3Q26 Earnings Update

EXEC EDGE RESEARCH

**November 6, 2026**

| VALUATION | |
|---|---|
| Current Price | $32.42 |
| 52 Week Range | $13.75-39.99 |
| Market Cap ($-Mn) | 435.7 |
| Shares Out. (Mn) | 13.44 |
| Avg. 3-Month Volume | 0.08Mn |
| P/Sales (LTM) | 0.71x |

*Source: TIKR*

| FUNDAMENTALS | |
|---|---|
| 2024 Sales ($Mn) | 654.7 |
| 2025 Sales ($Mn) | 606.9 |
| 9M26 Sales ($Mn) | 404.9 |
| 2024 EPS | $2.20 |
| 2025 EPS | $1.95 |
| 9M26 EPS | $3.02 |

*Source: Company Filings*

**STOCK PRICE PERFORMANCE**




*Source: TIKR*

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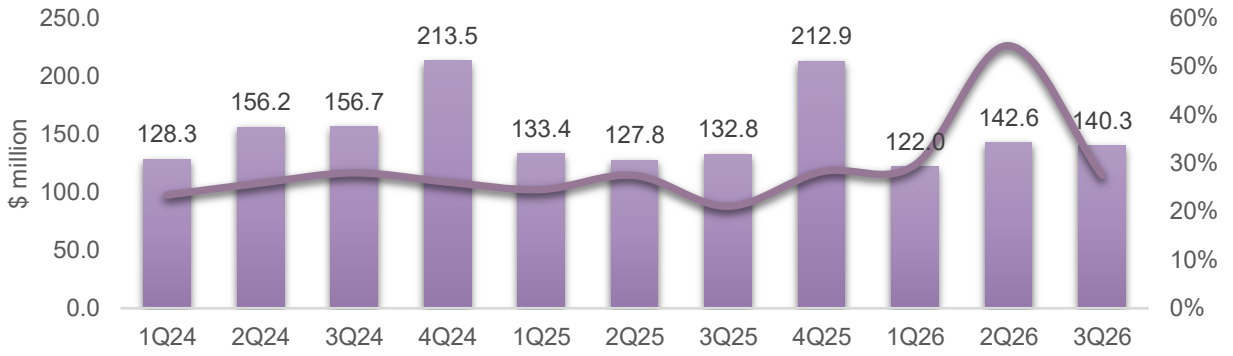
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# Hamilton Beach Brands (HBB)

## Margin Recovery and Strategic Initiatives Support Growth Outlook and Re-Rating Potential

- **Key Takeaways**
  - Revenue increased 5.6% y/y, with gross margin expanding 640 bps and operating profit growing 52.6%, supported by Consumer recovery and tariff normalization.
  - Solid consumer sell-through continues, but cautious retailer inventory commitments prompted a reduction in 2026 revenue guidance to approximately flat y/y.
  - Premiumization, Commercial expansion and digital transformation initiatives advanced, while Health delivered 35.4% revenue growth and its fifth consecutive profitable quarter.
  - Strong cash generation supports strategic flexibility, with 9M26 operating cash flow of $80.5 million and net cash increasing to $67.5 million.
  - At 0.71x LTM P/S versus the 1.33x peer benchmark, HBB retains meaningful re-rating potential as higher-margin businesses scale.
- **Core Consumer recovery and effective tariff mitigation drove revenue growth and profitability improvement in 3Q26**. Revenue increased 5.6% y/y to $140.3 million, following 11.6% growth in 2Q26, supported by recovering U.S. Consumer sales and continued solid product sell-through. Gross profit increased 37.5% to $38.5 million, with gross margin expanding 640 bps to 27.5%, driving a 52.6% increase in operating profit to $4.4 million. Net income more than doubled to $3.5 million, or $0.26 per diluted share, from $1.7 million, or $0.12 per share. Margin expansion primarily reflected a favorable comparison against elevated tariff costs in 3Q25 and the sell-through of inventory no longer subject to IEEPA tariffs. While tariff-related benefits contributed to the improvement, HBB's growing premium, commercial and healthcare businesses provide additional opportunities to strengthen product mix, diversify revenue and support sustainable profitability.
- **Volume-led U.S. Consumer recovery reinforces HBB's improving core-business momentum, although retailer inventory caution is moderating near-term growth**. Consumer product revenue increased 7.1% y/y to $122.0 million from $113.8 million, reflecting normalized purchasing activity following order delays by a major retailer in 3Q25. Higher unit volumes and favorable product mix contributed $5.6 million to consolidated revenue growth, while pricing added $1.3 million and foreign exchange contributed $0.6 million. The positive volume and mix contribution represents an important improvement, particularly as these factors remained a $6.5 million headwind for 9M26, when consolidated revenue increased 2.8% to $404.9 million. Despite solid consumer sell-through, softer consumer sentiment has led retailers to become more cautious with holiday inventory commitments, prompting a reduction in 2026 revenue guidance to approximately flat y/y from growth approaching mid-single digits. The revision primarily reflects more conservative retailer purchasing rather than evidence of weakening consumer sell-through, highlighting the importance of continued demand momentum as inventory commitments normalize.

**Chart 1: HBB – Revenue Recovery and Gross Margin Improvement Reflect Tariff Normalization**




*Source: Exec Edge Research, Company Filings, 2Q26 gross margin includes IEEPA tariff refunds and related inventory benefits; excluding these items, gross margin was 26.1%.*

- **Product innovation and established retailer relationships are strengthening HBB's core franchise and supporting incremental growth opportunities**. HBB advanced its product pipeline in 3Q26, launching two single-serve coffee platforms alongside new irons, air fryers and multicookers, with management reporting growth across multiple categories at key mass-market retailers. The launches build on earlier introductions, including the Sandwich Stacker, which received a Good Housekeeping 2027 Kitchen Gear Award. As the second-largest U.S. national small-kitchen-appliance brand by unit sales in 2025, HBB benefits from established retail relationships, participation in more than 50 product categories and annual shipments exceeding 25 million appliances. Its outsourced manufacturing model allows new products to leverage existing sourcing and distribution infrastructure without substantial incremental capital investment. Combined with targeted marketing, the expanding product pipeline should support retail shelf-space gains and replacement-driven demand as purchasing patterns normalize.
- **Wider Lotus distribution and expanding CHI and Hamilton Beach Professional offerings are strengthening HBB's premium positioning, creating opportunities for higher dollar share and improved product mix**. Lotus Professional expanded its online distribution during 3Q26 following its broader market launch in 2Q26, while Lotus Signature soft-launched ahead of a wider rollout planned for early 2027. Initial reception has been encouraging, with the Lotus Professional Blender and Lotus Signature Coffee Maker receiving Good Housekeeping awards. The CHI premium garment-care partnership also progressed, earning three HGTV Clean Home awards and preparing for full-chain expansion at a leading department store. HBB plans to introduce its Hamilton Beach Professional Kettle in 4Q26, the first product under its reimagined Experience brand language, with additional products in development. These initiatives target an estimated $4.2 billion premium appliance market, where HBB's historical share of approximately 1% highlights substantial expansion potential. Premiumization provides an opportunity to narrow the gap between HBB's strong unit-market position and lower dollar share through higher average selling prices, differentiated functionality and improved mix.
- **New national account placements, expanding hospitality relationships and product innovation are strengthening Commercial's pipeline for higher-margin growth**. The initial launch of the Eclipse Blender at a leading national coffee chain marked an important milestone in 3Q26, while Sunkist commercial juicers and sectionizers continued gaining traction. Entering the second year of the Sunkist partnership, sourcing improvements are also enhancing product margins, strengthening the economics of future growth. HBB's hospitality business advanced following the placement of irons and hair dryers across approximately 770 U.S. locations of a national hotel chain, with discussions progressing to replicate the program across six to seven additional flagship chains. The upcoming Titan Food Processor, targeting an approximately $90 million global market, has also received encouraging initial feedback from regional foodservice-chain trials. While these initiatives expand HBB's institutional reach, their contribution has yet to fully materialize in reported revenue, with commercial product sales declining 8.4% y/y to $14.2 million in 3Q26 and remaining essentially flat at $42.4 million for 9M26. Conversion of initial placements and product trials into broader chain rollouts could strengthen Commercial's contribution to consolidated growth and margins.
- **AI-driven product discovery and increased marketing investment are strengthening HBB's ability to reach consumers and drive demand across its expanding product portfolio**. The company is complementing its

traditional retail distribution model with approximately $6 million of incremental advertising investment planned for 2026, primarily focused on brand awareness, product innovation and demand generation. During 3Q26, HBB implemented website improvements to strengthen search visibility, advanced testing of AI-optimized product content and launched a paid ChatGPT advertising pilot. It also activated an AI-search measurement platform to benchmark brand visibility against competitors, building on earlier content optimization initiatives covering approximately 500 SKUs. The next phase includes developing AI-ready product catalogs, expanding platform integrations and linking search visibility more directly to sales conversion. These initiatives aim to improve consumer engagement and purchasing conversion, particularly as HBB expands its premium and core product offerings. Early campaign insights are being collected, with advertising effectiveness and incremental sales conversion emerging as key measures of success.

- **Health's strong growth, recurring revenue and attractive margins reinforce its potential to become an increasingly meaningful contributor to HBB's earnings mix**. Health revenue increased 35.4% y/y to $2.6 million in 3Q26, marking its fifth consecutive profitable quarter, with segment operating profit of approximately $0.18 million compared with $0.17 million a year earlier. Gross margin remained strong at 74.5%, well above HBB's consolidated gross margin of 27.5%, reflecting the economics of connected-device leasing and software licensing. However, operating margin declined to 7.0% from 9.1%, as higher operating expenses absorbed much of the revenue growth. For 9M26, revenue increased 43.6% to $7.4 million, while operating profit improved to $0.37 million from a $1.56 million loss, demonstrating progress toward sustainable profitability. Consolidated device-leasing revenue increased 47.3% to $2.1 million, alongside expanding specialty-pharmacy partnerships, automatic patient enrollment and improved Medicare and Medicaid access. The platform has tracked more than 1.25 million injections and managed approximately 70,000 patients globally. With 2026 revenue growth expected at approximately 50%, Health's expanding patient base and improving profitability support its potential to become a more significant contributor to consolidated growth and earnings.
  - **The upcoming pill-management platform broadens Health's addressable market and creates a scalable growth opportunity beyond injectable therapies**. Building on its existing Smart Sharps Bin and connected medication-management capabilities, HBB is preparing to introduce a pill-management solution designed to improve medication adherence and provide actionable patient feedback. The platform initially targets rheumatology and gastroenterology, with additional therapeutic areas expected to follow as the technology is validated. By expanding into oral medications, HBB can leverage its existing specialty-pharmacy relationships, patient-management infrastructure and software capabilities to deepen pharmaceutical partnerships without building a separate distribution network. Successful partner adoption, patient enrollment and recurring device and software revenue will determine the pace at which pill management contributes to Health's growth and profitability.
- **Tariff normalization has driven a substantial gross-margin recovery, while underlying profitability shows more modest improvement as temporary benefits unwind**. Gross margin expanded 640 bps to 27.5% in 3Q26, reflecting a substantially improved tariff-cost environment. The prior-year quarter included approximately $5 million of incremental costs from inventory imported under the temporary 125% China tariff rate, while 3Q26 benefited from selling inventory through HBB's foreign trade zone that was no longer subject to additional IEEPA tariffs. No additional tariff refund was recognized during the quarter, distinguishing the improvement from the $36.5 million refund recorded in 2Q26. For 9M26, reported gross margin reached 37.6%, but normalized to approximately 26.9% after excluding tariff refunds and related inventory benefits, compared with the 25.7% margin reported for 2025. However, 2025 gross margin included $5.3 million, or 90 bps, of incremental tariff costs, implying an adjusted margin of approximately 26.6%. The resulting 30 bps difference suggests more modest underlying improvement, although the comparison spans different periods. Continued sourcing efficiencies, pricing discipline and a growing higher-margin business mix remain important drivers of sustainable profitability.
- **Stronger gross margins supported operating-profit growth despite elevated expenses, with further leverage potential as transitional costs normalize**. SG&A increased $9.0 million, or 35.8% y/y, to $34.2 million, representing 24.4% of revenue compared with 18.9% a year earlier. The increase primarily reflected $4.0 million in higher performance-based incentive expenses, largely tied to share-price appreciation, $1.3 million in accelerated depreciation associated with replacing HBB's legacy ERP system, and $1.6 million in incremental advertising. Consequently, the $10.5 million increase in gross profit translated into $1.5 million of incremental operating profit, representing 52.6% y/y growth, with operating margin expanding to 3.1% from 2.2%. While accelerated ERP

depreciation is temporary, increased brand investment remains a strategic priority, making stronger sales growth and higher-value product mix important to sustaining operating leverage.

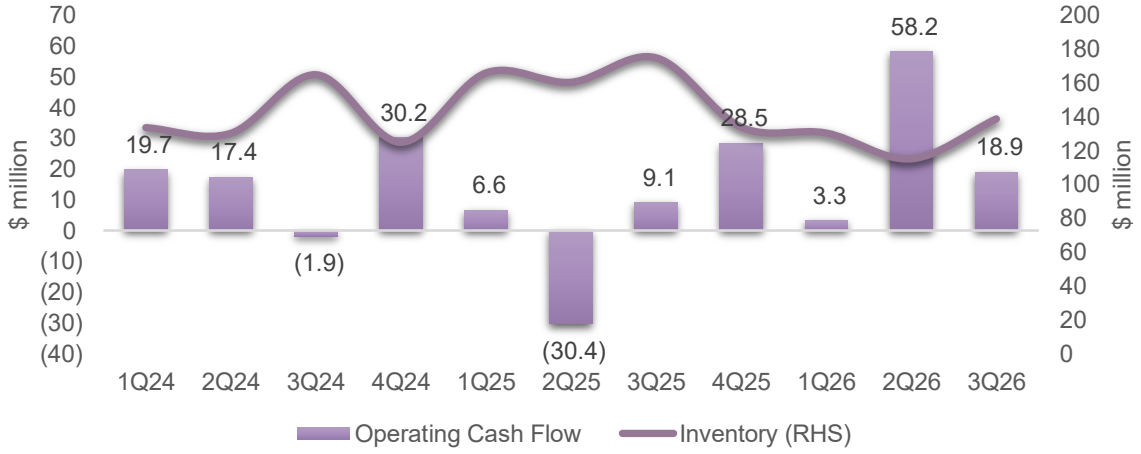
**Chart 2: Revenue Recovery Supports Profitability Improvement Amid Tariff-Related Volatility**

| | 1Q24 | 2Q24 | 3Q24 | 4Q24 | 1Q25 | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 3Q26 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue ($ Mn) | 128 | 156 | 157 | 214 | 133 | 128 | 133 | 213 | 122 | 143 | 140 |
| Gross Margin (%) | 23.4% | 25.9% | 28.0% | 26.1% | 24.6% | 27.5% | 21.1% | 28.3% | 29.7% | 54.3% | 27.5% |
| Operating Profit ($ Mn) | (1) | 10 | 11 | 24 | 2 | 6 | 3 | 25 | 5 | 43 | 4 |
| Operating Margin (%) | -0.7% | 6.4% | 6.8% | 11.0% | 1.7% | 4.7% | 2.2% | 11.9% | 4.1% | 30.3% | 3.1% |
| Net income (loss) ($ Mn) | (1.2) | 6.0 | 1.9 | 24.0 | 1.8 | 4.5 | 1.7 | 18.5 | 3.5 | 33.7 | 3.5 |
| Net margin (%) | -0.9% | 3.8% | 1.2% | 11.2% | 1.4% | 3.5% | 1.2% | 8.7% | 2.9% | 23.6% | 2.5% |

*Source: Exec Edge Research, Company Filings, 2Q26 operating profit includes a $36.5 million nonrecurring IEEPA tariff refund and related inventory benefits.*

- **Inventory normalization is improving working-capital efficiency and strengthening HBB's cash-generation potential ahead of the holiday season**. Inventory declined 20.6% y/y to $138.7 million at September 30, 2026, from $174.8 million, reflecting more normalized purchasing following the tariff-related inventory buildup in 2025. Sequentially, inventory increased approximately $23.6 million from $115.1 million at the end of 2Q26 as HBB prepared for the seasonally important fourth quarter. For 9M26, inventory absorbed only $6.5 million of operating cash flow compared with $47.6 million in the prior-year period, demonstrating a substantial improvement in working-capital requirements. Trade receivables increased to $102.8 million from $83.8 million y/y, although the comparison reflects HBB's exit from its receivables-sale program, under which receivables sold declined to $4.3 million in 9M26 from $102.4 million in 9M25. The leaner inventory position improves seasonal flexibility, while sustained inventory turnover and customer collections will be important to maintaining stronger cash conversion.

**Chart 3: HBB - Working Capital Normalization Drives Stronger Operating Cash Flow**




*Source: Exec Edge Research, Company Filings*

- **Stronger cash generation and low capital intensity are expanding HBB's capacity to fund strategic growth internally, although tariff-related benefits have contributed to the recovery**. Operating cash flow increased to $80.5 million for 9M26 from negative $14.6 million a year earlier, representing a $95.1 million improvement. The recovery primarily reflected the $36.5 million IEEPA tariff refund received in 2Q26 and lower working-capital requirements following last year's inventory disruption. Third-quarter operating cash flow also improved to $18.9 million from $9.1 million, supported by favorable payable movements that offset seasonal inventory investment. HBB's asset-light model continues to support cash conversion, with 9M26 capital expenditures of $1.2 million compared with $2.2 million a year earlier. Operating cash flow less investing activities reached approximately $79.0 million, versus negative $17.1 million in 9M25. While year-to-date cash flow benefited from nonrecurring tariff refunds and working-capital normalization, the company's low capital requirements strengthen its ability to reinvest in Premium, Commercial and Health growth initiatives.

- **HBB's strengthened balance sheet provides greater flexibility to fund higher-margin growth initiatives while maintaining disciplined shareholder returns**. Cash and cash equivalents increased to $92.5 million at September 30, 2026, from $17.2 million a year earlier, while outstanding debt declined to $25.0 million from $50.0 million. Consequently, HBB moved to net cash of $67.5 million from net debt of $32.8 million, representing an improvement of approximately $100 million. During 3Q26, the company repaid $25 million of borrowings, while approximately $97 million of borrowing capacity remained available under its revolving credit facility. HBB also repurchased 24,908 shares for $0.6 million and paid $1.7 million in dividends during the quarter. For 9M26, repurchases under the authorized program totaled approximately 178,200 shares for $3.5 million, leaving $21.5 million available through December 2027. The stronger financial position supports continued investment in Premium, Commercial, digital and Health initiatives, with returns on these investments increasingly important as HBB transitions toward more sustainable recurring earnings.
- **Underlying growth and margin resilience support HBB's longer-term outlook despite cautious retailer purchasing and weaker near-term operating leverage**. Management now expects approximately flat 2026 revenue, compared with its previous outlook for growth approaching mid-single digits, reflecting more cautious retailer purchasing and a tougher 4Q25 comparison. Based on 2025 revenue of $606.9 million and 9M26 sales of $404.9 million, the outlook implies 4Q26 revenue of approximately $202 million, down roughly 5% y/y. However, excluding the expired Bartesian licensing agreement, management expects underlying revenue growth of 3.4% for 2026 and 1.3% for 4Q26, indicating continued growth in the ongoing business. Gross margin, excluding tariff refunds, is still expected to improve modestly over 2025, while operating profit excluding tariff refunds is now projected to decline by a high-teens percentage versus the previous expectation of a high-single-digit decline, reflecting lower sales and higher incentive compensation. The outlook excludes the $36.5 million tariff refund received in 2Q26 and an additional $4 million anticipated in 4Q26. Management raised 2026 operating cash flow less investing activities guidance to $40 million to $50 million from $35 million to $45 million, reflecting improved working capital expectations despite the softer revenue outlook. While near-term earnings face pressure from retailer caution and elevated expenses, maintained margin expectations, stronger cash generation and expanding higher-margin businesses provide a foundation for improved recurring profitability as growth initiatives scale.

**Chart 4: HBB Guidance for 2026**

| Metric | 2026 Guidance |
|---|---|
| Total revenue growth (y/y) | Approximately flat |
| Revenue growth excluding Bartesian (y/y) | 3.40% |
| 4Q26 revenue growth excluding Bartesian (y/y) | 1.30% |
| Gross margin, excluding tariff refunds | Modestly above 2025 (25.7%) |
| Operating profit growth (y/y), excluding tariff refunds | High-teens decline |
| Incremental advertising investment | $6 million |
| Nonrecurring ERP accelerated depreciation | Approx. $5.0 million |
| Hamilton Beach Health revenue growth (y/y) | Approx. 50% |
| Operating cash flow less investing activities | $40–50 million |
| Additional IEEPA tariff refund expected in 4Q26 | Approx. $4.0 million |

*Source: Exec Edge Research, Company Earnings Call*

## Improving Fundamentals and Higher-Margin Growth Opportunities Support Re-Rating

- **Disclaimer**: Exec Edge does not publish proprietary estimates, ratings, price targets, or investment recommendations. The valuation discussion below is illustrative only and is based on company filings, management commentary, and third-party data and estimates. It does not constitute a recommendation, price target, rating, or prediction of future pricing.
- **HBB's discounted sales valuation and stronger balance sheet support re-rating potential as underlying profitability normalizes beyond tariff-related benefits**. As of 11/5 close, HBB has a market capitalization of ~$436 million and enterprise value of ~$368 million, reflecting a net cash position of $67.5 million. Against LTM revenue of $617.8 million, the stock trades at approximately 0.71x P/S and 0.60x EV/Sales, below the branded-appliance peer average P/S multiple of 1.33x. Based on management's revised outlook for approximately flat 2026 revenue versus $606.9 million in 2025, HBB trades at approximately 0.72x management-implied 2026 sales. The stock also trades at 7.37x reported LTM earnings versus the peer average of 24.73x, although the $36.5 million IEEPA tariff refund and related inventory benefits materially inflate reported earnings, limiting the usefulness of headline P/E comparisons. Sales-based multiples therefore provide a more consistent valuation reference until recurring profitability becomes clearer.
- **The substantial valuation premium commanded by branded-appliance peers highlights HBB's re-rating potential as higher-margin businesses scale**. The peer group trades at an average LTM P/S multiple of 1.33x, representing an approximately 87% premium to HBB's 0.71x multiple, with companies such as SharkNinja, Breville and De'Longhi commanding multiples of 4.35x, 2.46x and 1.70x, respectively. Applying the peer-average multiple to HBB's LTM revenue of $617.8 million implies an illustrative equity valuation of approximately $820.1 million, or $61.02 per share. This represents a full-convergence reference rather than a price target or base-case assumption, given differences in growth, scale and profitability across the peer group. While full convergence with premium peers is not assumed, improving product mix, stronger margins and a greater contribution from higher-value businesses could support multiple expansion.

**Chart 5: HBB's Valuation Remains Below Branded-Appliance Peers**

| Ticker | Branded-Appliance Peers | Market Cap ($Mn) | LTM P/S (x) | LTM P/E (x) |
|---|---|---|---|---|
| SPB | Spectrum Brands Holdings, Inc. | 2,000 | 0.70 | 25.81 |
| HELE | Helen of Troy Limited | 707 | 0.39 | NM |
| SN | SharkNinja, Inc. | 30,037 | 4.35 | 43.52 |
| LCUT | Lifetime Brands, Inc. | 202 | 0.30 | 6.09 |
| NWL | Newell Brands Inc. | 2,538 | 0.35 | NM |
| DLG | De'Longhi S.p.A. | 7,359 | 1.70 | 20.95 |
| SK | SEB SA | 3,347 | 0.37 | 19.30 |
| BRG | Breville Group Limited | 3,119 | 2.46 | 32.73 |
| | **Average** | **6,164** | **1.33** | **24.73** |
| **HBB** | **Hamilton Beach Brands** | **436** | **0.71** | **7.37** |

*Source: Exec Edge Research, TIKR. Data as of 11/5. Negative values excluded from the calculation of averages.*

- **Sustainable earnings growth beyond tariff normalization remains the key catalyst for further valuation re-rating**. Wider Lotus distribution, CHI expansion and new Hamilton Beach Professional products provide opportunities to improve pricing and product mix, while Commercial customer placements and Health's growing recurring-revenue platform support diversification. As transitional expenses normalize and these initiatives contribute more meaningfully to operating profit, HBB has an opportunity to demonstrate stronger recurring earnings and support a narrowing of its valuation discount. Combined with HBB's enhanced financial flexibility, these developments reinforce the potential for further valuation re-rating as recurring earnings improve.

## Chart 6: HBB - Financial Snapshot

| Income Statement ($000s, except per-share data) | 1Q25 | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 3Q26 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenue | 133,372 | 127,770 | 132,779 | 212,931 | 121,963 | 142,632 | 140,262 | 625,625 | 654,693 | 606,852 |
| Cost of sales | 100,601 | 92,639 | 104,753 | 152,706 | 85,771 | 65,136 | 101,717 | 481,949 | 484,486 | 450,699 |
| **Gross profit** | **32,771** | **35,131** | **28,026** | **60,225** | **36,192** | **77,496** | **38,545** | **143,676** | **170,207** | **156,153** |
| *Gross margin* | *24.6%* | *27.5%* | *21.1%* | *28.3%* | *29.7%* | *54.3%* | *27.5%* | *23.0%* | *26.0%* | *25.7%* |
| SG&A expenses (excluding amortization) | 30,380 | 29,105 | 25,075 | 34,703 | 31,224 | 34,290 | 34,159 | 108,395 | 126,703 | 119,263 |
| Amortization of intangible assets | 78 | 78 | 77 | 78 | - | - | - | 200 | 302 | 311 |
| Pension termination expense | - | - | - | - | - | - | - | - | 7,611 | - |
| **Operating profit (loss)** | **2,313** | **5,948** | **2,874** | **25,444** | **4,968** | **43,206** | **4,386** | **35,081** | **43,202** | **36,579** |
| *Operating margin* | *1.7%* | *4.7%* | *2.2%* | *11.9%* | *4.1%* | *30.3%* | *3.1%* | *5.6%* | *6.6%* | *6.0%* |
| Interest (income) expense, net | (72) | 121 | 224 | 430 | (78) | (1,264) | (555) | 3,000 | 613 | 703 |
| Other (income) expense, net | (149) | (182) | 625 | (59) | 94 | (160) | (238) | 385 | 1,602 | 235 |
| **Income (loss) before income taxes** | **2,534** | **6,009** | **2,025** | **25,073** | **4,952** | **44,630** | **5,179** | **31,696** | **33,376** | **35,641** |
| Income tax expense (benefit) | 729 | 1,556 | 372 | 6,529 | 1,413 | 10,922 | 1,637 | 6,454 | 2,617 | 9,186 |
| **Net income (loss)** | **1,805** | **4,453** | **1,653** | **18,544** | **3,539** | **33,708** | **3,542** | **25,242** | **30,759** | **26,455** |
| *Net margin* | *1.4%* | *3.5%* | *1.2%* | *8.7%* | *2.9%* | *23.6%* | *2.5%* | *4.0%* | *4.7%* | *4.4%* |
| Basic earnings (loss) per share | $0.13 | $0.33 | $0.12 | $1.38 | $0.26 | $2.50 | $0.26 | $1.80 | $2.20 | $1.95 |
| Diluted earnings (loss) per share | $0.13 | $0.33 | $0.12 | $1.38 | $0.26 | $2.49 | $0.26 | $1.80 | $2.20 | $1.95 |
| Basic weighted average shares outstanding | 13,769 | 13,516 | 13,488 | 13,435 | 13,571 | 13,496 | 13,444 | 14,036 | 13,950 | 13,552 |
| Diluted weighted average shares outstanding | 13,788 | 13,534 | 13,508 | 13,454 | 13,589 | 13,512 | 13,456 | 14,060 | 13,963 | 13,571 |

| Balance Sheet ($000s) | 1Q25 | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 3Q26 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| ***ASSETS*** | | | | | | | | | | |
| Cash and cash equivalents | 48,296 | 11,338 | 17,175 | 47,313 | 47,416 | 101,469 | 92,539 | 15,370 | 45,644 | 47,313 |
| Trade receivables, net | 82,331 | 74,093 | 83,805 | 110,535 | 89,280 | 99,097 | 102,794 | 135,434 | 117,068 | 110,535 |
| Inventory | 165,890 | 160,357 | 174,801 | 133,833 | 130,330 | 115,125 | 138,715 | 126,554 | 124,904 | 133,833 |
| Prepaid expenses and other current assets | 16,931 | 14,318 | 15,466 | 13,052 | 16,659 | 14,434 | 13,938 | 9,457 | 16,103 | 13,052 |
| **Total current assets** | **313,448** | **260,106** | **291,247** | **304,733** | **283,685** | **330,125** | **347,986** | **286,815** | **303,719** | **304,733** |
| Property, plant and equipment, net | 34,015 | 33,464 | 33,172 | 30,253 | 28,151 | 25,534 | 22,795 | 27,401 | 34,401 | 30,253 |
| Right-of-use lease assets | 37,961 | 36,956 | 35,693 | 34,614 | 33,502 | 32,557 | 33,196 | 39,423 | 36,049 | 34,614 |
| Goodwill | 7,099 | 7,099 | 7,099 | 7,099 | 7,099 | 7,099 | 7,099 | 6,253 | 7,099 | 7,099 |
| Other intangible assets, net | 2,023 | 1,945 | 2,160 | 2,093 | - | - | - | 1,292 | 2,101 | 2,093 |
| Deferred income taxes | 7,115 | 7,513 | 7,556 | 3,607 | 3,472 | 3,520 | 3,568 | 2,581 | 6,693 | 3,607 |
| Deferred costs | 2,720 | 2,737 | 2,665 | 2,925 | - | - | - | 14,613 | 16,156 | 2,925 |
| Other non-current assets | 13,639 | 13,984 | 12,790 | 12,300 | 14,223 | 12,451 | 13,699 | 6,324 | 8,849 | 12,300 |
| **TOTAL ASSETS** | **418,020** | **363,804** | **392,382** | **397,624** | **370,132** | **411,286** | **428,343** | **384,702** | **415,067** | **397,624** |
| ***LIABILITIES*** | | | | | | | | | | |
| Accounts payable | 126,342 | 76,275 | 106,458 | 86,376 | 68,471 | 69,674 | 109,774 | 99,704 | 104,161 | 86,376 |
| Revolving credit agreements (current) | - | - | - | - | - | - | - | - | - | - |
| Accrued compensation | 5,302 | 7,127 | 8,800 | 13,956 | 5,143 | 8,930 | 12,366 | 14,948 | 18,792 | 13,956 |
| Accrued product returns | 7,074 | 7,072 | 6,452 | 7,875 | 7,675 | 7,907 | 7,151 | 6,232 | 7,876 | 7,875 |
| Lease liabilities | 5,531 | 5,568 | 5,497 | 5,497 | 5,490 | 5,560 | 5,921 | 6,155 | 5,193 | 5,497 |
| Other current liabilities | 14,589 | 9,450 | 8,409 | 9,529 | 8,322 | 13,282 | 7,949 | 12,549 | 18,098 | 9,529 |
| **Total current liabilities** | **158,838** | **105,492** | **135,616** | **123,233** | **95,101** | **105,353** | **143,161** | **139,588** | **154,120** | **123,233** |
| Revolving credit agreements (non-current) | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 25,000 | 50,000 | 50,000 | 50,000 |
| Lease liabilities, non-current | 40,184 | 38,988 | 37,628 | 36,416 | 35,181 | 34,030 | 34,148 | 41,937 | 39,008 | 36,416 |
| Other long-term liabilities | 5,817 | 5,349 | 5,090 | 5,130 | 5,081 | 5,169 | 5,270 | 5,910 | 6,036 | 5,130 |
| **TOTAL LIABILITIES** | **254,839** | **199,829** | **228,334** | **214,779** | **185,363** | **194,552** | **207,579** | **237,435** | **249,164** | **214,779** |
| ***STOCKHOLDERS' EQUITY*** | | | | | | | | | | |
| Class A Common stock | 118 | 118 | 118 | 119 | 121 | 121 | 121 | 112 | 115 | 119 |
| Class B Common stock | 36 | 36 | 36 | 36 | 36 | 36 | 36 | 36 | 36 | 36 |
| Capital in excess of par value | 77,821 | 78,673 | 79,242 | 80,795 | 81,979 | 83,389 | 87,098 | 70,401 | 76,668 | 80,795 |
| Treasury stock | (29,575) | (33,549) | (34,124) | (35,213) | (36,419) | (38,376) | (38,938) | (12,013) | (26,202) | (35,213) |
| Retained earnings | 124,083 | 126,919 | 126,953 | 143,888 | 145,798 | 177,821 | 179,683 | 99,398 | 123,863 | 143,888 |
| Accumulated other comprehensive loss | (9,302) | (8,222) | (8,177) | (6,780) | (6,746) | (6,257) | (7,236) | (10,667) | (8,577) | (6,780) |
| **TOTAL STOCKHOLDERS' EQUITY** | **163,181** | **163,975** | **164,048** | **182,845** | **184,769** | **216,734** | **220,764** | **147,267** | **165,903** | **182,845** |
| **TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY** | **418,020** | **363,804** | **392,382** | **397,624** | **370,132** | **411,286** | **428,343** | **384,702** | **415,067** | **397,624** |

| Key Cash Flow Items ($000s) | 1Q25 | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 3Q26 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net cash provided by (used for) operating activities** | **6,620** | **(30,393)** | **9,132** | **28,454** | **3,304** | **58,239** | **18,928** | **88,636** | **65,415** | **13,813** |
| **Net cash provided by (used for) investing activities** | **(516)** | **(950)** | **(1,040)** | **4,438** | **(320)** | **(575)** | **(586)** | **(5,174)** | **(13,884)** | **1,932** |
| **Net cash provided by (used for) financing activities** | **(4,958)** | **(5,591)** | **(2,194)** | **(2,674)** | **(2,835)** | **(3,642)** | **(27,242)** | **(70,072)** | **(20,948)** | **(15,417)** |
| Effect of exchange rate changes on cash | 626 | (24) | (61) | (80) | (46) | 31 | (30) | 1,084 | (438) | 461 |
| **Net increase (decrease) in cash** | **1,772** | **(36,958)** | **5,837** | **30,138** | **103** | **54,053** | **(8,930)** | **14,474** | **30,145** | **789** |

*Source: Exec Edge Research, Company Filings*

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