

NACCO INDUSTRIES INC
Form 10-Q
August 07, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2013

OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number 1-9172

NACCO INDUSTRIES, INC.
(Exact name of registrant as specified in its
charter)

DELAWARE
(State or other jurisdiction
of incorporation or
organization)

34-1505819
(I.R.S. Employer
Identification No.)

5875 LANDERBROOK
DRIVE, SUITE 220,
CLEVELAND, OHIO
(Address of principal
executive offices)

44124-4069
(Zip code)

(440) 229-5151
(Registrant's telephone number, including area
code)

N/A
(Former name, former address and former
fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§

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232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input checked="" type="checkbox"/>	Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
		(Do not check if a smaller reporting company)	

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

Number of shares of Class A Common Stock outstanding at August 2, 2013: 6,417,202

Number of shares of Class B Common Stock outstanding at August 2, 2013: 1,581,635

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Part I

FINANCIAL INFORMATION

Item 1. Financial Statements

NACCO INDUSTRIES, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	JUNE 30 2013	DECEMBER 31 2012	JUNE 30 2012
	(In thousands, except share data)		
ASSETS			
Cash and cash equivalents	\$85,058	\$ 139,855	\$160,098
Accounts receivable, net	81,271	121,147	75,986
Accounts receivable from affiliates	29,029	28,144	3,993
Inventories, net	167,470	169,440	173,913
Deferred income taxes	13,701	15,335	17,724
Prepaid expenses and other	16,111	12,921	25,834
Current assets of discontinued operations	—	—	817,098
Total current assets	392,640	486,842	1,274,646
Property, plant and equipment, net	185,626	182,985	137,012
Goodwill	3,973	6,399	—
Coal supply agreements and other intangibles, net	61,693	63,353	56,851
Other non-current assets	54,185	36,727	32,979
Long-term assets of discontinued operations	—	—	212,220
Total assets	\$698,117	\$ 776,306	\$1,713,708
LIABILITIES AND EQUITY			
Accounts payable	\$90,334	\$ 127,469	\$86,859
Revolving credit agreements of subsidiaries - not guaranteed by the parent company	27,264	35,288	62,708
Current maturities of long-term debt of subsidiaries - not guaranteed by the parent company	6,969	6,961	6,960
Accrued payroll	18,378	24,288	13,534
Other current liabilities	30,510	33,163	36,562
Current liabilities of discontinued operations	—	—	483,753
Total current liabilities	173,455	227,169	690,376
Long-term debt of subsidiaries - not guaranteed by the parent company	129,687	135,448	95,251
Mine closing reserves	28,928	29,033	18,531
Pension and other postretirement obligations	23,166	24,394	25,577
Long-term deferred income taxes	22,961	27,313	12,384
Other long-term liabilities	51,894	51,618	43,360
Long-term liabilities of discontinued operations	—	—	211,521
Total liabilities	430,091	494,975	1,097,000
Stockholders' equity			
Common stock:			
Class A, par value \$1 per share, 6,454,764 shares outstanding (December 31, 2012 - 6,770,689 shares outstanding; June 30, 2012 - 6,799,142 shares outstanding)	6,455	6,771	6,799
Class B, par value \$1 per share, convertible into Class A on a one-for-one basis, 1,581,835 shares outstanding (December 31, 2012 - 1,582,310 shares outstanding; June 30, 2012 - 1,590,421 shares outstanding)	1,582	1,582	1,590

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Capital in excess of par value	4,185	24,612	24,364
Retained earnings	318,885	313,450	657,518
Accumulated other comprehensive loss	(63,081)	(65,084)	(74,490)
Total stockholders' equity	268,026	281,331	615,781
Noncontrolling interest	—	—	927
Total equity	268,026	281,331	616,708
Total liabilities and equity	\$698,117	\$ 776,306	\$1,713,708

See notes to unaudited condensed consolidated financial statements.

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NACCO INDUSTRIES, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30		JUNE 30	
	2013	2012	2013	2012
	(In thousands, except per share data)			
Revenues	\$196,017	\$171,435	\$392,069	\$345,114
Cost of sales	148,387	128,138	298,178	256,298
Gross profit	47,630	43,297	93,891	88,816
Earnings of unconsolidated mines	10,281	10,579	22,379	22,585
Operating expenses				
Selling, general and administrative expenses	48,484	48,125	98,434	96,932
Amortization of intangible assets	619	464	1,660	1,073
(Gain) loss on sale of assets	5	(2,314)	351	(2,273)
	49,108	46,275	100,445	95,732
Operating profit	8,803	7,601	15,825	15,669
Other (income) expense				
Interest expense	1,148	1,504	2,452	3,211
Income from other unconsolidated affiliates	(336)	(432)	(727)	(783)
Closed mine obligations	272	860	677	1,194
Other net, including interest income	476	839	343	467
	1,560	2,771	2,745	4,089
Income from continuing operations before income tax provision	7,243	4,830	13,080	11,580
Income tax provision	2,096	1,387	3,511	3,425
Income from continuing operations, net of tax	5,147	3,443	9,569	8,155
Income from discontinued operations, net of tax expense of \$2,237 and \$8,752 in the three and six months ended June 30, 2012, respectively	—	18,269	—	38,807
Net income	\$5,147			