Hamilton Beach Brands Holding Co. (HBB)

Updated June 6th, 2026, by Josh Arnold

Key Metrics

Current Price:	$19.45	**5 Year CAGR Estimate:**	-0.2%	**Market Cap:**	$258 M
Fair Value Price:	$15.00	**5 Year Growth Estimate:**	2.0%	**Ex-Dividend Date:**	09/01/26[1]
% Fair Value:	130%	**5 Year Valuation Multiple Estimate:**	-5.1%	**Dividend Payment Date:**	09/16/26
Dividend Yield:	2.6%	**5 Year Price Target**	$16.56	**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, Bartesian, and TrueAir. Hamiton 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 $258 million.

Hamilton Beach posted first quarter earnings on May 7th, 2026, and results were somewhat weak again. Earnings came to 26 cents per-share, while revenue fell almost 9% to $122 million.

Gross profit was $36.2 million, and gross margin was 29.7% of revenue. The improvement in gross margin was a massive 510 basis points and management noted it was due to favorable pricing and customer mix. That figure also included a 190 basis point improvement from inventory pricing that is nonrecurring. Even adjusting for this, gross margin improvement was strong. SG&A came to $31.2 million, including $1.4 million in accelerated depreciation of the company's legacy ERP system.

Net cash from operating activities was $3.3 million, driven by higher net working capital. Capital returns included 55k shares repurchased for $900k, and $1.6 million in dividends.

We're at $1.50 in adjusted earnings-per-share for this year after just 26 cents of earnings in Q1.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.91	$1.32	$1.68	$1.10	$1.76	$1.53	$1.81	$1.80	$2.20	$1.95	***$1.50***	***$1.66***
DPS	---	$0.09	$0.34	$0.36	$0.37	$0.40	$0.42	$0.44	$0.46	$0.48	***$0.50***	***$0.55***
Shares[2]	13.7	13.7	13.8	13.7	13.9	13.9	13.9	13.9	13.5	13.4	***13.4***	***13.0***

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.

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.

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[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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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	---	14.1	12.9	11.9	9.9	13.1	7.8	13.8	7.8	8.4	***13.0***	***10.0***
Avg. Yld.	---	0.5%	2.6%	2.5%	2.1%	2.2%	1.8%	1.7%	2.7%	2.9%	***2.6%***	***3.3%***

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 11, 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 2.6%, but it's hardly a pure income stock. We see the yield potentially settling at 3.3% over time from current by 2031.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	---	7%	20%	33%	21%	26%	23%	24%	21%	25%	***33%***	***33%***

The payout ratio is quite low, coming in at 33% for this year. We see it remaining in about the same place by 2031. 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.

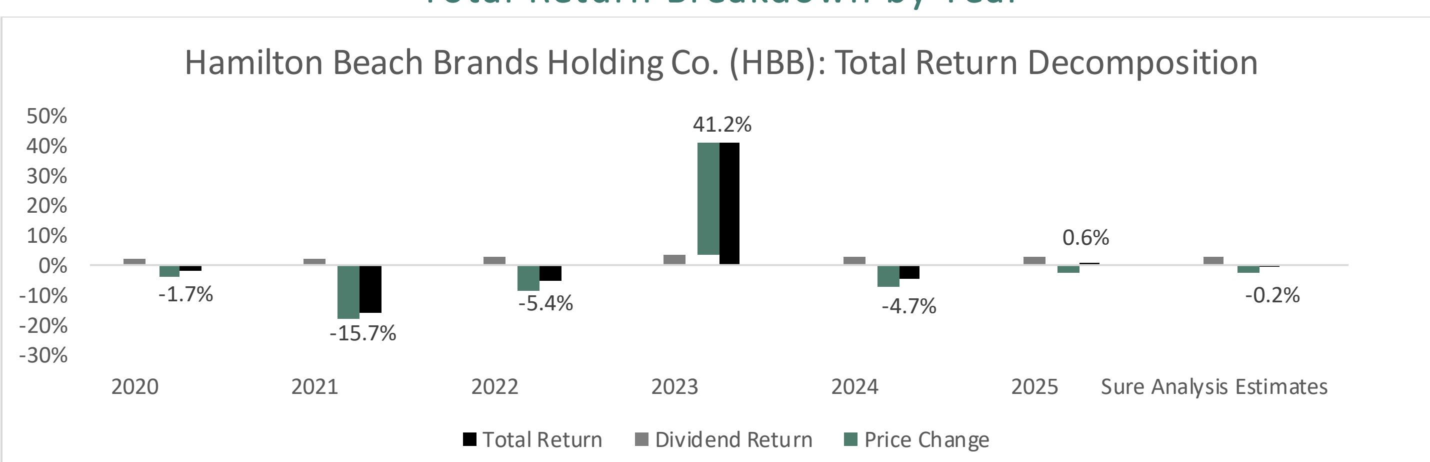
Net debt stood at roughly $3 million as of the end of the first quarter, so it's quite manageable. Debt servicing costs remain very low, so we have no concern about Hamilton Beach's balance sheet, or ability to pay off and/or refinance its current debt.

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 5.1% headwind from the valuation, offset by the 2.6% dividend yield. With -0.2% forecasted annual total returns, we reiterate our hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	745	612	630	612	604	658	641	626	655	607
Gross Profit	194	136	139	129	139	137	129	144	170	156
Gross Margin	26.0%	22.2%	22.1%	21.0%	23.0%	20.7%	20.1%	23.0%	26.0%	25.7%
SG&A Exp.	149	97	104	100	100	105	90	108	127	119
D&A Exp.	6	4	4	4	4	5	5	4	5	6
Operating Profit	43	38	34	27	37	32	39	35	43	37
Operating Margin	5.8%	6.2%	5.3%	4.4%	6.2%	4.8%	6.1%	5.6%	6.6%	6.0%
Net Profit	26	16	18	(14)	46	21	25	25	31	26
Net Margin	3.5%	2.6%	2.8%	-2.2%	7.7%	3.2%	3.9%	4.0%	4.7%	4.4%
Free Cash Flow	57	27	5	0	(37)	6	(6)	85	62	11
Income Tax	15	19	7	9	10	8	7	6	3	9

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	311	326	321	289	391	383	389	385	415	398
Cash & Equivalents	11	11	4	2	2	1	1	15	46	47
Accounts Receivable	104	114	98	108	145	120	115	135	117	111
Inventories	128	135	123	110	174	183	156	127	125	134
Goodwill & Int. Ass.	14	12	11	9	8	8	8	8	9	9
Total Liabilities	246	280	265	252	311	280	264	237	249	215
Accounts Payable	131	152	122	112	153	132	62	100	104	86
Long-Term Debt	39	51	47	58	98	97	111	50	50	86
Shareholder's Equity	65	46	57	36	80	102	125	147	166	183
LTD/E Ratio	0.59	1.11	0.82	1.61	1.23	0.95	0.89	0.34	0.30	0.50

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	---	5.0%	5.5%	-4.4%	13.6%	5.5%	6.6%	6.5%	7.7%	6.5%
Return on Equity	---	28.4%	34.3%	-29.0%	79.5%	23.4%	22.3%	18.6%	19.6%	15.2%
ROIC	---	15.7%	17.6%	-13.6%	33.9%	11.3%	11.6%	11.7%	14.9%	9.9%
Shares Out.	13.7	13.7	13.8	13.7	13.9	13.9	13.9	13.9	14.0	13.6
Revenue/Share	54.51	44.72	45.89	44.57	44.03	47.26	45.80	44.50	46.89	44.72
FCF/Share	4.14	1.99	0.34	0.00	(2.73)	0.43	(0.41)	6.06	4.46	0.81

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