




Hamilton Beach
BRANDS

Investor Presentation

September 2017

Safe Harbor Statement

The following information includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Any and all statements regarding the Company's expected future financial position, results of operations, cash flows, business strategy, budgets, projected costs, capital expenditures, products, competitive positions, growth opportunities, plans, goals and objectives of management for future operations, as well as statements that include words such as "anticipate," "if," "believe," "plan," "estimate," "expect," "intend," "may," "could," "should," "will," and other similar expressions are forward-looking statements. Such forward-looking statements are inherently uncertain, and readers must recognize that actual results may differ materially from the expectations of the Company's management. The Company does not undertake a duty to update such forward-looking statements. Factors that may cause actual results to differ materially from those in the forward-looking statements include, without limitation, changes in the sales prices, product mix or levels of consumer purchases of small electric household and specialty housewares appliances; changes in consumer retail and credit markets, including the increasing volume of transactions made through third-party internet sellers; bankruptcy of or loss of major retail customers or suppliers; changes in costs, including transportation costs, of sourced products; delays in delivery of sourced products; changes in or unavailability of quality or cost effective suppliers; exchange rate fluctuations, changes in the import tariffs and monetary and other changes in the regulatory climate in the countries in which Hamilton Beach Brands buys, operates and/or sells products; product liability, regulatory actions or other litigation, warranty claims or returns of products; customer acceptance of, changes in costs of, or delays in the development of new products; increased competition, including consolidation within the industry; shift 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 our products; changes mandated by federal, state and other regulation, including tax, health, safety or environmental legislation; decreased levels of consumer visits to brick and mortar stores; increased competition, including through online channels; shift 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 number of customers visiting Kitchen Collection® stores; changes in the sales prices, product mix or levels of consumer purchases of kitchenware and small electric appliances; changes in costs, including transportation costs, of inventory; delays in delivery or the unavailability of inventory; customer acceptance of new products; the anticipated impact of the opening of new stores, the ability to renegotiate existing leases and effectively and efficiently close under-performing stores; changes in import tariffs and monetary policies and other changes in the regulatory climate in the countries in which Kitchen Collection operates and/or buys and sells products; and other risks identified in the Company's Registration Statement on Form S-1 and other filings with the Securities and Exchange Commission.

Management Presenters



GREG TREPP

President & CEO

21 years with Hamilton Beach Brands
Previously employed with Pepperidge Farm Inc. and Young & Rubicam



JIM TAYLOR

Vice President & CFO

34 years with Hamilton Beach Brands
Previously employed with Price Waterhouse



SCOTT TIDEY

Sr. Vice President, North America Sales & Marketing

24 years with Hamilton Beach Brands
Previously employed with Wyeth Consumer Healthcare

Supported by an executive team with an average of 29 years of experience with Hamilton Beach Brands

HBBHC Snapshot



- Hamilton Beach Brands Holding Company (NYSE: HBB)
- Hamilton Beach Brands Holding Company (“HBBHC”) is a holding company for two separate businesses: consumer and commercial small appliances (“Hamilton Beach Brands” or “HBB”) and specialty retail (“The Kitchen Collection” or “KC”)
 - ▶ Hamilton Beach Brands is a leading global designer, marketer and distributor of branded small electric household and specialty housewares appliances, as well as commercial products for restaurants, bars and hotels
 - ▶ The Kitchen Collection is a national specialty retailer of kitchenware in outlet and traditional malls throughout the U.S.



- Headquartered in Glen Allen, Virginia
- Approximately 1,400 employees
- LTM 6/30/17 revenue – \$740.6 million
- LTM 6/30/17 EBITDA – \$50.4 million ⁽¹⁾
- LTM 6/30/17 net income – \$27.2 million
- 6/30/17 net debt – \$48.9 million

(1) EBITDA is a non-GAAP measure and should not be considered in isolation or as a substitute for GAAP measures. The discussion of non-GAAP measures and the related reconciliations to GAAP measures start on page 31.

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Transaction Background and Rationale

Spin-Off Transaction Summary

NACCO Industries, Inc. ("NACCO") is planning to effect a stock spin-off of Hamilton Beach Brands Holding Company

- Distributing Company.....NACCO Industries, Inc. (NYSE: NC)
- Distributed Company.....Hamilton Beach Brands Holding Company (NYSE: HBB)
- Distributed Securities.....100% of HBBHC Class A and Class B common stock
- Distribution Ratio.....One Class A and one Class B share of HBBHC for every Class A or Class B share of NC
- HBBHC Total Shares Outstanding.....13.7 million
- Dividend Policy.....HBBHC intends to pay regular quarterly dividends

Spin-Off Rationale

The spin-off is expected to accomplish important business objectives for HBBHC

- **Focused Housewares Investment**

- ▶ Provides investors with a more focused, single-industry investment option

- **Improve Flexibility to Pursue Growth**

- ▶ Create greater flexibility to pursue strategic growth opportunities, such as acquisitions and joint ventures, in the housewares industry and the potential to use stock to help finance these growth opportunities

- **Direct Access to Capital Markets**

- ▶ Provide direct access to equity capital markets and greater access to debt capital markets to fund growth strategies and to establish a capital structure and dividend policy reflecting the business needs and financial position

- **Recruit, Motivate and Retain Employees**

- ▶ Strengthen the alignment of senior management incentives with the needs and performance of HBBHC through the use of equity compensation arrangements, improving the ability to motivate and retain current personnel and attract, retain and motivate additional qualified personnel

- **Management Focus**

- ▶ Reinforce management's focus on serving each market segment and customer need, and on responding flexibly to changing market conditions and growth markets

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HBBHC Overview and Strategic Objectives

Proven Business Model Drives Results

- + *Iconic Brands*
- + *Experienced Management Team*
- + *Consistent,
Market Leading Innovation*
- + *#1 Presence in
Key Sales Channels*
- + *Global Platform*
- + *Trusted, Efficient and
Low-Cost Supply Chain*

Hamilton Beach
BRANDS

*Strong Performance and
Return on Capital*





Hamilton Beach Home Motor



The Innovation Started Over 110 Years Ago!



...A ONE-HAND WONDER!
the New HAMILTON BEACH Food Mixer
 ...with Mixguide

Mixguide! You make bread easier than ever before. You mix, knead, cream, beat, whip, stir, and whip with the help of these exclusive features:

- 1. SLOW MIXING
- 2. SLOW BEATING
- 3. SLOW BEATING
- 4. SHARP FRUITS
- 5. SLOW BEATING
- 6. WHIP CREAM
- 7. WHIP CREAM
- 8. SLOW BEATING
- 9. SLOW BEATING
- 10. SLOW BEATING

It's a one-hand wonder all right... this new Hamilton Beach Food Mixer brings you the convenience of a one-hand wonder with the help of these exclusive features.

ONE-HAND OPERATION... the hand holds the motor on the speed. Lenses your other hand free to hold a bowl or add ingredients. Study this motor for all

MAXIMUM FLEXIBILITY... simply slide the motor forward and it's ready to use as the mixer, or a whisk, attachment. No need to be loose, working or stop, working or detach. Study this motor for all

Lens of other "mixers" on the Hamilton Beach make it the motor mixer for you to use.

Full power at all speeds gives you smooth, unobstructed mixing... heavy speeds do not vary as lower speeds do in electric. Heavily balanced handle and lighter weight are comfortable in your hand. Long grip mixing handle are provided to guard against slipping from your hand.

Use mixer to cream or knead on being you all about your kitchen in your Hamilton Beach. But you pay no premium for them. See the new Hamilton Beach... try it for yourself... at your dealer's. If the dealer's store, he will show Hamilton Beach Company, Division of Hamilton Manufacturing Company, Boston, Massachusetts.

the New HAMILTON BEACH Food Mixer
 Beats Everything for Saving You Work!

Beautiful
 and makes beautiful toast!

On the gift table they'll prefer this Proctor for its beauty... on the dining table she'll prefer it for its skill... for its remarkable ability to make toast exactly to suit your taste... a hot made possible by its wonder-working Proctor Color Guard.

The seal of a cloth keeps it shining bright... and its sliding crumb tray works so easily, like a dream. Fair trade price, \$22.00. Federal excise tax included.

To please your Bride

PROCTOR AUTOMATIC POP-UP TOASTER

PROCTOR ELECTRIC COMPANY, PHILADELPHIA 43, PENNSYLVANIA



HBBHC is a Collection of Iconic Consumer Product Brands

CONSUMER



Hamilton Beach



COMMERCIAL



(1) Wolf Gourmet® is a registered trademark of the Sub-Zero Group, Inc.

(2) CHI® is a registered trademark of Farouk Systems, Inc.

RETAIL



Hamilton Beach

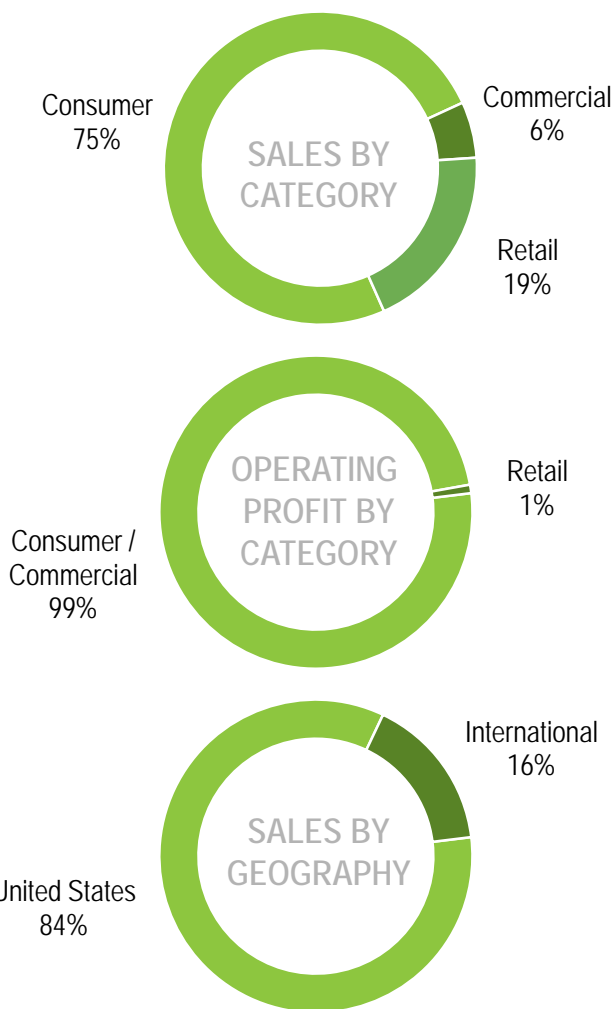


HBBHC Overview

KEY BUSINESS HIGHLIGHTS

- Leading designer, marketer and distributor of branded housewares for retail and commercial applications
- Strong brands with leading market share
 - ▶ Hamilton Beach® brand ranked #1 small kitchen appliance brand in U.S. (based on units)
 - ▶ Strong share in Canada, Mexico and Central America and focused on growing in other international markets
- Strong relationships with leading retail and e-commerce customers across diverse channels
- 100+ year track record of innovation and product line expansion
- Broad consumer price point segmentation coverage from good to better to best
- Multi-layered growth strategy includes e-commerce leadership, an increase in premium product offerings, continued international expansion, further penetration of commercial markets, expansion into adjacent categories and completion of accretive acquisitions
- Highly professional and experienced management team
- Strong working capital management and returns on capital

2016 FINANCIAL HIGHLIGHTS



Our Core Principles

Our Vision

To be the leading global supplier of branded small appliances and housewares

Our Mission

Profitable growth from innovative solutions that improve everyday living

Our Values

The Customer: Consistently meet or exceed the needs of our internal and external customers

People: Employ and develop the best

Good Thinking: Encourage and cultivate inspired thinking in all areas of our business

Ethics: Honest, ethical behavior – always

Quality: Ensuring the quality of our products and services is our passion

Continuous Improvement: There is always a better way. Change is life

Teamwork: We help each other to succeed. We share both successes and failures

Our Environment: We proactively manage our business in a sustainable, socially and environmentally responsible manner

“Good Thinking” Approach



Comprehensive Product Portfolio



Coffee Makers



Blenders



Slow Cookers



Irons



Toaster Ovens



Kettles



Toasters



Food Processors



Can Openers



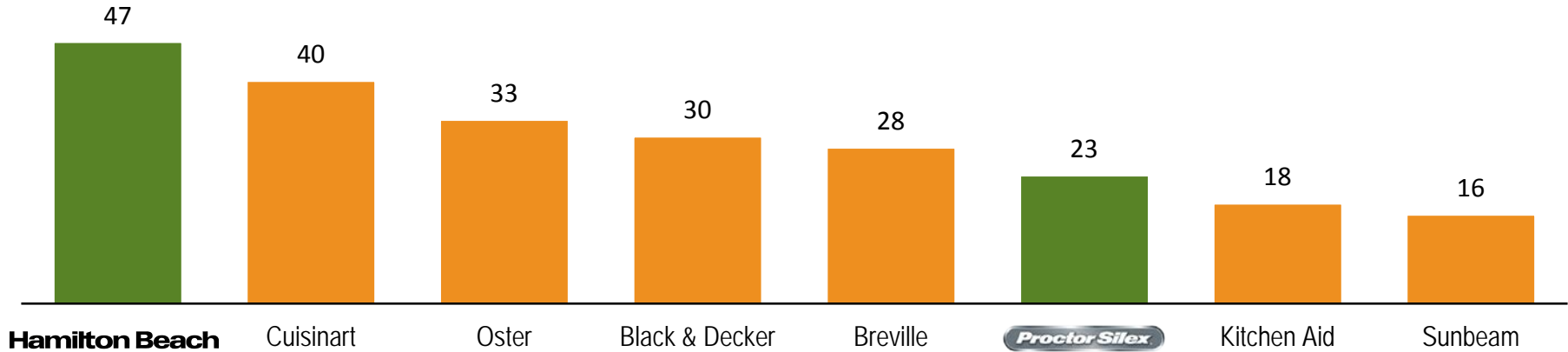
Hand Mixers



Meat Grinders

Strong Portfolio of Branded Products

TOTAL PRODUCT CATEGORIES OFFERED



Source: NPD for the 12-month period ending August, 2017.

HBB HAS A TOP 3 BRAND IN 28 KEY HOUSEWARE CATEGORIES

Air purifiers	Electric knives	Ice shavers	Rice cookers
Blenders	Espresso makers	Iced tea makers	Roaster ovens
Bread makers	Food choppers	Irons	Sandwich makers
Burners, single and double	Food processors	Jar openers	Single serve blenders
Can openers	Food steamers	Juice extractors	Skillets
Citrus juicers	Garment steamers	Kettles	Slow cookers
Coffee grinders	Griddles	Kitchen systems	Soda machines
Coffee makers, traditional drip	Grills, indoor	Meat grinders / mincers	Stand mixers
Coffee makers, single serve	Grills / griddles	Microwave ovens	Toaster ovens
Compact refrigerators	Hand blenders	Odor eliminators	Toasters
Crepe makers	Hand mixers	Pizza ovens	Vacuum sealers
Deep fryers	Hand / stand mixers	Popcorn poppers	Waffle makers
Specialty drink makers	Ice cream makers	Quesadilla makers	

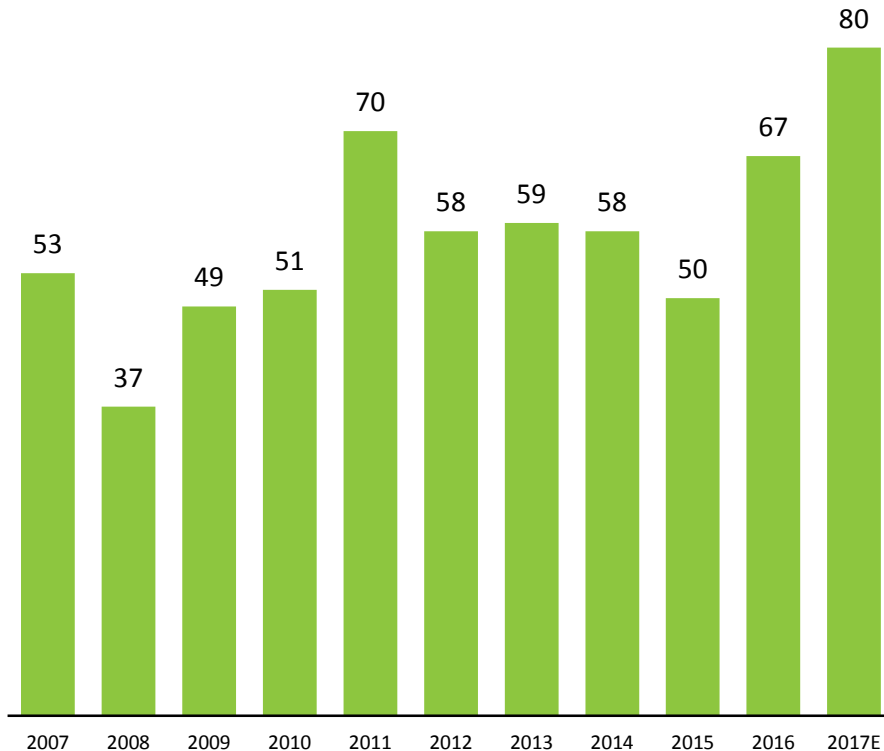
Source: NPD point of sales data for the 12-month period ending July, 2017.

Consistent Innovation in New Product Development

HBB aggregates data from 25,000+ consumers annually to introduce new, research-driven products

PRODUCT PLATFORM INTRODUCTIONS (1)

HBB generated more than 30% of its revenue in the last 3 years from products that are less than 3 years old



SELECT 2017 PRODUCT INTRODUCTIONS



Proctor Silex®
Panini Press & Compact Grill



Weston Pro® Series
Dehydrator



Hamilton Beach®
MultiBlend Quiet Blender



Hamilton Beach® Commercial
Quantum Blender

HBB protects its innovations through a robust patent renewal process

(1) Excludes product introductions from The Kitchen Collection and gadget introductions from Weston.

Broad Customer Base Across Diverse Channels

MASS MARKET RETAILERS

Grupo Exito
Bodega Aurrera
Family Dollar
TARGET
Walmart

E-COMMERCE RETAILERS

Amazon
JD.COM
JET
TMALL.COM
Wayfair

DEPARTMENT STORES

Bemol
El Palacio de Hierro
Harrods
KOHLS
Liverpool
Macy's

WAREHOUSE CLUBS

Costco
PRICESMART
Sam's Club

SPECIALTY RETAILERS

BEST BUY
BED BATH & BEYOND
Sur la table
FAST SHOP
WILLIAMS-SONOMA

SPORT RETAILERS

Academy
SPORT + OUTDOORS
Cabela's
DICK'S

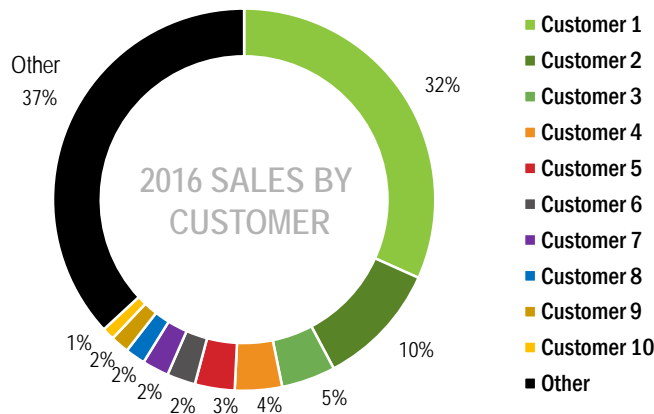
GROCERY STORES

H.E.B
Kroger
Wakefern FOOD CORP

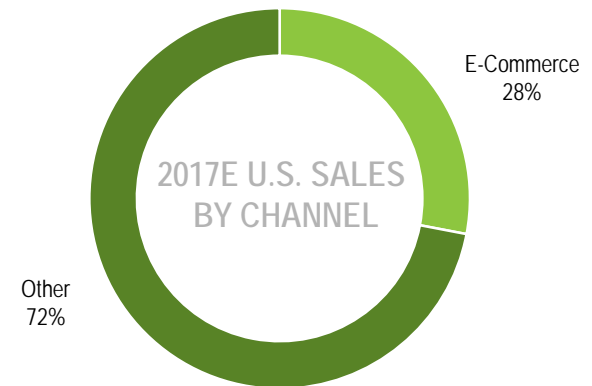
INDEPENDENT RETAILERS

1,000+
Customer Accounts

HBB Has a Diverse Base of 2,500+ Customers



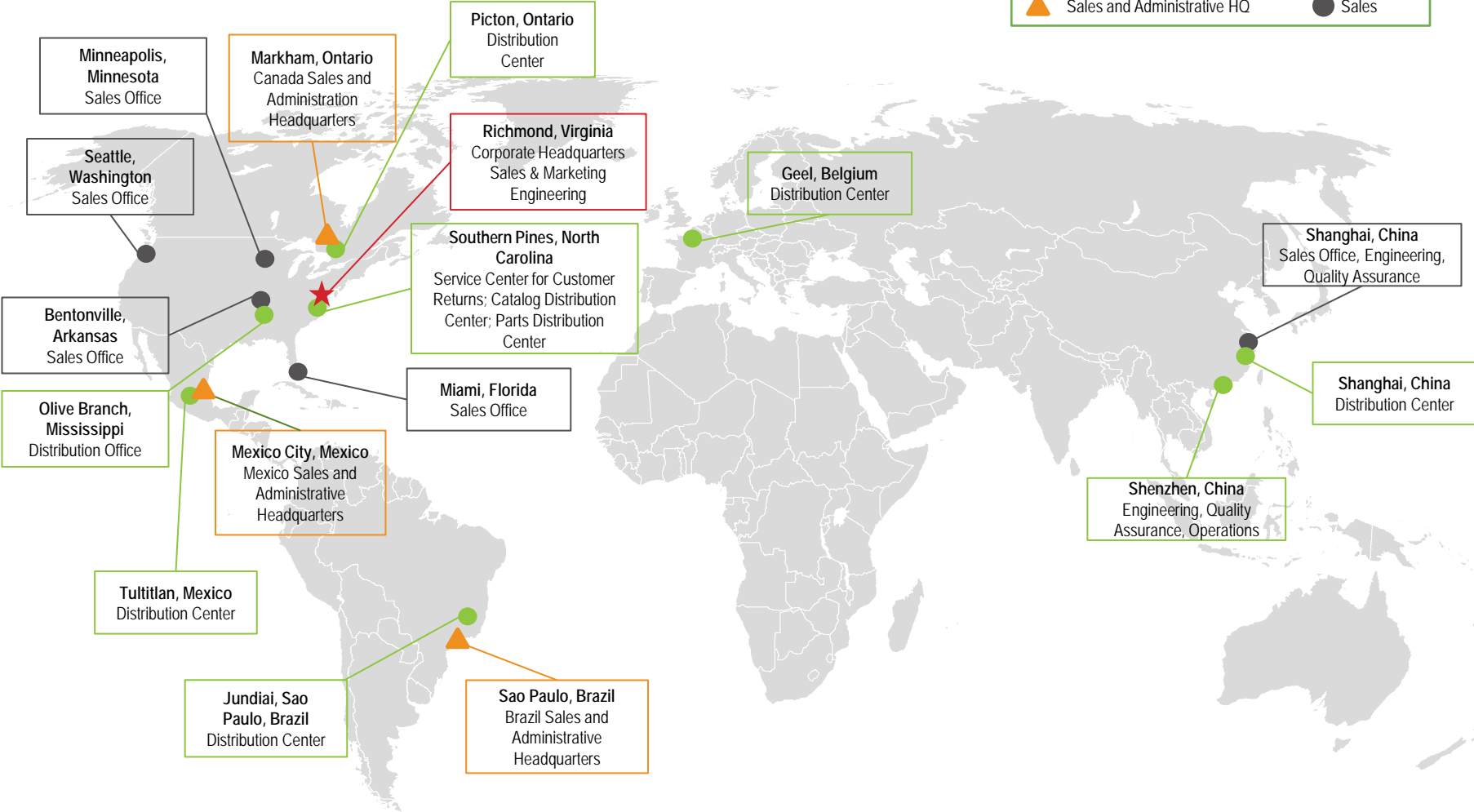
HBB Believes it Has the #1 Unit Share of Small Kitchen Appliances at the Top 2 U.S. E-Commerce Retailers



Global Infrastructure to Support HBB Objectives

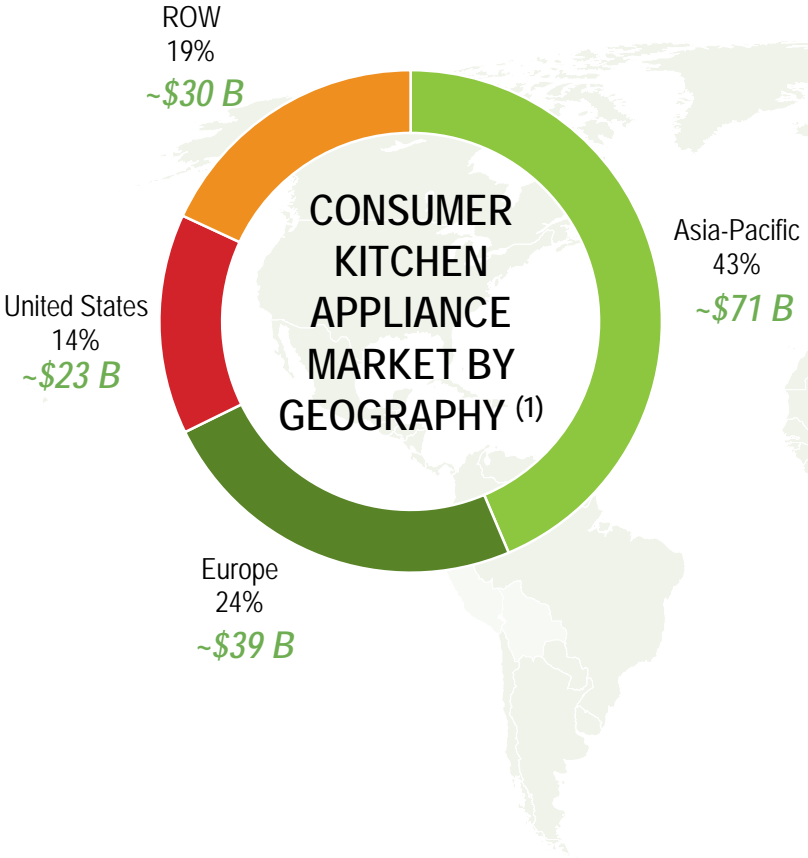
Strategically located footprint to efficiently serve customers globally

★	Corporate HQ	●	Distribution
▲	Sales and Administrative HQ	●	Sales

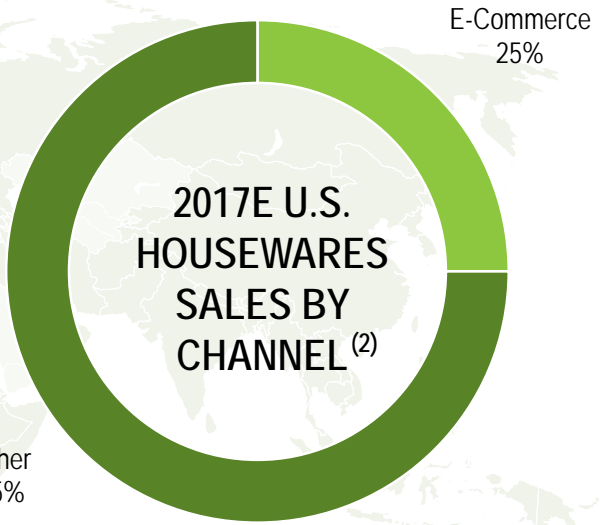


Market Backdrop Summary

INDUSTRY GEOGRAPHIC FOOTPRINT



CHANNEL OVERVIEW



(1) Marketline.
(2) NPD.

Tangible Growth Opportunities to Generate Attractive Returns

- ✓ E-Commerce leadership
- ✓ Premium Product Offerings
- ✓ International Market Penetration
- ✓ Commercial Product Line Expansion
- ✓ Adjacent Categories
- ✓ Strategic Acquisitions

Long-Term HBB Objectives (excludes KC):











<i>Sales:</i>	<i>\$750M – \$1B</i>
<i>Operating Profit Margin:</i>	<i>9% – 10%</i>

Success in Growing E-Commerce Channel

GLOBAL E-COMMERCE FOOTPRINT

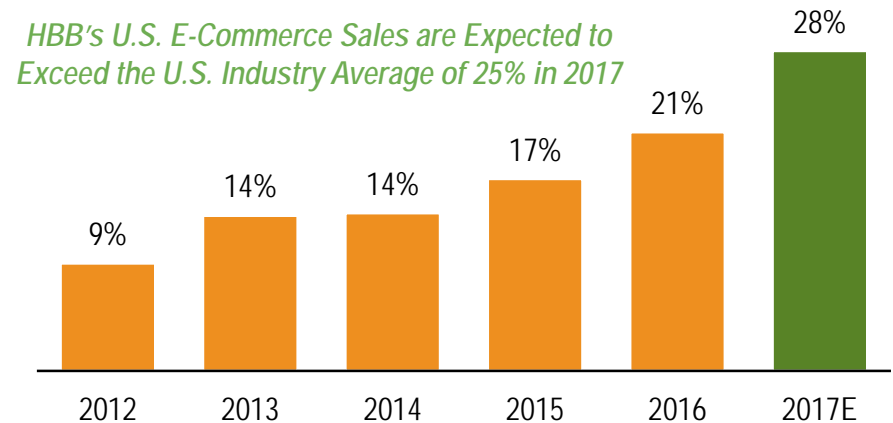
- Online sales of housewares is the fastest growing segment and is expected to account for 25% of U.S. industry sales in 2017
- Consumers are more discriminating of products due to their ability to research products online
 - ▶ Consumers are increasingly focused on reviews which take into account brand reputation, product performance and safety
 - ▶ These habits play into HBB's favor given the positive information available on HBB's products online
- E-commerce rewards brands, innovation and product quality above and beyond traditional brick-and-mortar retail and HBB is leveraging its strengths in these areas to execute its online growth strategy
 - ▶ Continue to drive sales and capture market share with the top global online retailers
 - ▶ Deliver best-in-class communication and promotional strategies to drive conversion
 - ▶ Excel in direct fulfillment business model
 - ▶ Expand brands into new categories to drive incremental sales
 - ▶ Consistently identify / evaluate new online participants to ensure maximum channel presence

RECENT ONLINE REVIEWS

Brand	2016 Average Star	Total Reviews
Hamilton Beach	4.1 	189,137
Proctor Silex	4.1 	21,536
Cuisinart	4.0 	35,725
Oster	4.0 	87,787
Mr. Coffee	3.9 	28,244
Magic Bullet	3.9 	4,106
Black & Decker	3.8 	59,870
Rowenta	3.8 	6,212
Delonghi	3.8 	9,760
Bella	3.7 	9,322

Source: Intelligent Eye, which compiled reviews from amazon.com, walmart.com and target.com during 2016.

HBB U.S. E-COMMERCE SALES (2012 – 2017E)



Multi-Initiative Marketing Strategy

HBB delivers 3 billion+ impressions annually through its marketing strategy

- Advertising
- Online
- E-mail
- Everyday Good Thinking Blog
- Facebook
- Pinterest
- Twitter
- Instagram
- YouTube



500,000+ followers



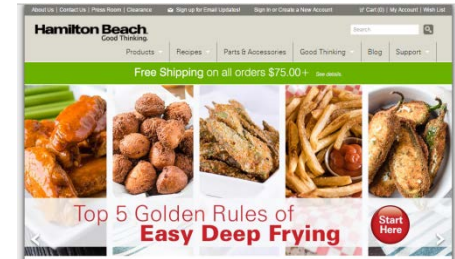
1,500+ subscribers



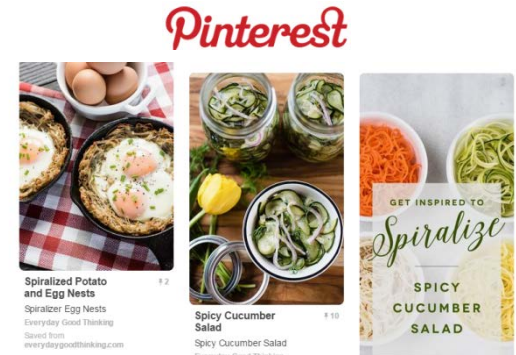
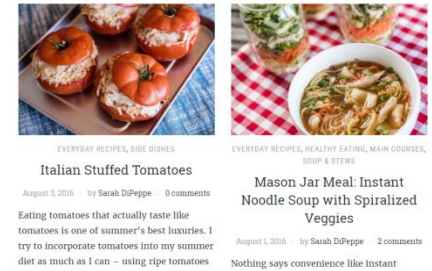
17,000+ followers



8,000+ followers



EVERYDAY Good Thinking®



Premium Product Market Opportunity

Expand placements and share in the "Only-the-Best" high-end market with strong brands and product lines

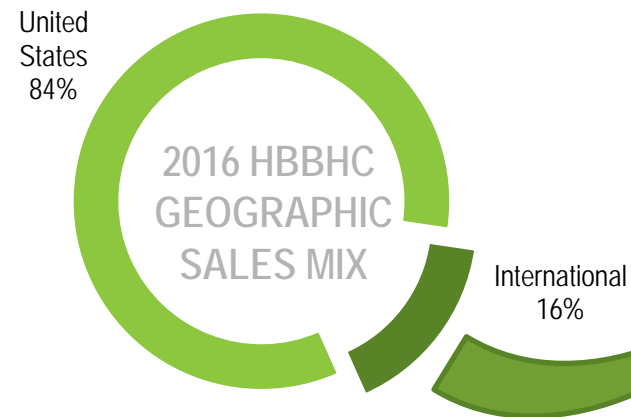
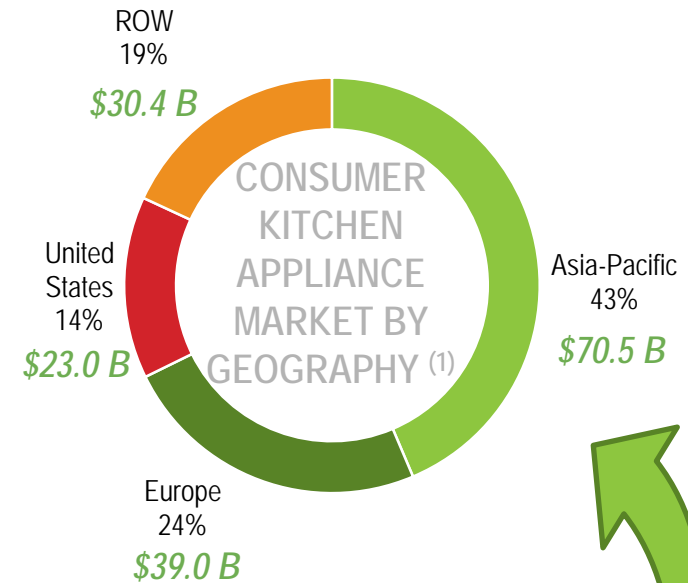


- Well-positioned to grow in the premium market
- Leverage brand strength, engineering, design capabilities and commercial expertise to expand premium product offering
- Expansion of Hamilton Beach® Professional and Weston® brand product lines
- Robust roadmap of new product introductions from Wolf Gourmet® through multi-year agreement with Sub-Zero Group, Inc.
 - Wolf is a premium brand with a reputation of innovation and quality designed to create the ultimate cooking experience
- Introduction of CHI®-branded garment care line, through multi-year licensing deal with Farouk Systems, Inc.
 - CHI is a high-quality hair products brand with products that reflect education, the environment and innovation

International Market Opportunity

Significant expansion opportunity for international growth

- Expand internationally in the emerging Asia and Latin America markets and continue to expand in Canada and Mexico
 - ▶ Target to increase international sales by concentrating on key growth markets, including China and Brazil
 - Flexible entry model includes establishing a local team and then working through distributors or directly with retailers or e-commerce partners
 - Also an opportunity to grow with existing customers as they expand into new markets
 - ▶ Invest in resources to identify local consumer needs / preferences through consumer research / feedback and introduce new products for specific markets
 - ▶ Leverage strength of brands and innovative products to expand in new geographies
 - ▶ Commercial division has been present in global markets for decades providing a strong platform to build upon
 - ▶ Selective licensing of HBB brands with high-quality partners in eight countries



(1) Source: Markettline.

Commercial Market Opportunity



Commercial grade, innovative features, strong performance and heavy-duty durability



Dependable value, commercially rated, strong performance and durability

- Opportunity to accelerate growth in the \$18 billion global commercial market ⁽¹⁾
 - ▶ Food service markets benefitting from changing demographics and shift to healthier food options
 - ▶ Increase in onsite food preparation driving demand for commercial appliances
- Company's commercial brand reputation for performance, reliability and differentiated products driving growth
 - ▶ Investing to understand customers' unmet needs for unique solutions to build a competitive advantage
 - ▶ Opportunity to accelerate growth through the introduction of new product capabilities and categories
- Continuing to build distribution capabilities and investing resources to establish presence in international food service market
- Increasing penetration of products at global and regional chains

(1) Company estimate.

Expand into New Small Appliance and Adjacent Categories

Pursuing opportunities to grow outside of the small kitchen appliance category



Compact Refrigerators



Coffee Airpots



Kitchen Scales



Commercial Chamber Sealers



Buffet Servers

- Significant opportunity to expand outside the small kitchen appliances category
- Leverage existing infrastructure and channels to introduce adjacent products
- E-commerce channel enhances ability to successfully add new products
- Introducing new products in both consumer and commercial markets

Acquisition Growth Strategy

Product expansion opportunity within existing product categories and beyond HBB's small kitchen and commercial appliance business

ATTRACTIVE MARKETS

- Large, global housewares market that is highly fragmented

TARGET PROFILE

- Competitive market position that gives HBB potential to increase share / enter new product categories
- Opportunity in current consumer space, new consumer categories or commercial
- Strong brand and / or channel presence
- International presence / focus with differentiated customer base
- E-commerce expands acquisition opportunities, as the platform makes it easier to present new products

VALUE CREATION

- Accelerate growth and margins
- Highly-accretive when layered into current business model
- Meet or exceed return on capital targets



Value Drivers for HBB

- *Incremental access to new consumer markets such as outdoor enthusiast and farm-to-table and also retail channels such as sporting goods*
- *Expands distribution capabilities for existing HBB brands*



"We are thrilled to welcome the Weston team and their consumers and vendors to the Hamilton Beach Brands family. Through the combination of the highly talented Weston organization along with our own dedicated employees, we believe we can achieve significant opportunities for future growth and profitability in line with our strategic initiatives"

*- Greg Trepp
December 2014*

HBBHC will be a more attractive acquirer as its own entity

The Kitchen Collection Strategy

209 stores as of June 30, 2017 strategically located primarily in outlet malls across the U.S.

- Meet the challenge of a difficult environment and evolve aggressively in a constructive manner, focusing on the outlet mall segment
 - ▶ Outlet malls have a sustainable presence and Kitchen Collection is the leading housewares player in outlet malls
 - ▶ Optimize store portfolio with stores in strong outlet malls in well-positioned locations and exit stores that do not generate acceptable returns
 - ▶ Average lease duration expected to be 12 months or less for two-thirds of stores by the end of 2018
 - ▶ Substantial progress has already been made and in a manner that has minimized financial impact on the business
- Focus on comparable store sales growth through:
 - ▶ Enhancing customers' store experience through improved customer interactions to generate greater average sales transaction size
 - ▶ Working to enhance sales volume and profitability by improving closure rates through continued refinement of product offerings, merchandise mix and store displays and appearances
- Continued focus on gross margin, profit and cash flow improvement areas
 - ▶ Emphasis on increasing sales of higher-margin products
 - ▶ Maintain inventory efficiency and store inventory controls
 - ▶ Ongoing merchandising improvements through use of highly analytical merchandising skills and disciplined operating controls



Hamilton Beach

BRANDS

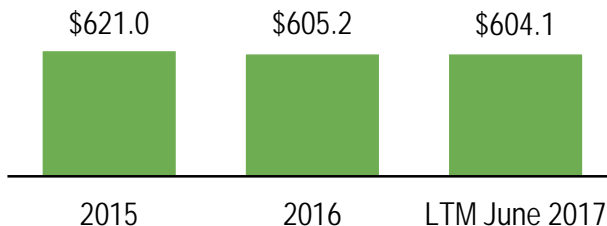


Consolidated Financial Overview

Historical Financial Highlights

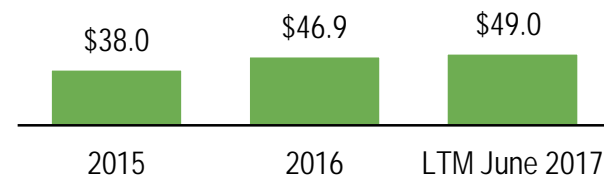
REVENUE

(\$ in millions)

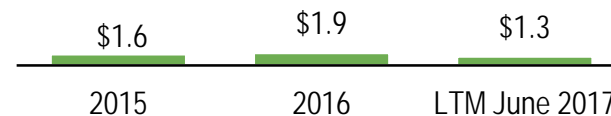
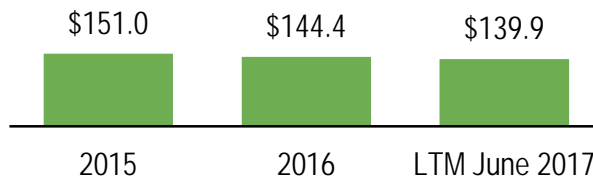


EBITDA ⁽¹⁾

(\$ in millions)



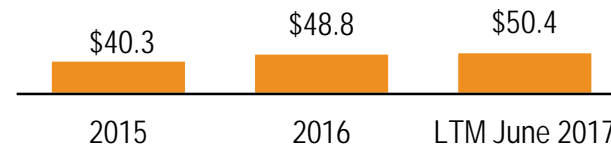
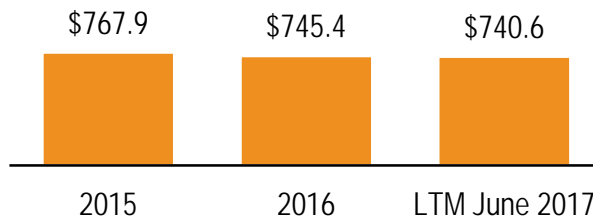
% of Revenue: 6.1% 7.7% 8.1%



% of Revenue: 1.1% 1.3% 0.9%



(2)



% of Revenue: 5.2% 6.5% 6.8%

(1) Excludes potential incremental standalone costs. EBITDA is a non-GAAP measure and should not be considered in isolation or as a substitute for GAAP measures. The discussion of non-GAAP measures and the related reconciliations to GAAP measures start on page 31.

(2) HBBHC financials net of eliminations.

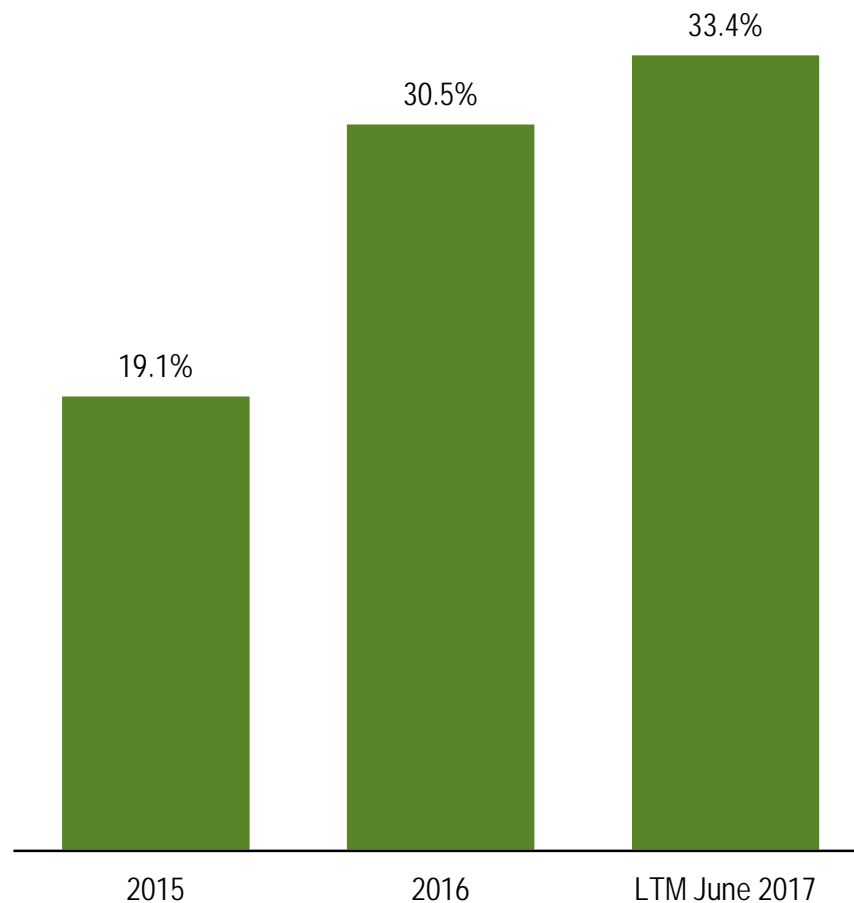
Capital Structure and Return on Capital

FLEXIBLE CAPITAL STRUCTURE (HBBHC)

	2015	2016	June 2017 ⁽¹⁾
Net Income	\$19.7	\$26.2	\$27.2
EBITDA ⁽³⁾	40.3	48.8	50.4
Cash and Cash Equivalents	16.8	11.3	5.3
Consolidated Debt	58.4	38.7	54.3
Net Debt	41.6	27.4	49.0
Consolidated Debt / EBITDA	1.4x	0.8x	1.1x ⁽²⁾
Net Debt / EBITDA	1.0x	0.6x	1.0x ⁽²⁾
Consolidated Equity	\$82.8	\$65.1	\$63.0
Debt to Total Capitalization ⁽³⁾	41.4%	37.3%	46.3%

Prior to the spin, HBBHC intends to distribute a \$35 million dividend to NACCO, an acceleration of a previously planned dividend expected to be paid in Q4 2017

ATTRACTIVE ROTCE (HBB)⁽³⁾



(1) Net Income and EBITDA represent last twelve months as of June 2017.

(2) Leverage doesn't reflect impact from planned dividend.

(3) EBITDA, Debt to Total Capitalization and ROTCE are non-GAAP measures and should not be considered in isolation or as a substitute for GAAP measures. The discussion of non-GAAP measures and the related reconciliations to GAAP measures start on page 31.

Company Outlook

HBB OUTLOOK



- U.S. and Canadian consumer markets for small appliances during H2 2017 expected to be comparable to H2 2016, as sales continue to shift from in-store channels to online
- HBB will continue to focus on strengthening its market position with new products across various categories and brands; H2 2017 sales and net income are expected to be higher than levels seen in H2 2016
- Longer term, HBB will continue to focus on improving return on sales through scale derived from market growth and strategic initiatives along with leveraging KC's infrastructure for future operations

- *HBBHC expects to incur up to \$2.5 million of spin-related costs in Q3 2017*

KC OUTLOOK



- Declining consumer traffic to physical retail locations and reduced in-store transactions are reducing KC's target consumers' spending on housewares in mall locations
- Given the market backdrop, KC expects financial performance to decline during H2 2017 compared to H2 2016
- Going forward, KC will aggressively manage its store portfolio with a focus on a defined profitable product line at more favorable mall locations; the Company believes its small core store portfolio is well positioned to take advantage of a market turnaround

Key Investment Highlights

Strong Core Business Model

- ✓ Leading Global Market Share in Branded Housewares
- ✓ Iconic Brands Known Globally
- ✓ Comprehensive Product Offering
- ✓ Broad Customer Base
- ✓ Experienced Management Team
- ✓ Leading Provider to the Growing E-Commerce Market
- ✓ Global Sourcing and Distribution Platform
- ✓ Strong Cash Flows and ROTCE

Multi-Layered Growth Strategy

- ✓ E-Commerce Leadership
- ✓ Increase in Premium Product Offerings
- ✓ Continued International Expansion
- ✓ Further Penetration of Commercial Markets
- ✓ Expansion into Adjacent Markets
- ✓ Complete Accretive Acquisitions
- ✓ Business Growth will Drive Further Economies of Scale

Hamilton Beach

BRANDS



Appendix

Non-GAAP Disclosure

This presentation contains non-GAAP financial measures. Included in this presentation are reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). EBITDA is a measure of net income (loss) that differs from financial results measured in accordance with GAAP. EBITDA, debt to total capitalization, net debt and return on capital employed in this presentation are provided solely as supplemental non-GAAP disclosures of operating results. Management believes these non-GAAP financial measures assist investors in understanding the results of operations of Hamilton Beach Brands Holding Company and its subsidiaries. In addition, management evaluates results using these non-GAAP financial measures.

Hamilton Beach Brands Holding Company defines non-GAAP measures as follows:

- EBITDA is defined as net income before income taxes plus interest expense, interest income and depreciation and amortization expense;
- Debt to Total Capitalization is defined as consolidated debt divided by consolidated debt plus consolidated equity;
- Net debt is defined as total debt less cash and cash equivalents; and
- Return on capital employed is defined as net income before interest expense, after tax divided by LTM average capital employed. LTM average capital employed is defined as LTM average equity plus LTM average debt less LTM average cash.

For reconciliations from GAAP measurements to non-GAAP measurements see pages 32 and 33.

Non-GAAP EBITDA Reconciliation

(\$ in millions)



Year Ended December 31,

	2015	2016	LTM June 2017
Calculation of EBITDA			
Net income	\$19.7	\$26.6	\$27.8
Income tax provision	11.8	14.5	15.3
Interest expense	1.8	1.1	1.2
Interest income	(0.1)	0.0	(0.0)
Depreciation and amortization expense	4.8	4.7	4.7
EBITDA	\$38.0	\$46.9	\$49.0



Calculation of EBITDA

Net loss	(\$0.4)	(\$0.3)	(\$0.6)
Income tax provision	0.4	0.5	0.3
Interest expense	0.1	0.2	0.2
Interest income	0.0	0.0	0.0
Depreciation and amortization expense	1.5	1.5	1.4
EBITDA	\$1.6	\$1.9	\$1.3



Calculation of EBITDA

Net income	\$19.7	\$26.2	\$27.2
Income tax provision	12.3	15.0	15.6
Interest expense	2.0	1.4	1.5
Interest income	0.0	0.0	(0.0)
Depreciation and amortization expense	6.3	6.2	6.1
EBITDA	\$40.3	\$48.8	\$50.4

Note: EBITDA is provided solely as a supplemental disclosure. EBITDA does not represent net income, as defined by U.S. GAAP and should not be considered as a substitute for net income, or as an indicator of operating performance. The Company defines EBITDA as income (loss) before income tax provision, plus net interest expense and depreciation and amortization expense. EBITDA is not a measurement under U.S. GAAP and is not necessarily comparable with similarly titled measures of other companies.

Capitalization and ROTCE Reconciliation

(\$ in millions)

CAPITALIZATION (HBBHC)

	2015	2016	June 2017
Consolidated Debt	\$58.4	\$38.7	\$54.3
Plus: Consolidated Equity	82.8	65.1	63.0
Total Capitalization	\$141.2	\$103.8	\$117.3
Debt to Total Capitalization	41.4%	37.3%	46.3%

ROTCE (HBB)⁽¹⁾

2015

Average Equity (12/31/2014 and each of 2015's quarter ends)	\$51.5
Average Debt (12/31/2014 and each of 2015's quarter ends)	58.9
Average Cash (12/31/2014 and each of 2015's quarter ends)	(1.4)
Total 2015 average capital employed	\$109.0
2015 Net Income, as reported	19.7
Plus: 2015 Interest expense, net	1.8
Less: Income taxes on 2015 interest expense at 38% ⁽²⁾	(0.7)
Actual return on capital employed = actual net income before interest expense, net, after tax	20.8
Actual return on capital employed percentage	19.1%

2016

Average Equity (12/31/2015 and each of 2016's quarter ends)	\$52.0
Average Debt (12/31/2015 and each of 2016's quarter ends)	40.2
Average Cash (12/31/2015 and each of 2016's quarter ends)	(2.6)
Total 2016 average capital employed	\$89.5
2016 Net Income, as reported	26.6
Plus: 2016 Interest expense, net	1.2
Less: Income taxes on 2016 interest expense at 38% ⁽²⁾	(0.5)
Actual return on capital employed = actual net income before interest expense, net, after tax	27.3
Actual return on capital employed percentage	30.5%

Trailing 12 Months, June 2017

Average Equity (6/30/17, 3/31/17, 12/31/16, 9/30/16, 6/30/16)	\$50.4
Average Debt (6/30/17, 3/31/17, 12/31/16, 9/30/16, 6/30/16)	39.1
Average Cash (6/30/17, 3/31/17, 12/31/16, 9/30/16, 6/30/16)	(4.2)
Total Trailing 12 months average capital employed	\$85.3
Trailing 12 Months Net Income, as reported	27.8
Plus: Trailing 12 months Interest expense, net	1.2
Less: Income taxes on Trailing 12 months interest expense at 38% ⁽²⁾	(0.5)
Actual return on capital employed = actual net income before interest expense, net, after tax	28.5
Actual return on capital employed percentage	33.4%

(1) Return on capital employed is provided solely as a supplemental disclosure with respect to income generation because management believes it provides useful information with respect to earnings in a form that is comparable to the Company's cost of capital employed, which includes both equity and debt securities, net of cash. Return on capital employed is a non-GAAP measure and should not be considered in isolation or as a substitute for a GAAP measure.

(2) Tax rate of 38% represents the Company's target marginal tax rate.