



Hamilton Beach Brands Holding Co. (HBB)

Updated August 3rd, 2025, by Josh Arnold

Key Metrics

Current Price:	\$13	5 Year CAGR Estimate:	7.5%	Market Cap:	\$210 M
Fair Value Price:	\$15	5 Year Growth Estimate:	2.0%	Ex-Dividend Date:	08/30/25 ¹
% Fair Value:	89%	5 Year Valuation Multiple Estimate:	2.4%	Dividend Payment Date:	09/13/25
Dividend Yield:	3.6%	5 Year Price Target	\$17	Years Of Dividend Growth:	8
Dividend Risk Score:	D	Sector:	Consumer Discretionary	Rating:	Hold

Overview & Current Events

Hamilton Beach Brands is a small cap appliance maker based in Virginia. Founded in 1904, it's grown its portfolio to include a variety of small kitchen appliances, including food processors, coffee makers, air fryers, blenders, and more. It sells under several brands, including its flagship Hamilton Beach and Hamilton Beach Professional brands, Proctor Silex, Wolf Gourmet, CHI, Bartsian, and TrueAir. Hamilton Beach distributes its products through mass merchandisers, e-commerce retailers, national department store chains, drug stores, and more. The company has an eight-year streak of dividend increases, and has a market cap of just \$210 million.

Hamilton Beach posted second quarter earnings on July 30th, 2025, and results were weak once again. The company posted earnings-per-share of 33 cents for Q2, but revenue plummeted 18% year-over-year to \$128 million. Management noted this was primarily from lower US consumer volumes after tariff-related order pauses.

Gross profit was \$35.1 million, or 27.5% of revenue. Net income was \$4.5 million. Net cash used for operating activities was \$24 million for the first half of the year. This was due to inventory and payables shifts from tariff and pre-buy actions. The company repurchased 215k shares for a total of \$4 million, and paid \$1.6 million in dividends. Net debt was \$38.7 million at the end of the quarter.

The health business reported \$1.7 million in revenue and an operating loss of \$864k, nearly doubling revenue and halving losses year-over-year. Management has reaffirmed its practice of not providing any sort of guidance.

We've cut our estimate for this year from \$2.00 to \$1.50 in adjusted earnings-per-share as the uncertainty mounts for HBB. Tariffs are a massive headwind, and we are cautious on the company's ability to navigate the environment.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$1.44	\$1.91	\$1.32	\$1.68	\$1.10	\$1.76	\$1.53	\$1.81	\$1.80	\$2.20	\$1.50	\$1.66
DPS	---	---	\$0.09	\$0.34	\$0.36	\$0.37	\$0.40	\$0.42	\$0.44	\$0.46	\$0.48	\$0.53
Shares²	13.7	13.7	13.7	13.8	13.7	13.9	13.9	13.9	13.9	13.5	13.3	12.8

Hamilton Beach's history of earnings growth is spotty at best. The company sells largely consumer discretionary products; things that are intended to make consumers' life easier, but are not strictly necessary. As such, it is subject to periods of earnings weakness, especially during recessions. Despite the fact that earnings have barely budged over the past decade, Hamilton Beach has remained solidly profitable throughout.

We see just 2% earnings-per-share growth annually moving forward as we see modest sales growth potentially partially offset by stagnant-to-lower profit margins. The upside in earnings growth for the company in the past decade has been modest, while downturns are much harsher. Unless the company's organic revenue growth rate improves materially, we see little upside to earnings estimates for the foreseeable future. This is particularly acute so long as tariffs persist.

¹ Estimated date

² Share count in millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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The dividend has been raised every year since inception in 2017, so the growth record there is good. We see growth in the dividend given the low payout ratio, amounting to 2% annually from here.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	---	---	14.1	12.9	11.9	9.9	13.1	7.8	13.8	7.8	8.9	10.0
Avg. Yld.	---	---	0.5%	2.6%	2.5%	2.1%	2.2%	1.8%	1.7%	2.7%	3.6%	3.2%

Hamilton Beach's price-to-earnings ratio has been pretty stable most years, with the exception of 2022 when bumper earnings drove the P/E ratio lower. Although the stock's average forward price-to-earnings ratio is near 12, we assess fair value at 10 given the weak outlook for earnings growth. Should that forecasted growth pick up, we'd reassess, but years of stagnant earnings means we believe investors are unlikely to pay elevated multiples. The company not providing any sort of guidance is not helping the multiple, either.

The yield is market-beating at 3.6%, but it's hardly a pure income stock. We see the yield potentially declining to 3.2% over time from current by 2030.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	---	---	7%	20%	33%	21%	26%	23%	24%	21%	32%	32%

The payout ratio is quite low, coming in at 32% for this year. We see it remaining in about the same place by 2030.

That's still very safe, and we see no reason that Hamilton Beach won't continue to raise its dividend for many years to come.

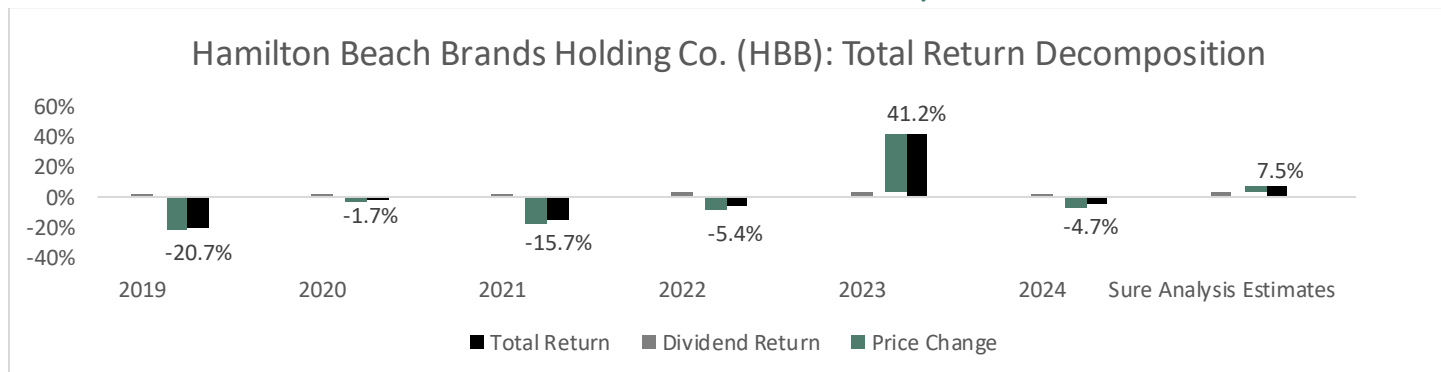
Net debt stood at \$38.7 million as of the end of the second quarter, so it's much higher than the prior quarter. Debt servicing costs remain very low, so we have no concern about Hamilton Beach's balance sheet, or ability to pay off and/or refinance its current debt.

Recessions are likely to be unkind to the company's revenue and earnings, although it wasn't publicly-traded the last time we had a typical recession. The COVID recession was brief and caused by a short-lived shock to the economy, and Hamilton Beach was highly profitable throughout. We have doubts that would repeat in a consumer spending-led slowdown.

Final Thoughts & Recommendation

Hamilton Beach offers investors exposure to targeted consumer discretionary product lines, but we have some doubt about its ability to grow in the coming years. We see 2% earnings-per-share growth and a 2.4% tailwind from the valuation, aided by the 3.6% dividend yield. With 7.5% forecasted annual total returns, we reiterate our hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	768	745	612	630	612	604	658	641	626	655
Gross Profit	191	194	136	139	129	139	137	129	144	170
Gross Margin	24.8%	26.0%	22.2%	22.1%	21.0%	23.0%	20.7%	20.1%	23.0%	26.0%
SG&A Exp.	154	149	97	104	100	100	105	90	108	127
D&A Exp.	6	6	4	4	4	4	5	5	4	5
Operating Profit	36	43	38	34	27	37	32	39	35	43
Operating Margin	4.6%	5.8%	6.2%	5.3%	4.4%	6.2%	4.8%	6.1%	5.6%	6.6%
Net Profit	20	26	16	18	(14)	46	21	25	25	31
Net Margin	2.6%	3.5%	2.6%	2.8%	-2.2%	7.7%	3.2%	3.9%	4.0%	4.7%
Free Cash Flow	20	57	27	5	0	(37)	6	(6)	85	62
Income Tax	12	15	19	7	9	10	8	7	6	3

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	---	311	326	321	289	391	383	389	385	415
Cash & Equivalents	---	11	11	4	2	2	1	1	15	46
Accounts Receivable	---	104	114	98	108	145	120	115	135	117
Inventories	---	128	135	123	110	174	183	156	127	125
Goodwill & Int. Ass.	---	14	12	11	9	8	8	8	8	9
Total Liabilities	---	246	280	265	252	311	280	264	237	249
Accounts Payable	---	131	152	122	112	153	132	62	100	104
Long-Term Debt	---	39	51	47	58	98	97	111	50	50
Shareholder's Equity	---	65	46	57	36	80	102	125	147	166
LTD/E Ratio	---	0.59	1.11	0.82	1.61	1.23	0.95	0.89	0.34	0.30

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	---	---	5.0%	5.5%	-4.4%	13.6%	5.5%	6.6%	6.5%	7.7%
Return on Equity	---	---	28.4%	34.3%	-29.0%	79.5%	23.4%	22.3%	18.6%	19.6%
ROIC	---	---	15.7%	17.6%	-13.6%	33.9%	11.3%	11.6%	11.7%	14.9%
Shares Out.	13.7	13.7	13.7	13.8	13.7	13.9	13.9	13.9	13.9	14.0
Revenue/Share	56.16	54.51	44.72	45.89	44.57	44.03	47.26	45.80	44.50	46.89
FCF/Share	1.49	4.14	1.99	0.34	0.00	(2.73)	0.43	(0.41)	6.06	4.46

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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