BURNHAM HOLDINGS, INC. REPORTS FIRST QUARTER RESULTS

Lancaster, PA April 23, 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 its financial results for the quarter ended April 1, 2018.

Burnham Holdings, Inc. performance in the first quarter of 2018 included the following highlights:

- Net sales were $40.8 million, up $5.3 million, or 15%, versus 2017; representing the highest level of first quarter sales since 2013.
- Net loss for the quarter was $(0.2) million, an improvement of $0.7 million, or 78%, compared to the $(0.9) million net loss recorded in the first quarter of 2017.
- Total debt was $13.9 million, $0.7 million higher than the first quarter of 2017. Interest expense on debt was lower by $10 thousand for the quarter compared to last year.

Sales in the first quarter of 2018 were $40.8 million, compared to $35.5 million during the first quarter of 2017. Sales of residential products in 2018 were higher by 16.0% versus last year, helped by sales of new condensing products and favorable seasonal weather patterns in our key markets. Sales of commercial products also improved by 11.2% versus the same period last year, as our new commercial condensing products are continuing to see success in the marketplace. Net loss in the first quarter of 2018 was $(0.2) million, or $(.05) per common share. This was an improvement from the first quarter of 2017 reported loss of $(0.9) million, or $(.19) per common share. There was a favorable impact to net income in the first quarter of 2018 of $52 thousand ($.01 per common share) as the result of corporate tax reform.

Cost of goods sold ("COGS") as a percentage of sales for the first quarter totaled 81.3%, an improvement from 83.5% during the same period last year, and the lowest level in the first quarter in the last five years. The decrease in COGS was due mainly to the higher volume of sales, higher plant utilization, and a more profitable mix of products sold. The favorable impacts from sales volume and mix were partially offset by generally higher prices for raw materials. Selling, general and administrative expenses were higher in dollar terms in the first quarter as the result of higher sales, however, SG&A was lower as a percentage of sales (19.7% vs. 20.8%) compared to 2017.

Due to the seasonal nature of sales within our various businesses, the first quarter provides the lowest quarterly sales of our fiscal year (normally 20% or less of full year sales), and we advise caution when using the financial results from the first quarter as a predictor of full year results. Although HVAC demand may fluctuate from year to year, the long-term outlook for boilers, furnaces and associated equipment remains good. Our increased investment in product development over the last several years has allowed both our residential and commercial businesses to introduce a full line of new high efficiency condensing boiler products. These new condensing product offerings, combined with our full line of non-condensing products and strong distribution network, are important factors in driving future revenue growth.

The Company's balance sheet continues to be strong, with adequate levels of working capital to support current and future business activity. Long-term debt of $13.9 million was $0.7 million higher than at the end of the first quarter of 2017. Cash provided by operations decreased $1.0 million, as the positive impact of a lower net loss ($0.7 million) was more than offset by the higher inventory levels (up $1.5 million) needed to support increased sales activity and new product introductions.

The Burnham Holdings, Inc. 2018 Annual Meeting of Stockholders is being held today in Lancaster, PA beginning at 11:30 a.m. A press release regarding the results of today's stockholder voting and the Board of Directors determination regarding declaration of a quarterly dividend will be released later this afternoon.

Consolidated Statements of Income

(In thousands, except per share data)
(Data is unaudited (see Notes))

	Three Months Ended	
	April 1, 2018	April 2, 2017
Net sales	**$ 40,770**	$ 35,493
Cost of goods sold	**33,134**	29,628
Gross profit	**7,636**	5,865
Selling, general and administrative expenses	**8,033**	7,374
Operating loss	**(397)**	(1,509)
Other income (expense):		
Interest and investment income	**24**	12
Non-service related pension credit	**253**	337
Interest expense	**(186)**	(196)
Other income	**91**	153
Income before income taxes	**(306)**	(1,356)
Income tax expense	**(71)**	(488)
NET LOSS	**$ (235)**	$ (868)
BASIC EARNINGS PER SHARE (Note 1)	**$ (0.05)**	$ (0.19)
DILUTED EARNINGS PER SHARE (Note 1)	**$ (0.05)**	$ (0.19)
COMMON STOCK DIVIDENDS PAID	**$ 0.22**	$ 0.22

Consolidated Balance Sheets

(in thousands and data is unaudited (see Notes))

ASSETS	**April 1, 2018**	April 2, 2017
CURRENT ASSETS		
Cash and cash equivalents	**$ 5,132**	$ 7,138
Trade accounts receivable, less allowances	**14,871**	14,477
Inventories	**45,096**	44,453
Prepaid expenses and other current assets	**1,727**	1,196
TOTAL CURRENT ASSETS	**66,826**	67,264
PROPERTY, PLANT AND EQUIPMENT, net	**49,223**	45,350
DEFERRED INCOME TAXES (Note 4)	**-**	-
OTHER ASSETS, net	**16,703**	22,402
TOTAL ASSETS	**$ 132,752**	$ 135,016
LIABILITIES AND STOCKHOLDERS' EQUITY	**2018**	2017
CURRENT LIABILITIES		
Accounts and taxes payable & accrued expenses	**$ 19,444**	$ 17,173
Current portion of long-term liabilities	**134**	157
Current portion of long-term debt	**-**	-
TOTAL CURRENT LIABILITIES	**19,578**	17,330
LONG-TERM DEBT	**13,867**	13,220
OTHER POSTRETIREMENT LIABILITIES (Notes 4 and 5)	**9,731**	17,669
DEFERRED INCOME TAXES (Note 4)	**3,889**	3,335
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	**112,960**	110,215
Accumulated other comprehensive income (loss) (Note 4)	**(30,555)**	(29,913)
Treasury stock, at cost	**(17,990)**	(17,998)
TOTAL STOCKHOLDERS' EQUITY	**85,687**	83,462
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 132,752**	$ 135,016

Consolidated Statements of Cash Flows

(in thousands and data is unaudited (see Notes))

	Three Months ended Apr 1, 2018	Apr 2, 2017
Net income	**$ (235)**	$ (868)
Depreciation and amortization	**971**	1,015
Pension and postretirement liabilities expense	**10**	(47)
Contributions to pension trust (Note 5)	**(489)**	(488)
Other net adjustments	**(496)**	(447)
Changes in operating assets and liabilities	**2,684**	4,284
NET CASH PROVIDED BY OPERATING ACTIVITIES	**2,445**	3,449
Net cash used in the purchase of assets	**(665)**	(616)
Proceeds from borrowings	**(1,163)**	(2,260)
Proceeds from stock option exercise and Treasury activity, net	**-**	-
Principal payments on debt and lease obligations	**-**	-
Dividends paid	**(1,000)**	(998)
DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	**(383)**	(425)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF PERIOD	**5,515**	7,563
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD	**$ 5,132**	$ 7,138

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 April 1, 2018 includes 3,100,456 of Class A shares and 1,443,838 of Class B shares.

(3) 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.

(4) 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).

(5) In both the first quarters of 2018 and 2017, the Company made voluntary pre-tax contributions of $0.49 million 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.

(6) 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. 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 items such as warranties, pensions, 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 in order to provide regular knowledge of relevant matters. Estimates and related reserves are more fully explained in the 2017 Annual Report.

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.

New Accounting Standards: All of the following accounting standards were adopted in the first quarter of 2018:

Beginning on January 1, 2018, we adopted accounting standard ASC606, Revenue from Contracts with Customers, using the full retrospective adoption method. In the Consolidated Statements of Income for the three month period ended April 2, 2017, the adoption of ASC606 caused a decrease in sales of $289 and a corresponding decrease of $289 in selling, general and administrative expenses compared to previously reported results. There was no impact to income before taxes in the 1st quarter of 2017 and no changes to balance sheet accounts were required as the result of the adoption of ASC606. On an ongoing basis, we expect the impact of the adoption of ASC606 to be immaterial to our reported net income.

Also effective January 1, 2018, we adopted ASU 2017-07 - Compensation - Retirement Benefits (Topic 715). In the Consolidated Statements of Income, the adoption of the standard had the following impacts on previously reported 2017 first quarter results: increase to cost of goods sold of $162 thousand, increase to SG&A expenses of $175 thousand and increase to the line item titled "non-service related pension credit" in other income by $337 thousand. The implementation of the standard had no net impact on income before taxes, just the line items where pension expense/credit was previously reported.

We also adopted the requirements of ASU 2018-02, Reclassification of Certain Tax Effects From Accumulated Other Comprehensive Income (AOCI). The Company has elected to adopt the policy of reclassifying stranded tax effects caused by the Tax Cut and Jobs Act from AOCI to retained earnings and also to include the full effect of the reclassification in 2018. In the Consolidated Balance Sheets, adoption of the standard increased the balance of retained earnings and AOCI by $5.176 million in 2018 compared to the ending balances recorded at December 31, 2017.

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 and/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 Court 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 2018 first quarter charges for all uninsured litigation of every kind, were $8 thousand. Expenses for legal counsel, consultants, etc., in defending these various actions and claims for the quarter were approximately $24 thousand. Prior year's settlements and expenses, including amounts for self-insured asbestos cases, 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 issue covered by insurance policies remains open as of this date and is fully disclosed in the 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.