conference operator today. At this time, I'd like to welcome everyone to the NACCO Industries, Inc., 2015 Fourth Quarter Earnings Conference Call. [Operator Instructions] Thank you.

Christina Kmetko, Investor Relations. You may begin your conference.

Christina Kmetko

Investor Relations

Thank you. Good morning everyone, and welcome to our 2015 fourth quarter earnings call. I am Christina Kmetko, and I am responsible for Investor Relations at NACCO Industries. I will be providing a brief overview of our quarterly results and business outlook, and then I will open up the call for your questions.

Joining me on today's call are Al Rankin, Chairman, President, and Chief Executive Officer; J.C. Butler, our Senior Vice President – Finance, Treasurer, and Chief Administrative Officer, as well as the President and Chief Executive Officer of our North American Coal subsidiary; and Elizabeth Loveman, NAACO's Vice President and Controller. Yesterday, we published our fourth quarter and full year 2015 results and filed our 10-K for the year ended December 31, 2015. Copies of our earnings release and 10-K are available on our website at nacco.com. For anyone who is not able to listen to today's entire call, an archived version of this webcast will be on our website later this afternoon and available for approximately 12 months.

As we begin, I would like to remind participants that this conference call may contain certain forward-looking statements. These statements are subject to a matter of risks and uncertainties that could cause actual results to differ materially from those expressed in the forward looking statements made here today in either our prepared remarks or during the following question-and-answer session. We disclaim any obligation to update these forward-looking statements, which may not be updated until our next quarterly conference call if at all. Additional information regarding these risks and uncertainties was set forth in our earnings release and in our 10-K. Also certain amounts discussed during today's call are considered non-GAAP. The non-GAAP reconciliations of these amounts are included in our 2014 fourth quarter earnings release available on our website.

Before I discuss our results, I want to talk a bit about Centennial. As we previously announced, mining operations at Centennial ceased during the fourth quarter. This eliminated North American Coal's only direct exposure to coal market price volatility. Because of this cessation, some of you have asked us to provide our financial results excluding Centennial, so you can better understand and analyze the underlying operations. However since the Centennial shutdown is not treated as a discontinued operation under U.S. GAAP, we were unable to completely break out Centennial in the financial statements. Accordingly, we have provided as much information as we can, so you can analyze both our consolidated results and North American Coal's results without Centennial.

Further while Centennial has ceased mining, there are still asset disposal and reclamation activities that will continue for some time. Centennial will continue to affect our results in future periods, but to a much smaller extent than it did in 2015. Centennial still has assets valued at $45.5 million as of December 31 of which approximately $11 million of equipment is expected to be transferred to Mississippi Lignite Mining Company during the first quarter of 2016. North American Coal is evaluating opportunities to dispose off the remaining assets in a manner that maximizes cash flow. Of course, actual amounts realized maybe different than the carrying amount of these remaining assets. Also cash expenditures related to mine reclamation will continue until reclamation is complete or ownership of the mines is transferred.

Now let's discuss our results for the fourth quarter. Our consolidated revenues were $286.5 million compared with $297.3 million in the fourth quarter of 2015. Revenues declined primarily as a result of fewer sales at Centennial and a reduction in the number of stores at our Kitchen Collection subsidiary. Net income on the other hand increased to $18.1 million or $2.63 per share from a net loss of $40.7 million or $5.57 per share last year. Last year's results were affected significantly by the $66.4 million after-tax asset impairment charge taken at Centennial and both years were also affected by substantial operating losses at Centennial.

Adjusting the financial results to exclude Centennial provides a clear look at the performance of the remaining operations. On an adjusted basis, our fourth quarter consolidated revenues were comparable to the prior-year quarter and consolidated adjusted income decreased to $22.8 million or $3.32 per share from $29.9 million or $4.08 per share in the fourth quarter of 2014. While our Kitchen Collection business reported an improvement in results this quarter compared with last year, the decline in our consolidated adjusted income was driven by lower results at our Hamilton Beach and North American Coal businesses.

North American Coal, including Centennial, had net income of $2.2 million and revenues of $26 million in the fourth quarter of 2015 compared with a net loss of $59.8 million and revenues of $33.2 million in the fourth quarter of 2014. However, if you exclude Centennial, North American Coal's revenues improved over the prior year fourth quarter because of an increase in tons sold at Mississippi Lignite Mining Company. You may recall that last year, Mississippi Lignite Mining Company's customer had an extended power plant outage in the fourth quarter. This year there were fewer outage days at that plant. The increase in revenues at Mississippi Lignite was more than offset by a $5.9 million reduction in gains on sales of assets in the fourth quarter of 2015 compared with last year and reduced royalty and other income as well as higher selling, general and administrative expenses.

North American Coal reported a decrease in adjusted income before income taxes from $12.1 million in the fourth quarter of 2014 to $3.7 million this quarter. Looking forward to 2016, we expect an increase in tons sold at North American Coal's coal mining operations compared to 2015. Despite this increase in tons and excluding Centennial results, we expect a substantial decrease in income before income taxes primarily because of an expected decrease in income at Mississippi Lignite Mining Company. Mississippi Lignite sells lignite at contractually agreed upon coal prices which are subject to changes in the level of established indices over time.

The price of diesel fuel is heavily weighted among these indices. We expect the recent substantial decline in diesel prices to reduce earnings because the decline in revenue is expected to be only partially offset by a moderate increase in tons sold and the beneficial effect of the lower diesel prices on production costs. We also expect royalty and other income to decrease significantly in 2016 and we expect deliveries and operating results at the limerock mining operations to be modestly lower than 2015 due to reduced customer requirements. These decreases are expected to be partially offset by additional income from the unconsolidated mining operations as newer mines begin or increase production in 2016.

On an important positive note, in December 2015, we announced that North American Coal's wholly-owned subsidiary, Bisti Fuels Company entered into a 15-year, cost-plus contract mining agreement with the Navajo Transitional Energy Company, or NTEC. Bisti Fuels will become the contract miner at NTEC's Navajo Mine, which is within the Navajo Nation near Fruitland, New Mexico. Production is expected to be approximately 5 million tons of coal to 6 million tons of coal per year. North American Coal expects to transition into a contract miner role once NTEC completes a pending commercial transaction with the existing contract miner, which is expected to occur during the second half of 2016.

Finally we expect North American Coal's cash flow before financing activities to decrease substantially in 2016 compared with last year primarily as a result of the 2015 repayment of a large receivable from Coyote Creek and an increase in capital expenditures in 2016. Capital expenditures are expected to be approximately $16 million this year compared with $4.1 million last year.

Now, let me turn to Hamilton Beach. Hamilton Beach's fourth quarter results were strong, but lower than the prior year fourth quarter. An increase in revenues from the favorable effect of sales of new and higher-priced products, as well as the recognition of a full quarter of Weston sales, was almost fully offset by substantially lower volumes in the U.S. consumer market and unfavorable currency movements. Currency movements also significantly affected operating results, and it was primarily the significant driver of the decrease in net income from $15.4 million in 2014 to $11.1 million in 2015.

Substantially lower unit volumes, excluding the effect of Weston, the absence of a tax benefit recognized in 2014 that did not recur this year and the recognition of a $1.5 million pre-tax charge in the fourth quarter of 2015 related to an increase in the estimate of environmental liabilities at Hamilton Beach's Picton, Ontario facility also contributed to the decline in net income. However lower employee-related costs, incremental operating profits from Weston and moderately favorable product costs partially offset the decrease. Looking forward to 2016, we want to note that consumer habits appear to be changing, which affects both our Hamilton Beach and Kitchen Collection businesses.

Consumer traffic to physical retail store locations has been declining as consumers buy more over the Internet, or utilize the Internet for comparison shopping. This trend is creating uncertainty in the growth prospects for the U.S. retail market for small appliances including growth prospects for both in-store and Internet sales. As a result, volumes in 2016 in the market in which our core Hamilton Beach Brands participate are projected to be comparable with 2015. The Canadian retail market is also expected to be difficult since the Canadian economy continues to struggle. However, the hunting, gardening and food enthusiast markets, where Weston participates, as well as the international and commercial markets in which Hamilton Beach participates, are expected to grow moderately.

In spite of these market conditions, we expect Hamilton Beach's 2016 consolidated sales volumes to increase moderately compared with last year as a result of enhanced distribution and increased placement of higher margin products in the core small kitchen appliance business. We also expect international and commercial product sales volumes to increase as a result of Hamilton Beach's strategic initiatives.

With a number of new products in the pipeline and execution of these strategic initiatives both domestically and internationally, we expect a moderate increase in revenues at Hamilton Beach in 2016 compared with last year provided consumer spending is at expected levels. We also expect an increase in Hamilton Beach's full year 2016 net income. However, the anticipated increase in sales volumes and revenues are expected to be partially offset by unfavorable currency relationships based on currency rates in effect at the end of 2015. Cash flow before financing activities is expected to be substantially higher in 2016.

Finally, our Kitchen Collection business reported fourth quarter net income of $3.9 million, an improvement over net income of $3.1 million reported last year. However, this improvement was largely due to the absence of realignment charges of $2.8 million pre-tax taken in 2014. Excluding these realignment charges, overall fourth quarter 2015 results decreased moderately primarily as a result of the strategic decision to close a significant number of stores since the fourth quarter of 2014, which resulted in fewer stores being open during the peak holiday selling season and as a result of the recognition of non-deductable employee related expenses.

As a result of the changing consumer trends previously discussed and the ongoing market weakness, Kitchen Collection realigned its business by closing nearly 100 underperforming stores during 2014 and 2015, while only opening 24 new stores this year, thus leaving a smaller number of core Kitchen Collection outlet stores. With this realignment and in the context of the current market environment, we expect Kitchen Collection's 2016 revenues and results to be comparable with 2015. Kitchen Collection believes its remaining stores are well positioned to allow the company to perform at close to break-even in the current challenging environment and to take advantage of any future market rebound. Cash flow before financing activities is expected to be positive in 2016, but substantially lower than last year.

That concludes our prepared remarks. I will now open up the call for your questions.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] . Your first question comes from line of John Cri (sic) [John Choi] (13:41) from Medina. Your line is open.

John Choi
Medina Singh Partners LLC

Q

It's actually John Choi. Congrats on the Bisti deal. I wanted to know if there are many contract mining deals of this size available in the marketplace, and also when are you expecting to achieve full production here?

John C. Butler
Senior Vice President - Finance, Treasurer & Chief Administrative Officer

A

Al, do you want me to take that?

Alfred M. Rankin
Chairman, President & Chief Executive Officer

A

J.C., why don't you take that one?

John C. Butler
Senior Vice President - Finance, Treasurer & Chief Administrative Officer

A

Yep. So your question – two-part question. One was do you expect – how many of these are available in the market? It's hard to say. Clearly, the coal industry is in a tremendous amount of turmoil right now. My own view is that an industry in turmoil may create opportunities and it's hard to tell where those opportunities might be. This is an instance where there is an existing mine and a miner is leaving, actually exiting the United States at this point. And so an opportunity was created, an RFP was run and we were successful. There may be all sorts of other opportunities that spring up across the United States for surface mining opportunities in the future, but right now, it's hard to tell the number of coal miners, coal mining companies that are in bankruptcy and even some utilities that are struggling may create opportunities for us. But to specifically say how many are available, it's a hard number to state precisely.

Your question about full production, this is an existing mine serving an existing power plant. Once we take over as the contract miner, it will be at its regular run rate of 5 million tons to 6 million tons per year and it really just depends on when we step into that position. We believe it's going to be sometime later this year, that's what we're told by our customer and once we get there, we'll pick up steady run rate production.

John Choi
Medina Singh Partners LLC

Q

Okay. That's really helpful, thank you. I guess my next question, so we're going to generate substantial free cash flow as you ramp production for unconsolidated mines and approach our 2017 targets. What are priorities of cash going to be then?

Alfred M. Rankin
Chairman, President & Chief Executive Officer

A

Well, you mean within the coal company, I think at this point, we think that the first priority of course is to put capital back into our existing mines and that is particularly our consolidated mine, the Mississippi Lignite Mining Company. But other than that, there are not a lot of capital uses within the coal business that we anticipate. We got a fair amount of debt and over time, we expect to see that reduce to some degree, but that's where our thinking is right at the moment. We haven't developed our thinking any further than that.

John Choi
Medina Singh Partners LLC

Q

Okay. And on MLMC, we faced a similar dynamic about five years ago when diesel had fallen sharply. Is the [indiscernible] (17:05) impact for 2016 versus 2015 kind of comparable to what we saw in 2010 versus 2009?

Alfred M. Rankin
Chairman, President & Chief Executive Officer

A

J.C., I don't really have that number in mind, it's a mechanical formula, is the main thing I'd say.

John C. Butler
Senior Vice President - Finance, Treasurer & Chief Administrative Officer

A

Yeah, I mean, Al, I think that's correct. It was a similar dynamic, because we had the big drop in diesel fuel in 2008 and 2009 that created a similar situation, but I don't actually have numbers going back that far to give you a comparison.

John Choi
Medina Singh Partners LLC

Q

Okay.

Alfred M. Rankin
Chairman, President & Chief Executive Officer

A

And I think the important point is that if those numbers turnaround, which is something that we can't predict, then the profit prospects will improve. And if they go up significantly, then the profit prospects would improve significantly.

John Choi
Medina Singh Partners LLC

Q

Okay. And if you could backtrack one step, I think you guys had given us kind of priorities of cash just for the coal company. But kind of on a consolidated basis, on an overall basis, can you kind of go through your priorities of cash?

Alfred M. Rankin
Chairman, President & Chief Executive Officer

A

Again, at this point, what we've said is our first focus would be to look for opportunities inside the businesses that we have, but I think as a practical matter, we expect those to be reasonably limited. We would then look for adjacent businesses particularly at Hamilton Beach. We were fortunate enough to have the Weston opportunity come along. It was a very good fit. There are not many of those and we'd be very, very careful, but we certainly do have an open mind about that. And then of course, we would plan to continue to return cash to our shareholders. We have had obviously our dividend policy and secondly, we have share repurchase programs from time to time.

John Choi
Medina Singh Partners LLC

Q

Okay, thanks. My last question is one on HBB. I'm wondering how the M&A environment and the small kitchen appliance space kind of improves or weakens our competitive positioning?

Alfred M. Rankin
Chairman, President & Chief Executive Officer

A

Maybe you'd say a little bit more about your question in terms of what you mean by the M&A environment and how it affects our business.

John Choi
Medina Singh Partners LLC

Q

Yeah, there's been some consolidation within the space, and I'm wondering how you guys view that and how that either improves or weakens our competitive positioning. It could be in terms of – yeah.

Alfred M. Rankin
Chairman, President & Chief Executive Officer

A

The consolidation that has taken place in recent times, has been more a consolidation of competitors in the small appliance business with businesses that do a large amount of business with similar kinds of companies. The small appliance business deals with large retailers and so on. And so, there hasn't been a huge amount of direct change in recent years as a result of the M&A environment. It's really been quite some time since there's been a really significant acquisition that affected the direct competitive position of the participants in the industry by having one appliance business come together with another. I think that would be the main comment that I would have for you at this point.

John Choi
Medina Singh Partners LLC

Q

Okay, thank you.

Operator: Your next question comes from the line of Brian Leonard with Keeley Asset Management. Your line is open.

Brian Patrick Leonard
Keeley Asset Management Corp.

Q

Good morning.

Christina Kmetko
Investor Relations

A

Good morning.

Alfred M. Rankin
Chairman, President & Chief Executive Officer

A

Good morning.

Brian Patrick Leonard
Keeley Asset Management Corp.
Q

Bear with me. I have a handful of questions on each subsidiary. So, I'll start out with North American Coal. Why was SG&A up so much? It looked like both professional fees and employee costs were high. Kind of walk through that, and when do you expect that to normalize?

Alfred M. Rankin
Chairman, President & Chief Executive Officer
A

I think the best answer to that is to say that we have an incentive compensation program, which takes into account the opportunity that's achieved for the company through a new arrangement such as the Bisti fuels deal. And so there is a charge for that which in comparison to previous years comes off the back of low incentive compensation payments significantly because of the Centennial situation. So, I would expect that SG&A would normalize in 2016. J.C., do you have anything you want to add to that?

John C. Butler
Senior Vice President - Finance, Treasurer & Chief Administrative Officer
A

No, I think that's correct. Oh, the other part of the question was about professional services fees. We did incur some professional service fees in order to get the Bisti deal put in place, which helps and we also have this ongoing legal situation in India that we're working through that's causing some professional co st there as well.

Alfred M. Rankin
Chairman, President & Chief Executive Officer
A

So, there may be some outside service charges that are a little higher than normal.

Brian Patrick Leonard
Keeley Asset Management Corp.
Q

Okay, makes sense. The decline in equity earnings of the unconsolidated mines this quarter, is that similar to what's going on at Mississippi mining? Is there index pricing there as well?

John C. Butler
Senior Vice President - Finance, Treasurer & Chief Administrative Officer
A

So, at the unconsolidated mines, the way those contracts works is the customer reimburses 100% of our costs for running each one of those mines, and we collect a fee per ton, or per heating unit, typically measured by BTUs that we deliver. That the contractual escalation on each of those fees that we receive is determined by general inflation indicators; we got CPI, PPI, GDP, things like that. So, as goes inflation in the United States in general, that affects our fees over time.

Brian Patrick Leonard
Keeley Asset Management Corp.
Q

Is that reset annually or is there certain other [indiscernible] (24:24)?

John C. Butler
Senior Vice President - Finance, Treasurer & Chief Administrative Officer
A

It varies, some reset annually, some reset monthly, some reset quarterly. Some have a mechanism that uses a fixed number for 11 months and then has a true-up in the twelfth month. I mean it really just depends on the individual contract. But generally over time, they all grow with inflation.

Brian Patrick Leonard
Keeley Asset Management Corp.
Q

Okay. Moving to Hamilton Beach, what was the main driver for the gross profit decline? Was it more FX or was it more mix?

Alfred M. Rankin
Chairman, President & Chief Executive Officer
A

We had a significant decline in volume in the fourth quarter compared to previous years. Elizabeth, do you comment on that? Are you there?

Elizabeth I. Loveman
Vice President & Controller
A

Yes, that is the case, and FX was the other main driver.

Brian Patrick Leonard
Keeley Asset Management Corp.
Q

And then, where did the $1.5 million pre-tax charge for the environmental liability fall? Is that in the operating line?

Elizabeth I. Loveman
Vice President & Controller
A

That will be a component of SG&A.

Brian Patrick Leonard
Keeley Asset Management Corp.
Q

So, it would be a component, okay.

Elizabeth I. Loveman
Vice President & Controller
A

Yes.

Brian Patrick Leonard
Keeley Asset Management Corp.
Q

The working capital within Hamilton Beach was up on a dollar basis as well as percent of sales. What was the driver in that? Is it higher inventory balances? Is it more AR/AP?

Elizabeth I. Loveman
Vice President & Controller
A

I think...

Alfred M. Rankin
Chairman, President & Chief Executive Officer
A

I'd say it's more AR and less – and less AP, the inventories aren't so bad. But it's always a question as to how quickly the receivables come in, but I think we had some declines in AP. Do you want to add anything to that, Elizabeth?

Elizabeth I. Loveman
Vice President & Controller

A

No, I think that's pretty much the story and then there's just some timing always that impacts working capital.

Alfred M. Rankin
Chairman, President & Chief Executive Officer

A

I think that's probably about the best way to think about it, it's really in the payables. And I would expect that to come right back in line very quickly, so it's very short term.

Brian Patrick Leonard
Keeley Asset Management Corp.

Q

Okay. What currency are you guys most exposed to? Is it the fall in the – because both Canadian dollars and Mexican peso was called out, is one higher impact versus the other [ph] as is (27:03) your exposure or is it just the decline?

Alfred M. Rankin
Chairman, President & Chief Executive Officer

A

Elizabeth, do you want to comment on that?

Elizabeth I. Loveman
Vice President & Controller

A

Yes, with the peso and the Canadian dollar, I don't have the split of the impact between those readily available.

Brian Patrick Leonard
Keeley Asset Management Corp.

Q

Okay, I can follow up on that. And then lastly, is there any update on Wolf, I haven't really heard you guys talk much about it? And then there was a press release this morning about some kind of commercial launch of Hamilton Beach. So, I don't know if you want to talk about new products or not.

Alfred M. Rankin
Chairman, President & Chief Executive Officer

A

Well, we're very pleased with the way that the Wolf program is coming along. As you know, it was launched in 2015. I think the sales are at a level we've been very pleased with, and we expect further improvement in 2016. So, that's very much in line with our expectations, if not, a little bit better. And the Hamilton Beach Commercial, which I think is what you're referring to, is it not?

Brian Patrick Leonard
Keeley Asset Management Corp.

Q

Yes, that's correct.

Elizabeth I. Loveman
Vice President & Controller

A

Professional.

Alfred M. Rankin
Chairman, President & Chief Executive Officer

A

Yeah, Hamilton Beach Professional, rather, is another of our programs to provide offerings under different brands at the higher price points. And so to the extent that we can put things into the general retail market that have a commercial character to them, we would use a brand name like Hamilton Beach Professional. And we think that's another element of our effort to meet the objectives of the strategic initiative, which involves establishing a significant position in the only-the-best marketplace, which I believe is called out in the earnings release as one of our initiatives.

Brian Patrick Leonard
Keeley Asset Management Corp.

Q

Okay. And then lastly on Kitchen Collection, the tax rate was much higher this quarter than I would have thought or anticipated, any drivers behind that?

Alfred M. Rankin
Chairman, President & Chief Executive Officer

A

Elizabeth, do you want to handle that to the degree that – we called it out as a non-deductible expense, I believe.

Elizabeth I. Loveman
Vice President & Controller

A

Correct. The penalty that we're paying under the Affordable Care Act is nondeductible for tax purposes; it's skewing our tax rate.

Brian Patrick Leonard
Keeley Asset Management Corp.

Q

Got it. Is that something that you'd anticipate to continue, that appears to be the case?

Elizabeth I. Loveman
Vice President & Controller

A

Yeah.

Alfred M. Rankin
Chairman, President & Chief Executive Officer

A

That's the law.

Brian Patrick Leonard
Keeley Asset Management Corp.

Q

Yep, got it. All right, that does it for me. Thank you very much.

Alfred M. Rankin
Chairman, President & Chief Executive Officer

A

Thank you.

Operator: There are no further questions at this time. I'll turn the call back over to the presenters. Sorry, we did have a last minute question queue up from Rob Wallendorf with Western Standard. Your line is open.

Robert Wallendorf
Western Standard LLC

Q

Good morning.

Elizabeth I. Loveman
Vice President & Controller

A

Good morning.

Alfred M. Rankin
Chairman, President & Chief Executive Officer

A

Good morning.

Robert Wallendorf
Western Standard LLC

Q

Yeah, I was just curious if you guys could help quantify what you mean with respect to the substantial decline in the North American Coal business year-over-year in 2016 to 2015, so how would you define substantial?

Alfred M. Rankin
Chairman, President & Chief Executive Officer

A

Well, I think we aren't going to go any further than we went in our earnings release. First of all, you have to take out the effect of Centennial. And then we have, as we have indicated, a significant reduction in the Mississippi Lignite Mining Company – at current diesel prices. And so, that is an impact of substance. And finally, I believe that we called out royalty, did we not, Elizabeth?

Elizabeth I. Loveman
Vice President & Controller

A

Yes, we did.

John C. Butler
Senior Vice President - Finance, Treasurer & Chief Administrative Officer

A

Yes.

Robert Wallendorf
Western Standard LLC

Q

Okay. And then earnings from unconsolidated will actually be up year-over-year in 2015, right. So it's really MLMC and lower royalties and maybe lower limerock?

Alfred M. Rankin
Chairman, President & Chief Executive Officer

A

That's correct.

John C. Butler
Senior Vice President - Finance, Treasurer & Chief Administrative Officer

A

That's essentially what – MLMC, royalty and limerock are essentially what makes up the consolidated operations, so you got that right.

Robert Wallendorf
Western Standard LLC

Q

Okay. So everything in consolidated will be down. Unconsolidated will be up and the base you're comparing 2016 to is the $32,634,000 in kind of adjusted North American Coal income before income tax?

Elizabeth I. Loveman
Vice President & Controller

A

Yes the adjusted number.

Robert Wallendorf
Western Standard LLC

Q

The result would decline substantially from that number.

Elizabeth I. Loveman
Vice President & Controller

A

Yes.

Robert Wallendorf
Western Standard LLC

Q

Okay. And then just the last question was with respect to the share repurchase program. I was just curious given that some of the commentary you guys have already provided on the call about not necessarily having that much use or need for cash, particularly over the next couple of years within Coal and within some of the other businesses. Why not authorize a new share repurchase program?

Alfred M. Rankin
Chairman, President & Chief Executive Officer

A

Our board looks at this periodically. We've demonstrated through our past actions that we're quite prepared to do that when we believe that the circumstances in total for the company make that the appropriate action and I'd just leave it at that. We have an open mind and we have a record of looking at returning cash to our shareholders in a variety of ways and we'll continue to do that.

Robert Wallendorf
Western Standard LLC

Q

Okay, great. All my other questions are answered. Thank you for your time.

Alfred M. Rankin
Chairman, President & Chief Executive Officer

A

Okay, thanks a lot.

Operator: There are no further questions at this time. I'll turn the call back over to the presenters.

Christina Kmetko
Investor Relations

Al, did you have any final comments?

Alfred M. Rankin
Chairman, President & Chief Executive Officer

No, I don't, Christie. Thank you.

Christina Kmetko
Investor Relations

Okay, thank you everybody for joining us today. We appreciate your interest. And if you do have any additional questions, please contact me. My phone number is 440-229-5130.

Operator: Thank you for joining us today. As a reminder, this call is available for replay by dialing 8558592056 and also 4045373406 and entering the conference ID number of 5970777. This concludes today's conference call. You may now disconnect.