BURNHAM HOLDINGS, INC. ANNOUNCES YEAR 2017 FINANCIAL RESULTS AND DECLARES DIVIDEND

Lancaster, PA February 22, 2018

Burnham Holdings, Inc., (OTC-Pink: BURCA), the parent company of multiple subsidiaries that are leading domestic manufacturers of boilers, and related HVAC products and accessories (including furnaces, radiators, and air conditioning systems), for residential, commercial and industrial applications, today reported financial results for the year ended December 31, 2017.

The following are several key highlights of 2017 financial results:

- Net sales were $176.7 million, up $4.3 million, or 2.5%, versus 2016 as demand for residential heating equipment strengthened in 2017 versus 2016. Sales of new commercial condensing boilers also increased by over 15% compared to the prior year.
- Gross profit was $37.4 million, up almost $1.0 million, or 2.5%, versus 2016.
- Common stock book value in 2017 was $19.02, an increase of 2% over 2016. Dividends were paid at the same level as 2016 at $ 0.88 per share.
- Year-end debt was $ 15.8 million, 1% higher than 2016, but remains at a level that allows us to continue to invest in new product development and appropriate business opportunities.

Further details of the results mentioned in this press release will be discussed in the Company's 2017 Annual Report and audited financial statements, which will be available on or around March 20, 2018.

Net sales were $ 176.7 million, an increase of 2.5% compared to 2016. Sales of residential heating products increased by 4.8%, while commercial product sales declined by 3.5% compared to the prior year. Residential product sales improved as we experienced normal seasonal winter weather in our key geographic markets, and distributor inventories and order patterns returned to historical levels. While total sales of commercial boiler products declined by 3.5% in 2017, sales of new high efficiency commercial boilers, increased by over 15% in 2017 compared to the previous year. Combining our exceptional line-up of condensing and non-condensing products with our strong representation and distribution network will drive our future growth.

Gross profit (profit after deducting cost of goods sold (COGS) from net sales) was $ 37.4 million, up 2.5% versus 2016, or 21.2% of net sales, the same percentage as 2016. Gross profit was favorably impacted in 2017 by higher sales and lower employee medical costs, while negative impacts included higher prices for certain raw materials and increased overhead costs. Selling, general, and administrative expenses (SG&A) were $ 30.3 million in 2017, a slight increase from $30.2 million in 2016, but lower as a percentage of sales (17.2% in 2017 compared to 17.5% in 2016).

Net income was $0.97 million, or $0.21 per basic share; versus $1.02 per basic share in 2016. Net income in 2017 was negatively impacted by a $6.0 million ($1.32/share) non-cash reduction of operating income due to a goodwill impairment charge arising from lower sales of large commercial boilers (see Note 4 of the attached financial statements). That charge was partially offset by a one-time income tax benefit of $2.2 million ($0.48/share) from the revaluation of net deferred tax liabilities resulting from lower U.S. corporate tax rates enacted in late 2017. Comparatively, net income in 2016 was higher because of a $ 1.1 million ($0.24/share) gain from the sale of subsidiary company property (see Note 3 of the attached financial statements). Excluding these one-time items from both years, net income in 2017 would have been $4.8 million ($1.06/share) versus $3.5 million ($0.78/share) in 2016, up $1.3 million ($0.28/share), or 36%.

The Company has recently announced several important executive changes that will become effective as of the Annual Meeting, April 23, 2018. Albert Morrison, III, Chairman of the Board, will retire after 26 years of service in a variety of Board positons; including over 16 years as Board Chairman. We are very appreciative of the countless contributions Mr. Morrison has made to the success of the Company. Robert P. Newcomer was elected the new Chairman of the Board, effective April 23, 2018. Mr. Newcomer has served as a director of the Company since 2002, serving on numerous Board committees, including the Employee Benefits Committee and Chairman of the Strategic Review Committee since its development in 2012.

At its meeting on February 22, 2018, Burnham Holdings, Inc.'s Board of Directors declared a quarterly common stock dividend of $0.22 per share, payable on March 15, 2018 with a record date of March 8, 2018; and has scheduled the 2018 Annual Meeting of Shareholders for Monday, April 23rd with a shareholder record date of March 1, 2018. The meeting will be held at the Eden Resort and Suites in Lancaster starting at 11:30 AM.

Consolidated Statements of Income

(In thousands, except per share data) (Data is unaudited (see Notes))	Years Ended December 2017	2016
Net sales	$ 176,660	$ 172,447
Cost of goods sold	139,296	135,972
Gross profit	37,364	36,475
Selling, general and administrative expenses	30,343	30,179
Goodwill impairment loss (Note 4)	6,000	-
Operating income	1,021	6,296
Other income (expense):		
(Loss) gain on sale of property (Note 3)	(50)	1,107
Interest and investment income	414	236
Interest expense	(1,020)	(1,014)
Other income (expense)	(656)	329
Income before income taxes	365	6,625
Income tax (benefit) expense	(605)	1,988
NET INCOME	$ 970	$ 4,637
BASIC EARNINGS PER SHARE (Note 1)	$ 0.21	$ 1.02
DILUTED EARNINGS PER SHARE (Note 1)	$ 0.21	$ 1.02
COMMON STOCK DIVIDENDS PAID	$ 0.88	$ 0.88
BOOK VALUE PER COMMON SHARE	$ 19.02	$ 18.72

Consolidated Balance Sheets

(in thousands and data is unaudited (see Notes)) ASSETS	December 2017	2016
CURRENT ASSETS		
Cash, cash equivalents and restricted cash	$ 5,515	$ 7,563
Trade accounts receivable, less allowances	22,461	23,016
Inventories	42,834	39,585
Prepaid expenses and other current assets	1,338	1,293
TOTAL CURRENT ASSETS	72,148	71,457
PROPERTY, PLANT AND EQUIPMENT, net	49,532	45,752
OTHER ASSETS, net of goodwill impairment charge of $6,000 and $0	16,725	22,433
TOTAL ASSETS	$ 138,405	$ 139,642
LIABILITIES AND STOCKHOLDERS' EQUITY	2017	2016
CURRENT LIABILITIES		
Accounts and taxes payable & accrued expenses	$ 22,149	$ 17,127
Current portion of long-term liabilities	134	157
TOTAL CURRENT LIABILITIES	22,283	17,284
LONG-TERM DEBT	15,342	15,582
OTHER POSTRETIREMENT LIABILITIES (Notes 6 and 7)	10,221	18,243
DEFERRED INCOME TAXES (Note 6)	3,830	3,289
STOCKHOLDERS' EQUITY		
Preferred Stock	530	530
Class A Common Stock	3,500	3,486
Class B Convertible Common Stock	1,444	1,458
Additional paid-in capital	15,798	15,684
Retained earnings	109,019	112,081
Accumulated other comprehensive income (loss) (Note 6)	(25,572)	(29,997)
Treasury stock, at cost	(17,990)	(17,998)
TOTAL STOCKHOLDERS' EQUITY	86,729	85,244
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 138,405	$ 139,642

Consolidated Statements of Cash Flows

(in thousands and data is unaudited (see Notes))	Years Ended December 31, 2017	2016
Net income	$ 970	$ 4,637
Loss (gain) on sale of property (Note 3)	50	(1,107)
Depreciation and amortization	3,942	4,245
Goodwill impairment loss (Note 4)	6,000	
Pension and postretirement liabilities expense	(329)	(252)
Contributions to pension trust (Note 6)	(1,300)	(3,750)
Other net adjustments	446	(956)
Changes in operating assets and liabilities	(230)	2,226
NET CASH PROVIDED BY OPERATING ACTIVITIES	9,549	5,043
Net cash used in the purchase of assets	(8,291)	(3,161)
Proceeds from sale of property, net (Note 3)	532	2,254
Proceeds from borrowings	72	3,664
Proceeds from stock option exercise and Treasury activity, net	122	140
Principal payments on debt and lease obligations	-	(1,264)
Dividends paid	(4,032)	(4,025)
(DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(2,048)	2,651
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR	7,563	4,912
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	$ 5,515	$ 7,563

Notes To Financial Statements:

(1) Basic earnings per share are based upon weighted average shares outstanding for the period. Diluted earnings per share assume the conversion of outstanding rights into common stock.

(2) Common stock outstanding at December 31, 2017 includes 3,100,456 of Class A shares and 1,443,838 of Class B shares.

(3) On July 23, 2013, a Company subsidiary sold property located in Lancaster, PA. to the Lancaster County Solid Waste Authority for $1.35 million. The book value plus expenses of sale was $76 thousand, resulting in a book gain of $1.274 million. On November 30, 2016, a Company subsidiary sold a portion of its property located in Lancaster, PA for $2.0 million. The book value plus expenses of sale was $893 thousand, resulting in a book gain of $1.107 million.

(4) During the annual impairment testing of goodwill in 2017, the Company determined that certain conditions had changed causing it to adjust several assumptions regarding subsidiaries that service the commercial boiler market. As a result, the Company recorded a $6.0 million charge for goodwill impairment in 2017 results (See Note 2 - Other Assets in the 2017 Annual Report for more details).

(5) Mark-to-Market adjustments are a result of changes (non-cash) in the fair value of interest rate agreements. These agreements are used to exchange the interest rate stream on variable rate debt for payments indexed to a fixed interest rate. These non-operational, non-cash charges reverse themselves over the term of the agreements.

(6) Accounting rules require that the funded status of pension and other postretirement benefits be recognized as a non-cash asset or liability, as the case may be, on the balance sheet. For December 31, 2017 and 2016, projected benefit obligations exceeded plan assets. The resulting non-cash presentation on the balance sheet is reflected in "Deferred income taxes", "Other postretirement liabilities", and "Accumulated other comprehensive income (loss)", a non-cash sub-section of "Stockholders' Equity" (See Note 10 of the 2017 Annual Report for more details).

(7) For the years 2017 and 2016, the Company made voluntary pre-tax contributions of $1.30 million and $3.75 million, respectively to its defined benefit pension plan. These payments increased the trust assets available for benefit payments (reducing "Other postretirement liabilities"), and did not impact the Statements of Income.

(8) Unaudited results, forward looking statements, and certain significant estimates and risks. This note has been expanded to include items discussed in detail within the Annual Report.

Unaudited Results and Forward Looking Statements. The accompanying unaudited financial statements contain all adjustments that are necessary for a fair presentation of results for such periods and are consistent with policies and procedures employed in the audited year-end financial statements. These consolidated financial statements should be read in conjunction with the Annual Report for the period ended December 31, 2017, which will be available on or about March 21, 2018. Statements other than historical facts included or referenced in this Report are forward-looking statements subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those projected. We undertake no duty to update or revise these forward-looking statements.

Certain Significant Estimates and Risks. Certain estimates are determined using historical information along with assumptions about future events. Changes in assumptions for such items as warranties, pension assumptions, medical cost trends, employment demographics and legal actions, as well as changes in actual experience, could cause these estimates to change. Specific risks, such as those included below, are discussed in the Company's Quarterly and Annual Reports to provide regular knowledge of relevant matters. Estimates and related reserves are more fully explained in the 2017 Annual Report.

(Note 8 continued on following page)

Note (8) Certain Significant Estimates and Risks (continued from previous page)

Retirement Plans: The Company maintains a non-contributory defined benefit pension plan, covering both union and non-union employees, that has been closed to new hires for a number of years. Benefit accrual ceased in 2009, or earlier depending on the employee group, with the exception of a limited, closed group of union production employees. While not 100% frozen, these actions were taken to protect benefits for retirees and eligible employees, and have materially reduced the growth of the pension liability. Lancaster Metal Manufacturing, a Company subsidiary, also contributes to a separate union-sponsored multiemployer-defined benefit pension plan that covers its collective bargaining employees. Variables such as future market conditions, investment returns, and employee experience could affect results.

Medical Health Coverage: The Company and its subsidiaries are self-insured for most of the medical health insurance provided for its employees, limiting maximum exposure per occurrence by purchasing third-party stop-loss coverage.

Retiree Health Benefits: The Company pays a fixed annual amount that assists a specific group of retirees in purchasing medical and/or prescription drug coverage from providers. Additionally, certain employees electing early retirement have the option of receiving access to an insured defined benefit plan at a yearly stipulated cost or receiving a fixed dollar amount to assist them in covering medical costs.

Insurance: The Company and its subsidiaries maintain insurance to cover product liability, general liability, workers' compensation, and property damage. Well-known and reputable insurance carriers provide current coverage. All policies and corresponding deductible levels are reviewed on an annual basis. Third-party administrators, approved by the Company and the insurance carriers, handle claims and attempt to resolve them to the benefit of both the Company and its insurance carriers. The Company reviews claims periodically in conjunction with administrators and adjusts recorded reserves as required.

General Litigation, including Asbestos: In the normal course of business, certain subsidiaries of the Company have been named, and may in the future be named, as defendants in various legal actions including claims related to property damage and/or personal injury allegedly arising from products of the Company's subsidiaries or their predecessors. A number of these claims allege personal injury arising from exposure to asbestos-containing material allegedly contained in certain boilers manufactured many years ago, or through the installation or removal of heating systems. The Company's subsidiaries, directly or through insurance providers, are vigorously defending all open asbestos cases, many of which involve multiple claimants and many defendants, which may not be resolved for several years. Asbestos litigation is a national issue with thousands of companies defending claims. While the large majority of claims have historically been resolved prior to the completion of trial, from time to time some claims may be expected to proceed to a potentially substantial verdict against subsidiaries of the Company. Any such verdict would be subject to a potential reduction or reversal of verdict on appeal, any set-off rights, and/or a reduction of liability following allocation of liability among various defendants. For example, on July 23, 2013 and December 12, 2014, New York City State juries found numerous defendant companies, including a subsidiary of the Company, responsible for asbestos-related damages in cases involving multiple plaintiffs. The subsidiary, whose share of the verdicts amounted to $42 million and $6 million, respectively, before offsets, filed post-trial motions and appeals seeking to reduce and/or overturn the verdicts, and granting of new trials. On February 9, 2015, the trial court significantly reduced the 2013 verdicts, reducing the subsidiary's liability from $42 million to less than $7 million. Additionally, on May 15, 2015, the trial court reduced the subsidiary's liability in the 2014 verdict to less than $2 million. On October 30, 2015, the subsidiary settled these verdicts for significantly less than the trial courts' reduced verdicts, with all such settled amounts being covered by applicable insurance. The Company believes, based upon its understanding of its available insurance policies and discussions with legal counsel, that all pending legal actions and claims, including asbestos, should ultimately be resolved (whether through settlements or verdicts) within existing insurance limits and reserves, or for amounts not material to the Company's financial position or results of operations. However, the resolution of litigation generally entails significant uncertainties, and no assurance can be given as to the ultimate outcome of litigation or its impact on the Company and its subsidiaries. Furthermore, the Company cannot predict the extent to which new claims will be filed in the future, although the Company currently believes that the great preponderance of future asbestos claims will be covered by existing insurance. There can be no assurance that insurers will be financially able to satisfy all pending and future claims in accordance with the applicable insurance policies, or that any disputes regarding policy provisions will be resolved in favor of the Company.

Litigation Expense, Settlements, and Defense: The 2017 charges for all uninsured litigation of every kind, was $108 thousand. The amount included one asbestos claim, while it is rare for an asbestos suit not to be covered by insurance, a few such claims exist, depending on the alleged time period of asbestos exposure. Expenses for legal counsel, consultants, etc., in defending these various actions and claims for the year was $108 thousand. Prior year's settlements and expenses are disclosed in the 2017 Annual Report.

Permitting Activities (excluding environmental): The Company's subsidiaries are engaged in various matters with respect to obtaining, amending or renewing permits required under various laws and associated regulations in order to operate each of its manufacturing facilities. Based on the information presently available, management believes it has all necessary permits and expects that all permit applications currently pending will be routinely handled and approved.

Environmental Matters: The operations of the Company's subsidiaries are subject to a variety of Federal, State, and local environmental laws. Among other things, these laws require the Company's subsidiaries to obtain and comply with the terms of a number of Federal, State and local environmental regulations and permits, including permits governing air emissions, wastewater discharges, and waste disposal. The Company's subsidiaries periodically need to apply for new permits or to renew or amend existing permits in connection with ongoing or modified operations. In addition, the Company generally tracks and tries to anticipate any changes in environmental laws that might relate to its ongoing operations. The Company believes its subsidiaries are in material compliance with all environmental laws and permits.

As with all manufacturing operations in the United States, the Company's subsidiaries can potentially be responsible for response actions at disposal areas containing waste materials from their operations. In the past five years, the Company has not received any notice that it or its subsidiaries might be responsible for remedial clean-up actions under government supervision. However, one pre-2008 issues covered by insurance policies remain open as of this date and are fully disclosed in the year-end 2017 Annual Report. While it is not possible to be certain whether or how any new or old matters will proceed, the Company does not presently have reason to anticipate incurring material costs in connection with any matters.