Hyster Yale Inc (HY)

Updated August 16th, 2025, by Yiannis Zourmpanos

Key Metrics

Current Price:	$36	**5 Year CAGR Estimate:**	-8.8%	**Market Cap:**	$643.3 M
Fair Value Price:	$9	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	08/29/25
% Fair Value:	385%	**5 Year Valuation Multiple Estimate:**	-23.6%	**Dividend Payment Date:**	09/16/25
Dividend Yield:	4.0%	**5 Year Price Target**	$15	**Years Of Dividend Growth:**	12
Dividend Risk Score:	F	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

Hyster-Yale Materials Handling (HY) was founded in 1985 and has since become a prominent global player in the materials handling industry. The company designs, manufactures, and sells a comprehensive range of lift trucks and aftermarket parts, serving diverse customers across various sectors, including manufacturing, warehousing, and logistics. HY maintains a strong competitive position with a significant market share due to its reputable brands, Hyster and Yale. The company segments its revenue primarily into three categories: new equipment sales, parts sales, and service revenues. In 2023, HY reported robust financials, demonstrating consistent growth and a diversified revenue stream.

On August 5th, 2025, the company announced results for the second quarter of 2025. The company reported non-GAAP EPS of $0.14, missing analysts' estimates by $0.73, and produced revenue of $956.6 million, which was down 18.2% year-over-year.

The company posted an operating loss of $8.5 million, compared to a $95.6 million profit in the same period last year, while adjusted operating profit fell to $7.2 million from $21.5 million in Q1. Net loss for the quarter was $13.9 million, or $0.79 per share, versus net income of $63.3 million, or $3.58 per share, in Q2 2024. Management pointed to higher product costs, lower shipment volumes, and tariff-driven pricing pressure as key challenges. Lift Truck revenues, which account for the bulk of sales, dropped 19% from last year, but gained 5% sequentially on improved Americas demand.

The company renewed its $300 million revolving credit facility during the quarter, extending maturity to 2030 with better covenant flexibility. Bookings fell sharply to $330 million from $590 million in Q1, reflecting customer hesitation tied to tariff uncertainty, though quoting activity remained steady. Hyster-Yale ended the quarter with a $1.7 billion backlog and generated $29 million in operating cash flow, aided by working capital improvements. Looking ahead, the company expects modest sequential growth in Q3 but anticipates full-year 2025 revenues and profits will remain below 2024 levels, as tariff costs and soft demand continue to weigh on results.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$4.57	$2.61	$2.94	$2.09	$2.14	$2.21	-$10.29	-$4.38	$7.24	$8.16	***$1.17***	***$1.88***
DPS	$1.13	$1.17	$1.20	$1.23	$1.26	$1.27	$1.29	$1.29	$1.30	$1.38	***$1.44***	***$1.59***
Shares[1]	16.4	16.4	16.5	16.6	16.7	16.8	16.8	16.9	17.4	17.7	***17.9***	***18.6***

In 2025, Hyster-Yale expects a significant year-over-year decline in revenue and operating profit, marking a transitional phase following two years of strong performance. The drop is largely due to lower production levels, a more normalized backlog, and softness in global lift truck demand, particularly in the first half of the year. Margins are also expected to compress slightly from 2024 highs due to increased competition, though they are still projected to remain above target levels.

Despite the near-term dip, the company is focused on building long-term value. Management plans to ramp up investments in sales capabilities, modular product development, and IT infrastructure while continuing cost control efforts through manufacturing footprint optimization. The company sees 2025 as a trough year in the business cycle,

[1] In millions.

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setting the stage for accelerated growth in 2026 and meaningful profitability improvements starting in 2027, once current transformation programs begin to bear fruit. Therefore, we expect the company to post an EPS of $1.17 in 2025 in-line with analysts' estimates, with an EPS growth forecast of 10.0%, leading to our estimated EPS of $1.88 by 2030. The company's approach to managing its capital supports the payment of competitive cash dividends. Thus, we have assumed an annual growth of 2.0%, slightly lower than its 10-year average.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	14.1	23.4	24.8	31.5	26.9	21.3	-6.1	-7.1	6.9	7.9	***30.8***	***8.0***
Avg. Yld.	1.8%	1.9%	1.6%	1.9%	2.2%	2.7%	2.0%	4.2%	2.6%	2.2%	***4.0%***	***10.5%***

HY currently trades at a forward P/E of 30.8, considerably higher than the long-term average P/E of 14.3, and its five-year average P/E of 4.6. We assign a P/E of 8.0 to the stock, which we believe is a fair reflection of its value. Accordingly, with an EPS of $1.88 and P/E of 8.0, our target price for the stock stands at $15 by 2030.

Safety, Quality, Competitive Advantage, & Recession Resiliency

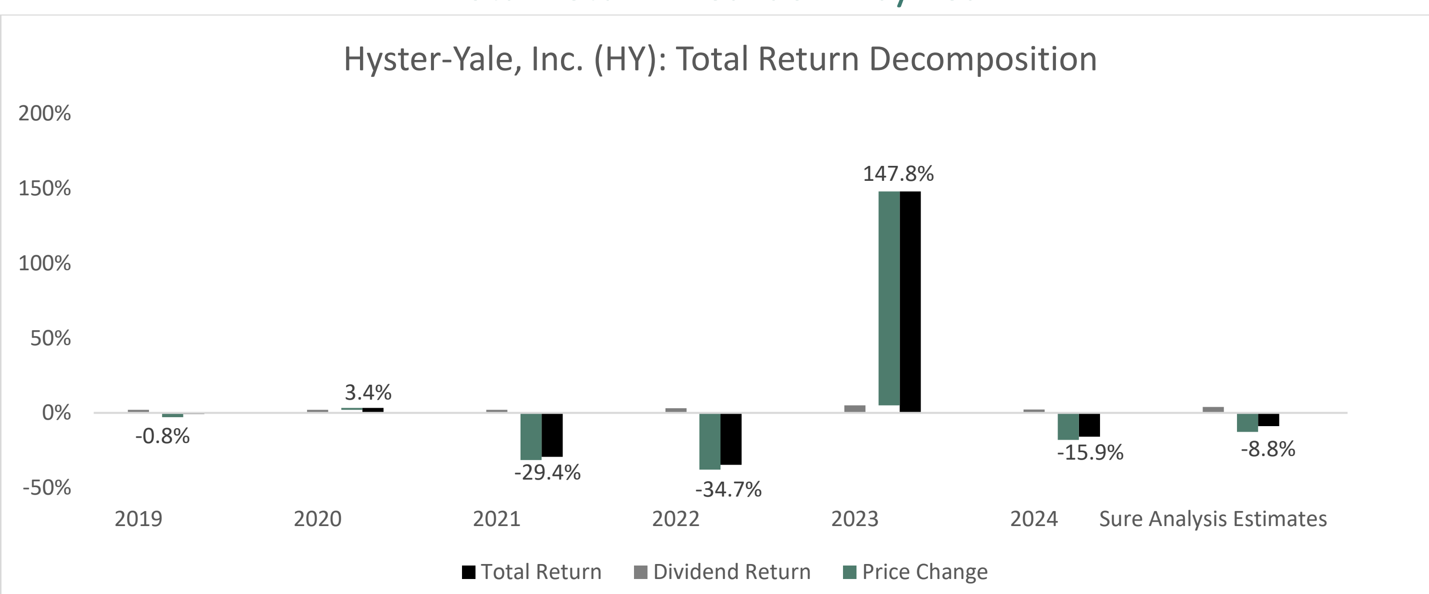
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	25%	45%	41%	59%	59%	57%	---	---	18%	17%	***123%***	***84%***

The company has paid a consistent dividend to its shareholders with a 10-year payout ratio averaging 28%, and we expect the company to maintain and increase its payout in the future. Hyster-Yale's competitive advantage lies in its strong brand reputation, innovative product offerings, and extensive distribution network. During recessions, HY has shown resilience by focusing on aftermarket services and parts, which are less cyclical. The company manages its debt prudently, maintaining a healthy balance sheet to support long-term growth and stability.

Final Thoughts & Recommendation

Hyster-Yale anticipates a softer 2025, with lower revenue and profit due to reduced production and a normalized backlog. Therefore, our hold rating is premised upon the -8.8% annualized total returns over the medium-term, with forecasted earnings-per-share growth of 10.0% and a 4.0% dividend yield that are more than offset by a valuation headwind.

Total Return Breakdown by Year



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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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	2,578	2,570	2,885	3,179	3,292	2,812	3,076	3,548	4,118	4,308
Gross Profit	431	428	503	497	542	465	363	434	786	896
Gross Margin	16.7%	16.6%	17.4%	15.6%	16.5%	16.5%	11.8%	12.2%	19.1%	20.8%
SG&A Exp.	327	395	429	458	488	416	450	473	577	628
D&A Exp.	29	39	43	44	43	43	46	43	45	48
Operating Profit	104	33	74	39	54	50	(87)	(39)	209	267
Op. Margin	4.0%	1.3%	2.6%	1.2%	1.6%	1.8%	-2.8%	-1.1%	5.1%	6.2%
Net Profit	75	43	49	35	36	37	(173)	(74)	126	142
Net Margin	2.9%	1.7%	1.7%	1.1%	1.1%	1.3%	-5.6%	-2.1%	3.1%	3.3%
Free Cash Flow	43	(92)	124	29	27	115	(298)	12	115	123
Income Tax	29	(4)	45	2	11	4	28	9	53	75

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	1,096	1,287	1,648	1,742	1,847	1,860	1,970	2,026	2,079	2,029
Cash & Equivalents	155	43	220	84	65	151	66	59	79	97
Acc. Receivable	324	375	453	466	468	412	457	524	498	488
Inventories	305	352	412	534	560	509	781	800	816	754
Goodwill & Int.	4	107	115	176	167	173	107	94	93	88
Total Liabilities	633	817	1,076	1,183	1,270	1,208	1,587	1,801	1,672	1,535
Accounts Payable	280	242	386	416	402	412	517	586	524	448
Long-Term Debt	53	211	291	302	287	289	519	553	494	417
Total Equity	461	464	566	527	544	617	357	204	390	475
LTD/E Ratio	0.12	0.46	0.51	0.57	0.53	0.47	1.45	2.71	1.27	0.88

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	6.7%	3.6%	3.3%	2.0%	2.0%	2.0%	-9.0%	-3.7%	6.1%	6.9%
Return on Equity	16.3%	9.2%	9.3%	6.1%	6.3%	6.0%	-33.5%	-24.4%	39.8%	31.6%
ROIC	14.9%	7.1%	6.3%	4.0%	4.2%	4.1%	-18.8%	-8.8%	15.0%	15.9%
Shares Out.	16.4	16.4	16.5	16.6	16.7	16.8	16.8	16.9	17.4	17.7
Revenue/Share	157.63	156.43	174.71	191.49	196.81	167.40	182.88	209.95	236.89	243.26
FCF/Share	2.62	(5.58)	7.49	1.73	1.61	6.86	(17.71)	0.70	6.63	6.94

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