

HAMILTON BEACH BRANDS HOLDING COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS

	As Restated		
	Year Ended December 31		
	2019	2018	2017
	(In thousands, except per share data)		
Revenue	\$ 611,786	\$ 630,082	\$ 612,056
Cost of sales	483,234	491,030	475,939
Gross profit	128,552	139,052	136,117
Selling, general and administrative expenses	100,381	104,121	96,780
Amortization of intangible assets	1,377	1,381	1,381
Operating profit	26,794	33,550	37,956
Interest expense, net	2,975	2,916	1,572
Other expense (income), net	(358)	149	(692)
Income from continuing operations before income taxes	24,177	30,485	37,076
Income tax expense	9,084	7,426	18,967
Net income from continuing operations	15,093	23,059	18,109
Loss from discontinued operations, net of tax	(28,600)	(5,361)	(2,225)
Net income (loss)	\$ (13,507)	\$ 17,698	\$ 15,884
Basic and diluted earnings (loss) per share:			
Continuing operations	\$ 1.10	\$ 1.68	\$ 1.32
Discontinued operations	(2.09)	(0.39)	(0.16)
Basic and diluted earnings (loss) per share	\$ (0.99)	\$ 1.29	\$ 1.16
Basic weighted average shares outstanding	13,690	13,699	13,673
Diluted weighted average shares outstanding	13,726	13,731	13,685

See notes to consolidated financial statements.

HAMILTON BEACH BRANDS HOLDING COMPANY
CONSOLIDATED BALANCE SHEETS

	As Restated	
	December 31	
	2019	2018
	(In thousands)	
Assets		
Current assets		
Cash and cash equivalents	\$ 2,142	\$ 4,420
Trade receivables, net	108,381	98,361
Inventory	109,806	122,808
Prepaid expenses and other current assets	11,345	15,396
Current assets of discontinued operations	5,383	27,879
Total current assets	237,057	268,864
Property, plant and equipment, net	22,324	20,842
Goodwill	6,253	6,253
Other intangible assets, net	3,141	4,519
Deferred income taxes	6,248	5,794
Deferred costs	10,941	7,868
Other non-current assets	2,085	2,672
Non-current assets of discontinued operations	614	4,606
Total assets	\$ 288,663	\$ 321,418
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 111,348	\$ 119,271
Accounts payable to NACCO Industries, Inc.	496	2,416
Revolving credit agreements	23,497	11,624
Accrued compensation	15,027	15,878
Accrued product returns	8,697	10,698
Other current liabilities	12,534	22,922
Current liabilities of discontinued operations	29,723	22,820
Total current liabilities	201,322	205,629
Revolving credit agreements	35,000	35,000
Other long-term liabilities	16,075	22,011
Non-current liabilities of discontinued operations	—	1,960
Total liabilities	252,397	264,600
Stockholders' equity		
Preferred stock, par value \$0.01 per share	—	—
Class A Common stock, par value \$0.01 per share; 9,805 and 9,291 shares issued as of December 31, 2019 and 2018, respectively	98	93
Class B Common stock, par value \$0.01 per share, convertible into Class A on a one-for-one basis; 4,076 and 4,422 shares issued as of December 31, 2019 and 2018, respectively	41	44
Capital in excess of par value	54,509	51,714
Treasury stock	(5,960)	—
Retained earnings	3,710	22,068
Accumulated other comprehensive loss	(16,132)	(17,101)
Total stockholders' equity	36,266	56,818
Total liabilities and stockholders' equity	\$ 288,663	\$ 321,418

HAMILTON BEACH BRANDS HOLDING COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	As Restated		
	Year Ended December 31		
	2019	2018	2017
	(In thousands)		
Operating activities			
Net income from continuing operations	\$ 15,093	\$ 23,059	\$ 18,109
Adjustments to reconcile net income from continuing operations to net cash provided by operating activities:			
Depreciation and amortization	4,002	4,277	4,072
Deferred income taxes	1,487	5,474	3,475
Stock compensation expense	2,797	3,618	323
Other	616	837	(1,167)
Net changes in operating assets and liabilities:			
Affiliate payable	(1,920)	(5,300)	866
Trade receivables	(22,769)	18,529	(8,128)
Inventory	13,674	(12,255)	(16,566)
Other assets	1,127	(4,586)	(1,295)
Accounts payable	(7,043)	(7,719)	25,009
Other liabilities	(6,842)	(7,979)	3,605
Net cash provided by operating activities from continuing operations	222	17,955	28,303
Investing activities			
Expenditures for property, plant and equipment	(4,122)	(7,759)	(6,198)
Other	—	—	21
Net cash used for investing activities from continuing operations	(4,122)	(7,759)	(6,177)
Financing activities			
Net additions (reductions) to revolving credit agreements	11,873	(4,597)	12,630
Purchase of treasury stock	(5,960)	—	—
Cash dividends paid	(4,851)	(4,658)	(1,162)
Cash dividends to NACCO Industries, Inc.	—	—	(38,000)
Net cash provided by (used for) financing activities from continuing operations	1,062	(9,255)	(26,532)
Cash flows from discontinued operations			
Net cash provided by (used for) operating activities from discontinued operations	3,953	(5,499)	5,137
Net cash provided by (used for) investing activities from discontinued operations	585	(305)	(1,176)
Net cash used for financing activities from discontinued operations	(103)	—	(70)
Cash provided by (used for) discontinued operations	4,435	(5,804)	3,891
Effect of exchange rate changes on cash	(785)	309	81
Cash and Cash Equivalents			
(Decrease) increase for the year from continuing operations	(3,623)	1,250	(4,325)
Increase (decrease) for the year from discontinued operations	4,435	(5,804)	3,891
Balance at the beginning of the year	6,352	10,906	11,340
Balance at the end of the year	\$ 7,164	\$ 6,352	\$ 10,906

See notes to consolidated financial statements.