

NACCO INDUSTRIES INC
Form 424B3
March 28, 2017

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Registration No. 333-121996

Prospectus

OFFER BY SELLING STOCKHOLDERS
TO EXCHANGE UP TO 342,503 SHARES OF
CLASS A COMMON STOCK
FOR 342,503 SHARES OF
CLASS B COMMON STOCK
NACCO INDUSTRIES, INC.

Under the terms of NACCO Industries, Inc.'s certificate of incorporation and a stockholders' agreement, shares of Class B common stock are generally not transferable except to persons who are permitted transferees as specified in those documents. In accordance with those documents, parties to the stockholders' agreement may transfer shares of Class B common stock to the selling stockholders for shares of Class A common stock, on a share for share basis. As a result, the selling stockholders named in this prospectus are offering to transfer from time to time up to 342,503 shares of our Class A common stock under this prospectus on a share for share basis, upon receipt, from time to time of shares of our Class B common stock from holders of Class B common stock that are parties to the stockholders' agreement and are permitted to transfer those shares to the selling stockholders pursuant to our certificate of incorporation and the stockholders' agreement. Each exchange will result in one or more of the selling stockholders transferring one share of Class A common stock for each share of Class B common stock transferred to the selling stockholder or selling stockholders. We will not receive any proceeds from these transactions.

As of the date of this prospectus, the selling stockholders have already exchanged 460,133 shares of Class A common stock registered by the registration statement and prospectus initially filed on July 13, 2001, as amended, and declared effective on November 19, 2001, the registration statement and prospectus initially filed on September 5, 2003, as amended, and declared effective on May 3, 2004, and the registration statement and prospectus initially filed on January 12, 2005, as amended, and initially declared effective on February 7, 2005. The remaining shares of Class A common stock registered by those previously filed registration statements and prospectuses are included in the 342,503 shares of Class A common stock offered by this prospectus. See "Selling Stockholders" beginning on page 6.

Our Class A common stock is listed on the New York Stock Exchange under the symbol "NC." On March 27, 2017, the last sale price of our Class A common stock as reported by the New York Stock Exchange was \$73.65 per share. Our Class B common stock is not publicly traded. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to ten votes per share.

Persons who receive shares of Class A common stock from the selling stockholders may resell those shares of Class A common stock in brokerage transactions on the New York Stock Exchange in compliance with Rule 144 under the Securities Act of 1933, except that the six-month holding period requirement of Rule 144 will not apply.

Please consider carefully the "Risk Factors" beginning on page 5.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is March 28, 2017

You should rely only on the information contained in this prospectus and in the reports and other information that we file with the Securities and Exchange Commission. We have not authorized any person to make a statement that differs from what is in this prospectus. If any person makes a statement that differs from what is in this prospectus, you should not rely on it. This prospectus is not an offer to sell, nor is it seeking an offer to buy, these securities in any state where the offer or sale is not permitted. The information in this prospectus is complete and accurate as of its date, but the information may change after that date.

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WHERE YOU CAN FIND MORE INFORMATION

We have filed this prospectus as part of a registration statement on Form S-4 with the Securities and Exchange Commission, or the Commission, under the Securities Act of 1933, or the Securities Act. The registration statement contains exhibits and other information that are not contained in this prospectus. Our descriptions in this prospectus of the provisions of documents filed as exhibits to the registration statement or otherwise filed with the Commission are only summaries of those documents' material terms. If you want a complete description of the contents of those documents, you should obtain the documents yourself by following the procedures described below.

We are subject to the reporting requirements of the Securities Exchange Act of 1934, or the Exchange Act, and, in accordance therewith, file reports and other information with the Commission. Our reports and other information filed by us can be inspected and copied at the Public Reference Room of the Commission at 100 F. Street, N.E., Washington, D.C. 20549. Please call the Commission at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. The Commission also maintains a website that contains reports, proxy and information statements and other information regarding us that is filed electronically with the Commission. The address of the site is: <http://www.sec.gov>. Our Class A common stock is quoted on the New York Stock Exchange and in connection therewith, reports and other information concerning us may also be inspected at the offices of the New York Stock Exchange. For further information on obtaining copies of our reports and other information concerning us at the New York Stock Exchange, please call (212) 656-3000. In addition, we make our annual and quarterly reports and other information that we file with the Commission available on our website. The address of our website is <http://www.nacco.com>. However, other than the information incorporated into this document by reference, the information on our website and the Commission's website is not a part of this prospectus, and you should rely only on the information contained in or incorporated by reference into this prospectus when making a decision to exchange shares of Class B common stock for shares of Class A common stock.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Commission allows us to “incorporate by reference” information into this prospectus, which means that we can disclose important information to you by referring to other documents filed separately with the Commission. This prospectus incorporates important business and financial information about us that is not included in or delivered with this document. The information incorporated by reference is considered to be a part of this prospectus. We incorporate by reference the following documents that we have filed with the Commission and any filings that we will make with the Commission in the future under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act until this exchange offer is completed:

• Annual Report on Form 10-K for the fiscal year ended December 31, 2016;

• Current Report on Form 8-K filed February 14, 2017; and

• The descriptions of Class A common stock set forth in the registration statement on Form 8-B filed June 6, 1986.

We will not, however, incorporate by reference any documents or portions thereof that are not deemed “filed” with the Commission, including any information furnished pursuant to Item 2.02 or Item 7.01 of our Current Reports on Form 8-K unless, and except to the extent, specified in such reports.

We will provide without charge to each person to whom this prospectus is delivered, upon the written or oral request of the person, a copy (without exhibits other than exhibits specifically incorporated by reference) of any or all documents incorporated by reference into this prospectus. Requests for copies of those documents should be directed to NACCO Industries, Inc., 5875 Landerbrook Drive, Suite 220, Cleveland, OH 44124-4069, Attention: Secretary, telephone (440) 229-5151. To obtain timely delivery, you must request the information no later than five business days before the date you intend to elect to exchange shares of Class B common stock.

SUMMARY

This prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from the results discussed in the forward-looking statements. Factors that might cause a material difference include, but are not limited to, those discussed under “Risk Factors” and elsewhere in this prospectus. Investors should consider carefully the information set forth under the heading “Risk Factors” beginning on page 5. In this prospectus, the terms “NACCO,” “we,” “us” and “our” refer to NACCO Industries, Inc.

NACCO

NACCO Industries, Inc. is an operating holding company with the following principal businesses: mining, small appliances and specialty retail.

North American Coal. Our wholly owned subsidiary, The North American Coal Corporation and its affiliated mining companies, which we refer to in this prospectus collectively as North American Coal, mine coal primarily for use in power generation and provide value-added services for natural resource companies.

Hamilton Beach Brands. Our wholly owned subsidiary, Hamilton Beach Brands, Inc., which we refer to in this prospectus as Hamilton Beach, is a leading designer, marketer and distributor of small electric household and specialty housewares appliances, as well as commercial products for restaurants, bars and hotels.

Kitchen Collection. Our wholly owned subsidiary, The Kitchen Collection, LLC, which we refer to in this prospectus as Kitchen Collection, is a national specialty retailer of kitchenware in outlet and traditional malls throughout the United States.

NACCO was incorporated as a Delaware corporation in 1986 in connection with the formation of a holding company structure for a predecessor corporation organized in 1913.

Our principal executive offices are located at 5875 Landerbrook Drive, Suite 220, Cleveland, Ohio 44124-4069, and our telephone number is (440) 229-5151.

The Exchange Offer

The selling stockholders named in this prospectus are offering to transfer from time to time up to 342,503 shares of our Class A common stock on a share for share basis, upon receipt, from time to time of shares of our Class B common stock from holders of Class B common stock that are parties to the stockholders' agreement and are permitted to transfer those shares to the selling stockholders pursuant to our certificate of incorporation and the stockholders' agreement. Each exchange will result in one or more of the selling stockholders transferring one share of Class A common stock for each share of Class B common stock transferred to the selling stockholder or selling stockholders. See “Selling Stockholders” beginning on page 6.

As of February 28, 2017, the participating stockholders under the stockholders' agreement beneficially owned 98% of the Class B common stock issued and outstanding on that date. Holders of shares of Class B common stock that are not subject to the stockholders' agreement are permitted to transfer those shares subject to the transfer restrictions set forth in our certificate of incorporation, which include the ability of holders of shares of Class B common stock that are not subject to the stockholders' agreement to transfer the shares to persons who are permitted transferees as specified in our certificate of incorporation or convert such shares of Class B common stock into shares of Class A common stock on a one-for-one basis. Only holders of shares of Class B common stock that are subject to the stockholders' agreement may exchange their shares of Class B common stock for shares of Class A common stock pursuant to this prospectus.

Material U.S. Federal Income Tax Consequences

Gain or loss will generally not be recognized by NACCO stockholders who exchange shares of their Class B common stock for shares of Class A common stock held by the selling stockholders. See “Material U.S. Federal Income Tax Consequences” beginning on page 19.

The tax consequences of an exchange will depend on the stockholder's particular facts and circumstances. Persons acquiring shares of Class A common stock by exchanging shares of their Class B common stock with the selling stockholders are urged to consult their own tax advisors to fully understand the tax consequences to them of an exchange.

Summary Historical Consolidated Financial Data

The following tables present a summary of our historical consolidated financial data. The statement of operations and other data for each of the three years in the period ended December 31, 2016 and the balance sheet data as of December 31, 2016 and 2015 have been derived from our audited consolidated financial statements and related notes, which are incorporated into this prospectus by reference from our Annual Report on Form 10-K for the fiscal year ended December 31, 2016. The statement of operations and other data for the years ended December 31, 2013 and 2012, and the balance sheet data as of December 31, 2014, 2013 and 2012 have been derived from our audited consolidated financial statements and related notes that are not included in this prospectus or incorporated by reference. These consolidated financial statements have been filed with the Commission. See "Where You Can Find More Information" on page ii. The historical consolidated data are presented for informational purposes only and do not purport to project our financial position as of any future date or our results of operations for any future period. The following information is only a summary and should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical consolidated financial statements and related notes, which are incorporated by reference into this prospectus.

	Year Ended December 31				
	2016 ⁽¹⁾	2015	2014 ⁽¹⁾	2013	2012 ⁽²⁾
	(In thousands, except per share data)				
Operating Statement Data:					
Revenues	\$856,438	\$915,860	\$896,782	\$932,666	\$873,364
Operating profit (loss)	\$41,715	\$31,827	\$(66,309)	\$61,336	\$67,642
Income (loss) from continuing operations	\$29,607	\$21,984	\$(38,118)	\$44,450	\$42,163
Discontinued operations, net of tax ⁽²⁾	—	—	—	—	66,535
Net income (loss)	\$29,607	\$21,984	\$(38,118)	\$44,450	\$108,698
Basic earnings (loss) per share:					
Continuing operations	\$4.34	\$3.14	\$(5.02)	\$5.48	\$5.04
Discontinued operations ⁽²⁾	—	—	—	—	7.93
Basic earnings (loss) per share	\$4.34	\$3.14	\$(5.02)	\$5.48	\$12.97
Diluted earnings (loss) per share:					
Continuing operations	\$4.32	\$3.13	\$(5.02)	\$5.47	\$5.02
Discontinued operations ⁽²⁾	—	—	—	—	7.90
Diluted earnings (loss) per share	\$4.32	\$3.13	\$(5.02)	\$5.47	\$12.92

During 2014, NACoal recorded a non-cash, asset impairment charge of \$105.1 million for Centennial Natural Resource's ("Centennial") long-lived asset group. Centennial ceased active mining operations at the end of 2015.

(1) During the third quarter of 2016, North American Coal recorded an additional non-cash impairment charge of \$17.4 million related to Centennial's assets.

(2) During 2012, NACCO spun-off Hyster-Yale Materials Handling, Inc. ("Hyster-Yale"), a former subsidiary. The results of operations of Hyster-Yale are reflected as discontinued operations in the table above.

Year Ended December 31

2016 2015 2014 2013 2012

(In thousands, except per share data, share amounts and employee data)

Balance Sheet

Data at

December 31:

Total assets \$ 668,021 \$655,408 \$770,520 \$809,956 \$776,306

Long-term debt \$ 120,295 \$160,113 \$191,431 \$152,431 \$135,448

Stockholders' equity \$ 220,293 \$201,138 \$211,474 \$297,780 \$281,331

Other Data:

Per share data:

Cash dividends⁽¹⁾ \$ 1.0650 \$1.0450 \$1.0225 \$1.0000 \$

actions by government authorities, including changes in government regulations;

- the Company's relationship with CSAHC;
- uncertainties associated with legal proceedings;
- technological development;
- future decisions by management in response to changing conditions;
- the Company's ability to execute prospective business plans; and
- misjudgments in the course of preparing forward-looking statements.

The Company advises you that these cautionary remarks expressly qualify in their entirety all forward-looking statements attributable to the Company, the Group and persons acting on their behalf.

INTRODUCTORY NOTE

In this Annual Report, unless the context indicates otherwise, the "Company" means China Southern Airlines Company Limited, a joint stock company incorporated in China on March 25, 1995, the "Group" means the Company and its

consolidated subsidiaries, and “CSAHC” means China Southern Air Holding Company, the Company’s parent company which holds a 50.3% controlling interest in the Company.

References to “China” or the “PRC” are to the People’s Republic of China, excluding Hong Kong, Macau and Taiwan. References to “Renminbi” or “RMB” are to the currency of China, references to “U.S. dollars”, “\$” or “US\$” are to the currency of the United States of America (the “U.S.” or “United States”), and reference to “HK\$” is to the currency of Hong Kong. Reference to the “Chinese Government” is to the national government of China. References to “Hong Kong” or “Hong Kong SAR” are to the Hong Kong Special Administrative Region of the People’s Republic of China. References to “Macau” or “Macau SAR” are to the Macau Special Administrative Region of the People’s Republic of China.

The Company presents its consolidated financial statements in Renminbi. The consolidated financial statements of the Company for the year ended December 31, 2006 (the “Financial Statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) promulgated by the International Accounting Standards Board. IFRS includes International Accounting Standards (“IAS”) and related interpretations. IFRS differs in certain significant respects from accounting principles generally accepted in the United States of America (“U.S. GAAP”). Information relating to the nature and effect of such differences is presented in Note 51 to the Financial Statements.

Solely for the convenience of the readers, this Annual Report contains translations of certain Renminbi amounts into U.S. dollars at the rate of US\$1.00 = RMB 7.8087, which is the average of the buying and selling rates as quoted by the People’s Bank of China at the close of business on December 31, 2006. No representation is made that the Renminbi amounts or U.S. dollar amounts included in this Annual Report could have been or could be converted into U.S. dollars or Renminbi, as the case may be, at any particular rate or at all. Any discrepancies in the tables included herein between the amounts listed and the totals are due to rounding.

GLOSSARY OF AIRLINE INDUSTRY TERMS

In this Annual Report, unless the context indicates otherwise, the following terms shall have the respective meanings set forth below.

Capacity Measurements

“available seat kilometers” or “ASKs” the number of seats made available for sale multiplied by the kilometers flown

“available ton kilometers” or “ATKs” the number of tons of capacity available for the transportation of revenue load (passengers and cargo) multiplied by the kilometers flown

Traffic Measurements

“revenue passenger kilometers” or “RPKs” the number of revenue passengers carried multiplied by the kilometers flown

“cargo ton kilometers” the cargo load in tons multiplied by the kilometers flown

“revenue ton kilometers” or “RTKs” the load (passenger and cargo) in tons multiplied by the kilometers flown

Yield Measurements

“passenger yield” revenue from passenger operations divided by RPKs

“cargo yield” revenue from cargo operations divided by cargo ton kilometers

“average yield” revenue from airline operations (passenger and cargo) divided by RTKs

“ton” a metric ton, equivalent to 2,204.6 pounds

Load Factors

“passenger load factor” RPKs expressed as a percentage of ASKs

“overall load factor” RTKs expressed as a percentage of ATKs

“breakeven load factor” the load factor required to equate scheduled traffic revenue with operating costs assuming that total operating surplus is attributable to scheduled traffic operations

Utilization

“utilization rate” the actual number of flight hours per aircraft per operating day

Equipment

“rotables”	aircraft parts that are ordinarily repaired and reused
“expendables”	aircraft parts that are ordinarily used up and replaced with new parts

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS.

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE.

Not applicable.

ITEM 3. KEY INFORMATION.

Selected Financial Data

The following tables present selected financial data of the Company as of and for each of the years in the five-year period ended December 31, 2006. The selected data of consolidated statements of operations for each of the years in the three-year period ended December 31, 2006 and consolidated balance sheets as of December 31, 2005 and 2006, presented in IFRS section, have been derived from the consolidated financial statements of the Company, including the related notes, included elsewhere in this Annual Report. The selected IFRS data of consolidated statements of operations for the years ended December 31, 2002 and 2003 and IFRS consolidated balance sheets of December 31, 2002, 2003 and 2004 are derived from the Company’s audited consolidated financial statements that are not included in this Annual Report. The selected U.S. GAAP data of consolidated statements of operations for each of the years in the five-year period ended December 31, 2006 and consolidated balance sheets as of December 31, 2002, 2003, 2004, 2005 and 2006 are derived from the Company’s unaudited consolidated financial statements that are not included in this Annual Report.

The consolidated financial statements of the Company are prepared and presented in accordance with IFRS.

Under IFRS, the purchase method of accounting was applied to account for the acquisition of the airline operations and certain related assets of China Northern Airlines Company (“CNA”) and Xinjiang Airlines Company (“XJA”) (“CNA/XJA Acquisitions”) (details of which are disclosed in “Item 4. Information on the Company — History and Development of the Company”) such that at December 31, 2004 only the acquired assets and liabilities are included in the consolidated financial statements. The results of the acquired operations and their related cash flows was included in the consolidated financial statements of the Group beginning January 1, 2005. Under U.S. GAAP, such transaction is considered to be “a combination of entities under common control”. A combination of entities under common control is accounted for in a manner similar to a “pooling-of-interests”. Consequently, the assets and liabilities of CNA and XJA are reflected at their U.S. GAAP carrying values and the U.S. GAAP consolidated financial statements are restated to include the assets and liabilities of CNA and XJA, and their results of operations and cash flows for the years ended December 31, 2002, 2003 and 2004.

In addition, the consolidated financial statements for the year ended December 31, 2005 have been revised to reflect the adoption of IAS 16 (amended 2004) Property, Plant and Equipment effective January 1, 2005. Please refer to Note 45 to the consolidated financial statements for details.

See Note 51 to the consolidated financial statements for the nature and effect of such differences and other significant differences related to the Group between IFRS and U.S. GAAP as of December 31, 2005 and 2006 and for each of the years in the three-year period ended December 31, 2006 and the condensed consolidated financial statements prepared and presented in accordance with U.S. GAAP for the relevant periods. The following information should be read in conjunction with, and is qualified in its entirety by, the Financial Statements of the Group.

	Year ended December 31,					
	2002 RMB	2003 RMB	2004 RMB	2005 RMB (revised)	2006 RMB	2006 US\$
(in million, except per share data)						
Income Statement Data:						
IFRS:						
Operating revenue	18,019	17,470	23,974	38,293	46,219	5,919
Operating expenses	15,993	17,014	23,065	39,525	45,980	5,888
Operating income/(loss)	2,026	456	909	(1,232)	239	31
Interest expense	(959)	(824)	(691)	(1,616)	(2,070)	(265)
Exchange (loss)/gain, net	(176)	(164)	(59)	1,220	1,492	191
Income/(loss) before taxation	1,130	(521)	220	(1,780)	284	36
Taxation (expense)/credit	(389)	334	(65)	(4)	(142)	(18)
Income/(loss) for the year	741	(187)	155	(1,784)	142	18
Income/(loss) attributable to :						
Equity shareholders of the company	576	(358)	(48)	(1,786)	126	16
Minority interests	165	171	203	2	16	2
Basic and diluted earnings/(loss) per share	0.17	(0.09)	(0.01)	(0.41)	0.03	0.004
Basic and diluted earnings/(loss) per ADS	8.53	(4.68)	(0.55)	(20.42)	1.44	0.18
Cash dividends declared per share	0.02	—	—	—	—	—
U.S. GAAP:						
Traffic revenue	24,854	24,897	33,235	37,419	45,087	5,774
Other operating revenue	904	586	930	874	1,132	145
Operating income/(loss)	1,948	366	1,877	(1,019)	706	90
Interest expense	(1,820)	(1,604)	(1,184)	(1,589)	(2,070)	(265)
Exchange (loss)/gain, net	(327)	(381)	(124)	1,220	1,492	191
Income/(loss) before income taxes and minority interests	(145)	(1,549)	693	(1,501)	402	51
Income tax (expense)/benefit	(356)	536	(261)	35	(170)	(22)
Minority interests	(154)	(127)	(193)	(2)	(16)	(2)
Net (loss)/income	(655)	(1,140)	239	(1,468)	216	28
Basic and diluted (loss)/earnings per share	(0.19)	(0.30)	0.05	(0.34)	0.05	0.006
Basic and diluted (loss)/earnings per ADS	(9.71)	(14.88)	2.50	(17.00)	2.50	0.30

Cash dividend declared per share	0.02	—	—	—	—	—
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	2002	2003	As of December 31,		2006	2006	
	RMB	RMB	2004	2005	RMB	US\$	
			RMB	RMB			
				(revised)			
			(in million)				
Balance Sheet Data:							
IFRS:							
Cash and cash equivalents	3,771	2,080	3,083	2,901	2,264	290	
Other current assets	1,835	1,922	4,286	4,320	4,419	566	
Property, plant and equipment, net	26,921	28,536	46,841	54,339	56,347	7,216	
Total assets	37,188	39,062	62,383	71,464	75,584	9,679	
Notes payable, including current installments of long term notes payable	5,241	7,097	11,518	16,223	23,822	3,051	
Current installments of obligations under capital leases	1,567	1,298	2,144	3,373	3,091	396	
Notes payable, excluding current installments	5,835	4,522	11,935	12,740	10,018	1,283	
Obligations under capital leases, excluding current installments	6,632	5,543	9,599	12,459	12,307	1,576	
Total equity	11,130	13,569	13,903	11,998	12,121	1,304	
U.S. GAAP:							
Cash and cash equivalents	4,772	2,999	3,083	2,901	2,264	290	
Other current assets	3,391	3,034	4,505				