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

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File Number: 001-38214

HAMILTON BEACH BRANDS HOLDING COMPANY

(Exact name of registrant as specified in its charter)

Delaware	**31-1236686**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

4421 WATERFRONT DR.	**GLEN ALLEN**	**VA**	**23060**
(Address of principal executive offices)			(Zip code)

(804) 273-9777
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, Par Value $0.01 Per Share	**HBB**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes** ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). **Yes** ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	**Accelerated filer**	☑	Non-accelerated filer	☐	**Smaller reporting company**	☑	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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ **No** ☑

Number of shares of Class A Common Stock outstanding as of July 25, 2025: 9,880,939
Number of shares of Class B Common Stock outstanding as of July 25, 2025: 3,595,361

HAMILTON BEACH BRANDS HOLDING COMPANY
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Part I
FINANCIAL INFORMATION
Item 1. Financial Statements

HAMILTON BEACH BRANDS HOLDING COMPANY
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	JUNE 30 2025	DECEMBER 31 2024	JUNE 30 2024
		(In thousands)	
Assets			
Current assets			
Cash and cash equivalents	$ 11,338	$ 45,644	$ 37,213
Trade receivables, net	74,093	117,068	85,038
Inventory	160,357	124,904	130,197
Prepaid expenses and other current assets	14,318	16,103	12,544
Total current assets	260,106	303,719	264,992
Property, plant and equipment, net	33,464	34,401	35,395
Right-of-use lease assets	36,956	36,049	37,486
Goodwill	7,099	7,099	7,099
Other intangible assets, net	1,945	2,101	2,210
Deferred income taxes	7,513	6,693	2,005
Deferred costs	2,737	16,156	14,523
Other non-current assets	13,984	8,849	6,186
Total assets	$ 363,804	$ 415,067	$ 369,896
Liabilities and stockholders' equity			
Current liabilities			
Accounts payable	$ 76,275	$ 104,161	$ 96,452
Revolving credit agreements	—	—	50,000
Accrued compensation	7,127	18,792	8,244
Accrued product returns	7,072	7,876	6,338
Lease liabilities	5,568	5,193	5,838
Other current liabilities	9,450	18,098	10,773
Total current liabilities	105,492	154,120	177,645
Revolving credit agreements	50,000	50,000	—
Lease liabilities, non-current	38,988	39,008	40,489
Other long-term liabilities	5,349	6,036	6,030
Total liabilities	199,829	249,164	224,164
Stockholders' equity			
Preferred stock, par value $0.01 per share	—	—	—
Class A Common stock	118	115	114
Class B Common stock	36	36	36
Capital in excess of par value	78,673	76,668	73,483
Treasury stock	(33,549)	(26,202)	(16,552)
Retained earnings	126,919	123,863	101,078
Accumulated other comprehensive loss	(8,222)	(8,577)	(12,427)
Total stockholders' equity	163,975	165,903	145,732
Total liabilities and stockholders' equity	$ 363,804	$ 415,067	$ 369,896

See notes to unaudited consolidated financial statements.

HAMILTON BEACH BRANDS HOLDING COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2025	2024	**2025**	2024
	(In thousands, except per share data)		(In thousands, except per share data)	
Revenue	**$ 127,770**	$ 156,240	**$ 261,142**	$ 284,517
Cost of sales	**92,639**	115,744	**193,240**	213,967
Gross profit	**35,131**	40,496	**67,902**	70,550
Selling, general and administrative expenses	**29,105**	30,397	**59,485**	61,344
Amortization of intangible assets	**78**	143	**156**	193
Operating profit (loss)	**5,948**	9,956	**8,261**	9,013
Interest (income) expense, net	**121**	115	**49**	271
Other (income) expense, net	**(182)**	883	**(331)**	1,056
Income (loss) before income taxes	**6,009**	8,958	**8,543**	7,686
Income tax expense (benefit)	**1,556**	2,972	**2,285**	2,862
Net income (loss)	**$ 4,453**	$ 5,986	**$ 6,258**	$ 4,824
Basic and diluted earnings (loss) per share	**$ 0.33**	$ 0.42	**$ 0.46**	$ 0.34
Basic weighted average shares outstanding	**13,516**	14,113	**13,642**	14,137
Diluted weighted average shares outstanding	**13,534**	14,127	**13,661**	14,152

See notes to unaudited consolidated financial statements.

HAMILTON BEACH BRANDS HOLDING COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2025	2024	**2025**	2024
	(In thousands)		(In thousands)	
Net income (loss)	**$ 4,453**	$ 5,986	**$ 6,258**	$ 4,824
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustment	**2,660**	(1,868)	**2,987**	(2,965)
Cash flow hedging activity	**(1,115)**	1,555	**(1,735)**	1,592
Reclassification of hedging activities into earnings	**(472)**	(991)	**(952)**	(519)
Reclassification related to pension termination activity into earnings	**2**	—	**48**	—
Reclassification of pension adjustments into earnings	**5**	61	**7**	132
Total other comprehensive income (loss), net of tax	**1,080**	(1,243)	**355**	(1,760)
Comprehensive income (loss)	**$ 5,533**	$ 4,743	**$ 6,613**	$ 3,064

See notes to unaudited consolidated financial statements.

HAMILTON BEACH BRANDS HOLDING COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	SIX MONTHS ENDED JUNE 30	
	2025	2024
	(In thousands)	
Operating activities		
Net income (loss)	**$ 6,258**	$ 4,824
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization	**2,518**	2,628
Stock compensation expense	**2,008**	3,084
Other	**(1,294)**	1,610
Net changes in operating assets and liabilities:		
Trade receivables	**44,391**	49,582
Inventory	**(33,599)**	(7,657)
Other assets	**10,856**	(2,622)
Accounts payable	**(27,950)**	(3,076)
Other liabilities	**(26,961)**	(11,302)
Net cash provided by (used for) operating activities	**(23,773)**	37,071
Investing activities		
Expenditures for property, plant and equipment	**(1,466)**	(1,540)
Acquisition of business, net of cash acquired	**—**	(7,412)
Issuance of secured loan	**—**	(600)
Repayment of secured loan	**—**	2,205
Net cash provided by (used for) investing activities	**(1,466)**	(7,347)
Financing activities		
Cash dividends paid	**(3,202)**	(3,144)
Purchase of treasury stock	**(7,347)**	(4,539)
Net cash provided by (used for) financing activities	**(10,549)**	(7,683)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	**602**	(252)
Cash, cash equivalents and restricted cash		
Increase (decrease) for the period	**(35,186)**	21,789
Balance at the beginning of the period	**46,524**	16,379
Balance at the end of the period	**$ 11,338**	$ 38,168
Reconciliation of cash, cash equivalents and restricted cash		
Cash and cash equivalents	**$ 11,338**	$ 37,213
Restricted cash included in prepaid expenses and other current assets	**—**	50
Restricted cash included in other non-current assets	**—**	905
Total cash, cash equivalents and restricted cash	**$ 11,338**	$ 38,168

See notes to unaudited consolidated financial statements.

HAMILTON BEACH BRANDS HOLDING COMPANY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

	Class A Common Stock	Class B Common Stock	Capital in Excess of Par Value	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	(In thousands, except per share data)						
Balance, January 1, 2025	**$ 115**	**$ 36**	**$ 76,668**	**$ (26,202)**	**$ 123,863**	**$ (8,577)**	**$ 165,903**
Net income (loss)	**—**	**—**	**—**	**—**	**1,805**	**—**	**1,805**
Purchase of treasury stock	**—**	**—**	**—**	**(3,373)**	**—**	**—**	**(3,373)**
Issuance of common stock, net of conversions	**3**	**—**	**(3)**	**—**	**—**	**—**	**—**
Share-based compensation expense	**—**	**—**	**1,156**	**—**	**—**	**—**	**1,156**
Cash dividends, $0.115 per share	**—**	**—**	**—**	**—**	**(1,585)**	**—**	**(1,585)**
Other comprehensive income (loss), net of tax	**—**	**—**	**—**	**—**	**—**	**(293)**	**(293)**
Reclassification adjustment to net income (loss)	**—**	**—**	**—**	**—**	**—**	**(432)**	**(432)**
Balance, March 31, 2025	**118**	**36**	**77,821**	**(29,575)**	**124,083**	**(9,302)**	**163,181**
Net income (loss)	**—**	**—**	**—**	**—**	**4,453**	**—**	**4,453**
Purchase of treasury stock	**—**	**—**	**—**	**(3,974)**	**—**	**—**	**(3,974)**
Share-based compensation expense	**—**	**—**	**852**	**—**	**—**	**—**	**852**
Cash dividends, $0.12 per share	**—**	**—**	**—**	**—**	**(1,617)**	**—**	**(1,617)**
Other comprehensive income (loss), net of tax	**—**	**—**	**—**	**—**	**—**	**1,545**	**1,545**
Reclassification adjustment to net income (loss)	**—**	**—**	**—**	**—**	**—**	**(465)**	**(465)**
Balance, June 30, 2025	**$ 118**	**$ 36**	**$ 78,673**	**$ (33,549)**	**$ 126,919**	**$ (8,222)**	**$ 163,975**
Balance, January 1, 2024	$ 112	$ 36	$ 70,401	$ (12,013)	$ 99,398	$ (10,667)	$ 147,267
Net income (loss)	—	—	—	—	(1,162)	—	(1,162)
Purchase of treasury stock	—	—	—	(554)	—	—	(554)
Issuance of common stock, net of conversions	2	—	(2)	—	—	—	—
Share-based compensation expense	—	—	1,904	—	—	—	1,904
Cash dividends, $0.11 per share	—	—	—	—	(1,531)	—	(1,531)
Other comprehensive income (loss), net of tax	—	—	—	—	—	(1,060)	(1,060)
Reclassification adjustment to net income (loss)	—	—	—	—	—	543	543
Balance, March 31, 2024	114	36	72,303	(12,567)	96,705	(11,184)	145,407
Net income (loss)	—	—	—	—	5,986	—	5,986
Purchase of treasury stock	—	—	—	(3,985)	—	—	(3,985)
Share-based compensation expense	—	—	1,180	—	—	—	1,180
Cash dividends, $0.115 per share	—	—	—	—	(1,613)	—	(1,613)
Other comprehensive income (loss), net of tax	—	—	—	—	—	(313)	(313)
Reclassification adjustment to net income (loss)	—	—	—	—	—	(930)	(930)
Balance, June 30, 2024	$ 114	$ 36	$ 73,483	$ (16,552)	$ 101,078	$ (12,427)	$ 145,732

See notes to unaudited consolidated financial statements.

HAMILTON BEACH BRANDS HOLDING COMPANY
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(Tabular amounts in thousands, except as noted and per share amounts)

NOTE 1—Basis of Presentation and Recently Issued Accounting Standards

Basis of Presentation

Throughout this Quarterly Report on Form 10-Q and the notes to unaudited consolidated financial statements, references to “Hamilton Beach Holding”, “the Company”, “we”, “us” and “our” and similar references are to Hamilton Beach Brands Holding Company and its subsidiaries on a consolidated basis unless otherwise noted or as the context otherwise requires. Hamilton Beach Brands Holding Company is a holding company and operates through its indirect, wholly owned subsidiary, Hamilton Beach Brands, Inc., a Delaware corporation (“HBB”).

We are a leading designer, marketer and distributor of a wide range of brand name small electric household and specialty housewares appliances, and commercial products for restaurants, fast food chains, bars and hotels, and a provider of connected devices and software for home healthcare management.

Our operations are managed and reported in two operating segments, each of which is a reportable segment for financial reporting purposes: (1) Home and Commercial Products and (2) Health. During the year ended December 31, 2023, the Company had one operating and one reportable segment. During the fourth quarter of 2024, the Company added a second reportable segment; therefore, certain revenue and significant expenses for the three and six months ended June 30, 2024 have been recast as shown in Note 9 – Segment Information to these unaudited consolidated financial statements.

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial information. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments of a normal recurring nature considered necessary for a fair presentation have been included. These financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024.

Operating results for the three and six months ended June 30, 2025 are not necessarily indicative of the results that may be expected for the remainder of the year as our revenue typically increases during the second half of the year and peaks during the fourth quarter due to the fall holiday-selling season. Accordingly, quarter-to-quarter comparisons of our past operating results are meaningful only when comparing equivalent time periods, if at all.

We maintain a $125.0 million senior secured floating-rate revolving credit facility (the “HBB Facility”) that expires on December 13, 2029, therefore all borrowings are classified as long-term debt as of June 30, 2025. We believe funds available from cash on hand, the HBB Facility and operating cash flows will provide sufficient liquidity to meet our operating needs and commitments arising during the next twelve months.

Accounting Standards Not Yet Adopted

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures,” which enhances income tax disclosure requirements primarily involving more detailed disclosure for income taxes paid and the effective tax rate reconciliation. The amendments are effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied prospectively but retrospective application is permitted. The Company is currently in the process of evaluating the impact of the new requirements but does not expect the adoption of this guidance to have a material impact on the Company’s consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, “Income Statement — Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40),” which requires additional information to be disclosed about specific expense categories in the notes to financial statements at interim and annual reporting periods. The amendments are effective for fiscal years beginning after December 15, 2026, and interim periods beginning after December 15, 2027. The Company is currently in the process of evaluating the impact of the new requirements.

U.S. Pension Plan Termination

During 2022, the Board approved the termination of our U.S. Pension Plan with an effective date of September 30, 2022. The Company substantially completed the termination in 2024.

During the first quarter of 2025, the Company transferred $13.4 million of surplus assets to a qualified replacement plan which will be used to fund qualifying employee retirement benefits in the future. During the three and six months ended June 30, 2025, $0.5 million and $4.0 million was used to fund employee retirement benefits, respectively. As of June 30, 2025, the Company had $3.5 million included in prepaid expenses and other current assets (current portion) and $6.1 million included in other non-current assets on the Consolidated Balance Sheets, which is inclusive of accrued interest income.

Accounts Payable - Supplier Finance Program

The Company has an agreement with a third-party administrator to provide an accounts payable tracking system which facilitates a participating supplier's ability to monitor and voluntarily elect to sell payment obligations owed by the Company to the designated third-party financial institution. Participating suppliers can sell one or more of the Company's payment obligations at their sole discretion. The Company has no economic interest in a supplier's decision to sell one or more of its payment obligations. The Company's rights and obligations with respect to such payment obligations, including amounts due and scheduled payment terms, are not impacted by suppliers' decisions to sell amounts under these arrangements.

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Company had $35.8 million, $56.9 million and $56.5 million, respectively, in outstanding payment obligations to the third-party financial institution that are presented in accounts payable on the Consolidated Balance Sheets. There is no requirement to provide assets pledged as security or other forms of guarantees under the agreement. The Company pays the third-party financial institution based upon the original payment terms negotiated with participating suppliers. The payment of these obligations by the Company is included in cash used for operating activities in the Consolidated Statements of Cash Flows.

The agreement limits payment obligations owed by the Company but sold by participating suppliers to $65.0 million. Of the amounts owed by the Company referenced above that are presented in accounts payable, participating suppliers have sold $32.0 million, $48.2 million and $48.0 million, as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

NOTE 2—Transfer of Financial Assets

The Company has an arrangement with a financial institution to sell certain U.S. trade receivables of a single customer on a non-recourse basis. Under the terms of the agreement, the Company receives cash proceeds and retains no rights or interest and has no obligations with respect to the sold receivables. These transactions, which are accounted for as sold receivables, result in a reduction in trade receivables because the agreement transfers effective control over and risk related to the receivables to the buyer. Under this arrangement, the Company derecognized $34.2 million and $66.6 million of trade receivables during the three and six months ended June 30, 2025, respectively, $40.5 million and $70.6 million during the three and six months ended June 30, 2024, respectively, and $149.7 million during the year ended December 31, 2024. The loss incurred on sold receivables in the Consolidated Statements of Operations for the three and six months ended June 30, 2025 and 2024 was not material. The Company does not carry any servicing assets or liabilities. Cash proceeds from this arrangement are reflected as operating activities in the Consolidated Statements of Cash Flows.

NOTE 3—Fair Value Disclosure

The following table presents the Company's assets and liabilities accounted for at fair value on a recurring basis:

Description	Balance Sheet Location	**JUNE 30 2025**	DECEMBER 31 2024	JUNE 30 2024
Assets:				
Interest rate swap agreements				
Current	Prepaid expenses and other current assets	**$ 864**	$ 1,144	$ 1,169
Long-term	Other non-current assets	**1,674**	2,808	3,442
Foreign currency exchange contracts				
Current	Prepaid expenses and other current assets	**—**	789	325
		$ 2,538	$ 4,741	$ 4,936
Liabilities:				
Foreign currency exchange contracts				
Current	Other current liabilities	**1,223**	—	—
		$ 1,223	$ —	$ —

The Company measures its derivatives at fair value using significant observable inputs, which is Level 2 as defined in the fair value hierarchy. The Company uses a present value technique that incorporates the Secured Overnight Financing Rate (SOFR) swap curve, foreign currency spot rates and foreign currency forward rates to value its derivatives, including its interest rate swap agreements and foreign currency exchange contracts. The Company also incorporates the effect of HBB and counterparty credit risk into the valuation.

Other Fair Value Measurement Disclosures

The carrying amounts of cash and cash equivalents, trade receivables and accounts payable approximate fair value due to the short-term maturities of these instruments, with the exception of U.S. Treasury bills classified as cash and cash equivalents which are measured at amortized cost.

The $125.0 million fair value of the HBB Facility, including book overdrafts, which approximate book value, was determined using current rates offered for similar obligations taking into account the Company's credit risk, which is Level 2 as defined in the fair value hierarchy.

There were no transfers into or out of Levels 1, 2 or 3 during the three and six months ended June 30, 2025.

NOTE 4—Stockholders' Equity

Capital Stock

The following table sets forth the Company's authorized capital stock information:

	JUNE 30 2025	DECEMBER 31 2024	JUNE 30 2024
Preferred stock, par value $0.01 per share			
Preferred stock authorized	**5,000**	5,000	5,000
Preferred stock outstanding	**—**	—	—
Class A Common stock, par value $0.01 per share			
Class A Common authorized	**70,000**	70,000	70,000
Class A Common issued (1)(2)	**11,821**	11,476	11,442
Treasury Stock (3)	**1,941**	1,545	1,127
Class B Common stock, par value $0.01 per share, convertible into Class A Common stock on a one-for-one basis			
Class B Common authorized	**30,000**	30,000	30,000
Class B Common issued (1)	**3,596**	3,603	3,611

(1) Class B Common converted to Class A Common were 5 and 7 shares during the three and six months ended June 30, 2025, respectively, and 1 and 5 during the three and six months ended June 30, 2024, respectively.

(2) The Company issued Class A Common of 19 and 338 shares during the three and six months ended June 30, 2025, respectively, and 14 and 276 during the three and six months ended June 30, 2024, respectively.

(3) On February 21, 2025 and March 5, 2024, a total of 39 and 30 mandatory cashless-exercise-award shares of Class A Common, respectively, were surrendered to the Company by the participants of our Executive Long-Term Equity Incentive Compensation Plan (the "Incentive Plan") in order to satisfy the participants' tax withholding obligations with respect to shares of Class A Common awarded under the Incentive Plan.

Stock Repurchase Program: In November 2023, the Company's Board approved a stock repurchase program for the purchase of up to $25 million of the Company's Class A Common outstanding starting January 1, 2024 and ending December 31, 2025. During the three and six months ended June 30, 2025, the Company repurchased 215,297 and 356,732 shares at prevailing market prices for an aggregate purchase price of $4.0 million and $6.7 million, respectively. During the three and six months ended June 30, 2024, the Company repurchased 220,212 shares at prevailing market prices for an aggregate purchase price of $4.0 million. During the year ended December 31, 2024, the Company repurchased 638,381 shares for an aggregate purchase price of $13.5 million (excluding the 1% excise tax as a result of the Inflation Reduction Act of 2022). As of June 30, 2025, the Company had $4.8 million remaining authorized for repurchase.

Additionally, during the six months ended June 30, 2025 and June 30, 2024, the Company withheld shares for tax payments due upon issuance of stock to employees under the Incentive Plan. During the six months ended June 30, 2025 and June 30, 2024, the Company repurchased 39,121 and 30,404 shares, respectively, for an aggregate purchase price of $0.7 million and $0.6 million, respectively, pursuant to the Incentive Plan. There were no shares repurchased pursuant to the Incentive Plan during the three months ended June 30, 2025 and June 30, 2024.

The total combined share repurchases from the stock repurchase program and the Incentive Plan during the three and six months ended June 30, 2025 was 215,297 and 395,853 shares, respectively, for an aggregate purchase price of $4.0 million and $7.4 million, respectively. The total combined share repurchases from the stock repurchase program and the Incentive Plan during the three and six months ended June 30, 2024 was 220,212 and 250,616 shares, respectively, for an aggregate purchase price of $4.0 million and $4.6 million, respectively.

Accumulated Other Comprehensive Loss: The following table summarizes changes in accumulated other comprehensive loss by component and related tax effects for periods shown:

	Foreign Currency	Deferred Gain (Loss) on Cash Flow Hedging	Pension Plan Adjustment	Total
Balance, January 1, 2025	**$ (12,279)**	**$ 3,572**	**$ 130**	**$ (8,577)**
Other comprehensive income (loss)	**327**	**(861)**	**—**	**(534)**
Reclassification adjustment to net income (loss)	**—**	**(654)**	**64**	**(590)**
Tax effects	**—**	**415**	**(16)**	**399**
Balance, March 31, 2025	**(11,952)**	**2,472**	**178**	**(9,302)**
Other comprehensive income (loss)	**2,660**	**(1,567)**	**—**	**1,093**
Reclassification adjustment to net income (loss)	**—**	**(637)**	**7**	**(630)**
Tax effects	**—**	**617**	**—**	**617**
Balance, June 30, 2025	**$ (9,292)**	**$ 885**	**$ 185**	**$ (8,222)**
Balance, January 1, 2024	$ (6,412)	$ 2,424	$ (6,679)	$ (10,667)
Other comprehensive income (loss)	(1,097)	29	—	(1,068)
Reclassification adjustment to net income (loss)	—	647	94	741
Tax effects	—	(167)	(23)	(190)
Balance, March 31, 2024	(7,509)	2,933	(6,608)	(11,184)
Other comprehensive income (loss)	(1,868)	2,104	—	236
Reclassification adjustment to net income (loss)	—	(1,325)	83	(1,242)
Tax effects	—	(215)	(22)	(237)
Balance, June 30, 2024	$ (9,377)	$ 3,497	$ (6,547)	$ (12,427)

NOTE 5—Revenue

Revenue is recognized when control of the promised goods or services is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services, which includes an estimate for variable consideration.

The Company's warranty program to the consumer consists generally of an assurance-type limited warranty lasting for varying periods of up to ten years for electric appliances, with the majority of products having a warranty of one to three years. There is no guarantee to the consumer as the Company may repair or replace, in its discretion, products returned under warranty. Accordingly, the Company determined that no separate performance obligation exists.

Most of the Company's products are not sold with a general right of return. Subject to certain terms and conditions, however, the Company will agree to accept a portion of products sold that, based on historical experience, are estimated to be returned for reasons such as product failure and excess inventory stocked by the customer. Product returns, customer programs and incentive offerings, including special pricing agreements, price competition, promotions and other volume-based incentives are accounted for as variable consideration.

A description of revenue sources and performance obligations for the Company are as follows:

Consumer and Commercial product revenue
Transactions with both consumer and commercial customers generally originate upon the receipt of a purchase order from a customer, which in some cases are governed by master sales agreements, specifying product(s) that the customer desires. Contracts for product revenue have an original duration of one year or less, and payment terms are generally standard and based on customer creditworthiness. Revenue from product sales is recognized at the point in time when control transfers to the customer, which is either when a product is shipped from a Company facility, or delivered to customers, depending on the shipping terms. The amount of revenue recognized varies primarily with price concessions and changes in returns. The Company offers price concessions to its customers for incentive offerings, special pricing agreements, price competition, promotions or other volume-based arrangements. The Company evaluated such agreements with its customers and determined returns and price concessions should be accounted for as variable consideration.

Consumer product revenue consists of sales of small electric household and specialty housewares appliances to traditional brick and mortar and ecommerce retailers, distributors and directly to the end consumer. A majority of this revenue is in North America.

Commercial product revenue consists of sales of products for restaurants, fast-food chains, bars and hotels. Approximately two-thirds of the Company’s commercial sales is in the U.S. and the remaining is in markets across the globe.

License revenue
From time to time, the Company enters into exclusive and non-exclusive licensing agreements which grant the right to use certain of the Company’s intellectual property (“IP”) in connection with designing, manufacturing, distributing, advertising, promoting and selling the licensees’ products during the term of the agreement. The IP that is licensed generally consists of trademarks, trade names, patents, trade dress, logos and/or products (the “Licensed IP”). In exchange for granting the right to use the Licensed IP, the Company receives a royalty payment, which is a function of (1) the total net sales of products that use the Licensed IP and (2) the royalty percentage that is stated in the licensing agreement. The Company recognizes revenue at the later of when the subsequent sales occur or when the performance obligation is satisfied over time.

Additionally, the Company enters into agreements which grant the right to use software for healthcare management. The Company receives a license payment which is recognized when the performance obligation is satisfied over time or as usage occurs based on the contract with the customer.

Lease revenue
The Company leases connected devices to specialty pharmacy networks and pharmaceutical companies and is accounted for under Accounting Standards Codification 842, Leases as operating leases.

The following table sets forth Company’s revenue on a disaggregated basis for the three and six months ended June 30:

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2025	2024	**2025**	2024
Type of good or service:				
Consumer products	**$ 109,608**	$ 139,785	**$ 226,943**	$ 252,535
Commercial products	**14,643**	14,420	**26,935**	27,873
Licensing	**2,208**	1,345	**4,768**	2,960
Leasing	**1,311**	690	**2,496**	1,149
Total revenues	**$ 127,770**	$ 156,240	**$ 261,142**	$ 284,517

NOTE 6—Contingencies

The Company is involved in various legal and regulatory proceedings and claims that have arisen in the ordinary course of business, including product liability, patent infringement, environmental and other claims. Although it is difficult to predict the ultimate outcome of these proceedings and claims, the Company believes the ultimate disposition of these matters will not have a material adverse effect on the financial condition, results of operation or cash flows of the Company. Any costs that the Company estimates will be paid as a result of these claims are accrued when the liability is considered probable and the amount of such costs can be reasonably estimated. The Company does not accrue liabilities when the likelihood that the liability has been incurred is probable but the amount cannot be reasonably estimated or when the liability is believed to be only reasonably possible or remote. For contingencies where an unfavorable outcome is probable or reasonably possible and which are material, the Company discloses the nature of the contingency and, in some circumstances, an estimate of the possible loss.

Environmental matters

The Company is investigating or remediating historical environmental contamination at some current and former sites operated by the Company or by businesses it acquired. Based on the current stage of the investigation or remediation at each known site, the Company estimates the total investigation and remediation costs and the period of assessment and remediation activity required for each site. The estimate of future investigation and remediation costs is primarily based on variables associated with site clean-up, including, but not limited to, physical characteristics of the site, the nature and extent of the contamination and applicable regulatory programs and remediation standards.

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Company had accrued undiscounted obligations of $3.2 million, $3.9 million and $3.2 million, respectively, for environmental investigation and remediation activities. The Company estimates that it is reasonably possible that it may incur additional expenses in the range of zero to $1.0 million related to the environmental investigation and remediation at these sites. As of June 30, 2025, the Company has a $0.8 million asset associated with the reimbursement of costs associated with two sites.

NOTE 7—Income Taxes

The Company’s provision for income taxes for interim periods is determined using an estimate of its annual effective tax rate, adjusted for discrete items, if any, that arise during the period. Each quarter, the Company updates its estimate of the annual effective tax rate, and if the estimated annual effective tax rate changes, the Company makes a cumulative adjustment in such period.

The effective tax rate was 25.9% and 33.2% for the three months ended June 30, 2025 and 2024, respectively. The effective tax rate was lower for the three months ended June 30, 2025 driven by a reduction in non-deductible expenses and a decreased impact of the HealthBeacon Limited (“HealthBeacon”) valuation allowance.

The effective tax rate was 26.7% and 37.2% for the six months ended June 30, 2025 and 2024, respectively. The effective tax rate was lower for the six months ended June 30, 2025 driven by a reduction in non-deductible expenses and a decreased impact of the HealthBeacon valuation allowance.

NOTE 8—Acquisitions

On February 2, 2024, we completed the acquisition of HealthBeacon, a medical technology firm and strategic partner of the Company, for €6.9 million (approximately $7.5 million). The transaction was funded with cash on hand.

The acquisition of HealthBeacon was accounted for as a business combination using the acquisition method of accounting. The results of operations for HealthBeacon are included in the accompanying Consolidated Statements of Operations for the three and six months ended June 30, 2025 and in the comparable period from the acquisition date until June 30, 2024. HealthBeacon had $1.7 million and $3.2 million in revenue and $0.7 million and $1.4 million in operating loss that was included in our consolidated financial statements for the three and six months ended June 30, 2025, respectively. HealthBeacon had $0.8 million and $1.4 million in revenue and $1.5 million and $2.6 million in operating loss that was included in our consolidated financial statements for the three and six months ended June 30, 2024, respectively. Pro forma financial information has not been presented, as revenue and expenses related to the acquisition do not have a material impact on the Company’s unaudited consolidated financial statements.

The purchase price allocation for HealthBeacon was final as of December 31, 2024.

There were no transaction costs during the three and six months ended June 30, 2025. During the three and six months ended June 30, 2024, we incurred transaction costs of approximately $0.1 million and $1.1 million, respectively, which are included in selling, general and administrative expenses on the Consolidated Statements of Operations.

The following table presents the final value of assets acquired and liabilities assumed:

	Fair Values as of February 2, 2024
Cash and cash equivalents	$ 147
Current assets	1,452
Property, plant and equipment, net	6,634
Goodwill	847
Other intangible assets, net	1,111
Total assets acquired	**10,191**
Liabilities, current	2,016
Liabilities, non-current	616
Total liabilities acquired	**2,632**
Purchase Price	**$ 7,559**

NOTE 9—Segment Information

The Company's operations are managed and reported in two operating segments, each of which is a reportable segment for financial reporting purposes: (1) Home and Commercial Products and (2) Health. These segments are organized principally by product and service category. The Company's reportable segments are determined based on (1) financial information reviewed by the chief operating decision maker "CODM", (2) operational structure of the Company which is designed and managed to share resources across the entire suite of products offered by the business, and (3) the basis upon which the CODM makes resource allocation decisions. The CODM for both segments is the Director, President and Chief Executive Officer of the Company. The CODM utilizes the segment operating profit (loss) to assess profitability and performance of actual results compared to forecasts.

The types of products and services from which each reportable segment derives its revenues are as follows:

Home and Commercial Products
Our Home and Commercial Products segment includes consumer product revenue, primarily concentrated in North America, consisting of sales of small electric household and specialty housewares appliances to traditional brick and mortar and ecommerce retailers, distributors and directly to the end consumer. Also included in this segment is commercial product revenue consisting of sales of products for restaurants, fast-food chains, bars and hotels. Approximately two-thirds of the Company's commercial sales is in the U.S. and the remaining is in markets across the globe.

Health
Our Health segment includes lease revenue in the U.S. and globally associated with leases of connected devices to specialty pharmacy networks and pharmaceutical companies, as well as licensing revenue associated with agreements which grant customers the right to use software for healthcare management.

The table below presents the revenues and significant expenses of the two reportable segments along with a reconciliation of segment profit (loss) to consolidated income (loss) before income taxes. During the fourth quarter of 2024, the Company added a second reportable segment; therefore, the revenue and significant expenses for the three and six months ended June 30, 2024 shown below have been recast. Total assets by segment are not reported as the CODM does not regularly review asset information by segment.

	THREE MONTHS ENDED JUNE 30					
	2025			2024		
	Home and Commercial Products	**Health**	**Total**	Home and Commercial Products	Health	Total
Revenue	**$ 126,072**	**$ 1,698**	**$ 127,770**	$ 155,381	$ 859	$ 156,240
Less:						
Cost of sales	**92,149**	**490**	**92,639**	115,424	320	115,744
Selling, general and administrative expenses	**27,061**	**2,044**	**29,105**	27,997	2,400	30,397
Amortization of intangible assets	**50**	**28**	**78**	50	93	143
Segment profit (loss)	**$ 6,812**	**$ (864)**	**$ 5,948**	$ 11,910	$ (1,954)	$ 9,956
Reconciliation of segment profit or (loss)						
Interest (income) expense, net			**121**			115
Other (income) expense, net			**(182)**			883
Income (loss) before income taxes			**$ 6,009**			$ 8,958

	SIX MONTHS ENDED JUNE 30					
	2025			2024		
	Home and Commercial Products	**Health**	**Total**	Home and Commercial Products	Health [1]	Total
Revenue	**$ 257,900**	**$ 3,242**	**$ 261,142**	$ 283,078	$ 1,439	$ 284,517
Less:						
Cost of sales	**192,375**	**865**	**193,240**	213,456	511	213,967
Selling, general and administrative expenses	**55,428**	**4,057**	**59,485**	57,280	4,064	61,344
Amortization of intangible assets	**100**	**56**	**156**	100	93	193
Segment profit (loss)	**$ 9,997**	**$ (1,736)**	**$ 8,261**	$ 12,242	$ (3,229)	$ 9,013
Reconciliation of segment profit or (loss)						
Interest (income) expense, net			**49**			271
Other (income) expense, net			**(331)**			1,056
Income (loss) before income taxes			**$ 8,543**			$ 7,686

[1] As noted in Note 8 – Acquisitions, the Company completed the acquisition of HealthBeacon on February 2, 2024. Therefore, the 2024 results for the Health segment represent activity from the date of acquisition through June 30, 2024.

Item 2. - Management’s Discussion and Analysis of Financial Condition and Results of Operations

(Dollars in thousands, except as noted and per share data)

Management’s Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based upon management’s current expectations and are subject to various uncertainties and changes in circumstances. Important factors that could cause actual results to differ materially from those described in these forward-looking statements are set forth below under the heading “Forward-Looking Statements.”

Our operations are managed and reported in two operating segments, each of which is a reportable segment for financial reporting purposes: (1) Home and Commercial Products and (2) Health.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

For a summary of the Company's critical accounting policies, refer to "Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates" in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, as there have been no material changes from those disclosed in the Annual Report.

RESULTS OF OPERATIONS

The market for small electric household and specialty housewares appliances is fairly steady throughout the year, however the Company's revenue typically increases during the second half of the year and peaks during the fourth quarter due to the fall holiday-selling season.

Second Quarter of 2025 Compared with Second Quarter of 2024

	THREE MONTHS ENDED JUNE 30					
					Increase / (Decrease)	
	2025	% of Revenue	2024	% of Revenue	$ Change	% Change
Revenue	**$ 127,770**	100.0 %	$ 156,240	100.0 %	$ (28,470)	(18.2)%
Cost of sales	**92,639**	72.5 %	115,744	74.1 %	(23,105)	(20.0)%
Gross profit	**35,131**	27.5 %	40,496	25.9 %	(5,365)	(13.2)%
Selling, general and administrative expenses	**29,105**	22.8 %	30,397	19.5 %	(1,292)	(4.3)%
Amortization of intangible assets	**78**	0.1 %	143	0.1 %	(65)	(45.5)%
Operating profit (loss)	**5,948**	4.7 %	9,956	6.4 %	(4,008)	(40.3)%
Interest (income) expense, net	**121**	0.1 %	115	0.1 %	6	5.2 %
Other (income) expense, net	**(182)**	(0.1)%	883	0.6 %	(1,065)	(120.6)%
Income (loss) before income taxes	**6,009**	4.7 %	8,958	5.7 %	(2,949)	(32.9)%
Income tax expense (benefit)	**1,556**	1.2 %	2,972	1.9 %	(1,416)	(47.6)%
Net income (loss)	**$ 4,453**	3.5 %	$ 5,986	3.8 %	$ (1,533)	(25.6)%
Effective income tax rate	**25.9 %**		33.2 %			

The following table identifies the components of the change in revenue:

	Revenue
2024	$ 156,240
Increase (decrease) from:	
Unit volume and product mix	(27,750)
Average sales price	602
Foreign currency	(1,322)
2025	**$ 127,770**

Revenue - Revenue decreased $28.5 million, or 18.2%, to $127.8 million compared to $156.2 million in the prior year. The revenue decline was primarily driven by lower volumes in the Company's U.S. Consumer business as some retailers paused buying in the second quarter in order to assess inventory levels and price increases flowing from the new tariffs implemented by the United States in April 2025. While many retailers have resumed buying, the future tariff related impacts on consumer demand remain uncertain.

Gross profit - As a percentage of revenue, gross profit margin increased to 27.5% compared to 25.9% in the prior year primarily due to a shift in our customer mix within our U.S. Consumer business, along with a larger proportion of sales from our higher-margin International Commercial business and HealthBeacon in the current period.

Selling, general and administrative expenses (SG&A) - Selling, general and administrative expenses decreased by $1.3 million compared to the second quarter of 2024. The decrease was primarily driven by lower incentive related personnel costs, partially offset by a one-time severance charge from restructuring actions taken by management to deleverage its cost structure.

Interest (income) expense, net - The Company had net interest expense of $0.1 million for both the three months ended June 30, 2025 and June 30, 2024.

Other (income) expense, net - Other (income) expense, net increased by $1.1 million to $0.2 million of income for the three months ended June 30, 2025 driven by currency gains of $0.3 million in the current three-month period compared to currency losses of $0.6 million in the second quarter of 2024.

Income tax expense (benefit) - The effective tax rate was 25.9% and 33.2% for three months ended June 30, 2025 and 2024, respectively. The effective tax rate was lower for the three months ended June 30, 2025 driven by a reduction in non-deductible expenses and a decreased impact of the HealthBeacon valuation allowance.

First Six Months of 2025 Compared with First Six Months of 2024

	SIX MONTHS ENDED JUNE 30					
	2025	% of Revenue	2024	% of Revenue	$ Change	% Change
Revenue	**$ 261,142**	100.0 %	$ 284,517	100.0 %	$ (23,375)	(8.2)%
Cost of sales	**193,240**	74.0 %	213,967	75.2 %	(20,727)	(9.7)%
Gross profit	**67,902**	26.0 %	70,550	24.8 %	(2,648)	(3.8)%
Selling, general and administrative expenses	**59,485**	22.8 %	61,344	21.6 %	(1,859)	(3.0)%
Amortization of intangible assets	**156**	0.1 %	193	0.1 %	(37)	(19.2)%
Operating profit (loss)	**8,261**	3.2 %	9,013	3.2 %	(752)	(8.3)%
Interest (income) expense, net	**49**	— %	271	0.1 %	(222)	(81.9)%
Other (income) expense, net	**(331)**	(0.1)%	1,056	0.4 %	(1,387)	(131.3)%
Income (loss) before income taxes	**8,543**	3.3 %	7,686	2.7 %	857	11.2 %
Income tax expense (benefit)	**2,285**	0.9 %	2,862	1.0 %	(577)	(20.2)%
Net income (loss)	**$ 6,258**	2.4 %	$ 4,824	1.7 %	$ 1,434	29.7 %
Effective income tax rate	**26.7 %**		37.2 %			

The following table identifies the components of the change in revenue:

	Revenue
2024	$ 284,517
Increase (decrease) from:	
Unit volume and product mix	(18,466)
Average sales price	(1,239)
Foreign currency	(3,670)
2025	**$ 261,142**

Revenue - Revenue decreased by $23.4 million compared to the prior year. The revenue decline was primarily driven by lower volumes in the Company’s U.S. Consumer business as some retailers paused buying in the second quarter in order to assess inventory levels and price increases flowing from the new tariffs implemented by the United States in April 2025. While many retailers have resumed buying, the future tariff related impacts on consumer demand remain uncertain.

Gross profit - Gross profit margin increased to 26.0% from 24.8% primarily due to a shift in our customer mix within our U.S. Consumer business, along with a larger proportion of sales from our higher-margin International Commercial business and HealthBeacon in the current period.

Selling, general and administrative expenses (SG&A) - Selling, general and administrative expenses decreased $1.9 million compared to 2024. The decrease was primarily driven by lower incentive related personnel costs, partially offset by a one-time severance charge from restructuring actions taken by management to deleverage its cost structure.

Interest (income) expense, net - Interest expense, net decreased $0.2 million due to interest income from the investment of the pension surplus assets during the first six months of 2025.

Other (income) expense, net - Other (income) expense, net increased by $1.4 million to $0.3 million of income for the six months ended June 30, 2025 driven by currency gains of $0.6 million in the current year compared to currency losses of $0.7 million in the prior year.

Income tax expense (benefit) - The effective tax rate was 26.7% compared to 37.2% in the prior year. The effective tax rate was lower for the six months ended June 30, 2025 driven by a reduction in non-deductible expenses and a decreased impact of the HealthBeacon valuation allowance.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Our cash flows are provided by dividends paid or distributions made by HBB. The only material assets held by us are the investments in our consolidated subsidiary. As a result, certain statutory limitations or regulatory or financing agreements could affect the levels of distributions allowed to be made by our subsidiary. We have not guaranteed any of the obligations of HBB.

Our principal sources of cash to fund liquidity needs are: (1) cash generated from operations and (2) borrowings available under the HBB Facility. Our primary use of funds consists of working capital requirements, operating expenses, payment of dividends, repurchase of shares, capital expenditures and payments of principal and interest on debt.

The HBB Facility expires on December 13, 2029. We believe funds available from cash on hand, the HBB Facility and operating cash flows will provide sufficient liquidity to meet our operating needs and commitments arising during the next twelve months.

The following table presents selected cash flow information:

	SIX MONTHS ENDED JUNE 30	
	2025	2024
Net cash provided by (used for) operating activities	**$ (23,773)**	$ 37,071
Net cash provided by (used for) investing activities	**$ (1,466)**	$ (7,347)
Net cash provided by (used for) financing activities	**$ (10,549)**	$ (7,683)

Operating activities - Net cash used for operating activities was $23.8 million, compared to cash provided of $37.1 million in the prior year, representing a year-over-year decline of $60.9 million. This decrease was primarily driven by a $50.8 million change in inventory and accounts payable. The shift reflects higher inventory values due to increased tariffs and the acceleration of material inventory purchases in the first quarter of 2025. These early purchases, combined with lower sales, led to a slowdown in inventory turnover. As a result, fewer inventory-related purchases were made in the second quarter, contributing to a decrease in accounts payable and further impacting operating cash flow due to the timing difference between inventory buildup and supplier payment obligations.

Investing activities - Net cash used for investing activities in 2025 decreased $5.9 million compared to 2024. The 2024 period included the acquisition of HealthBeacon partially offset by the extinguishment of our secured loan to HealthBeacon in the first half of 2024, neither of which recurred in the first half of 2025.

Financing activities - Net cash used for financing activities was $10.5 million in 2025 compared to net cash used for financing activities of $7.7 million in 2024. The change is due to an increase in share repurchases in the first six months of 2025.

Capital Resources

HBB does not expect to make voluntary repayments within the next twelve months under the HBB Facility as the rate of return to invest excess cash exceeds the average interest rate of the HBB Facility. A material decrease in interest rates could cause HBB to re-evaluate. The obligations under the HBB Facility are secured by all of HBB's U.S. assets. As of June 30, 2025, the borrowing base under the HBB Facility was $95.4 million and borrowings outstanding were $50.0 million. As of June 30, 2025, the Excess Availability under the HBB Facility was $45.4 million.

The maximum availability under the HBB Facility is governed by a borrowing base derived from advance rates against eligible trade receivables and inventory of HBB. As of June 30, 2025, interest on outstanding loans under the HBB Facility accrues at a per annum rate equal to, at HBB's option, either Term Secured Overnight Financing Rate (SOFR) (as defined in the HBB Facility) plus 1.65% or the Base Rate (as defined in the HBB Facility) plus 0.00%. As of June 30, 2025, the HBB Facility requires a fee of 0.20% per annum on the unused commitment thereunder. The weighted average interest rate applicable to the HBB Facility for the six months ended June 30, 2025 was 3.26% (after giving effect to the interest rate swap agreements described below).

To reduce the exposure to changes in the market rate of interest, we have entered into interest rate swap agreements for a portion of the HBB Facility. Terms of the interest rate swap agreements require us to receive a variable interest rate and pay a fixed interest rate. We have interest rate swaps with notional values totaling $50.0 million as of June 30, 2025 at an average fixed interest rate of 1.59%.

The HBB Facility contains customary representations and warranties, events of default and covenants, including, among other things, covenants applicable to HBB and its subsidiaries limiting indebtedness, liens, investments, dispositions and restricted payments. Additionally, if Excess Availability (as defined in the HBB Facility) is less than $15.0 million at any time, the HBB Facility will require that HBB maintain a minimum Fixed Charge Coverage Ratio (as defined in the HBB Facility) of 1.00 to 1.00 until Excess Availability is greater than or equal to $15.0 million for 30 consecutive days. As of June 30, 2025, we were in compliance with all applicable financial covenants in the HBB Facility.

The Company has an arrangement with a financial institution to sell certain U.S. trade receivables of a single customer on a non-recourse basis. See Note 2 of the unaudited consolidated financial statements.

Contractual Obligations, Contingent Liabilities and Commitments

For a summary of the Company's contractual obligations, contingent liabilities and commitments, refer to "Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Contractual Obligations, Contingent Liabilities and Commitments" in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, as there have been no material changes from those disclosed in the Annual Report.

Off Balance Sheet Arrangements

For a summary of the Company's off balance sheet arrangements, refer to "Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Off Balance Sheet Arrangements" in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, as there have been no material changes from those disclosed in the Annual Report.

FORWARD-LOOKING STATEMENTS

The statements contained in this Form 10-Q that are not historical facts are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. These forward-looking statements are made subject to certain risks and uncertainties, which could cause actual results to differ materially from those presented. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof. Such risks and uncertainties include, without limitation: (1) uncertain or unfavorable global economic conditions and impacts from tariffs, inflation, rising interest rates, recessions or economic slowdowns; (2) changes in costs, including transportation costs and tariffs, of sourced products; (3) the Company’s ability to source and ship products to meet anticipated demand; (4) changes in or unavailability of quality or cost effective suppliers; (5) the Company’s ability to successfully manage constraints throughout the global transportation supply chain; (6) delays in delivery of sourced products; (7) changes in the sales prices, product mix or levels of consumer purchases of small electric and specialty housewares appliances; (8) changes in consumer retail and credit markets, including the increasing volume of transactions made through third-party internet sellers; (9) bankruptcy of or loss of major retail customers or suppliers; (10) exchange rate fluctuations, changes in the import tariffs and monetary policies and other changes in the regulatory climate in the countries in which the Company operates or buys and/or sells products; (11) the impact of tariffs on customer purchasing patterns; (12) customer acceptance of changes in costs of or delays in the development of new products; (13) product liability, regulatory actions or other litigation, warranty claims or returns of products; (14) increased competition, including consolidation within the industry; (15) changes in customers’ inventory management strategies; (16) shifts in consumer shopping patterns, gasoline prices, weather conditions, the level of consumer confidence and disposable income as a result of economic conditions, unemployment rates or other events or conditions that may adversely affect the level of customer purchases of the Company’s products; (17) changes mandated by federal, state and other regulation, including tax, health, safety or environmental legislation; (18) the Company’s ability to identify, acquire or develop, and successfully integrate, new businesses or new product lines; and (19) other risk factors, including those described in the Company’s filings with the Securities and Exchange Commission, including, but not limited to, the Annual Report on Form 10-K for the year ended December 31, 2024. Furthermore, the future impact of unfavorable economic conditions, including inflation, changing interest rates, availability of capital markets and consumer spending rates remains uncertain. In uncertain economic environments, we cannot predict whether or when such circumstances may improve or worsen, or what impact, if any, such circumstances could have on our business, results of operations, cash flows and financial position.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

INTEREST RATE RISK

We enter into certain financing arrangements that require interest payments based on floating interest rates. As such, our financial results are subject to changes in the market rate of interest. There is an inherent rollover risk for borrowings as they mature and are renewed at current market rates. The extent of this risk is not quantifiable or predictable because of the variability of future interest rates and business financing requirements. To reduce the exposure to changes in the market rate of interest, we have entered into interest rate swap agreements for a portion of our floating rate financing arrangements. We do not enter into interest rate swap agreements for trading purposes. Terms of the interest rate swap agreements require us to receive a variable interest rate and pay a fixed interest rate.

For the purpose of risk analysis, we use sensitivity analysis to measure the potential loss in fair value of financial instruments sensitive to changes in interest rates. We assume that a loss in fair value is an increase in our receivables. The fair value of our interest rate swap agreements was an asset of $2.5 million as of June 30, 2025. A hypothetical 10% relative decrease in interest rates would cause a decrease of $0.1 million in the fair value of interest rate swap agreements. Additionally, a hypothetical 10% relative increase in interest rates would cause an increase of $0.1 million in the fair value of interest rate swap agreements. Neither would have a material impact to the Company’s interest expense for the six months ended June 30, 2025.

FOREIGN CURRENCY EXCHANGE RATE RISK

We operate internationally through our foreign operating subsidiaries and enter into transactions denominated in foreign currencies, principally the Canadian dollar, the Mexican peso and, to a lesser extent, the Chinese yuan and the European Union euro. As such, our financial results are subject to the variability that arises from exchange rate movements. The fluctuation in the value of the U.S. dollar against other currencies affects the reported amounts of revenues, expenses, assets and liabilities. The potential impact of currency fluctuation increases as international expansion increases.

We use forward foreign currency exchange contracts to partially reduce risks related to transactions denominated in foreign currencies and not for trading purposes. These contracts generally mature within twelve months and require us to buy or sell the functional currency in which the applicable subsidiary operates and buy or sell U.S. dollars at rates agreed to at the inception of the contracts.

For the purpose of risk analysis, we use sensitivity analysis to measure the potential loss in fair value of financial instruments sensitive to changes in foreign currency exchange spot rates. We assume that a loss in fair value is either a decrease to our assets or an increase to our liabilities. The fair value of our foreign currency exchange contracts was a net payable of $1.2 million as of June 30, 2025. Assuming a hypothetical 10% weakening of the U.S. dollar as of June 30, 2025, the fair value of foreign currency-sensitive financial instruments, which represents forward foreign currency exchange contracts, would be decreased by $3.0 million compared with its fair value as of June 30, 2025.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Company management, with the participation of the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as of June 30, 2025. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of June 30, 2025.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting identified during the quarter ended June 30, 2025, in connection with the evaluation by the Company's management required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

On February 2, 2024, we acquired HealthBeacon, as discussed in Note 8 – Acquisitions in Part I, Item 1 in this Quarterly Report on Form 10-Q. We are currently integrating HealthBeacon into our operations and internal control processes, and, as permitted by the SEC rules and regulations, we have not yet included HealthBeacon in our assessment of the effectiveness of our internal control over financial reporting. HealthBeacon will be included in management's evaluation of internal control over financial reporting as of December 31, 2025.

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PART II
OTHER INFORMATION

Item 1 Legal Proceedings

The information required by this Item 1 is set forth in Note 6 – Contingencies included in the unaudited consolidated financial statements contained in Part I of this Form 10-Q and is hereby incorporated herein by reference to such information.

Item 1A Risk Factors

There are no material changes to the risk factors for the Company from those disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 (the "2024 Form 10-K") and the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2025.

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities [(1)]

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share [(2)]	(c) Total Number of Shares Purchased as Part of the Publicly Announced Program	(d) Maximum Dollar Value of Shares that May Yet Be Purchased Under the Program
Month #1 April 1 to 30, 2025	215,297	$ 18.46	215,297	$ 4,791,013
Month #2 May 1 to 31, 2025	—	$ —	—	$ 4,791,013
Month #3 June 1 to 30, 2025	—	$ —	—	$ 4,791,013
	215,297	$ 18.46	215,297	$ 4,791,013

(1) In November 2023, the Company's Board approved a stock repurchase program for the purchase of up to $25 million of the Company's Class A Common outstanding starting January 1, 2024 and ending December 31, 2025.

(2) Average price paid per share includes costs associated with the repurchases but excludes the 1% excise tax on stock repurchases imposed by the Inflation Reduction Act of 2022.

During the three and six months ended June 30, 2025, the Company repurchased 215,297 and 356,732 shares at prevailing market prices for an aggregate purchase price of $4.0 million and $6.7 million, respectively. During the three and six months ended June 30, 2024, the Company repurchased 220,212 shares at prevailing market prices for an aggregate purchase price of $4.0 million. During the year ended December 31, 2024, the Company repurchased 638,381 shares for an aggregate purchase price of $13.5 million (excluding the 1% excise tax as a result of the Inflation Reduction Act of 2022).

Additionally, during the six months ended June 30, 2025 and June 30, 2024, the Company withheld shares for tax payments due upon issuance of stock to employees under the Incentive Plan. During the six months ended June 30, 2025 and June 30, 2024, the Company repurchased 39,121 and 30,404 shares, respectively, for an aggregate purchase price of $0.7 million and $0.6 million, respectively, pursuant to the Incentive Plan. There were no shares repurchased pursuant to the Incentive Plan during the three months ended June 30, 2025 and June 30, 2024.

The total combined share repurchases from the stock repurchase program and the Incentive Plan during the three and six months ended June 30, 2025 was 215,297 and 395,853 shares, respectively, for an aggregate purchase price of $4.0 million and $7.4 million, respectively. The total combined share repurchases from the stock repurchase program and the Incentive Plan during the three and six months ended June 30, 2024 was 220,212 and 250,616 shares, respectively, for an aggregate purchase price of $4.0 million and $4.6 million, respectively.

Item 3 Defaults Upon Senior Securities

None.

Item 4 Mine Safety Disclosures

None.

Item 5 Other Information

None of the Company’s directors or "officers" (as defined in Rule 16a-1(f) promulgated under the Exchange Act) adopted, modified, or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K, during the Company's fiscal quarter ended June 30, 2025.

Item 6 Exhibits

Exhibit Number*	Description of Exhibits
31(i)(1)	Certification of R. Scott Tidey pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act
31(i)(2)	Certification of Sally M. Cunningham pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act
32	Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed and dated by R. Scott Tidey and Sally M. Cunningham
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Numbered in accordance with Item 601 of Regulation S-K.

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 thereunto duly authorized.

Hamilton Beach Brands Holding Company
(Registrant)

Date: July 30, 2025

/s/ Sally M. Cunningham
Sally M. Cunningham
Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)/(Principal Accounting Officer)

Exhibit 31(i)(1)

Certifications

I, R. Scott Tidey, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hamilton Beach Brands Holding Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2025

/s/ R. Scott Tidey
R. Scott Tidey
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31(i)(2)

Certifications

I, Sally M. Cunningham, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hamilton Beach Brands Holding Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2025

/s/ Sally M. Cunningham

Sally M. Cunningham

Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)/(Principal Accounting Officer)

Exhibit 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Hamilton Beach Holding Company (the "Company") on Form 10-Q for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

Date:	July 30, 2025	/s/ R. Scott Tidey R. Scott Tidey President and Chief Executive Officer (Principal Executive Officer)
Date:	July 30, 2025	/s/ Sally M. Cunningham Sally M. Cunningham Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)/(Principal Accounting Officer)