

## Section 1: 8-K (8-K)

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

### FORM 8-K

#### CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 7, 2019 (May 6, 2019)



### Hallador Energy Company

(Exact name of registrant as specified in its charter)

Colorado  
(State or other jurisdiction  
of incorporation)

001-34743  
(Commission  
File Number)

84-1014610  
(IRS Employer  
Identification No.)

1660 Lincoln Street, Suite 2700, Denver, Colorado 80264-2701  
(Address, including zip code, of principal executive offices)

Registrant's telephone number, including area code: (303) 839-5504

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u>     | <u>Trading Symbol</u> | <u>Name of each exchange on which registered</u> |
|--------------------------------|-----------------------|--|
| Common Shares, \$.01 par value | HNRG                  | Nasdaq   |

## Item 2.02 - Results of Operation and Financial Condition

On May 6, 2019, Hallador Energy Company reported its first quarter 2019 results on Form 10-Q and issued a press release announcing such results. A copy of the press release is attached hereto as Exhibit 99.1.

## Item 9.01 – Financial Statements and Exhibits

### (d) Exhibits

- 99.1 [Hallador Energy Reports 2019 1st Quarter Results of \\$.23 Per Share Citing Increased Coal Volumes and Revenue](#)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

May 7, 2019

By: /s/LAWRENCE D. MARTIN  
Lawrence D. Martin  
CFO

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## Section 2: EX-99.1 (HNRG-05062019)

### EXHIBIT 99.1



Press Release

### HALLADOR ENERGY REPORTS 2019 1<sup>st</sup> QUARTER RESULTS OF \$.23 PER SHARE CITING INCREASED COAL VOLUMES AND REVENUE

DENVER, May 6, 2019 - Hallador Energy Company (Nasdaq: HNRG) reports financial and operating results for the quarter ended March 31, 2019. Hallador filed its Form 10-Q after the markets closed today.

Brent Bilsland, President and Chief Executive Officer, commented, "Hallador generated \$14.7MM in Adjusted Free Cash Flow in the 1<sup>st</sup> quarter of 2019. Considering that these results came from a company with a ~\$150MM market cap and is 79% sold out for the next four years, represents exceptional value."

#### Highlights for the quarter include:

- **Q1 2019 NET INCOME UP 228% VS. Q1 2018**
  - \$7.0 million, \$0.23 per share for the quarter ended March 31, 2019.
- **GROWING CUSTOMER BASE HAS LED TO 25% INCREASE IN COAL VOLUMES Q1 2019 VS. Q1 2018**

- Throughout 2018 and 1<sup>st</sup> Quarter 2019, our Sunrise Coal subsidiary grew from 9 customers in 3 states to 17 customers in 8 states. This growth in customers has increased our sales volume from 6.6 million tons in 2017 to a projected 8.2 million tons in 2019.
  - 2.1 million tons of coal sold in Q1 2019, up from 1.7 million tons in Q1 2018
  - **79% SOLD FOR 4 YEARS = GREAT FREE CASH FLOW VISABILITY**
    - Sunrise coal continued to make sales during the quarter. When looking at 2019 through 2022, 25.3 million tons are sold. Thus, ~79% of our sales are contracted over the next four years at our new ~8.0 million-ton annualized pace.
  - **THE STATE OF INDIANA HAS CHOSEN COAL**
    - On April 24, 2019, the Indiana Utility Regulatory Commission (IURC) approved an Indiana utility's request to upgrade environmental controls at a power plant we serve. Additionally, the IURC denied the same utility's request to close three coal units we serve and replace them with new combined cycle gas facilities.
      - We believe, the IURC's decision is a material statement demonstrating that existing coal plants are lower cost than new natural gas plants in Indiana.
    - Furthermore, out of concern for the trend of increasing electricity rates, the Indiana legislature created a committee to study Indiana's energy policy and release their findings by December 2020.
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- **HALLADOR TO RELOCATE CORPORATE HEADQUARTERS**

- Effective June 1, 2019, Hallador will relocate corporate headquarters from Denver, Colorado to Terre Haute, Indiana, where the majority of the assets are currently managed.

The table below represents some of our critical metrics (in thousands except for per ton data):

|                            | Quarters Ended March 31, |            |
|----------------------------|--------------------------|------------|
|                            | 2019                     | 2018       |
| Net Income                 | \$ 7,000                 | \$ 2,132   |
| Total Revenues             | \$ 89,313                | \$ 66,864  |
| Tons Sold                  | 2,130                    | 1,707      |
| Average Price per Ton      | \$ 40.02                 | \$ 39.13   |
| Bank Debt                  | \$ 168,450               | \$ 190,737 |
| Operating Cash Flow        | \$ 20,847                | \$ 13,193  |
| Adjusted EBITDA*           | \$ 25,235                | \$ 19,756  |
| Adjusted Free Cash Flow ** | \$ 14,652                | \$ 10,722  |

EBITDA, adjusted EBITDA, and adjusted free cash flow should not be considered alternatives to net income, income from operations, cash flows from operating activities or any other measure of financial performance presented in accordance with GAAP. Our method of computing EBITDA, adjusted EBITDA, and adjusted free cash flow may not be the same method used to compute similar measures reported by other companies.

Management believes that the presentation of such additional financial measures provides useful information to investors regarding our performance and results of operations because these measures, when used in conjunction with related GAAP financial measures, (i) provide additional information about our core operating performance and ability to generate and distribute cash flow, (ii) provide investors with the financial and analytical framework upon which management bases financial, operation, compensation, and planning decisions, and (iii) present measurements that investors, rating agencies, and debt holders have indicated are useful in assessing our results.

Reconciliation of GAAP "net income" to non-GAAP "adjusted EBITDA" (in thousands).

|                                      | Quarters Ended March 31, |                  |
|--------------------------------------|--------------------------|------------------|
|                                      | 2019                     | 2018             |
| Net income                           | \$ 7,000                 | \$ 2,132         |
| Income tax expense (benefit)         | (36)                     | 166              |
| Loss from Hourglass Sands            | 251                      | 136              |
| Loss from equity method investments  | 34                       | 83               |
| DD&A                                 | 11,732                   | 10,829           |
| ARO accretion                        | 309                      | 282              |
| Loss on disposal of assets           | -                        | 532              |
| Loss (gain) on marketable securities | (303)                    | 154              |
| Interest Expense                     | 4,619                    | 2,708            |
| Other amortization                   | 1,135                    | 762              |
| Stock-based compensation             | 494                      | 1,972            |
| <b>Adjusted EBITDA</b>               | <b>\$ 25,235</b>         | <b>\$ 19,756</b> |

*Reconciliation of GAAP "net income" to non-GAAP "adjusted free cash flow" (in thousands).*

|   | Quarters Ended March |                  |
|---|----------------------|------------------|
|   | 2019                 | 2018             |
| Net Income                                  | \$ 7,000             | \$ 2,132         |
| Loss from equity method investments         | 34                   | 83               |
| Deferred income tax expense                 | 193                  | 369              |
| DD&A  | 11,738               | 10,829           |
| ARO accretion                               | 309                  | 282              |
| Deferred financing costs amortization       | 543                  | 457              |
| Change in fair value of interest rate swaps | 1,013                | (158)            |
| Loss on disposal of assets                  | -                    | 532              |
| Maintenance capex                           | (6,672)              | (5,772)          |
| Stock-based compensation less taxes paid    | 494                  | 1,968            |
| <b>Adjusted Free Cash Flow</b>              | <b>\$ 14,652</b>     | <b>\$ 10,722</b> |

**Conference Call**

As previously announced our earnings conference call for financial analysts and investors will be held on Tuesday, May 7, 2019, at 2:00 pm eastern time. Dial-in numbers for the live conference call are as follows:

Toll-free (888) 347-5317  
Canadian Callers Toll-free (855) 669-9657  
Conference ID #: Hallador Energy Company HNRG Call

An audio replay of the conference call will be available for one week. To access the audio replay, dial US Toll-Free (877) 344-7529; Canada Toll-Free (855) 669-9658 and request to be connected to replay access code 10130749.

Hallador is headquartered in Denver, Colorado and through its wholly owned subsidiary, Sunrise Coal, LLC, produces coal in the Illinois Basin for the electric power generation industry. To learn more about Hallador or Sunrise, visit our websites at [www.halladorenergy.com](http://www.halladorenergy.com).

Contact: Rebecca Palumbo  
Investor Relations  
Phone: (303) 839-5504 ext. 316

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