



**BURNHAM**  
HOLDINGS, INC.  
Company Profile



**BURNHAM HOLDINGS**  
PERFORMANCE PROVEN · TECHNOLOGY FORWARD

# CREATING VALUE, DELIVERING RESULTS

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## **DYNAMIC STABILITY:**

Creating value by providing a broad range of thermal technologies that provide advanced solutions for essential customer needs.

In providing interior comfort and process solutions to the Heating, Ventilating and Air Conditioning (HVAC) industry for a multitude of residential, commercial, and institutional applications, Burnham Holdings has proven its ability to grow value for stakeholders year after year.

The key to our performance is a clear vision for meeting current and future customer needs through innovative technologies, including more energy-efficient products, “green” products with lower emissions, and smarter controls. This customer-driven vision propels our product development.

The diverse product lines of our subsidiaries serve defined market sectors, satisfying a broad and growing demand for energy-efficient thermal products. These products are applied everywhere hot water or steam is needed to provide solutions for interior comfort and to support processes in the manufacturing environment.



We provide a diverse product mix that meets the various needs of a broad array of residential, commercial, and institutional applications. For our stakeholders, this diversification, combined with a recurring need for our products, provides the foundation for consistent financial performance through fluctuating economic cycles.

Burnham Holdings provides consistent returns by creating value in established market segments. Demand for new thermal products and controls is constantly increasing as the marketplace's desire for higher efficiencies and cleaner emissions increases. This demand provides the basis for growth that augments the stable revenue stream resulting from a consistent replacement cycle of the installed base of heating products in the United States. It also drives our investment in engineering and product development, ensuring a strong new product pipeline that will meet future industry needs.

The combination of a strong earnings and dividend history, a proven management team, a diverse product mix, and continuing demand for our products creates an outstanding opportunity for stakeholders. Burnham Holdings is a unique investment opportunity that creates value and delivers solid returns.

## U.S. Boiler Company: High Altitude Boiler Bliss

Boilers aren't immune to the effects of high elevation. This past March, IDS (Innovative Design Solutions) arrived in Fairplay, CO (elevation 9,953 ft.), to install a boiler for an existing radiant system in a log cabin. Company owner Nick Valent said, "We called four boiler manufacturers to see who'd stand behind their product at that elevation, and U.S. Boiler Company was the only one. They suggested the K2 boiler. We had never installed a K2 before," he continued. "Having installed Burnham Alpine boilers, we expected good things."

The superior technology and combustion components in the K2 provide superb high altitude performance while maintaining reliable and proper operation at all elevations. The installation itself wrapped up in early March, just in time for a few more cold snaps to give the K2 an opportunity to demonstrate its effectiveness and efficiency. The homeowner stated, "We immediately noticed how much more responsive the radiant system is with the boiler installed." With the typical premium associated with propane pricing in the Rockies, the energy savings were very much welcomed.

Since this first K2 application, IDS installed another one in the ski town of Breckenridge, CO, 9,600 feet above sea level. After their prior success at 9,953 ft., installing another K2 was the obvious choice.



# PROVIDING INTERIOR COMFORT TECHNOLOGY FOR A NEW GENERATION

## ESSENTIAL DIVERSITY:

Offering the widest array of thermal-specific technologies in the industry, the major brands of Burnham Holdings' subsidiaries cover high-efficiency stainless steel and aluminum condensing boilers, combination heat and hot water boilers, cast iron and steel gas and oil boilers, industrial boilers, copper-finned boilers, furnaces, air conditioners, and water heaters. It's a product footprint that stretches across various geographic regions, energy sources, and market sectors to meet the changing needs of an evolving world that requires highly efficient thermal technology to survive and thrive.

Hour by hour, day by day, families, teachers, students, nurses, and workers in homes, offices, and factories are using our products to create a comfortable environment for working, living, and thriving.

Today's consumers live in a society that is constantly connected. They are more educated, more knowledgeable, more mobile, and more aware of the effects of consuming natural resources, energy economics, and emissions. As a result, they demand more sophisticated product technologies.

Over the last several years, we have responded to these challenges by increasing investment in new product development, introducing an extensive array of new products. This innovative portfolio of current and future products defines our subsidiaries as leaders in their various market segments, with products that satisfy today's and tomorrow's demanding application, performance, and energy-efficiency requirements.

To support these efforts, in 2015, we opened a state-of-the-art Engineering and Technology Center, significantly



## Products that minimize energy consumption while maximizing comfort, reliability, and productivity.

expanding our capability to develop and operationally test boilers, especially sophisticated, high efficiency condensing boilers.

Consequently, our companies offer products that operate more cleanly — significantly reducing energy consumption, and thereby CO and NOx emissions. They operate more efficiently, as seen in steadily advancing Annual Fuel Utilization Efficiency (AFUE) ratings, and by utilizing innovative control technologies that improve the entire system's efficiency.

Our products minimize energy consumption while maximizing comfort, reliability, and productivity.

Burnham Holdings' commitment to investment in new product development spans our businesses. It is driven by a constantly evolving marketplace, and guided by the needs and desires of end users, home owners, contractors, building owners, specifying engineers, sales representatives, and distributors. We are constantly seeking strategic opportunities in competitive and emerging technologies that benefit our stakeholders.

The end result is a forward-thinking product development strategy that meets exacting requirements today, while delivering new and innovative technologies that meet the expectations of tomorrow.

### **Burnham Commercial: High-tech High School Takes Off**

Raisbeck Aviation High School (RAHS) in the Seattle suburb of Tukwila, WA, had established itself as a statewide leader in science, technology, engineering, and math (STEM) education. But when it opened its new facility on the northwest campus of The Museum of Flight — amidst nearly 200 aviation-related businesses surrounding Boeing Field — RAHS became the only aviation-themed college preparatory school in the country to share resources with an aerospace museum.

The facility employs two Burnham Commercial MPC-10™ boilers loaded with innovative features, providing an advanced interior comfort solution for this high-tech high school.



## Thermal Solutions: Arctic Condensing Boilers

Credited with over 600 courses including Medinah, Eastlake, Mission Hills, and Olympia Fields, famed architect Tom Bendelow pioneered the growth of golf across America in the early 1900s. "The Johnny Appleseed" of golf, Bendelow's simplistic designs were appealing for both new and experienced players which promoted the popularity and acceptance of the game."

We couldn't agree more ... Condensing Boiler Technology doesn't have to be complicated, it should be enjoyed! Our Arctic series condensing boiler is designed for both seasoned pros or mechanical contractors just becoming familiar with condensing technology. The Arctic is incredibly easy to install with the only weldless, field-repairable heat exchanger in the condensing marketplace.

As installing contractor Brandon Painter of Peck-Hannaford & Briggs said of the installation at Losantiville Country Club, "this boiler just makes sense, Thermal Solutions did the little things that make my job easier." In addition to the field-repairable heat exchanger, the controls are upfront and accessible, all field wiring connections are well labeled on both high and low voltage printed circuit boards making wiring a snap, and waterside pressure drops are tiny promoting smaller pumps and greater electrical savings.

Thermal Solutions hit a monster drive down the middle of the fairway with the Arctic. The rest of the industry is back in the bunker trying to figure out what happened.



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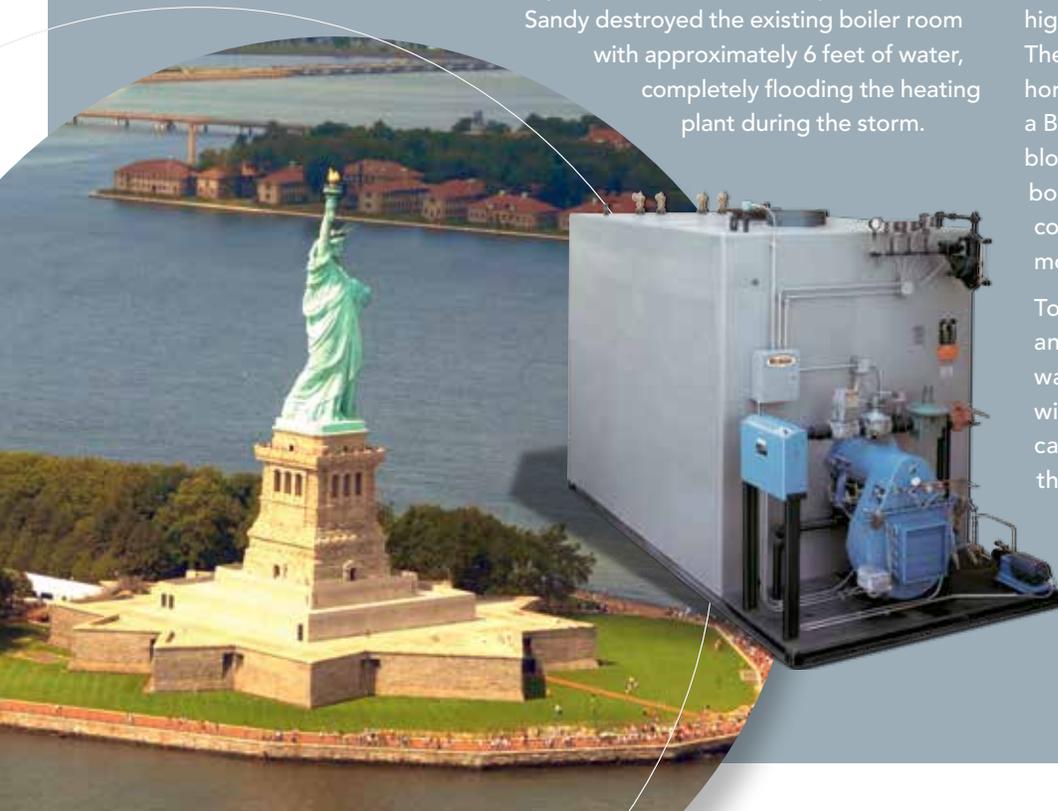
## Bryan Boilers: Historical Heating

Among the many facilities devastated during the storm surge and flooding of Superstorm Sandy was the Historic Ellis Island National Park complex located just off the tip of Manhattan.

Sandy destroyed the existing boiler room with approximately 6 feet of water, completely flooding the heating plant during the storm.

After a lengthy planning, engineering, and installation process, the National Park Service commissioned a completely new heating plant, with the boilers mounted on a twelve-foot-high platform to protect them from flooding. The new boiler plant incorporates five 600 horsepower Bryan boilers, integrated with a Bryan deaerator system, surge tank, and blow down tank. Due to space constraints, the boilers were a mix of standard and "reverse" construction to allow them to be placed more closely together on the platform.

Today's visitors to the Ellis Island Museum and Complex will have no problems staying warm in buildings heated by technology with its own unique history. From steam cars to steam tractors to steam boilers, the robustness and continued success of the Bryan steam boiler design clearly marks it for its own place in history.



## Burnham Commercial: Providing the Steam for Growth

Roland LeFebvre, a French-Canadian in South Barre, VT, started a smokehouse in 1962, with a goal to supply fresh meats for a chain of diner-style restaurants.

Although the company has over 50 years of experience, Vermont Smoke & Cure™ revitalized its label in 2006 and began growing rapidly. Current products include smoked meats using pure ingredients such as “damn fine” bacon and ham, RealSticks — natural meat, gluten-free snack sticks, and natural hot dogs at their Smokehouse in Hinesburg, VT.

When Vermont Smoke & Cure™ needed to expand its smokehouse to support its rapid growth, they turned to Burnham Commercial to provide a C Series 90 HP steam firetube steel boiler to supply the steam for humidity control in the smokehouse, in addition to space heating and equipment cleaning.

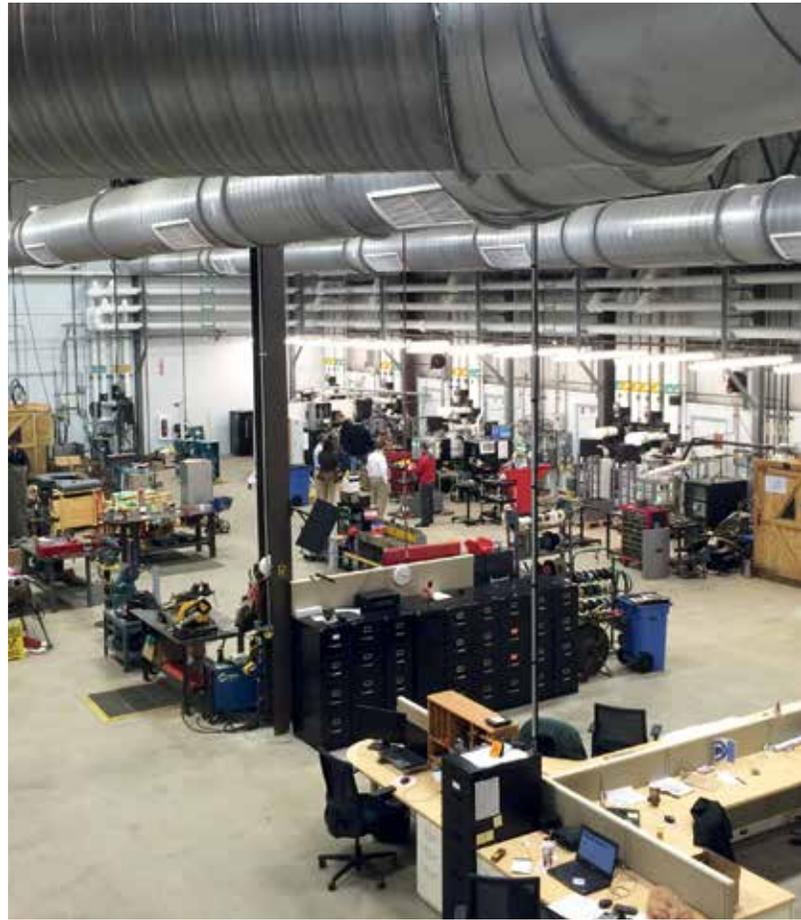
The goal at Vermont Smoke & Cure™ is to quadruple overall production, and the smokehouses will eventually operate 7,000+ hours per year to produce products sold in some of the nation’s premier grocery stores, and Burnham Commercial boiler products will be there to support that growth.



## Velocity Boiler Works: Laurel Oak Corporate Center

This is a unique application in an office complex. Due to the low supply and return system water temperatures, the existing installation uses PVC pipe for the system piping. With such low system temperature parameters, the Phantom X boilers operate at maximum efficiency, condensing in all conditions. This prototype installation for several such complexes has the boilers located in an attic mechanical room and vented vertically through the roof. The contractor and his technicians were pleased with the ease of installation and wiring of the boilers and the sequencer. In particular, the contractor likes the various system operating parameters which the units track. He finds the “Hours Run” tracking to be an excellent benchmark for tracking the fuel savings being achieved with this high-efficiency solution.

# INTEGRITY THAT INSPIRES SUPERIOR PERFORMANCE



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## SOLID INTEGRITY:

The latest technologies, along with trusted industry relationships, provide the foundation for growth and stability — now and for years to come.

Combining the latest manufacturing technologies and engineering talent with a vast array of intellectual assets and trusted industry relationships is a major competitive advantage that Burnham Holdings' subsidiary companies exploit to win in their respective markets. It provides a firm foundation that enables our subsidiaries to continue to deliver growth with stability now — and for years to come.

Our subsidiary companies continually pursue operational excellence by their investment in process improvements, facility upgrades, and state-of-the-art manufacturing equipment. Their continuous process improvement efforts consistently result in efficiency gains and cost reductions.

To develop and implement these improvements, our companies have cultivated highly capable management, engineering, and production leadership with decades of experience in optimizing processes and producing products. At the same time, our companies continue to recruit and attract engineers with advanced degrees to work in collaborative teams with experienced staff to meet evolving market demands.

The value of vertical integration of our supply chain is realized through subsidiary companies that utilize advanced manufacturing processes to produce key product components. Casting Solutions, LLC, our foundry business in Zanesville, Ohio, operates a highly automated gray and ductile iron foundry that converts scrap metal into boiler castings and other gray and

ductile iron products. Painted light-gauge metal parts are manufactured by our Norwood Manufacturing and Lancaster Metal Manufacturing subsidiaries. These state-of-the-art facilities utilize advanced water-jet, laser-cutting, and robotic material handling technologies to produce appliance jackets and other component parts for our products, optimizing our realization of value throughout the supply chain.

Outside our companies, long-standing relationships with partner vendors and wholesale distributors are a strategic advantage. Our companies' distribution network encompasses more than 100 manufacturer sales agencies for commercial products — and thousands of residential wholesale distribution outlets, creating one of the largest national wholesaler distribution networks in the industry.

The reach of this network enables us to extend our offering into controls and accessories, heat exchangers, and radiators, as well as advanced zone and system controls. This broad footprint offers a strategic advantage, providing a significant sales presence in residential and commercial markets across North America.

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## U.S. Boiler Company's Engineering & Technology Center

U.S. Boiler Company celebrated the opening of its new Engineering & Technology Center in December of 2015. The opening of this new facility "demonstrates the commitment we have to the boiler marketplace. By investing in the lab, we gain a competitive edge to more quickly develop state-of-the-art boilers for our rapidly changing market. This lab also demonstrates a commitment to the local community and our employees."

— Paul Spradling, President, U.S. Boiler Company, Inc.



# BRANDS WITH A REPUTATION FOR DELIVERING RESULTS

Our residential subsidiary products are typically sold through wholesale distributors who, in turn, market to builders, heating contractors, fuel dealers, and utilities for sale to residential customers:



ES2™ Mid-Efficiency Water Boiler

**U.S. Boiler** is a recognized leader in bringing new and innovative products to the North American residential boiler marketplace. Product lines include high-efficiency condensing stainless steel boilers, cast iron and steel boilers, combination heat and hot water boilers, as well as cast iron and steel heat distribution products, indirect-fired water heaters, and accessories.



CG-D Atmospheric Water Boiler

**New Yorker Boiler** markets one of the best known steel boiler brands in the industry. It also sells a line of gas and oil-fired cast iron boilers.



Phantom® High-Efficiency Condensing Boiler

**Velocity Boiler Works** is known for high quality and dependable performance, backed by strong customer service. Their Crown branded residential boiler products include high-efficiency condensing boilers, combination heat and hot water boilers, cast iron boilers, as well as indirect-fired water heaters, warm air furnaces, and a full line of accessories.



Victoria™ Decorative Cast-Iron Radiator

**The Governale** brand is known for cast iron radiators, baseboards, convectors, and accessories that offer high quality and dependable performance.



Highboy Oil Furnace

**Thermo Products** markets the Thermo Pride premium brand of warm air furnaces, heat pumps, central air-conditioning systems, and related accessories through direct distribution. In addition, Thermo Products offers the Spirit™ line of economy furnaces through wholesale distribution.



RESIDENTIAL

Bringing products to market under some of the most recognized brands in the industry.

Our commercial subsidiary products are sold primarily through independent sales agencies to contractors or end users for heating and industrial applications in large commercial, institutional, and industrial facilities, such as hospitals, hotels, and schools:



Triple-Flex™  
Commercial  
Condensing Boiler

The **Bryan Boiler** brand is known for quality, performance, and technological innovation in flexible water tube boilers and related boiler room accessories. Its products include high-efficiency stainless steel condensing, as well as non-condensing, and high-pressure steam units. Bryan Boiler products are used for heating and process applications in hospitality, healthcare, education, stadium, and institutional applications. They are also used in the energy,



manufacturing, food processing, and chemical industries.

The **Burnham Commercial** product line is manufactured and sold by Burnham, LLC, our oldest subsidiary, with a history of product innovations stretching over a century. The line features firetube boilers of scotch marine and firebox design, as well as large modular and packaged cast iron water and steam



MPC High-Efficiency  
Commercial Cast Iron Boiler

boilers used for space heating and manufacturing applications.



APEX™ Light  
Commercial  
Condensing Boiler

The **Thermal Solutions** product line features compact, high-efficiency stainless steel condensing, copper tube, and stainless steel boilers and water heaters, offering unparalleled durability and efficiency. Their complete line of high-efficiency stainless steel and copper boilers meets the demands of the light commercial markets — from small commercial buildings to educational facilities to multi-unit residential applications — with some of



the smallest footprints and highest efficiencies in the industry.



ARCTIC® Commercial  
Condensing Boiler

COMMERCIAL

# CORPORATE DATA

Burnham Holdings, Inc., is a holding company owning multiple, separate subsidiaries, each of which do business in the HVAC industry. All products, services, and related activities referred to herein are the products, services, and related activities of the applicable subsidiary, and not of Burnham Holdings, Inc.

## Stock Exchange Listing:

The Common Stock of Burnham Holdings, Inc., is traded under the symbol "BURCA" on the electronic Pink Sheets and is listed by the OTC Markets Group, Inc., reporting service for over-the-counter stocks. Stock quotation information is available through stock reporting services online. Two services that report on Burnham Holdings, Inc., are [www.bloomberg.com](http://www.bloomberg.com) and [www.otcm Markets.com](http://www.otcm Markets.com).

For further information, contact Cathleen J. Anderson, Financial Services Administrator, or Dale R. Bowman, Vice President and Chief Financial Officer. Telephone: (717) 390-7800, Fax: (717) 390-7852. You can access Company information including press releases, earnings announcements, history, and other information by visiting the Burnham Holdings, Inc., website at [www.burnhamholdings.com](http://www.burnhamholdings.com).

## Forward-looking Statements:

This Report contains forward-looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates, and projections, and therefore you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement.

Such factors include, but are not limited to, variations in weather, changes in the regulatory environment, litigation, customer preferences, general economic conditions, technology, product performance, and increased competition.

## COMPANY AFFILIATES & LOCATIONS

|                                     |                                 |
|-------------------------------------|---------------------------------|
| Bryan Steam, LLC                    | Peru, IN                        |
| Burnham Casualty Insurance Co.      | Burlington, VT                  |
| Burnham Commercial, LLC             | Lancaster, PA                   |
| Burnham Financial, LLC              | Wilmington, DE                  |
| Burnham Services, Inc.              | Wilmington, DE                  |
| Casting Solutions, LLC              | Zanesville, OH                  |
| Crown Boiler Co.                    | Philadelphia, PA                |
| Governale Company, Inc.             | Brooklyn, NY                    |
| Lancaster Metal Manufacturing, Inc. | Lancaster, PA                   |
| New Yorker Boiler Company, Inc.     | Hatfield, PA                    |
| Norwood Manufacturing, Inc.         | Norwood, NC                     |
| Thermal Solutions Products, LLC     | Lancaster, PA                   |
| Thermo Products, LLC                | North Judson, IN and Denton, NC |
| U.S. Boiler Company, Inc.           | Lancaster, PA                   |
| Velocity Boiler Works, LLC          | Philadelphia, PA                |